

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU ARE IN DOUBT ABOUT THE PROPOSED SCR (AS DEFINED HEREIN).

If you have sold or transferred all your shares in MMC Corporation Berhad ("**MMC**" or the "**Company**"), you should hand this document ("**Document**") together with the enclosed Proxy Form immediately to the person through whom you have effected the sale or transfer for transmission to the purchaser or transferee.

The Securities Commission Malaysia ("**SC**") has notified that it has no further comments to this Document pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the Board of Directors of MMC, or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The SC takes no responsibility for the contents of this Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Document.



MMC CORPORATION BERHAD
(Registration No. 197601004261 (30245-H))
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF MMC PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SCR")

PART B

INDEPENDENT ADVICE LETTER FROM ALLIANCE INVESTMENT BANK BERHAD TO THE ENTITLED SHAREHOLDERS OF MMC IN RELATION TO THE PROPOSED SCR

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

Independent Adviser



RHB INVESTMENT BANK BERHAD
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)



ALLIANCE INVESTMENT BANK

ALLIANCE INVESTMENT BANK BERHAD
(Registration No. 197401004393 (21605-D))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of MMC will be held on a fully virtual basis through live streaming and remote participation and electronic voting ("**RPV**") facilities via the online meeting platform provided by Boardroom Share Registrars Sdn Bhd ("**BSR**") at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 September 2021 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Proxy Form are enclosed in this Document.

You are entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at our forthcoming EGM using the RPV provided by BSR. Please refer to the Administrative Details for our forthcoming EGM which is available at our Company's website at www.mmc.com.my/shareholdersmeeting.html and enclosed in this Document, for the procedures on using the RPV to participate in our forthcoming EGM. If you are unable to attend our forthcoming EGM, you may appoint a proxy or proxies to participate and vote for and on your behalf. In such event, the Proxy Form should be completed and lodged with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the date and time fixed for our forthcoming EGM, or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from participating and voting remotely at our forthcoming EGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Wednesday, 29 September 2021 at 10.00 a.m.
Date and time of the EGM	: Thursday, 30 September 2021 at 10.00 a.m. or at any adjournment thereof

This Document is dated 8 September 2021

DEFINITIONS

The following abbreviations and definitions shall apply throughout this Document unless the context otherwise requires:

Act	:	Companies Act 2016
Alliance Investment Bank or Independent Adviser	:	Alliance Investment Bank Berhad (Registration No. 197401004393 (21605-D))
Board	:	Board of Directors of MMC
Bonus Shares	:	1,593,623,229 new MMC Shares to be issued to the Entitled Shareholders pursuant to the Proposed Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CDS	:	Central Depository System
Circular	:	The circular to the shareholders of MMC dated 8 September 2021 in relation to the Proposed SCR, as set out in Part A of this Document
CMSA	:	Capital Markets and Services Act 2007
COVID-19	:	Novel coronavirus disease 2019
Director(s)	:	The Director(s) of our Company as at the LPD
Distribution	:	Has the meaning as set out in Section 2.3 of Part A of this Document
Document	:	This document of MMC dated 8 September 2021, which consists of the Circular, the IAL and all the accompanying appendices to the shareholders of our Company, collectively, in relation to the Proposed SCR
eDividend Accounts(s)	:	The bank account(s) registered with Bursa Depository by the Entitled Shareholders for purposes of receiving electronic cash dividend payments
Effective Date	:	The date on which an office copy of the Order is lodged with the Registrar of Companies pursuant to Section 116(6) of the Act
EGM	:	Extraordinary General Meeting
Entitled Shareholder(s)	:	All the shareholders of our Company (save for the Non-Entitled Shareholder(s)) whose names appear in the Record of Depositors of MMC as at 5.00 p.m. on the Entitlement Date
Entitlement Date	:	The date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of MMC as at the close of business for the purposes of determining their entitlement under the Proposed SCR, which shall be determined and announced later by the Board
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended or ending, as the case may be

DEFINITIONS *(Cont'd)*

High Court	:	High Court of Malaya
IAL	:	The independent advice letter dated 8 September 2021 from Alliance Investment Bank in relation to the Proposed SCR, as set out in Part B of this Document
ICSB	:	Indra Cita Sdn Bhd (Registration No. 199301020459 (275197-V)), being the holding company of STJSB
Independent Valuers	:	The independent valuers appointed by the Board to conduct the valuation of selected properties held by the Group as set out in Section 5 of Part B of this Document
Interested Director or Sharifah Sofia	:	Sharifah Sofia binti Syed Mokhtar Shah
Interested Major Shareholders	:	Has the meaning as set out in Section 11.2 of Part A of this Document
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Lodgment	:	The lodgment of an office copy of the Order with the Registrar of Companies pursuant to Section 116(6) of the Act
LPD	:	30 August 2021, being the latest practicable date prior to the printing and despatch of this Document
LTD	:	2 June 2021, being the last trading day prior to the receipt of the SCR Offer Letter
Market Day	:	A day on which Bursa Securities is open for trading in securities
Major Shareholder	:	<p>A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:</p> <p>(i) 10.00% or more of the total number of voting shares in the corporation; or</p> <p>(ii) 5.00% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p>
MFRS 16 Leases	:	Malaysian Financial Reporting Standard 16 Leases
MMC or Company	:	MMC Corporation Berhad (Registration No. 197601004261 (30245-H))
MMC Group or Group	:	Collectively, MMC and its subsidiaries
MMC Shares	:	Ordinary shares of our Company
NA	:	Net assets
NBV	:	Net book value
Non-Entitled Shareholder(s)	:	The shareholders who will not be entitled to the capital repayment pursuant to the Proposed SCR, namely the Offeror, Ultimate Offeror and their PACs, where applicable

DEFINITIONS *(Cont'd)*

Non-Interested Directors	:	All Directors other than the Interested Director
Offer	:	The request made by the Offeror for our Company to undertake the Proposed SCR
Official List	:	A list specifying all securities listed on Bursa Securities
Order	:	An order granted by the High Court confirming the reduction of the issued share capital of our Company pursuant to Section 116 of the Act
PACs	:	Persons acting in concert with the Offeror and the Ultimate Offeror in relation to the Proposed SCR pursuant to Sections 216(2) and 216(3) of the CMSA
PAT	:	Profit after zakat and taxation (where applicable)
PBR	:	Price-to-book ratio
PBT	:	Profit before zakat and taxation (where applicable)
PER	:	Price-to-earnings ratio
Proposed Bonus Issue	:	Proposed issue of the Bonus Shares issued by way of capitalising RM1,593,623,229.00 from the retained earnings of our Company for the purpose of facilitating the implementation of the Proposed SCR
Proposed SCR	:	Proposed selective capital reduction and repayment exercise pursuant to Section 116 of the Act to be undertaken by our Company
Record of Depositors	:	A record of securities holders provided by Bursa Depository pursuant to the rules of the central depository as defined in the Securities Industry (Central Depositories) Act 1991
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P))
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
SCR Offer Letter	:	The offer letter dated 3 June 2021 from the Offeror requesting our Company to undertake the Proposed SCR
SCR Offer Price	:	RM2.00 per MMC Share, being the cash consideration to be paid for each existing MMC Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR
Special Resolution	:	<p>The special resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM which pursuant to Paragraph 2(f) of Schedule 3 of the Rules, must be approved by at least:</p> <ul style="list-style-type: none">(i) a majority in number of Entitled Shareholders and 75.00% in value to the votes attached to the disinterested MMC Shares that are cast either in person or by proxy at the forthcoming EGM; and(ii) the value of the votes cast against the special resolution for the Proposed SCR at the forthcoming EGM is not more than 10.00% of the votes attached to all the disinterested MMC Shares of the total voting shares of our Company

DEFINITIONS (Cont'd)

sq. m.	:	Square metre
STJSB or Offeror	:	Seaport Terminal (Johore) Sdn Bhd (Registration No. 199101010995 (221307-M)), a wholly-owned subsidiary of ICSB
TEU	:	Twenty-foot equivalent unit, which refers to an exact unit of measurement used to determine cargo capacity for container ships and terminals. This measurement is derived from the dimensions of a 20-feet standardised shipping container
TSSM or Ultimate Offeror	:	Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor
VWAP	:	Volume weighted average market price

Currencies

RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
SAR	:	Saudi Arabian Riyal, the lawful currency of the Kingdom of Saudi Arabia
USD	:	United States Dollar, the lawful currency of the United States of America

References to “**our Company**” and “**our**” in this Document are to MMC and where the context otherwise requires, shall include our subsidiaries. References to “**our Group**” are to our Company and our subsidiaries. All references to “**you**” and “**your**” in this Document are to our shareholders.

Unless stated otherwise, the exchange rates adopted in this Document are based on USD1.0000 = RM4.0170 and SAR1.0000 = RM1.0707 based on Bank Negara Malaysia’s rate as at 31 December 2020.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any references in this Document to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any references to a time of day and date in this Document shall be a reference to Malaysian time and date, respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as quarterly results or annual reports, are due to rounding adjustments.

Certain statements in this Document may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by your Board after due inquiry, which are nevertheless subject to known or unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Document should not be regarded as a representation or warranty that our Company’s and/or our Group’s plans and objectives will be achieved.

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PART A

CIRCULAR TO SHAREHOLDERS OF MMC IN RELATION TO THE PROPOSED SCR



MMC CORPORATION BERHAD
(Registration No. 197601004261 (30245-H))
(Incorporated in Malaysia)

Registered office:
Ground Floor
Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur
Malaysia

8 September 2021

Board of Directors:

Datuk Seri Tajuddin bin Atan (*Independent Non-Executive Chairman*)
Dato' Sri Che Khalib bin Mohamad Noh (*Group Managing Director*)
Datuk Ooi Teik Huat (*Senior Independent Non-Executive Director*)
Dato' Abdul Hamid bin Sh Mohamed (*Independent Non-Executive Director*)
Dato' Siti Halimah binti Ismail (*Independent Non-Executive Director*)
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (*Independent Non-Executive Director*)
Dato' Ir. Jamaludin bin Osman (*Non-Independent Non-Executive Director*)
Sharifah Sofia binti Syed Mokhtar Shah (*Non-Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

PROPOSED SCR

1. INTRODUCTION

On 3 June 2021, our Board announced that our Company had on the said date received the SCR Offer Letter from the Offeror, requesting our Company to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Act. The Non-Entitled Shareholder(s) will hold the entire equity interest in our Company upon completion of the Proposed SCR.

In accordance with Paragraph 3.06 of the Rules, on 22 June 2021, RHB Investment Bank announced, on behalf of our Board, that our Board (save for the Interested Director), had appointed Alliance Investment Bank as the Independent Adviser to provide its comments, opinions, information and recommendations on the Proposed SCR to the Non-Interested Directors and to the Entitled Shareholders. The IAL is set out in **Part B** of this Document.

On 7 July 2021, our Company submitted an application to the SC from having to comply with Paragraphs 16.01(2)(d) and 16.01(2)(e) of the Rules in respect of an ongoing disposal transaction which is expected to be completed during the offer period in relation to the Proposed SCR, that the intention of the Board to dispose of the said assets of the MMC Group of a material amount and the entry into an ancillary contract in relation thereto will not result in a frustration of the Proposed SCR. The Offeror, via a letter on even date to the SC, informed that it does not consider the disposal transaction as a frustration of the Proposed SCR pursuant to Paragraph 16.01 of the Rules and that it is agreeable for the MMC Group to proceed to complete the disposal transaction. The SC had, via its letter dated 9 July 2021, approved the waiver sought by our Company. The disposal transaction was completed on 14 July 2021. Please refer to Section 3(i) of Appendix VI of this Document for further information on the disposal transaction.

Subsequently, on 14 July 2021, RHB Investment Bank announced, on behalf of our Board, that the Offeror had granted our Company an extension of time to no later than 5.00 p.m. on 30 August 2021 for our Company to respond to the Offeror with its decision as to whether or not to implement the Proposed SCR and to recommend the Proposed SCR to the Entitled Shareholders for their consideration and approval, based on the terms set out in the SCR Offer Letter.

On 4 August 2021, RHB Investment Bank announced, on behalf of our Board, that our Board (save for the Interested Director) had deliberated on the contents of the SCR Offer Letter after taking into consideration the advice from the Independent Adviser and had resolved to table the Proposed SCR at the forthcoming EGM and for the Entitled Shareholders to refer to the IAL and the recommendation of the Independent Adviser for their consideration and approval in respect of the Proposed SCR.

