

MEDIA PRIMA BERHAD

*(Registration No : 200001030368 [532975 A])
(Incorporated in Malaysia)*

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF MEDIA PRIMA BERHAD HELD FULLY VIRTUAL ON WEDNESDAY, 17 NOVEMBER 2021 AT 2.30 P.M.

Present: **Participation Via Video Conferencing**

YBhg Datuk Seri (Dr) Syed Hussian Syed Junid (Independent Non-Executive Group Chairman)
Encik Mohd Rafiq Mat Razali (Group Managing Director)
YM Raja Datuk Zaharaton Raja Zainal Abidin (Senior Independent Non-Executive Director)
Encik Abdullah Abu Samah (Independent Non-Executive Director)
YBhg Dato’ Sivananthan Shanmugam (Independent Non-Executive Director)
YBhg Datin Azalina Adham (Independent Non-Executive Director)
Encik Rosli Sabarudin (Group Chief Financial Officer)
Puan Jessica Tan Say Choon (Group Company Secretary)

Principal Advisor

Affin Hwang Investment Bank Berhad, the Principal Advisor, represented by Encik Johan Hashim (Head of Corporate Finance)

The attendance of Members/Corporate Representatives/Proxies is as per Summary of Attendance List via Remote Participation and Voting Facilities as per the Attendance List attached as **Appendix 1** to the Minutes.

EGM 1/2021**OPENING REMARKS BY CHAIRMAN**

YBhg Datuk Seri (Dr) Syed Hussian Syed Junid (Group Chairman) presided as the Chairman of the Meeting.

On behalf of the Board, he welcomed all shareholders and proxies to the fully virtual Extraordinary General Meeting (“EGM”) of the Company to seek their approval on the Ordinary Resolution, the details of which are set out in the Circular to Shareholders dated 29 October 2021 (“Proposed Acquisition”).

The Group Chairman informed that the EGM was held fully virtual where all attendees at the EGM participated online in accordance with the revised Guidance Note on the Conduct of General Meeting for Listed Issuer issued by the Securities Commission on 16 July 2021.

EGM 2/2021**INTRODUCTION OF DIRECTORS**

The Group Chairman introduced the Board members and Senior Management participating via video conferencing.

EGM 3/2021**QUORUM**

After confirmation by the Group Company Secretary that the quorum was present, the Group Chairman declared the meeting open.

EGM 4/2021**NOTICE**

The notice convening the meeting was taken as read.

PRELIMINARY

The Group Chairman then briefed the shareholders on the following:

- (i) A total 54 Proxy forms were received from shareholders holding approximately 657 million shares representing 59.25% of the issued ordinary shares of the Company. Out of those, 33 shareholders holding approximately 303 million shares representing 27.35% of the issued shares of the Company have appointed the Chairman of the Meeting as their proxy.
- (ii) In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the ordinary resolution at the EGM would be voted on by way of poll through electronic voting ("e-voting"). The voting session had commenced from the start of the EGM at 2.30 p.m.
- (iii) Boardroom Share Registrars Sdn Bhd ("Boardroom") was appointed as the Poll Administrator to conduct the polling and Boardroom Corporate Services Sdn Bhd, as the Independent Scrutineers to observe the proceedings of e-polling and to verify the Poll results.

A short video by Boardroom was played to demonstrate to the members, corporate representatives and proxies participating via online on the functions available in the EGM portal which include posing of questions and casting of votes.

The Group Chairman informed that the Company had received some queries from the Minority Shareholder Watch Group ("MSWG") which Management had responded accordingly before the EGM.

For the benefit of the shareholders, the presentation slides on the queries by MSWG and Management's reply to the queries were presented on the screen and read by the Group Chief Financial Officer. The presentation slides is set out in **Appendix 2**.

EGM 6/2021**PRESENTATION BY THE PRINCIPAL ADVISOR**

The Group Chairman then invited Encik Johan Hashim (Head of Corporate Finance) to brief the shareholders on the Proposed Acquisition.

The presentation slides is attached as **Appendix 3** to the Minutes.