The SC had, via its letter dated 7 September 2021, notified that it has no further comments on this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of our Board or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSED SCR, AND TO SEEK THE APPROVAL FOR THE PROPOSED SCR FROM THE ENTITLED SHAREHOLDERS VIA THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM, THE ADMINISTRATIVE DETAILS FOR EGM AND THE PROXY FORM ARE ENCLOSED HEREIN.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. YOU SHOULD ALSO CONSIDER CAREFULLY THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SCR

2.1 Particulars of the Proposed SCR

The Proposed SCR involves our Company undertaking a selective capital reduction and a corresponding capital repayment pursuant to Section 116 of the Act, in respect of the MMC Shares held by the Entitled Shareholders at the Entitlement Date.

As at the LPD, the issued share capital of MMC is RM2,344,276,195.00 comprising 3,045,058,552 MMC Shares. The Non-Entitled Shareholder(s) hold(s) 1,576,108,840 MMC Shares, representing approximately 51.76% of the issued share capital of MMC.

As at the LPD, the Entitled Shareholders hold 1,468,949,712 MMC Shares, representing approximately 48.24% of the issued share capital of MMC.

The relationship between the Offeror, the Ultimate Offeror and their PACs as well as their respective shareholdings in our Company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of MMC Shares	(1)%	No. of MMC Shares	(1)%
<u>Offeror</u>				
STJSB	1,576,108,840	51.76	-	-
<u>Ultimate Offeror and PACs</u>				
TSSM	-	-	(2)1,576,108,840	51.76
ICSB	-	-	(3)1,576,108,840	51.76
Sharifah Sofia	-	-	(4)1,576,108,840	51.76

Notes:

- (1) Based on 3,045,058,552 MMC Shares.
- (2) TSSM is a major shareholder of ICSB and is indirectly a controlling shareholder of MMC. He is deemed interested by virtue of Section 8 of the Act.
- (3) ICSB is deemed interested by virtue of Section 8 of the Act through its shareholdings in STJSB.
- (4) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC, by virtue of Section 8 of the Act. She is also a Non-Independent Non-Executive Director of MMC and a director of STJSB.

As such, the Proposed SCR will entail the following:

- (i) a total cash repayment of RM2,937,899,424.00, which represents a cash repayment of RM2.00 for each existing MMC Share held by the Entitled Shareholders on the Entitlement Date.

For the avoidance of doubt, the Non-Entitled Shareholder(s) will not be entitled to the repayment of capital pursuant to the Proposed SCR.

- (ii) in view that the capital reduction of RM2,937,899,424.00 is higher than the existing issued share capital of our Company of RM2,344,276,195.00, our Company will undertake the Proposed Bonus Issue in order to increase the issued share capital of MMC up to a level which is sufficient for the capital reduction for purpose of facilitating the Proposed SCR.

The Non-Entitled Shareholder(s) will waive its/their entitlements to the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

For the avoidance of doubt, the Bonus Shares issued will be cancelled immediately after issuance and will not be credited into the CDS accounts of the Entitled Shareholders nor will they be listed on the Official List.

- (iii) immediately after the Proposed Bonus Issue, our Company will undertake a reduction of the issued share capital of MMC by RM2,937,899,424.00, of which a total of 3,062,572,941 MMC Shares comprising 1,468,949,712 existing MMC Shares held by the Entitled Shareholders and all the 1,593,623,229 Bonus Shares will be cancelled.

Upon completion of the Proposed SCR, the Non-Entitled Shareholder(s) will hold the remaining 1,576,108,840 MMC Shares, which are not cancelled pursuant to the Proposed SCR. The said 1,576,108,840 MMC Shares will amount to the entire issued share capital of MMC, which would result in MMC being a wholly-owned subsidiary of the Offeror.

The Non-Entitled Shareholder(s) has/have not acquired any MMC Shares at a price higher than the SCR Offer Price during the past three (3) months prior to 3 June 2021, being the date of the SCR Offer Letter was served to our Board.

In compliance with Paragraph 6.03 of the Rules, should the Offeror, the Ultimate Offeror or any of their PACs acquire any MMC Shares at a price higher than the SCR Offer Price during the period commencing from the date of the SCR Offer Letter until the completion of the Proposed SCR, the SCR Offer Price will be revised accordingly to the higher price paid by the Offeror, the Ultimate Offeror or any of their PACs.

As at the LPD, save for the SCR Offer Letter, our Company has not received any alternative offer for the securities of MMC or any offer to acquire our Company's assets and liabilities.

2.2 Basis of arriving at the SCR Offer Price

The SCR Offer Price, as set out in the SCR Offer Letter, was arrived at after taking into consideration the following:

- (i) the closing price and VWAP of MMC Shares up to and including the LTD as set out below:

	Market price	Premium over market prices	
	RM	RM	%
Closing price at the LTD	1.2000	0.8000	66.67
5-day VWAP	1.1519	0.8481	73.63
1-month VWAP	1.1092	0.8908	80.31
3-month VWAP	1.0645	0.9355	87.88
6-month VWAP	1.0291	0.9709	94.34
1-year VWAP	0.9765	1.0235	104.81

- (ii) the EPS and PER:

	EPS (RM)	PER ⁽¹⁾ (times)	PER of Offer ⁽²⁾ (times)
Audited consolidated net EPS for the FYE 31 December 2020	0.1232	9.7403	16.2338

Notes:

(1) Based on our Company's closing shares price as at the LTD of RM1.2000.

(2) Based on the SCR Offer Price.

- (iii) the NA per MMC Share and PBR:

	NA per MMC Share (RM)	PBR ⁽¹⁾ (times)	PBR of Offer ⁽²⁾ (times)
Audited consolidated NA per MMC Share as at 31 December 2020	3.12	0.3846	0.6410

Notes:

(1) Based on our Company's closing shares price as at the LTD of RM1.2000.

(2) Based on the SCR Offer Price.

2.3 Distribution

Should our Company declare, make and/or pay any dividend or undertake a distribution of any other nature whatsoever (collectively, “**Distribution**”) after the date of the SCR Offer Letter up to the completion of the Proposed SCR which the Entitled Shareholders are entitled to, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per MMC Share.

As at the LPD, there has been no Distribution declared, made and/or paid by our Company on or after the date of the SCR Offer Letter.

2.4 Funding

The Proposed SCR will be funded by way of an advance from the Offeror.

The Offeror and our Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of our Company and every Entitled Shareholder will be paid in full by cash.

RHB Investment Bank, being the Principal Adviser for the Proposed SCR, is satisfied that the Offeror has sufficient financial resources to undertake the Proposed SCR and that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and our Company, and that every Entitled Shareholder will be paid in full by cash.

2.5 Listing status of MMC

The Offeror had, *via* the SCR Offer Letter, indicated that it **does not intend to maintain the listing status of our Company on the Main Market of Bursa Securities** upon completion of the Proposed SCR. Accordingly, the Offeror will request our Company to make an application to Bursa Securities pursuant to Paragraph 16.08 of the Listing Requirements to delist our Company and withdraw our listing status from the Official List upon completion of the Proposed SCR.

In the event the Proposed SCR is unsuccessful and is not implemented due to, among others, failure to fulfil the conditions of the Proposed SCR as set out in Section 9 of **Part A** of this Document, MMC will remain listed on the Main Market of Bursa Securities.

2.6 MMC's covenants pursuant to the SCR Offer Letter

From the date of our Board's (save for the Interested Director) acceptance of the terms of the SCR Offer Letter until the completion of the Proposed SCR, our Company agrees with and undertakes to the Offeror the following:

- (i) save for the advance to be provided by the Offeror to our Company as set out in Section 2.4 of **Part A** of this Document, our Company will not conduct any form of capital raising exercise, whether in the form of debt or equity, and will not grant any options over MMC Shares or issue any new MMC Shares;
- (ii) save for the purpose of financing or refinancing, our Group will not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
- (iii) our Company will not pass any resolution in a general meeting (other than in respect of the ordinary business tabled in an annual general meeting or in connection with the Proposed SCR) or make any alteration to the provisions of our Group's constitution unless it is in relation to the Proposed SCR; and
- (iv) our Company will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of our Group,

without the prior written consent of the Offeror.

In addition, our Company shall not enter into any discussion, negotiation or agreement with any other party with respect to the sale of our Group's assets and liabilities or any privatisation proposal involving our Group at any time until the completion of the Proposed SCR without the prior written consent of the Offeror.

Our Company shall also undertake that, from the date of the SCR Offer Letter until the completion of the Proposed SCR, our Company (and using reasonable endeavours to cause and procure that each of our subsidiaries) shall carry on our business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as at the date of the SCR Offer Letter so as to preserve our relationships with all parties to the end so that our goodwill and going concern shall not be materially impaired at the completion of the Proposed SCR, save as otherwise agreed in writing by the Offeror.

3. MODE AND TIMING OF SETTLEMENT

The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend Accounts of the Entitled Shareholders duly registered with Bursa Depository within ten (10) days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend Accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk within ten (10) days from the Effective Date.

Except with the consent of the SC, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which our Company may otherwise be, or claim to be, entitled against the Entitled Shareholders.

Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions.

4. RATIONALE FOR THE PROPOSED SCR

The Proposed SCR is proposed by the Offeror to be undertaken based on the following rationale:

(i) Market value not reflective of underlying value

The investors appear to be unable to accord our Company with a valuation in line with its NA as the market price of MMC Shares does not reflect the underlying value of its diversified business.

(ii) Opportunity for the Entitled Shareholders to exit and realise their investment

The Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in our Company at a premium over the prevailing market price of MMC Shares. The SCR Offer Price represents a premium ranging from 66.67% to 104.81% over the historical market price of MMC Shares as at the LTD as set out in Section 2.2(i) of **Part A** of this Document.

(iii) Greater flexibility

The Proposed SCR provides greater flexibility to our Company in managing and developing its existing businesses whilst exploring opportunities without regulatory restrictions and compliance costs associated with its listing status on Bursa Securities, as it considers to be suitable to improve the utilisation of resources, prospects and future growth of our Group in order to remain competitive.

As a result, efforts can be concentrated to drive the future strategic direction of our Company and create a more effective and efficient operating structure moving forward.

5. FUTURE PLANS FOR OUR GROUP AND OUR EMPLOYEES

Our Board has taken note of the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for our Group after the completion of the Proposed SCR which are as follows:

(i) Continuation of our Group's businesses

The Offeror and the Ultimate Offeror intend to continue with the existing businesses and operations of our Group and does not have any immediate plan and/or intention to liquidate any company within our Group (other than the companies which have been identified by the management of our Company prior to the completion of the Proposed SCR and/or which are already in the process of liquidation/winding up). However, the Offeror and the Ultimate Offeror may from time to time undertake a review of the businesses and operations of our Group and make such arrangements, rationalisation and reorganisation as the Offeror and the Ultimate Offeror consider suitable and which are in the best interests of our Group;

(ii) Major changes to our Group's businesses

The Offeror and the Ultimate Offeror do not have any immediate plan and/or intention to introduce or effect any major change to the existing businesses of our Group, dispose of any major assets or undertake any major redeployment of the fixed assets of our Group upon completion of the Proposed SCR, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of our Group or to improve the utilisation of resources, prospects and future growth of our Group; and

(iii) Employees

The Offeror and the Ultimate Offeror do not have immediate plan to dismiss or make redundant any of the existing employees of our Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and/or streamlining of business activities to further improve productivity and efficiency of the operations of our Group.