EGM 7/2021**QUESTION AND ANSWER SESSION**

The Group Chairman informed that the Company had received a number of questions prior to the EGM

The Group Chairman then invited the GMD to read out the questions received from the shareholders before and during the meeting and the response to the said questions.

The complete list of questions received for the EGM together with the corresponding answers is attached as **Appendix 4** to this Minutes.

The Group Chairman then declared the Question and Answer session closed.

EGM 8/2021**ORDINARY RESOLUTION**

The Group Chairman at this juncture table and propose the resolution as set out in the Agenda for the Shareholders' consideration as follows :-

Proposed Acquisition by STMB Properties Sdn Bhd (formerly known as Big Events Sdn Bhd), a wholly-owned subsidiary of Sistem Televisyen Malaysia Berhad which in turn is a wholly-owned subsidiary of Media Prima Berhad ("MPB"), of two (2) pieces of freehold land held under Title No. Geran 31811, Lot 443 And Geran 31812, Lot 444, Seksyen 96a, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur and the buildings erected thereon from PNB Development Sdn. Berhad for a total Purchase Consideration of RM156,397,500.00.

“THAT, subject to the fulfilment of the conditions precedent and the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to STMB Properties, a wholly-owned subsidiary of STMB which in turn is a wholly-owned subsidiary of MPB, to acquire two (2) pieces of freehold land held under title no. GERAN 31811, Lot 443 and GERAN 31812, Lot 444, Seksyen 96A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, measuring a total of approximately 151,814 sq ft and the buildings erected thereon, for a total purchase consideration of RM156,397,500.00 to be satisfied entirely by cash, in accordance with the terms and conditions of the conditional sale and purchase agreement dated 3 September 2021 between STMB Properties and PNB Development (“SPA”) (“Proposed Acquisition”).

AND THAT the Board of Directors of MPB (“Board”) or any Director of the Board be and is hereby authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver any arrangements, guarantees and/or documents as the Board deems fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give full effect to and complete the Proposed Acquisition for and on behalf of the Company and in the best interest of the Company; and where applicable with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Acquisition.

AND THAT all previous acts made and/or done by the Board of Directors of the Company in connection with the Proposed Acquisition be and are hereby confirmed and ratified.”

EGM 9/2021

The Group Chairman informed that shareholders would be given 5 minutes to cast their votes and the results would be announced after the scrutineers have verified and validated the poll results.

EGM 10/2021

ANNOUNCEMENT OF POLL RESULTS

At 3.25 p.m., the Group Chairman called the Meeting to order for the declaration of Poll results. The Poll results were verified and scrutinised by Boardroom Corporate Services Sdn Bhd.

The Group Chairman announced the following :-

Ordinary Resolution : Proposed Acquisition

Resolution	Vote For		Vote Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution	607,667,099	99.9861	84,369	0.0139

EGM 9/2021

CONCLUSION

The Group Chairman at this juncture, on behalf of the Board, recorded the Board's gratitude and appreciation to the Management team, staff, Advisors, Solicitors, Independent Valuers and especially to the shareholders, for their patience and support, and for their attendance at the Virtual AGM.

He declared the Meeting closed at 3.30 p.m.

Confirmed as correct,

DATUK SERI (DR) SYED HUSSIAN SYED JUNID
CHAIRMAN

APPENDIX 1

Attendance Details

Page: 1
Date: 17 Nov 2021
Time: 15:23

Meeting: MEDIA PRIMA BERHAD, EXTRAORDINARY GENERAL MEETING
Wednesday, November 17, 2021

	<u>Attendees</u>	<u>Votes</u>
Shareholder	215	5,866,667
3rd Party Proxy	30	353,835,435
TOTAL	245	359,702,102



EXTRAORDINARY GENERAL MEETING

17 November 2021

Responses to the Minority Shareholders Watch Group



PROPOSED ACQUISITION

1. The Purchase Price of RM156,397,500.00 will be funded via bank borrowings and/or internally-generated funds with the following indicative funding composition:

	Amount (RM)
Internally-generated funds	36,397,500.00
Bank borrowings	Up to 120,000,000.00
Total	156,397,500.00

The bank borrowings of up to RM120,000,000 represent 76.73% of the total funding amount. This will increase the gearing ratio (times) of MPB from 0.22 to 0.42.

a. With the increased gearing level, how does the Board intend to manage MPB's gearing level post completion of the Proposed Acquisition?