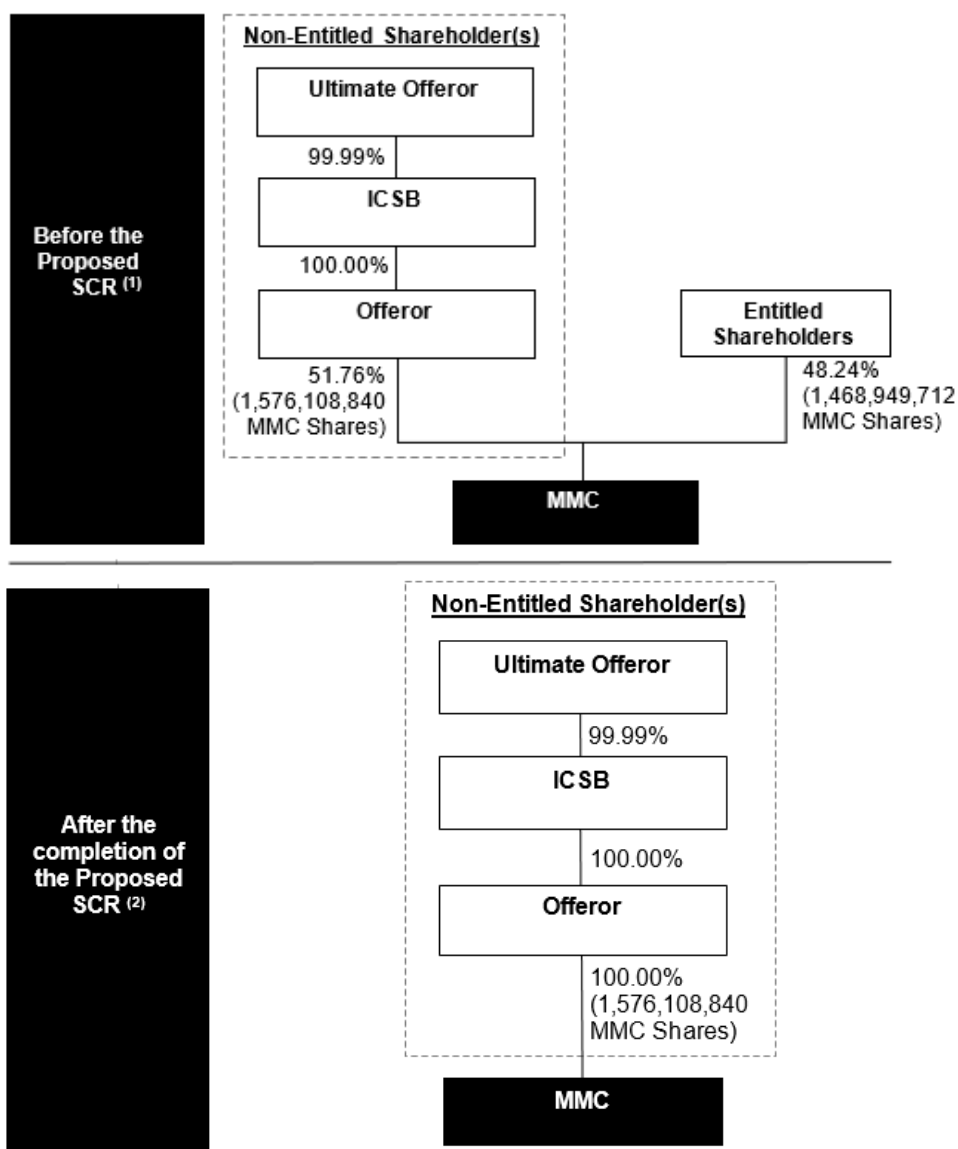
Notwithstanding the above, the Offeror and the Ultimate Offeror shall retain the flexibility to consider any option or explore any potential opportunities as they consider suitable and which are in the best interests of our Group that may present themselves. For the avoidance of doubt, such option or potential opportunities shall be in accordance to the future plans of the Offeror and the Ultimate Offeror as stated above.

Our Board (save for the Interested Director) has also taken note that, as at the LPD, the Offeror and the Ultimate Offeror have no knowledge and have not entered into any negotiation, arrangement or understanding with any third party with regards to any significant change in our Group's business, assets or shareholding structure.

Our Board (save for the Interested Director) is of the view that the rationale for the Proposed SCR as set out in Section 4 of **Part A** of this Document and the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for our Group and our employees are in the best interest of our Company.

6. SHAREHOLDING STRUCTURE

The diagram below depicts the shareholding structure of our Company before and after the Proposed SCR:



Notes:

- (1) Shareholding structure as at the LPD.
- (2) Upon completion of the repayment and cancellation of the Entitled Shareholders' shareholdings in our Company.

7. EFFECTS OF THE PROPOSED SCR

7.1 Issued share capital

The pro forma effects of the Proposed SCR on the issued share capital of our Company are as follows:

	<u>No. of MMC Shares</u>	<u>RM</u>
Issued share capital as at the LPD	3,045,058,552	2,344,276,195.00
<u>Capital reduction pursuant to the Proposed SCR</u>		
Add: MMC Shares to be issued pursuant to the Proposed Bonus Issue ⁽¹⁾	1,593,623,229	1,593,623,229.00
Less: MMC Shares to be cancelled pursuant to the Proposed SCR ⁽²⁾	(3,062,572,941)	(2,937,899,424.00)
Resultant share capital after the Proposed SCR	<u>1,576,108,840</u>	<u>1,000,000,000.00</u>

Notes:

- (1) *The Proposed Bonus Issue will be undertaken to facilitate the implementation of the Proposed SCR. The Bonus Shares will not be credited into the CDS accounts of the Entitled Shareholders and will be cancelled immediately pursuant to the Proposed SCR.*
- (2) *The Offeror will not be entitled to the capital repayment pursuant to the Proposed SCR. Based on the 1,468,949,712 MMC Shares held by the Entitled Shareholders as at the LPD, the total cash payment pursuant to the Proposed SCR is RM2,937,899,424.00, which represents a cash amount of RM2.00 per MMC Share.*

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7.2 Substantial shareholders' shareholdings

The pro forma effects of the Proposed SCR based on the shareholdings of the substantial shareholders of our Company are as follows:

Name	As at the LPD			After the Proposed SCR		
	Direct		Indirect	Direct		Indirect
	No. of MMC Shares	(1)%	No. of MMC Shares	(1)%	No. of MMC Shares	%
STJSB	1,576,108,840	51.76	-	-	1,576,108,840	100.00
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	580,387,600	19.06	-	-	-	-
ICSB	-	-	(2)1,576,108,840	51.76	-	(2)1,576,108,840
TSSM	-	-	(3)1,576,108,840	51.76	-	(3)1,576,108,840
Sharifah Sofia	-	-	(4)1,576,108,840	51.76	-	(4)1,576,108,840
						100.00

Notes:

- (1) Based on 3,045,058,552 MMC Shares.
- (2) ICSB is deemed interested by virtue of Section 8 of the Act through its shareholdings in STJSB.
- (3) TSSM is a major shareholder of ICSB and is indirectly a controlling shareholder of MMC. He is deemed interested by virtue of Section 8 of the Act.
- (4) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC; by virtue of Section 8 of the Act. She is also a Non-Independent Non-Executive Director of MMC and a director of STJSB.

7.3 NA and gearing

The pro forma effects of the Proposed SCR on the consolidated NA and gearing of our Company based on the latest audited consolidated statement of financial position of our Company as at FYE 31 December 2020 and on the assumption that the Proposed SCR had been effected on that date are as follows:

	Audited as at 31 December 2020 (RM'000)	After the Proposed SCR (RM'000)
Share capital	2,344,276	1,000,000
Other reserves	25,881	25,881
Retained earnings	7,140,122	(1)5,539,999
Shareholders' equity / NA	9,510,279	6,565,880
Shareholder's advance	-	(2)2,937,899
Non-controlling interests	787,198	787,198
Total equity	10,297,477	10,290,977
Number of ordinary shares ('000)	3,045,058	1,576,109
NA per share (RM)	3.12	4.17
Total borrowings (RM'000)	9,771,271	9,771,271
Gross gearing (times) ⁽³⁾	0.95	0.95

Notes:

- (1) After the Proposed Bonus Issue and deduction of estimated expenses of approximately RM6.50 million for the Proposed SCR.
- (2) Being the advance from the Offeror to fund the Proposed SCR. This shareholder's advance is unsecured, perpetual in nature and the payment of any distribution or redemption is at the discretion of our Company. Accordingly, the shareholder's advance is classified as equity in the statement of financial position of our Company.
- (3) Computed based on total borrowings divided by total equity.

7.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2021 other than the estimated expenses of RM6.50 million for the Proposed SCR that will reduce the earnings of our Group for the FYE 31 December 2021.

Upon completion of the Proposed SCR and as a result of cancellation of up to 3,062,572,941 MMC Shares pursuant to the Proposed SCR, the total number of MMC Shares in issue will be reduced and as a result, the consolidated EPS is expected to increase accordingly.

For illustrative purposes only, the pro forma effect of the Proposed SCR on the consolidated EPS of our Company based on the latest audited consolidated statement of comprehensive income of our Company for the FYE 31 December 2020 and on the assumption that the Proposed SCR had been effected at the beginning of the said financial year are as follows:

	Audited for the FYE 31 December 2020	After the Proposed SCR
Consolidated net profit attributable to ordinary equity holders of our Company (RM'000)	375,295	(1)368,795
Number of MMC Shares in issue ('000)	3,045,058	1,576,109
Net EPS (RM)	0.12	0.23

Note:

- (1) After taking into account the estimated expenses of approximately RM6.50 million for the Proposed SCR.

7.5 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

8. HISTORICAL SHARE PRICES

The closing prices of MMC Shares as at the last Market Day of each month and the monthly highest and lowest closing prices of MMC Shares as traded on the Main Market of Bursa Securities from December 2020 to August 2021, being the period commencing six (6) months prior to the receipt of the SCR Offer Letter and ending on the LPD are as follows:

	High	Low	Closing price as at the last market day of the month
	RM	RM	RM
2020			
December	0.8880	0.8340	0.8730
2021			
January	0.8640	0.7520	0.7520
February	0.7960	0.7570	0.7570
March	1.1840	0.8050	0.9990
April	1.1160	0.9900	1.0770
May	1.1450	1.0290	1.1350
June	1.8400	1.1450	1.8100
July	1.8100	1.6400	1.7500
August	1.8400	1.7200	1.8400
Last traded price on the LTD			1.2000
Last traded price on 3 August 2021, being the last trading day prior to the announcement made pursuant to our Board (save for the Interested Director)'s deliberation on the Proposed SCR			1.7400
Last traded price as at the LPD			1.8400

(Source: Bloomberg)

During the six (6) months preceding the receipt of the SCR Offer Letter and up to the LPD:

- (i) the highest closing price of MMC Shares was RM1.8400, which was transacted on 22 June 2021, 9 August 2021, 27 August 2021 and 30 August 2021; and
- (ii) the lowest closing price of MMC Shares was RM0.7520, which was transacted on 27 January 2021 and 29 January 2021.

9. CONDITIONS OF THE PROPOSED SCR

The Proposed SCR is subject to and conditional upon the following being obtained:

- (i) the approval of the Entitled Shareholders for the Proposed SCR via the Special Resolution to be tabled at the forthcoming EGM;
- (ii) the approval and/or consent of the existing financiers (including bond/sukuk holders) and/or creditors of our Group; and
- (iii) the granting of the Order by the High Court giving effect to the Proposed SCR.

Upon the abovementioned conditions being fulfilled, the Proposed SCR shall be binding on you notwithstanding that there may have been Entitled Shareholders who voted against the Special Resolution. The Proposed SCR which will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than ten (10) days from the date of the Lodgment.

The Proposed SCR is not conditional upon any other corporate exercise of our Company.

10. OUTSTANDING PROPOSALS ANNOUNCED BY MMC BUT PENDING IMPLEMENTATION

Save for the Proposed SCR and the proposal as disclosed below, there is no other proposal which our Company has announced on Bursa Securities but is pending completion as at the LPD:

On 19 March 2021, Klang Port Management Sdn Bhd ("**KPM**"), a wholly-owned subsidiary of Northport (Malaysia) Bhd ("**Northport**"), which in turn is a wholly-owned subsidiary of NCB Holdings Bhd, which in turn is a 99.10% subsidiary of MMC Port Holdings Sdn Bhd ("**MMC Port**"), a wholly-owned subsidiary of our Company, had entered into a conditional share sale and purchase agreement ("**SSPA**") with Boustead Holdings Berhad in relation to a proposed acquisition of 184,856,447 ordinary shares representing 50.00% equity interest in Boustead Cruise Centre Sdn Bhd ("**BCC**") by KPM for a cash consideration of RM115.0 million. Pursuant to the SSPA, Westports Holdings Berhad will acquire the remaining 184,856,447 ordinary shares, representing 50.00% equity interest in BCC for a cash consideration of RM115.0 million. The implementation of the transaction is still ongoing but pending completion.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors and major shareholders of our Company and/or persons connected to them have any interest, direct or indirect, in the Proposed SCR:

11.1 Interested Director

Sharifah Sofia is a Non-Independent Non-Executive Director of our Company and also a director of the Offeror. She is also the daughter of TSSM, the Ultimate Offeror.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR and will also abstain from voting in respect of her indirect shareholdings in our Company on the Special Resolution to be tabled at the forthcoming EGM. The Interested Director has undertaken that she will ensure persons connected with her, if any, will abstain from voting in respect of her indirect shareholdings on the Special Resolution to be tabled at the forthcoming EGM.