The Group's existing term loan facility is expected to be fully repaid within the next three (3) years, by September 2024.

The Group's proposed funding via bank borrowings is expected to have a long repayment tenure and this will ease the Group's cash flow obligations in the short to medium term.

At this present point in time, the Group has no plans to incur further bank borrowings for any proposed transactions.

The Board has been and will continue to exercise due care in considering the potential risks and merits of its funding composition for the Group's operations as well as the Proposed Acquisition.

PROPOSED ACQUISITION (CONTINUED)

b. What is the Group's optimal gearing level?

The Group aims to operate at a gearing level of below 1.0 time.

Based on the latest audited consolidated statement of financial position of MPB as at 31 December 2020, the pro forma effects of the Proposed Acquisition on the net assets, borrowings and gearing of the Group assuming the Proposed Acquisition was completed on 31 December 2020 are as follows:

	Audited as at 31 December 2020 (RM'000)	After the Proposed Acquisition (RM'000)
Total equity	573,067	575,001
Total borrowings	125,485	243,841 [^]
Gearing ratio (times)	0.22	0.42

[^]Assuming the Proposed Acquisition is partially funded by bank borrowings of RM120.0 million

- 2. As any utilization of internal funds is expected to result in the reduction of funds available for working capital purposes which may have an effect on the Group's cash flow position (Financing Risk, Page 13 of the Circular), what are the strategies being developed by the Group for prudent cash flow management to avoid business failure due to cash flow crises in the future?**

Currently, the Group is finalising the terms of the Proposed Financing and the utilisation of internal funds for the Proposed Acquisition and this has been taken into account in the Group's annual budget and cash flow plans.

In addition, the Group will continue to manage outgoings through close monitoring of operational costs. The Proposed Acquisition is also expected to result in savings from the rental payments to PNB Development.

The Group expects to have sufficient cash flow for its operations in the next twelve (12) months after taking into consideration the Group's deposits, cash and bank balances of RM303.78 million and RM339.94 million based on the audited consolidated financial statements for the FYE 31 December 2020 and the unaudited consolidated financial statements for the FPE 30 June 2021 respectively.

3. Centralisation of Operating Location

- a. **A centralised operating location is expected to promote the sharing of resources amongst entities within the Group and provide a more conducive working environment arising from better interaction among the Group's employees. In addition, Balai Berita is suitable to house the said studio due to its building structure and central location which facilitates audience attendance for live TV shows (Executive Summary, Page vii of the Circular).**

Apart from the abovementioned, how can a centralised operating location provide the Group with greater business or commercial prospects and talent attraction and retention? How can this exercise make the Group a more successful organisation in the future?

The Group intends to commit to further capital investments for new studios with the latest technology to cater for growing content production requirements and consolidate MPB's news gathering operations which is expected to contribute positively to the Group as it enables the Group to continue to meet the increasing demands for high quality content by both viewers and advertisers.

Further, the centralised operating location is in line with the Group's cost optimisation initiatives and such savings could be utilised as additional working capital for the Group.

For information purposes, the Group has an existing plan for talent attraction and retention and the Proposed Acquisition does not form part of the Group's plan for talent attraction and retention.

3. Centralisation of Operating Location (continued)

b. What is the expected annual cost-saving from the centralisation of the operating location?

As a result of the proposed relocation and consolidation of the Group's operations in Sri Pentas 2 at Balai Berita, the Group expects to save a total of approximately RM0.64 million per year.

Further cost saving from the centralisation of the operations shall only be determined upon finalisation of the relocation and consolidation of the Group's operations.