For information purposes, Dato' Sri Che Khalib bin Mohamad Noh, the Group Managing Director of our Company is an Entitled Shareholder by virtue of his direct interest of 0.02% in MMC as at the LPD. He is neither related to the Offeror, the Ultimate Offeror or the Interested Director, nor does he hold any directorship or shareholdings in the Offeror. As such, he is not conflicted by his interest of 0.02% in MMC and is entitled to deliberate and vote on the Proposed SCR at the relevant Board meetings of MMC. He and persons connected with him (if any) need not abstain from voting in respect of their direct and/or indirect shareholdings in MMC, on the Special Resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

11.2 Interested Major Shareholders

The following Major Shareholders of our Company are deemed interested in the Proposed SCR:

- (i) STJSB, being the Offeror, with a direct interest of 51.76% in our Company;
- (ii) ICSB, with an indirect interest of 51.76% in MMC held through STJSB;
- (iii) TSSM, being the Ultimate Offeror, with an indirect interest of 51.76% in our Company held through ICSB; and
- (iv) Sharifah Sofia, with an indirect interest of 51.76% in our Company as she is the daughter of TSSM. She is also a Non-Independent Non-Executive Director of our Company and a director of STJSB.

As such, STJSB, ICSB, TSSM and Sharifah Sofia (collectively, the “**Interested Major Shareholders**”) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the Special Resolution to be tabled at the forthcoming EGM. The Interested Major Shareholders will also ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the Special Resolution to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of the conditions of the Proposed SCR as set out in Section 9 of **Part A** of this Document, the Proposed SCR is expected to be completed in the 4th quarter of 2021.

The tentative timetable for the implementation of the Proposed SCR is as follows:

Event	Date
EGM for the Proposed SCR	30 September 2021
Filing of application to the High Court for the Proposed SCR	Early October 2021
Expect High Court to grant the Order ⁽¹⁾	Early December 2021
Announcement of the Entitlement Date for the capital repayment to the Entitled Shareholders	Early December 2021
Announcement of notice of suspension of trading of MMC Shares	Early December 2021
Entitlement Date ⁽²⁾	Mid December 2021
Lodgment of the office copy of the Order with the Registrar of Companies	Mid December 2021
Cash payment to the Entitled Shareholders at the SCR Offer Price and completion of the Proposed SCR	End December 2021
Delisting of MMC	Mid January 2022

Notes:

- (1) *This timetable is indicative and the actual timing will depend on, among others, the directions and timeline given by the High Court in respect of the Order to confirm the Proposed SCR. If any of the events are changed or delayed, the subsequent events will be adjusted accordingly.*
- (2) *The trading of MMC Shares on the Main Market of Bursa Securities will be suspended three (3) clear Market Days prior to the Entitlement Date.*

13. INDEPENDENT ADVISER

Our Board (save for the Interested Director) had on 22 June 2021, in accordance with Paragraph 3.06 of the Rules, appointed Alliance Investment Bank as the Independent Adviser to provide comments, opinions, information and recommendation on the Proposed SCR to the Non-Interested Directors and the Entitled Shareholders.

Please refer to **Part B** of this Document for the IAL in relation to the Proposed SCR. The Entitled Shareholders are advised to read and carefully consider the contents of the IAL before voting on the Special Resolution to give effect to the Proposed SCR at the forthcoming EGM.

14. DIRECTORS' RECOMMENDATION

Our Board (save for the Interested Director), having considered all aspects of the Proposed SCR, in particular:

- (i) the rationale for the Proposed SCR as set out in Section 4 of **Part A** of this Document;
- (ii) the advice of the Independent Adviser that although the Proposed SCR is deemed not fair, they are of the view that the Proposed SCR is reasonable; and
- (iii) the Independent Adviser's recommendation for the Entitled Shareholders to vote in favour of the Special Resolution,

is of the opinion that the Proposed SCR is in the best interest of the Entitled Shareholders.

Accordingly, our Board (save for the Interested Director) concurs with the evaluation and recommendation of the Independent Adviser and recommends that you **VOTE IN FAVOUR** of the Special Resolution at the forthcoming EGM.

Dato' Sri Che Khalib bin Mohamad Noh, the Group Managing Director of our Company who is an Entitled Shareholder, intends to **VOTE IN FAVOUR** of the Special Resolution in respect of his shareholding in our Company.

15. EGM AND NOTICE OF EGM

The notice convening the EGM and the Proxy Form are enclosed in this Document. The EGM will be held on a fully virtual basis through live streaming and remote participation and electronic voting ("**RPV**") facilities via the online meeting platform provided by Boardroom Share Registrars Sdn Bhd ("**BSR**") at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 September 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the Special Resolution to give effect to the Proposed SCR.

You are entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at our forthcoming EGM using the RPV provided by BSR. Please refer to the Administrative Details for our forthcoming EGM which is available at our Company's website at www.mmc.com.my/shareholdersmeeting.html and enclosed in this Document, for the procedures on using the RPV to participate in our forthcoming EGM.

If you are unable to attend our forthcoming EGM, you may appoint a proxy or proxies to participate and vote for and on your behalf. In such event, the Proxy Form should be completed and lodged with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively to submit your electronic Proxy Form via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the date and time fixed for our forthcoming EGM, or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from participating and voting remotely at our forthcoming EGM, should you subsequently wish to do so.

16. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board
MMC CORPORATION BERHAD

DATUK SERI TAJUDDIN BIN ATAN
Independent Non-Executive Chairman

PART B

**INDEPENDENT ADVICE LETTER FROM ALLIANCE INVESTMENT BANK TO THE ENTITLED
SHAREHOLDERS OF MMC IN RELATION TO THE PROPOSED SCR**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the Definitions section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to Alliance Investment Bank, being the Independent Adviser in relation to the Proposed SCR.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF OUR EVALUATION OF THE PROPOSED SCR. WE ADVISE YOU TO READ CAREFULLY AND UNDERSTAND BOTH PART A: CIRCULAR TO SHAREHOLDERS OF MMC (AS WELL AS THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION) AND THIS PART B: IAL FROM ALLIANCE INVESTMENT BANK IN ITS ENTIRETY IN RELATION TO THE PROPOSED SCR. YOU SHOULD NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING AN OPINION ON THE PROPOSED SCR.

YOU ARE ALSO ADVISED TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

1. INTRODUCTION

On 3 June 2021, the Company had received the SCR Offer Letter from its controlling shareholder, STJSB, requesting the Company to undertake the Proposed SCR.

On 22 June 2021, in accordance with Paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had appointed Alliance Investment Bank as the Independent Adviser to provide comments, opinions, information and recommendation on the Proposed SCR to the Board (save for the Interested Director) and to the Entitled Shareholders. Following thereto, in accordance with Paragraph 3.07 of the Rules, we had vide our letter to the SC dated 24 June 2021 declared our independence from any conflict of interest or potential conflict of interest in our capacity as the Independent Adviser in relation to the Proposed SCR.

On 4 August 2021, the Board (save for the Interested Directors) had, at a meeting, deliberated on the contents of the SCR Offer Letter and had resolved to table the Proposed SCR to the Entitled Shareholders for consideration and approval.

The SC had vide its letter dated 7 September 2021 notified that it has no further comment to the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide you with our independent evaluation on the Proposed SCR together with our recommendation on whether the Entitled Shareholders should vote in favour or against the Special Resolution in relation to the Proposed SCR at the forthcoming EGM of the Company, subject to the scope of our role and limitations as specified herein.

2. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “**fair**” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of MMC Shares.

However, the Proposed SCR is considered as “**not fair**” if the SCR Offer Price is equal to or higher than the market price but is lower than the value of MMC Shares.

In making the assessment, the value of MMC Shares is determined based on the assumption that 100% of the issued share capital of MMC is being acquired;

- (iii) in considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of MMC Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained; and

- (iv) in the event the independent adviser concludes that the Proposed SCR is “**not fair but reasonable**”, the independent adviser must clearly explain the following:
- (a) what is meant by “not fair but reasonable”;
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the Entitled Shareholders are recommended to take pursuant to the conclusion.

2.1 FAIRNESS OF THE PROPOSED SCR

Based on our evaluations, the SCR Offer Price is **lower than** and represents a **discount** of RM1.32 to RM1.41 or approximately 39.8% to 41.3% over the estimated value per MMC Share ranging between RM3.32 and RM3.41.

Alliance Investment Bank is of the view that the Proposed SCR is **NOT FAIR** as the SCR Offer Price is lower than the estimated value per MMC Share ranging between RM3.32 and RM3.41.

Please refer to Section 5 of this IAL for further details.

2.2 REASONABLENESS OF THE PROPOSED SCR

Based on our analysis, we have considered the following pertinent factors:

Historical market prices of MMC Shares : MMC Shares have not traded above the SCR Offer Price in the past one (1) year preceding the LTD.

The SCR Offer Price represents:

- (a) a **significant premium** of between RM0.8000 (66.67%) and RM1.0235 (104.81%) over the last closing market price as at the LTD, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of MMC Shares up to the LTD; and
- (b) a **premium** of between RM0.1600 (8.70%) and RM0.8068 (67.62%) over the last closing market price as at the LPD, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of MMC Shares up to the LPD.

Further, we note that:

- (a) based on the three (3) years preceding the LTD, the market price of MMC Shares have traded below the SCR Offer Price;
- (b) the highest market price of MMC Share in the three (3) years preceding the LTD was RM1.550 on 23 July 2018, whilst the lowest market price of MMC Share in the three (3) years preceding the LTD was RM0.4650 on 23 March 2020; and
- (c) the highest market price of MMC Share in the past three (3) years preceding the LPD was RM1.840 on 22 June 2021, 9 August 2021, 27 August 2021 and 30 August 2021, which is after the announcement on the receipt of the SCR Offer Letter on 3 June 2021.

Historical liquidity analysis of MMC Shares : The average monthly trading volume-to-free float of MMC Shares excluding outlier (15.49%) is in line with that of Bursa Malaysia Transportation & Logistics Index ("KLTRAN") (15.80%) for the past twelve (12) months from September 2020 to August 2021. As such, we note that MMC Shares are fairly liquid.

Although the average monthly trading volume-to-free float of MMC Shares excluding outlier is in line with that of KLTRAN, the SCR Offer Price is significantly above the historical VWAP of MMC Shares for the past one (1) year preceding the LTD.

No alternative offer : Save for the Proposed SCR, MMC has not received any other offer for MMC Shares or to acquire the assets and liabilities of the MMC Group as at the LPD.

As at the LPD, the Offeror holds the majority equity stake / voting rights of approximately 51.76% in MMC. As such, any other offer from a third party to acquire MMC Shares will require the support of the Offeror to be successful.

Level of control of the Offeror, Ultimate Offeror and the PACs : In view of the majority equity stake / voting rights of the Offeror, Ultimate Offeror and the PACs in MMC of approximately 51.76% as at the LPD, unless the Offeror, Ultimate Offeror and the PACs are required to abstain from voting on resolutions sought at general meetings of MMC, the Offeror, Ultimate Offeror and the PACs have control over the outcome of ordinary resolutions (as such resolutions only require approval from more than 50% of the total votes cast) and influence the outcome of special resolutions (as such resolutions require approval from at least 75% of the total votes cast) sought at general meetings.

Based on the above, Alliance investment Bank is of the view that the Proposed SCR is **REASONABLE**.

Please refer to Section 6 of this IAL for further details.

3. CONCLUSION AND RECOMMENDATION

Premised on the above and the evaluations as set out in Sections 5 and 6 of this IAL, Alliance Investment Bank is of the view that the Proposed SCR is **NOT FAIR** but **REASONABLE**.

Accordingly, Alliance Investment Bank recommends that the Entitled Shareholders **VOTE IN FAVOUR** of the Special Resolution at the forthcoming EGM of the Company.

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Date: 8 September 2021

To: The Entitled Shareholders of MMC Corporation Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE ENTITLED SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

This IAL is prepared for inclusion in Part B of this Document and should be read in conjunction with Part A of this Document. All definitions used in this IAL shall have the same meanings as the words and expressions defined in the Definitions section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to Alliance Investment Bank, being the Independent Adviser in relation to the Proposed SCR.

1. INTRODUCTION

On 3 June 2021, the Company had received the SCR Offer Letter from its controlling shareholder, STJSB, requesting the Company to undertake the Proposed SCR.

On 22 June 2021, in accordance with Paragraph 3.06 of the Rules, the Board (save for the Interested Director) had appointed Alliance Investment Bank as the Independent Adviser to provide comments, opinions, information and recommendation on the Proposed SCR to the Board (save for the Interested Director) and to the Entitled Shareholders. Following thereto, in accordance with Paragraph 3.07 of the Rules, we had *vide* our letter to the SC dated 24 June 2021 declared our independence from any conflict of interest or potential conflict of interest in our capacity as the Independent Adviser in relation to the Proposed SCR.

On 4 August 2021, the Board (save for the Interested Director) had, at a meeting, deliberated on the contents of the SCR Offer Letter and had resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval.

The SC had *vide* its letter dated 7 September 2021 notified that it has no further comments to the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide you with our independent evaluation on the Proposed SCR together with our recommendation on whether the Entitled Shareholders should vote in favour or against the Special Resolution in relation to the Proposed SCR at the forthcoming EGM of the Company, subject to the scope of our role and limitations as specified herein.



Alliance Investment Bank Berhad 197401004393 (21605-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Menara Multi-Purpose
Capital Square, 8 Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
www.alliancebank.com.my

Customer Service 603.5516 9988

As provided under Paragraph 2(f) of Schedule 3 of the Rules, the Special Resolution to be tabled at the forthcoming EGM must be approved by at least:

- (i) a majority in number of Entitled Shareholders and 75% in value to the votes attached to the disinterested MMC Shares that are cast either in person or by proxy at the forthcoming EGM; and
- (ii) the value of the votes cast against the special resolution for the Proposed SCR at the forthcoming EGM is not more than 10% of the votes attached to all the disinterested MMC Shares of the total voting shares of the Company.

YOU ARE ADVISED TO CAREFULLY CONSIDER THE CONTENTS OF THIS DOCUMENT AS WELL AS THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION IN RESPECT OF THE PROPOSED SCR TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED SCR

We have evaluated the Proposed SCR and in rendering our advice, we have considered various factors which we believe are relevant and important in assessing the Proposed SCR and would be of general concern to the Entitled Shareholders.

Our scope as the Independent Adviser is limited to providing comments, opinions, information and recommendation on the Proposed SCR as to whether the Proposed SCR is fair and reasonable insofar as the Entitled Shareholders are concerned based on information and documents provided to us or which are available to us and making enquiries as were reasonable in the circumstances. In performing our evaluation, we have relied on the following sources of information:

- (i) information contained in Part A of this Document as well as the accompanying appendices;
- (ii) audited consolidated financial statements of MMC for the FYE 31 December 2020 and unaudited consolidated financial statements of MMC for the FPE 30 June 2021;
- (iii) valuation reports on the selected properties as set out in Section 5 of this IAL;
- (iv) discussions with and representation by the Board and management of MMC Group;
- (v) other relevant information, documents, confirmations and representations furnished to us by the Board and management of MMC Group; and
- (vi) other publicly available information.

We have relied on the Board and management of MMC Group to take due care to ensure that all information, documents, confirmations and representations provided by them to facilitate our evaluation of the Proposed SCR are accurate, valid and complete in all material aspects. Nonetheless, we have made enquiries as were reasonable in the circumstances and we are satisfied that the information provided to us or which are available to us is sufficient and we have no reason to believe that the aforementioned information is unreliable, inaccurate, incomplete and/or misleading as at the LPD.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Entitled Shareholders as a whole and not for any specific group of Entitled Shareholders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situations, risk profiles or particular needs of any individual Entitled Shareholder or any specific group of Entitled Shareholders. We recommend that any Entitled Shareholder who is in doubt as to the action to be taken or requires advice in relation to the Proposed SCR in the context of his individual investment objectives, financial situation, risk profile or particular needs should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion expressed in this IAL are, amongst others, based on prevailing economic, capital market, industry, regulatory, socio-political and other conditions (if applicable) and the information/documents available to us, as at the LPD. Such conditions may change significantly over a period of time.

We shall immediately disclose to the SC in writing and notify the Entitled Shareholders by way of press notice and announcement on Bursa Securities before 9 a.m. on the next Market Day if, after despatching this IAL, as guided by Paragraph 11.07(1) of the Rules, we become aware that this IAL:-

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary IAL to the Entitled Shareholders in accordance with Paragraph 11.07(2) of the Rules.

3. DETAILS OF THE PROPOSED SCR

The details of the Proposed SCR are as follows:

<p>Consideration for the Proposed SCR</p>	<p>The Proposed SCR involves a cash consideration of RM2.00 for each MMC Share held by the Entitled Shareholders on the Entitlement Date.</p> <p>Should MMC declare, make and/or pay any dividend or undertake a distribution of any other nature whatsoever (collectively, “Distribution”) after the date of the SCR Offer Letter up to the completion of the Proposed SCR which the Entitled Shareholders are entitled to, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per MMC Share.</p> <p>As at the LPD, there has been no Distribution declared, made and/or paid by MMC on or after the SCR Offer Letter.</p>
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<p>Mode and timing of settlement :</p>	<p>The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend Accounts of the Entitled Shareholders duly registered with Bursa Depository within ten (10) days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend Accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk within ten (10) days from the Effective Date.</p> <p>Except with the consent of the SC, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which MMC may otherwise be, or claim to be, entitled against the Entitled Shareholders.</p> <p>Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions.</p>
<p>Conditions of the Proposed SCR :</p>	<p>The Proposed SCR is subject to and conditional upon the following being obtained:</p> <ul style="list-style-type: none"> (i) the approval of the Entitled Shareholders for the Proposed SCR via the Special Resolution to be tabled at the forthcoming EGM; (ii) the approval and/or consent of the existing financiers (including bond/sukuk holders) and/or creditors of the MMC Group; and (iii) the granting of the Order by the High Court giving effect to the Proposed SCR. <p>Upon the abovementioned conditions being fulfilled, the Proposed SCR shall be binding on all Entitled Shareholders notwithstanding that there may have been Entitled Shareholders who voted against the Special Resolution. The Proposed SCR will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than ten (10) days from the date of the Lodgment.</p> <p>The Proposed SCR is not conditional upon any other corporate exercise of the Company.</p>

Irrevocable undertaking	:	As at the LPD, the Offeror, the Ultimate Offeror or their PACs have not received any irrevocable undertaking from any of the Entitled Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM.
Financial resources for the Proposed SCR	:	<p>The Proposed SCR will be funded by way of an advance from the Offeror.</p> <p>The Offeror and the Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of the Company and every Entitled Shareholder will be paid in full by cash.</p> <p>RHB Investment Bank, being the Principal Adviser for the Proposed SCR, is satisfied that the Offeror has sufficient financial resources to undertake the Proposed SCR and that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and the Company, and that every Entitled Shareholder will be paid in full by cash.</p>

Please refer to **Part A** of this Document for further details of the Proposed SCR.

4. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “**fair**” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of MMC Shares.

However, the Proposed SCR is considered as “**not fair**” if the SCR Offer Price is equal to or higher than the market price but is lower than the value of MMC Shares.

In making the assessment, the value of MMC Shares is determined based on the assumption that 100% of the issued share capital of MMC is being acquired;

- (iii) in considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of MMC Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained; and

- (iv) in the event the independent adviser concludes that the Proposed SCR is “**not fair but reasonable**”, the independent adviser must clearly explain the following:
 - (a) what is meant by “not fair but reasonable”;
 - (b) how has the independent adviser reached to this conclusion; and

- (c) the course of action that the Entitled Shareholders are recommended to take pursuant to the conclusion.

Please refer to the following sections for further details pertaining to the fairness and reasonableness of the Proposed SCR:

Fairness of the Proposed SCR	Details in this IAL
(i) Valuation of MMC Shares	Section 5

Reasonableness of the Proposed SCR	Details in this IAL
(i) Historical market price performance of MMC Shares	Section 6.1
(ii) Historical liquidity analysis of MMC Shares	Section 6.2
(iii) No alternative offer	Section 6.3
(iv) Level of control of the Offeror, Ultimate Offeror and their PACs	Section 6.4

5. FAIRNESS OF THE PROPOSED SCR

Valuation of MMC Shares

MMC Group is involved in the following business segments:

Business segments	Description
Ports & Logistics ⁽¹⁾	Port activities include constructing, operating, maintaining, managing and provision of port facilities and other related services. Logistics activities include haulage of containers, warehousing and provision of freight forwarding services.
Engineering	Engineering services include engineering and construction works for civil and infrastructure projects as well as provision of professional engineering services to the oil and gas and resources industries.
Energy & Utilities	Solutions provider for power generation and water desalination, natural gas distribution and operation, maintenance and management of water treatment plants.
Airport and Property Development ⁽²⁾	Airport services include managing, operating, maintaining and developing the Senai International Airport, provision of management services for Senai Airport City development area as well as property owner and developer.
Others	Others comprise mainly investment holding companies, property holding, provision of management services and property investment.

Notes:

- (1) Included in the Ports and Logistic segment is the Tanjung Bin Lands (as defined in Section 5.1.2 of this IAL).
- (2) Included in the Airport and Property Development segment is the Senai Lands (as defined in Section 5.4 of this IAL).

The contribution of the above business segments to MMC Group's revenue and profit / (loss) before zakat and taxation is as follows:

Business segments	Audited FYE 31 December 2020				Unaudited FPE 30 June 2021			
	Revenue		Profit / (Loss) before zakat and taxation		Revenue		Profit / (Loss) before zakat and taxation	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
Ports & Logistics	3,248,380	72.3	609,847	93.3	1,824,094	79.6	465,001	94.2
Engineering	1,146,267	25.5	319,251	48.8	448,150	19.5	98,963	20.0
Energy & Utilities	24,181	0.6	161,274	24.7	11,716	0.5	91,053	18.4
Airport and Property Development	73,184	1.6	(17,045)	(2.6)	8,727	0.4	(29,820)	(6.0)
Others	736	-(1)	(419,613)	(64.2)	56	-(1)	(131,595)	(26.6)
Total	4,492,748	100.0	653,714	100.0	2,292,743	100.0	493,602	100.0

Note:

(1) Negligible.

In view of the different business segments of MMC Group, we have adopted the sum-of-parts valuation ("SOPV") method as the most appropriate valuation methodology to arrive at the value of MMC Shares. The SOPV method represents the aggregate valuation of the different business segments based on the most appropriate valuation methodologies as set out below:

Business segments

Valuation methodologies

Ports & Logistics

Discounted cash flow ("DCF")
Revalued net asset value ("RNAV")

Engineering

DCF
Price-to-earnings ratio ("PER")
Net assets ("NA")

Energy & Utilities

Market Value
PER

Airport and Property
Development

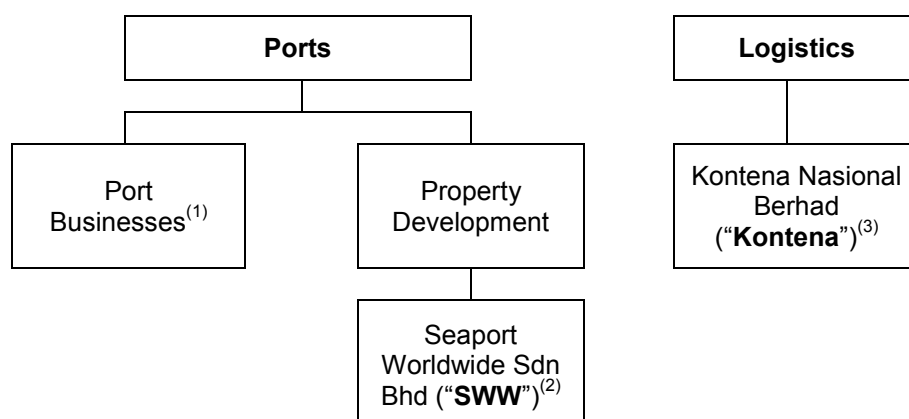
RNAV

Others

NA
RNAV

5.1 Ports & Logistics

To determine the most appropriate valuation methodology, the companies under the Ports & Logistics segment were grouped based on their respective business activities as follows:



Notes:

- (1) Companies principally involved in port operations including constructing, operating, maintaining, managing and provision of port facilities and other related services. The companies involved in port operations are:

No.	Company	MMC's effective equity interest (%)
(i)	Pelabuhan Tanjung Pelepas Sdn Bhd (" PTP ")	70.00
(ii)	Northport (Malaysia) Bhd (" Northport ")	99.10
(iii)	Johor Port Berhad (" Johor Port ")	100.00
(iv)	Penang Port Sdn Bhd (" Penang Port ")	100.00
(v)	Tanjung Bruas Port Sdn Bhd (" Tanjung Bruas Port ")	70.00

*PTP, Northport, Johor Port, Penang Port and Tanjung Bruas Port are collectively referred to as the "**Port Businesses**".*

- (2) *SWW is a wholly-owned subsidiary of Johor Port and is principally involved in property development. SWW is land owner and master developer of Tanjung Bin Lands (as defined in Section 5.1.2 of this IAL).*
- (3) *Kontena, its subsidiaries and associate company ("**Kontena Group**", is a wholly-owned subsidiary of NCB Holdings Bhd, which in turn is a 99.10% subsidiary of MMC Port, a wholly-owned subsidiary of MMC. The Kontena Group is principally involved in the haulage of containers, warehousing and provision of freight forwarding services.*

5.1.1 Port Businesses

Theoretically, under the DCF method, the valuation of a business is based on its future cash flows which is discounted to present value. We are of the view that this is the most appropriate valuation method to estimate the value of the Port Businesses as the Port Businesses are concession in nature and the DCF method takes into consideration the future capabilities of the Port Businesses in generating potential cash flows and earnings.