THANK YOU

Media Prima Berhad

- Proposed Acquisition

17 November 2021



INTRODUCTION

- On 3 September 2021, STMB Properties Sdn Bhd, a wholly-owned subsidiary of Sistem Televisyen Malaysia Berhad which in turn is a wholly-owned subsidiary of Media Prima Berhad (“**MPB**” or “**Company**”), entered into a conditional sale and purchase agreement with PNB Development Sdn. Berhad for the acquisition of two (2) pieces of freehold land and the buildings erected thereon in Bangsar (“**Property**”), for a total purchase consideration of RM156,397,500.00 (“**Purchase Price**”).
- The Property is better known as Balai Berita.
- The Purchase Price represents a premium of approximately RM6.40 million or 4.27% to the market value of the Property of RM150.00 million as assessed by Jones Lang Wootton, a firm of independent valuers appointed by the Company to assess the market value of the Property.
- The Board is of the view that the Purchase Price is justifiable and reasonable after taking into account the market value of the Property, the rationale of the Proposed Acquisition and that the Purchase Price was arrived at on a “willing buyer willing seller” basis.
- Further, the potential benefits of the Proposed Acquisition to MPB and its subsidiaries (“**Group**”) are expected to outweigh the costs.

RATIONALE

- The rationale for the Proposed Acquisition include:
 - With a stronger financial footing, the Group is able to look out for a suitable location and options to house its headquarters, offices and studios. Upon evaluation of the various alternatives, it was concluded that the most viable option was to undertake the Proposed Acquisition to own Balai Berita.
 - The Proposed Acquisition represents part of the initiatives to further grow the Group's media segment.
 - The Proposed Acquisition will crucially provide the Group with long term security for its operations to remain at Balai Berita for the foreseeable future, in particular beyond the expiry of the 1st Extension Period (i.e. 31 December, 2024) of the Tenancy Agreement.
 - The Proposed Acquisition will also mitigate the risk of an increase in rental rates and the loss of right of use of the Property. In addition, the Group will also be able to commit to further capital investments for new studios with the latest technology in the Property.
 - The Property is strategically located in Bangsar, Kuala Lumpur and is logistically suitable for news gathering, long hours of production and audience attendance.

RATIONALE *(Cont'd)*

- The proposed relocation of the Group's existing studio in Sri Pentas 2 will ensure that the Group's production of live TV shows will not be disrupted upon expiry of the tenancy for Sri Pentas 2 in 2024.
- A centralised operating location is expected to promote the sharing of resources amongst entities within the Group and provide a more conducive working environment arising from better interaction among the Group's employees. In addition, Balai Berita is suitable to house the said studio due to its building structure and central location which facilitates audience attendance for live TV shows.
- As a result of the proposed relocation and consolidation of the Group's operations in Sri Pentas 2 at Balai Berita, the Group expects to save a total of approximately RM0.64 million per year (rental savings).

FINANCIAL EFFECTS

Share capital and substantial shareholders' shareholdings

- The Proposed Acquisition will not have any effect on the issued share capital and the substantial shareholders' shareholdings of MPB as there is no issuance of new ordinary shares in MPB.

Net assets ("NA") and gearing

- The Proposed Acquisition will not have any material impact on the NA of the Group and assuming that the Proposed Acquisition is partially funded by bank borrowings of RM120.00 million, the gearing ratio will increase from 0.22 to 0.42 times.

Earnings and earnings per share ("EPS")

- The Proposed Acquisition is not expected to have any material effect on the earnings and EPS of the Group for the FYE 31 December 2021 as the Proposed Acquisition is only expected to be completed by the fourth (4th) quarter of 2021. Nevertheless, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of MPB Group.
- The tenancy agreement dated 28 December 2018 in relation to the Property ("**Tenancy Agreement**") is expected to be terminated upon completion of the Proposed Acquisition which in turn results in an estimated one-off gain of RM2.51 million.
- The interest to be incurred pursuant to the bank borrowings is not expected to have a material impact on the earnings of the Group, as the interest to be incurred is expected to be offset by the rental savings from the termination of the Tenancy Agreement.