Under the DCF method, the projected free cash flow to equity ("**FCFE**") to be generated from the Port Businesses are discounted at an appropriate cost of equity to derive the present value of all future cash flows from the Port Businesses attributable to its investors.

This valuation method also takes into consideration both the time value of money and the future cash flows to be generated by the Port Businesses over a specified period of time. As the methodology entails the discounting of future cash flows to be generated from the Port Businesses at a specified discount rate to arrive at the present value, the risk of generating such cash flows is also taken into consideration.

We have reviewed the future financial information of the Port Businesses from FYE 31 December 2021 to FYE 31 December 2025 prepared by the management of the respective port companies on a best-effort basis, based on their judgement and estimations to reflect the strategies of the respective port companies for the next five (5) years ("**Future Financials**"). We have considered and evaluated the key bases and assumptions adopted in the Future Financials and we are satisfied that the key bases and assumptions used in the preparation of the Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD.

The Future Financials, together with the bases and assumptions adopted therein, have been reviewed by the management and the Board, where applicable. The key bases and assumptions adopted in the preparation of the Future Financials are as follows:

- (i) the Port Businesses are expected to continue their business operations until expiry of the concession period of the respective port companies, without any extension;
- (ii) an increase in tariff for PTP, Johor Port and Penang Port which is expected to take effect between FYE 31 December 2021 and FYE 31 December 2024;
- (iii) there will not be any significant or material changes to the principal activities of the Port Businesses;
- (iv) there will be no significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the Port Businesses;
- (v) there will be no major disruptions or interruptions to the operations of the Port Businesses, whether due to acts of God, fire or other unforeseen circumstances, which may have a material adverse effect on the financial results, cash flows or business prospects of the Port Businesses;
- (vi) there will be no significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of the Port Businesses;
- (vii) sufficient funds will be available to finance the working capital requirements and capital expenditure of the Port Businesses without any material adverse effect on the financial results, cash flows or business prospects of the Port Businesses;
- (viii) the current accounting policies adopted by the Group in respect of the Port Businesses will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group; and
- (ix) there will be no significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the ports and logistics industry in Malaysia and overseas which also includes any changes arising from the COVID-19 pandemic and the implementation of the National Recovery Plan subsequent to the LPD which may have a material adverse effect on the financial performance and financial position of the Group.

In deriving the value of the Port Businesses, we have discounted the projected FCFE to be generated from the respective port companies at an appropriate cost of equity to reflect the rate of return required by the shareholders of MMC. Our valuation, together with the key bases and assumptions adopted are as follows:

No.	Parameters	Key assumptions / Explanatory statements												
1.	FCFE	<p>FCFE is the free cash flow from operations available to the investors of a company after taking into consideration the net operating cash flows, net investing cash flows and net financing cash flows. The FCFE is discounted at an appropriate cost of equity which represents the required rate of return by the investors.</p> <p>A steady state of projected free cash flow is assumed to be reached in the FYE 31 December 2026 ("Steady State Free Cash Flow 2026") and shall maintain at its steady state growth rate (refer to item 6 of this table) until the expiry of the respective concessions as set out below:</p> <table><tr><th>Port companies</th><th>Expiry of concession</th></tr><tr><td>PTP</td><td>: FYE 31 December 2055</td></tr><tr><td>Northport</td><td>: FYE 31 December 2043</td></tr><tr><td>Johor Port</td><td>: FYE 31 December 2052</td></tr><tr><td>Penang Port</td><td>: FYE 31 December 2041</td></tr><tr><td>Tanjung Bruas Port</td><td>: FYE 31 December 2046</td></tr></table> <p>For the purpose of deriving the Steady State Free Cash Flow 2026, the companies in the Port Businesses were classified into established ports or developing ports. Established ports include PTP, Northport and Johor Port, which have long operating history and steady income contribution from their operations. Developing ports include Penang Port and Tanjung Bruas Port, the acquisitions of which were completed by the MMC Group in May 2018 and October 2017, respectively and have recently undertaken or have plans to undertake major upgrading works to their port infrastructures to enhance their respective operations.</p> <p>The key assumptions in deriving the Steady State Free Cash Flow 2026 of the port companies are as follows:</p> <p>(i) For established ports, given their operating history, steady growth of container and conventional throughput, and established operations, the Steady State Free Cash Flow 2026 is based on the average historical cash flows from FYE 31 December 2016 to FYE 31 December 2020 and projected five (5) years cash flows from FYE 31 December 2021 to FYE 31 December 2025. The Steady State Free Cash Flow 2026 is within the reasonable range of the historical cash flows and is reflective of the projected five (5) years cash flows;</p> <p>(ii) For Penang Port, the Steady State Free Cash Flow 2026 is based on the three (3) years projected cash flows from FYE 31 December 2023 to FYE 31 December 2025 after taking into consideration the impact on the performance of Penang Port in FYEs 31 December 2020 and 31 December 2021 due to disruptions in global trade arising from the US-China trade war and the COVID-19 pandemic which had impacted the volume of cargo and trade from Southern Thailand. Nevertheless, the operations of Penang Port are expected to normalise from FYE 31 December 2023 onwards; and</p>	Port companies	Expiry of concession	PTP	: FYE 31 December 2055	Northport	: FYE 31 December 2043	Johor Port	: FYE 31 December 2052	Penang Port	: FYE 31 December 2041	Tanjung Bruas Port	: FYE 31 December 2046
Port companies	Expiry of concession													
PTP	: FYE 31 December 2055													
Northport	: FYE 31 December 2043													
Johor Port	: FYE 31 December 2052													
Penang Port	: FYE 31 December 2041													
Tanjung Bruas Port	: FYE 31 December 2046													

No.	Parameters	Key assumptions / Explanatory statements												
		<p>(iii) For Tanjung Bruas Port, the Steady State Free Cash Flow 2026 is based on the three (3) years projected cash flows from FYE 31 December 2023 to FYE 31 December 2025 after taking into consideration the expansion works to the port infrastructure to expand the port's throughput handling capacity in FYE 31 December 2021 and FYE 31 December 2022 which is only expected to contribute positively from FYE 31 December 2023 onwards.</p>												
2.	Cost of equity ("Ke")	<p>Ke = 5.96% - 9.70%</p> <p>Cost of equity represents the rate of return required by an investor on the cash flow streams generated by the Port Businesses given the risk associated with the cash flows.</p> <p>In arriving at the cost of equity, we have adopted the Capital Asset Pricing Model ("CAPM") based on the following formula:</p> $Ke = R_f + \beta (R_m - R_f)$ <p>The estimated cost of equity of the individual port companies is as follows:</p> <table><tr><th>Port companies</th><th>Cost of equity⁽¹⁾</th></tr><tr><td>PTP</td><td>: 7.83%</td></tr><tr><td>Northport</td><td>: 7.10%</td></tr><tr><td>Johor Port</td><td>: 7.83%</td></tr><tr><td>Penang Port</td><td>: 9.70%</td></tr><tr><td>Tanjung Bruas Port</td><td>: 5.96%*</td></tr></table> <p>Notes:</p> <p>(1) The cost of equity of the comparable companies (as disclosed in item 5 of this table) ranges between 6% and 9%.</p> <p>* Tanjung Bruas Port does not have any borrowings as at 30 June 2021. The cost of equity for Tanjung Bruas Port is computed based on the average unlevered Beta of the comparable companies.</p>	Port companies	Cost of equity ⁽¹⁾	PTP	: 7.83%	Northport	: 7.10%	Johor Port	: 7.83%	Penang Port	: 9.70%	Tanjung Bruas Port	: 5.96%*
Port companies	Cost of equity ⁽¹⁾													
PTP	: 7.83%													
Northport	: 7.10%													
Johor Port	: 7.83%													
Penang Port	: 9.70%													
Tanjung Bruas Port	: 5.96%*													
3.	Risk-free rate of return ("Rf")	<p>Rf = 3.19%</p> <p>The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 10-year Malaysian Government Securities based on Bank Negara Malaysia as this represents the closest available approximation of the risk-free investment. As at the LPD, the yield as extracted from Bank Negara Malaysia's website is 3.19% per annum.</p>												
4.	Expected market rate of return ("Rm")	<p>Rm = 9.36%</p> <p>The expected market rate of return represents the expected rate of return of investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>In our opinion, the expected market rate of return for FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia. Based on the information extracted from Bloomberg, we have derived an average expected market rate of return in Malaysia of 9.36% per annum for the past ten (10) years up to the LPD.</p>												

No.	Parameters	Key assumptions / Explanatory statements												
5.	Beta ("β")	<p>$\beta = 0.45 - 1.06$</p> <p>Beta is the sensitivity of an asset's return to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A Beta of more than 1 signifies that the asset is riskier than the market and a Beta of lower than 1 signifies that the asset is less risky as compared to the market.</p> <p>In deriving the Beta for the Port Businesses, we have relied on the average unlevered Beta of the comparable companies listed on Bursa Securities. In arriving at the average unlevered Beta, we derived a simple average based on the 3-year weekly raw historical Beta of the comparable companies up to the LPD and unlevered the raw Beta for each comparable company based on their respective capital structure as extracted from Bloomberg. Subsequently, we re-levered them based on the capital structure of the respective port companies under the Port Businesses.</p> <p>The list of comparable companies and their principal activities are as follows:</p> <table> <tr> <th>Comparable companies⁽¹⁾</th><th>Principal activities</th><th>Market capitalisation as at LPD (RM '000)</th></tr> <tr> <td>Westports Holdings Berhad</td><td>Port development and management of port operations.</td><td>15,004,000</td></tr> <tr> <td>Bintulu Port Holdings Berhad</td><td>Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services.</td><td>2,116,000</td></tr> <tr> <td>Suria Capital Holdings Berhad</td><td>Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts.</td><td>387,319</td></tr> </table> <p>(Sources: Annual reports of respective comparable companies and Bloomberg)</p>	Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)	Westports Holdings Berhad	Port development and management of port operations.	15,004,000	Bintulu Port Holdings Berhad	Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services.	2,116,000	Suria Capital Holdings Berhad	Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts.	387,319
Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)												
Westports Holdings Berhad	Port development and management of port operations.	15,004,000												
Bintulu Port Holdings Berhad	Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services.	2,116,000												
Suria Capital Holdings Berhad	Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts.	387,319												

No.	Parameters	Key assumptions / Explanatory statements												
		<p>Note:</p> <p>(1) The comparable companies are involved in similar activities as the Port Businesses with more than 90% of their latest audited consolidated revenue being generated from port business. Although the comparable companies are involved in similar activities as the companies under the Port Businesses, they may not be directly comparable due to, among others, composition and geographical coverage of business activities, scale of operations, profit track record, financial strength, liquidity of shares, operating and financial leverage, asset base, accounting and taxation policies, risk profile, future prospects, management and capital structure. Nonetheless we view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated Beta of the Ports segment.</p>												
6.	Growth rate ("g")	<p>g = 1.0% - 3.0%</p> <p>The Steady State Free Cash Flow 2026 is assumed to be reached until the expiry of the respective concessions based on the growth rates ranging between 1.0% and 3.0%.</p> <p>The range of growth rates ascribed to the port companies are as follows:</p> <table><tr><th>Port companies</th><th>Growth rates</th></tr><tr><td>PTP</td><td>: 2.0% - 2.5%</td></tr><tr><td>Northport</td><td>: 1.0% - 1.5%</td></tr><tr><td>Johor Port</td><td>: 1.5% - 2.0%</td></tr><tr><td>Penang Port</td><td>: 2.0% - 2.5%</td></tr><tr><td>Tanjung Bruas Port</td><td>: 2.5% - 3.0%</td></tr></table> <p>The key assumptions in deriving the range of growth rates are as follows:</p> <p>(i) For PTP, a steady growth rate is arrived at after taking into consideration the historical five (5) years simple average annual revenue growth rate of 2.8% and simple average annual TEU growth rate of 1.7% from FYE 31 December 2016 to FYE 31 December 2020. PTP's growth rate is the highest amongst the established ports after taking into consideration its existing partnership with shipping lines, its investment in equipment and infrastructure and its capability to handle higher capacity of TEUs;</p> <p>(ii) For Northport, a steady growth rate is arrived at after taking into consideration the historical five (5) years simple average annual revenue growth rate of 1.2% from FYE 31 December 2016 to FYE 31 December 2020. We have also taken into consideration the potential growth in annual TEU handled in Port Klang with the completion of Northport District Park warehouses and Southpoint Biomass Logistics Hub, which is expected to create synergistic effect for the port's business;</p> <p>(iii) For Johor Port, a steady growth rate is arrived at after taking into consideration the historical five (5) years simple average annual revenue growth rate of 3.1% from FYE 31 December 2016 to FYE 31 December 2020 and the business diversification into marine advisory services and liquefied natural gas bunkering services which are</p>	Port companies	Growth rates	PTP	: 2.0% - 2.5%	Northport	: 1.0% - 1.5%	Johor Port	: 1.5% - 2.0%	Penang Port	: 2.0% - 2.5%	Tanjung Bruas Port	: 2.5% - 3.0%
Port companies	Growth rates													
PTP	: 2.0% - 2.5%													
Northport	: 1.0% - 1.5%													
Johor Port	: 1.5% - 2.0%													
Penang Port	: 2.0% - 2.5%													
Tanjung Bruas Port	: 2.5% - 3.0%													

No.	Parameters	Key assumptions / Explanatory statements
		<p>expected to diversify the revenue stream generated from non-core services for Johor Port in addition to its existing port business model. In assigning the growth rate, we have also taken into consideration the dependency of Johor Port on a limited number of industry players and the economic activities in Johor to drive its future revenue;</p> <p>(iv) For Penang Port, a steady growth rate is arrived at after taking into consideration the historical five (5) years simple average revenue growth rate of 0.3% from FYE 31 December 2016 to FYE 31 December 2020, the expected increase in the throughput handling capacity of Penang Port with the completion of the North Butterworth Container Terminal in August 2020, and the increase in tariff which is expected to be gazetted in FYE 31 December 2021; and</p> <p>(v) For Tanjung Bruas Port, a steady growth rate is arrived at after taking into consideration the expected increase in the port's throughput handling capacity from FYE 31 December 2023 onwards with the expansion of the port's infrastructure which includes the lengthening of the existing jetty by 50 metres and improvement works on the existing trestle.</p> <p>We are of the view that the above growth rates as reasonable after taking into consideration the following:</p> <p>(a) projected average headline inflation rate between 2.5% and 4.0% in 2021;</p> <p>(b) 10-year historical average inflation rate in Malaysia of 2.0%; and</p> <p>(c) revised projected gross domestic product (GDP) of between 3.0% and 4.0% in 2021 as announced by Bank Negara Malaysia on 13 August 2021.</p> <p><i>(Sources: Bank Negara Malaysia and Economic Outlook 2021, Ministry of Finance Malaysia)</i></p>
7.	Statutory corporate income tax rate	The latest statutory corporate income tax rate applicable to the Port Businesses is 24%.

No.	Parameters	Key assumptions / Explanatory statements		
Value of the Port Businesses based on MMC's effective equity interest		MMC's effective equity interest (%)	Low range ⁽¹⁾ (RM '000)	High range ⁽¹⁾ (RM '000)
	PTP	70.00	1,476,149	1,567,874
	Northport	99.10	1,535,233	1,572,029
	Johor Port	100.00	1,619,958	1,717,100
	Penang Port	100.00	621,952	658,749
	Tanjung Bruas Port	70.00	49,923	55,480
	Total value of the Port Businesses		5,303,215	5,571,232
<i>Note:</i>				
<i>(1) Value is based on MMC's effective equity interest in the respective port companies.</i>				

5.1.2 SWW and Kontena Group

(a) Valuation of SWW

For the valuation of SWW, we have adopted the RNAV method as the most appropriate valuation method in view that the principal activity of SWW is property development. The RNAV is the market value of the company's assets that can be expected to be realised by a Company upon the sale of the assets on a willing-buyer willing-seller basis. Under the RNAV methodology, the carrying value or net book value of the assets are adjusted to their market values based on the revaluation surplus and/or deficit (net of relevant provisions of deferred tax) on such assets as derived from the valuation of the assets.

In applying the RNAV method, we have taken into consideration the following assumptions made:

- (i) SWW will continue to operate as a going concern and the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario;
- (ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on SWW;
- (iii) there will be ready and committed buyer for each asset at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iv) there will not be any compulsory acquisition of SWW's land by the relevant authorities;
- (v) there will not be any significant or material changes to the agreements, contracts, property development plans, approvals, licences, permits and regulations governing the assets and property development projects of SWW;

- (vi) the current accounting policies in respect of the assets and property development projects adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group;
- (vii) while there may be changes to the risks inherent to the property development business due to COVID-19 pandemic, effective measures will continue to be implemented to mitigate risks known to the Group to ensure the financial performance and financial position of the Group are not materially affected in the longer term; and
- (viii) there will not be any material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

In deriving the RNAV of SWW, we have considered the valuation conducted by the Independent Valuers for all real properties under SWW. These properties are mainly lands held for development known as Tanjung Bin Industrial Park I and Tanjung Bin Industrial Park II ("**Tanjung Bin Lands**"). As the land owner and master developer of Tanjung Bin Lands, SWW provides development land with infrastructures and utilities services such as power, water and telecommunication lines to the potential investors within the target related industries that require maritime logistics such as dry and liquid bulk storage, commodity trading, logistic & warehousing and agrofood processing.

Apart from the Tanjung Bin Lands, the other assets in SWW comprise current assets such as bank balances and other receivables, deposits and prepayments, for which the carrying values are reasonably expected to approximate their fair values.

We have relied upon the valuation reports conducted by the Independent Valuers on the Tanjung Bin Lands for the purpose of computing the estimated RNAV of SWW. In arriving at the opinion of the market value, the Independent Valuers have adopted the **comparison approach** of valuation.

Comparison approach

The comparison approach entails comparing the subject properties with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect the value such as location and accessibility, market conditions, size, shape and terrain of land, tenure and restriction if any, availability of infrastructure, vacant possession and other relevant characteristics.

We are of the view that the valuation approach adopted is reasonable, appropriate and consistent with generally applied valuation methodology. We have reviewed the key bases and assumptions adopted by the Independent Valuers and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Independent Valuers as well as the reasonableness of the opinion of the market value expressed by the Independent Valuers on the Tanjung Bin Lands and we have considered such market values for the purpose of computing the estimated RNAV of SWW.

The details of the net revaluation surplus/(deficit) of the lands held by SWW are set out below:

Tanjung Bin Industrial Park I

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
1.	<p>PTD Nos. 1694 & 1695, Mukim of Sungai Karang and PTD Nos. 1836, 1837, 1838, 1964, 2050, 2053, 2054, 2150 & 2151 and Lot Nos. 8196 & 8252, Mukim of Serkat, all within District of Pontian, Johor</p> <p>Ten (10) parcels of industrial land designated for heavy industry uses, a parcel of industrial land designated for the development of petrochemical and maritime industrial centre and two (2) parcels of industrial land designated for use as jetties collectively forming the proposed Tanjung Bin Petrochemical & Maritime Industrial Centre ("TBPMIC") in Pontian, Johor.</p> <p>The proposed TBPMIC is sited off the left side of the Pontian-Kukup main road, travelling from Pontian Kecil town towards Kukup and is located about 80 kilometres by road due southwest of Johor Bahru city centre and about 26 kilometres due south-east of Pontian Kecil town, which is the main commercial and administrative centre for the locality.</p> <p>The component plots have a combined title land area of about 930.94 hectares (2,300.40 acres). The proposed TBPMIC had been gazetted as a free zone industrial area and it is strategically located within one of the five Economic (Flagship) Zones of Iskandar Malaysia, namely Flagship C – Western Gate Development.</p>	Jones Lang Wootton	Comparison approach / 18 August 2021 Last valuation date: 12 March 2021 ⁽²⁾	960,000	47,150	912,850	219,084	693,766

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)																																			
	<p>The completed development within Phase I of TBPMIC is the premises of ATT Tanjung Bin Sdn Bhd (“ATB”) comprising 59 oil storage tanks (Lot 8252).</p> <p>Lot No. 8252 and part of PTD Nos. 1837, 2050, 2053 and 2151 have been reclaimed to platform level whilst the remaining areas are currently low-lying and under mangrove. Part of Lot 8196 measuring 29.90 hectares (74 acres) has been reclaimed and used as a jetty by ATB. Only about 15% of the total area has been reclaimed.</p> <p>Title/ Lot No.:</p> <table><tr><th>No.</th><th>Title / Lot No.</th><th>Title land area</th></tr><tr><td>(i)</td><td>HSD 15332 / PTD 1694</td><td>60.12 hectares (148.56 acres)</td></tr><tr><td>(ii)</td><td>HSD 15333 / PTD 1695</td><td>132.85 hectares (328.28 acres)</td></tr><tr><td>(iii)</td><td>HSD 11150 / PTD 1836</td><td>361.54 hectares (893.38 acres)</td></tr><tr><td>(iv)</td><td>HSD 11151 / PTD 1837</td><td>29.13 hectares (71.98 acres)</td></tr><tr><td>(v)</td><td>HSD 11152 / PTD 1838</td><td>1.83 hectares (4.52 acres)</td></tr><tr><td>(vi)</td><td>HSD 12267 / PTD 1964</td><td>6.39 hectares (15.79 acres)</td></tr><tr><td>(vii)</td><td>HSD 12860 / PTD 2050</td><td>81.5 hectares (201.39 acres)</td></tr><tr><td>(viii)</td><td>HSD 12863 / PTD 2053</td><td>63.8 hectares (157.65 acres)</td></tr><tr><td>(ix)</td><td>HSD 12864 / PTD 2054</td><td>0.50 hectare (1.24 acres)</td></tr><tr><td>(x)</td><td>HSD 13393 / PTD 2150</td><td>0.44 hectare (1.10 acres)</td></tr><tr><td>(xi)</td><td>HSD 13394 / PTD 2151</td><td>96.16 hectares (237.61 acres)</td></tr></table>	No.	Title / Lot No.	Title land area	(i)	HSD 15332 / PTD 1694	60.12 hectares (148.56 acres)	(ii)	HSD 15333 / PTD 1695	132.85 hectares (328.28 acres)	(iii)	HSD 11150 / PTD 1836	361.54 hectares (893.38 acres)	(iv)	HSD 11151 / PTD 1837	29.13 hectares (71.98 acres)	(v)	HSD 11152 / PTD 1838	1.83 hectares (4.52 acres)	(vi)	HSD 12267 / PTD 1964	6.39 hectares (15.79 acres)	(vii)	HSD 12860 / PTD 2050	81.5 hectares (201.39 acres)	(viii)	HSD 12863 / PTD 2053	63.8 hectares (157.65 acres)	(ix)	HSD 12864 / PTD 2054	0.50 hectare (1.24 acres)	(x)	HSD 13393 / PTD 2150	0.44 hectare (1.10 acres)	(xi)	HSD 13394 / PTD 2151	96.16 hectares (237.61 acres)						
No.	Title / Lot No.	Title land area																																									
(i)	HSD 15332 / PTD 1694	60.12 hectares (148.56 acres)																																									
(ii)	HSD 15333 / PTD 1695	132.85 hectares (328.28 acres)																																									
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(vii)	HSD 12860 / PTD 2050	81.5 hectares (201.39 acres)																																									
(viii)	HSD 12863 / PTD 2053	63.8 hectares (157.65 acres)																																									
(ix)	HSD 12864 / PTD 2054	0.50 hectare (1.24 acres)																																									
(x)	HSD 13393 / PTD 2150	0.44 hectare (1.10 acres)																																									
(xi)	HSD 13394 / PTD 2151	96.16 hectares (237.61 acres)																																									