APPROVALS REQUIRED AND COMPLETION DATE

- The Proposed Acquisition is subject to the following approvals being obtained:
 - Shareholders of the Company;
 - Approval from the Economic Planning Unit of the Prime Minister's Department; and
 - Any other approvals / consents of relevant authorities and/or parties, if required.
- The Proposed Acquisition is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by Company.
- The Proposed Acquisition is expected to be completed by the fourth (4th) quarter 2021

THANK YOU

APPENDIX 4

No.	Name of Shareholder	Questions/Answers
Q1	CHEE TENG HO	Will the company be giving any e vouchers/e wallet/door gifts to all its shareholders/proxies attending this live streaming EGM and remote voting?
A1		I was made to understand we have received several questions pertaining to e-vouchers for this EGM. As per our EGM's administrative details issued together with the EGM notice, we will not be issuing any e-vouchers or door gifts for this EGM.
Q2	YONG JOON FAH	Upon completion of the purchase will the company consider moving their current operation at Bandar Utama to Bangsar to reduce rental as well?
A2		Our contract terms for the Bandar Utama office will expire in 2025 and we intend to honour the contract. We continuously evaluate options to optimise costs and working space for future requirements.
Q3	YAP YIK YONG	Is this a good time to proceed with the acquisition? This is especially that the Group is purchasing it at a premium from the market price. There have been a slow down in the property market and should the Board wait further?
A3		<p>As detailed in the Circular, the rationale for the Proposed Acquisition include:</p> <p>With a stronger financial footing, the Group is able to look out for a suitable location and options to house its headquarters, offices and studios. Upon evaluation of the various alternatives, it was concluded that the most viable option was to undertake the Proposed Acquisition to own Balai Berita.</p> <p>The Proposed Acquisition will crucially provide the Group with long term security for its operations to remain at Balai Berita for the foreseeable future, in particular beyond the expiry of the 1st Extension Period (i.e. 31 December, 2024) of the Tenancy Agreement.</p> <p>The Proposed Acquisition will also mitigate the risk of an increase in rental rates and the loss of right of use of the Property. In addition, the Group will also be able to commit to further capital investments for new studios with the latest technology in the Property.</p> <p>The Property is strategically located in Bangsar, Kuala Lumpur and is logistically suitable for news gathering, long hours of production and audience attendance.</p>

No.	Name of Shareholder	Questions/Answers
A3		<p>The proposed relocation of the Group's existing studio in Sri Pentas 2 will ensure that the Group's production of live TV shows will not be disrupted upon expiry of the tenancy for Sri Pentas 2 in 2024.</p> <p>A centralised operating location is expected to promote the sharing of resources amongst entities within the Group and provide a more conducive working environment arising from better interaction among the Group's employees. In addition, Balai Berita is suitable to house the said studio due to its building structure and central location which facilitates audience attendance for live TV shows.</p> <p>As a result of the proposed relocation and consolidation of the Group's operations in Sri Pentas 2 at Balai Berita, the Group expects to save a total of approximately RM0.64 million per year (rental savings).</p> <p>Based on the above, the Board is of the view that the Proposed Acquisition is expected to contribute positively to the Group. The timing of the Proposed Acquisition will enable us to realise the mentioned benefits sooner.</p>
Q4	YAP YIK YONG	<p>The property was previously belongs to the Group before it was sold to PNB. Now the Group wish to re-acquire it. What's the rationale for the Group to dispose the properties at the first place? Why the rationales not valid at this moment?</p>
A4		<p>i) With a stronger financial footing, the Group is able to look out for a suitable location and options to house its headquarters, offices and studios. Upon evaluation of the various alternatives, it was concluded that the most viable option was to undertake the Proposed Acquisition to own Balai Berita.</p> <p>ii) The Proposed Acquisition represents part of the initiatives to further grow the media segment.</p> <p>iii) The Proposed Acquisition will crucially provide the Group with long term security for its operations to remain at Balai Berita for the foreseeable future, in particular beyond the expiry of the 1st Extension Period (i.e. 31 December, 2024) of the Tenancy Agreement.</p> <p>iv) The Proposed Acquisition will also mitigate the risk of an increase in rental rates and the loss of right of use of the Property. In addition, the Group will also be able to commit to further capital investments for new studios with the latest technology in the Property.</p> <p>v) The Property is strategically located in Bangsar, Kuala Lumpur and is logistically suitable for news gathering, long hours of production and audience attendance.</p> <p>vi) The proposed relocation of the Group's existing studio in the Sri Pentas 2 will ensure that the Group's production of live TV shows will not be disrupted upon expiry of the tenancy for Sri Pentas 2 in 2024.</p>

No.	Name of Shareholder	Questions/Answers
A4		<p>vii) A centralised operating location is expected to promote the sharing of resources amongst entities within the Group and provide a more conducive working environment arising from better interaction among the Group's employees. In addition, Balai Berita is suitable to house the said studio due to its building structure and central location which facilitates audience attendance for live TV shows.</p> <p>viii) As a result of the proposed relocation and consolidation of the Group's operations in Sri Pentas 2 at Balai Berita, the Group expects to save a total of approximately RM0.64 million per year.</p>
Q5	YAP YIK YONG	Has the Group secured the funding for the acquisition? What if the Group failed to get any support from the financial institutions?
A5		<p>We have received several financing offers.</p> <p>We are evaluating the terms of the offers and will ensure the terms of the financing are favourable to the Company. In addition, we do not foresee any material deviation from the indicative financing amount disclosed in our circular.</p>
Q6	TEH PENG TIN	How much does the company spend on this virtual EGM? Would the board kindly consider giving shareholder with e- wallet as a token of appreciation for attending today's RPV.
A6		The cost of this virtual EGM is significantly lower compared to a physical general meeting that were held pre-COVID-19. As per our EGM administrative details, we will not be issuing any door gifts or e-vouchers for this EGM.
Q7	TEH PENG TIN	May I know what is the rationale for this proposal? Please explain.
A7		I believe I have already elaborated on the rationale for this proposal, which is also detailed in the Circular.

No.	Name of Shareholder	Questions/Answers
Q8	TEH PENG TIN	After this, will the board consider giving special dividend to shareholder.
A8		<p>Any dividend declared shall be in accordance with our dividend payout policy. While we have posted consecutive quarterly profits since Q3 2020, we will continue to face challenges due to the economic uncertainty amid the COVID-19 pandemic, and the structural changes in the content and media industry.</p> <p>We will continue to review the considerations for dividend payment:</p> <p>Profitability; Funding requirement (capital expenditure and investments); and availability of cash flow.</p>
Q9	HO YUEH WENG	How does acquiring such costly assets bring about business and profit growth into our kind of media business? Isn't it all about being assets light for our media and digital space that our company can put our financial resources to real profit growth? The traditional media business was assets heavy and had gone downhill in the new digital/internet space, so why get into this rut again of acquiring more assets and leave minority shareholders forlorn?
A9		I believe we have provided a comprehensive rationale for the Proposed Acquisition in our Circular, and I have earlier elaborated in response to similar questions.
Q10	CHEA AH CHUN	How much spend on this meeting? Why have this EGM. How many shareholders attend this meeting?
A10		The cost of this virtual EGM is significantly lower compared to a physical general meeting that were held pre-COVID-19. We are conducting this EGM to seek shareholders approval on the Proposed Acquisition, the details of which are set out in the Circular to Shareholders dated 29 October 2021. We invited all shareholders to attend this EGM through a letter to shareholders dated 29 October 2021.
Q11	LIM SAN KIM	Why not hold this meeting together with AGM?
A11		The Proposed Acquisition requires a shareholders approval. In addition, our most recent AGM was held in June 2021. We started the process for this Proposed Acquisition in July 2021.

No.	Name of Shareholder	Questions/Answers
Q12	LIM SAN KIM	Better check the building structure whether sound or not and the how to minimise the cost to repair the damage of the building.
A12		The building has been properly maintained by Media Prima.