No.	Description of subject property		Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
	(xii)	Pajakan Negeri 61647 / Lot 8196	45.06 hectares (111.35 acres)						
	(xiii)	Pajakan Negeri 68263 / Lot 8252	51.62 hectares (127.56 acres)						
	Mukim/ District : Mukim of Serkat, District of Pontian, Johor in respect of all titles with the exception of PTD Nos. 1694 & 1695 which falls under Mukim of Sungai Karang, District of Pontian, Johor.								
	Category of land use : Perusahaan/Perindustrian								
	Designated Land use:								
	No.	Title / Lot No.	Designated Land Use						
	(i)	HSD 15332 / PTD 1694	Heavy industry						
	(ii)	HSD 15333 / PTD 1695	Heavy industry						
	(iii)	HSD 11150 / PTD 1836	Heavy industry						
	(iv)	HSD 11151 / PTD 1837	Heavy industry						
	(v)	HSD 11152 / PTD 1838	Heavy industry						
	(vi)	HSD 12267 / PTD 1964	Jetty						
	(vii)	HSD 12860 / PTD 2050	Heavy industry						
	(viii)	HSD 12863 / PTD 2053	Heavy industry						
	(ix)	HSD 12864 / PTD 2054	Heavy industry						
	(x)	HSD 13393 / PTD 2150	Petrochemical and maritime industrial centre						
	(xi)	HSD 13394 / PTD 2151	Heavy industry						
	(xii)	Pajakan Negeri 61647 / Lot 8196	Jetty						
	(xiii)	Pajakan Negeri 68263 / Lot 8252	Heavy industry (tank farm)						

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
	<p>Owner : Seaport Worldwide Sdn Bhd</p> <p>Tenure : (i) <u>PTD No. 1964 and Lot No. 8196</u> 99-year leasehold interest, expiring on 26 July 2109 (Unexpired term of about 88 years)</p> <p>(ii) <u>PTD Nos. 1694, 1695, 1836, 1837, 1838, 2050, 2053, 2054, 2150 & 2151 and Lot No. 8252</u> 99-year leasehold interest, expiring on 23 January 2104 (Unexpired term of about 82 years)</p> <p>Date of acquisition : (i) <u>PTD No. 1964 & Lot No. 8196</u> 27 July 2010</p> <p>(ii) <u>PTD Nos. 1694, 1695, 1836, 1837, 1838, 2050, 2053, 2054, 2150 & 2151 and Lot No. 8252</u> 24 January 2005</p>							

Notes:

(1) Based on statutory corporate tax rate in Malaysia of 24%.

(2) SWW had on 12 March 2021 undertaken the revaluation of PTD Nos. 1837, 1838, 2050, 2053 and 2054 for financing purposes. The remaining lands under Tanjung Bin Industrial Park I were not valued on 12 March 2021 as the remaining lands were not used for the said financing purposes.

Tanjung Bin Industrial Park II

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation deficit (C) = (A) – (B) (RM '000)	Deferred taxation (D) (RM '000)	Net revaluation deficit (E) = (C) – (D) (RM '000)
1.	<p>Lot No. 2896 and six (6) other contiguous industrial lands, Mukim of Serkat, District of Pontian, Johor</p> <p>A contiguous land which had obtained approval from Johor State Planning Committee for change of zoning from agricultural to industrial use on 23 February 2016 and located at Off Jalan Tanjung Bin.</p> <p>The Pontian-Kukup main road and Jalan Tanjung Bin which runs parallel to the Straits of Melaka and Singapore provides for numerous pockets of dwellings and village centres along the main road, in the midst of agricultural holdings mainly under oil palm and pineapple. Tanjung Bin power station is sited a short distance to the west of the subject property, whilst notable <i>kampung</i> land / residential area are sited along and off main road. Pontian town which lies 25 kilometres to the north of the subject property is the main administrative and commercial centre for the district of Pontian.</p> <p>The component plots of Lot No. 2896 and six (6) other lots of contiguous industrial land measuring an aggregate gross area of 93.2397 hectares (230.4000 acres) with the benefit of planning permission for industrial use. The land is currently overgrown with mangrove trees.</p>	IPC Island Property Consultants Sdn Bhd	Comparison approach / 12 August 2021 Last valuation date: 18 February 2015	254,000 ⁽¹⁾	254,950	(950) ⁽²⁾	-	(950)

Title/ Lot No.:

No.	Title / Lot No.	Title land area
(i)	GRN 211709 / Lot 2896	0.43 hectares
(ii)	GRN 211710 / Lot 3094	0.45 hectares

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation deficit (C) = (A) – (B) (RM '000)	Deferred taxation (D) (RM '000)	Net revaluation deficit (E) = (C) – (D) (RM '000)														
	<table><tr><td>(iii)</td><td>GRN 211711 / Lot 3095</td><td>75.66 hectares</td></tr><tr><td>(iv)</td><td>GRN 211712 / Lot 3097</td><td>9.14 hectares</td></tr><tr><td>(v)</td><td>HSD 15244 / PTD 2199</td><td>5.19 hectares</td></tr><tr><td>(vi)</td><td>HSD 15245 / PTD 2200</td><td>1.45 hectares</td></tr><tr><td>(vii)</td><td>HSD 15246 / PTD 2204</td><td>0.92 hectares</td></tr></table> <p>Mukim : Serkat District : Pontian, Johor Title/ Lot No : Lot 2896 and six (6) others, all in Mukim of Serkat, District of Pontian, Johor Title land area : 87.57 hectares⁽¹⁾ Category of land use : Nil Intended land use : Industrial development⁽¹⁾ Owner : Seaport Worldwide Sdn Bhd Tenure : Freehold Date of acquisition : 24 February 2015</p>	(iii)	GRN 211711 / Lot 3095	75.66 hectares	(iv)	GRN 211712 / Lot 3097	9.14 hectares	(v)	HSD 15244 / PTD 2199	5.19 hectares	(vi)	HSD 15245 / PTD 2200	1.45 hectares	(vii)	HSD 15246 / PTD 2204	0.92 hectares						
(iii)	GRN 211711 / Lot 3095	75.66 hectares																				
(iv)	GRN 211712 / Lot 3097	9.14 hectares																				
(v)	HSD 15244 / PTD 2199	5.19 hectares																				
(vi)	HSD 15245 / PTD 2200	1.45 hectares																				
(vii)	HSD 15246 / PTD 2204	0.92 hectares																				

Notes:

(1) The land area of Tanjung Bin Industrial Park II based on the layout plan is 93.24 hectares, whilst the land area used for the purpose of valuation is 87.57 hectares after deduction for land acquired by the Government for infrastructure purposes. The valuation of Tanjung Bin Industrial Park II is based on the planning permission for the proposed industrial development layout plan that was submitted for approval to the local authority on 15 June 2021. The Independent Valuer has assumed that the approval for the proposed industrial development layout plan will be obtained given the previous approval by the Johor State Planning Committee on 23 February 2016.

(2) As at the LPD, the Board has not deliberated on the revaluation deficit and no decision has been made on the same.

Based on the RNAV method, the estimated value of SWW is as follows:

	(RM '000)
Unaudited NA of SWW as at 30 June 2021	213,278
Add: Net revaluation surplus/(deficit) from Tanjung Bin Lands	
Tanjung Bin Industrial Park I	693,766
Tanjung Bin Industrial Park II	(950)
Estimated RNAV of SWW	906,094

(b) Valuation of Kontena Group

Kontena is principally involved in the haulage of containers, warehousing and provision of freight forwarding services. We have adopted the RNAV method as the most appropriate valuation method as Kontena has a significantly large asset base consisting of lands and buildings used primarily for its business operations. Additionally, Kontena Group had incurred losses for the past five (5) years i.e. FYE 31 December 2016 to FYE 31 December 2020. The subsidiaries and associate company of Kontena are either dormant or recorded declining profits and have no major assets. As such, earnings based valuation methodology is not appropriate. The companies in the Kontena Group are valued based on their respective NA, which is used to arrive at the adjusted RNAV of the Kontena Group.

In applying the RNAV method, we have taken into consideration the following assumptions:

- (i) Kontena Group will continue to operate as a going concern and the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario despite the impact of COVID-19 pandemic on Kontena Group's business;
- (ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on Kontena Group;
- (iii) there will not be any significant or material changes to the agreements, contracts, approvals, licences, permits and regulations governing the assets of Kontena Group;
- (iv) the current accounting policies in respect of the assets adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group; and
- (v) there will not be any material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

In deriving the RNAV of Kontena, we have considered the valuation conducted by the Independent Valuers for all real properties under Kontena. These properties are mainly lands and buildings used for warehousing, office and container yard.

We have relied upon the valuation conducted by the Independent Valuers on the lands and buildings held by Kontena for the purpose of computing the estimated RNAV of Kontena. In arriving at the opinion of the market value, the Independent Valuers have adopted the **comparison approach** and **cost approach** of valuation. Please refer to Section 5.1.2 (a) of this IAL for details on the comparison approach.

Cost approach

The cost approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, accessibility/visibility, shape/condition, land size, tenure, land use, zoning and other relevant characteristics. The buildings are valued by reference to their depreciated replacement costs, i.e. the replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation. The land and building values are then summated to arrive at the market value of the subject property.

We are of the view that the valuation methodologies adopted are reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Independent Valuers and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Independent Valuers as well as the reasonableness of the opinion of the market value expressed by the Independent Valuers on the lands and buildings held by Kontena and we have considered such market values for the purpose of computing the adjusted RNAV of Kontena Group.

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The details of the net revaluation surplus of the lands and buildings held by Kontena are set out below:

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000) ⁽²⁾	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
1.	<p>PT 577 & PT 578, Petaling Jaya, Selangor</p> <p>Legal interest of two (2) contiguous parcels of industrial lands with potential for redevelopment into mixed commercial use identified as Lot PT 577 ("PT 577") and PT 578 ("PT 578") held under Title No(s). HSD 202832 and HSD 202833, respectively. Both located within Bandar Sunway, District of Petaling, Selangor. Both PT 577 and PT 578 are located along Jalan Klang Lama, and bounded by the Federal Highway to their immediate north and Lebuhraya Damansara - Puchong (LDP) to the west. Geographically, the Kuala Lumpur city centre and Subang Jaya city centre are located approximately 14 kilometres and 5 kilometres due north-east and south-west of the lands, respectively.</p> <p>Title/ Lot No. : (i) PT 577: HSD 202832 / PT 577 (Lot 62260) (ii) PT 578: HSD 202833 / PT 578 (Lot 62261)</p> <p>Mukim : Bandar Sunway</p> <p>District : Petaling, Selangor</p> <p>Surveyed land area : (i) PT 577: 21,851 sq. m. (5.40 acres) (i) PT 578: 54,636 sq. m. (13.50 acres)</p> <p>Category of land use : Perusahaan</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Owner : Kontena Nasional Berhad</p>	Knight Frank Malaysia Sdn Bhd	Comparison approach / 19 July 2021 Last valuation date: 24 March 2016	347,000 ⁽²⁾	52,762	294,238	29,424	264,814

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
	<p>Tenure : Leasehold interest for a term of 99 years, expiring on 8 August 2103.</p> <p>Unexpired term lease : Unexpired term of approximately 82 years</p> <p>Date of acquisition : 9 August 2004</p>							
2.	<p>Lot No. PT 1644, Lebuhr Raja Lumu, Kawasan Perindustrian Pandamaran, Port Klang, Selangor</p> <p>An industrial premise - Based on the gazetted "Rancangan Tempatan Majlis Perbandaran Klang 2020", the subject property is zoned under industrial zoning. This is located in Kawasan Perindustrian Pandamaran, 42000 Port Klang, Selangor.</p> <p>Title/ Lot No. : HSM 9011 / Lot PT 1644</p> <p>Mukim : Klang</p> <p>District : Klang, Selangor</p> <p>Surveyed land area : 129,719.00 sq. m. (32.05 acres)</p> <p>Total gross floor area : 15,083 sq. m.</p> <p>Category of land use : Perusahaan/Perindustrian</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 99 years expiring on 6 April 2079</p> <p>Unexpired term lease : Unexpired term of approximately 58 years</p> <p>Date of acquisition : 24 April 1984 (based on transfer date of title)</p>	CH Williams Talhar & Wong Sdn Bhd	Cost approach / 11 August 2021 Last valuation date: 25 November 2015	78,000	32,979	45,021	4,502	40,519

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
3.	<p>No. 12, Jalan Klebang 1/1, Zon Perdagangan Bebas Kinta, Chemor, Perak</p> <p>An industrial premise comprising a single-storey office building, a single-storey warehouse with annexed side building and other ancillary buildings. This is located in Zon Perdagangan Bebas Kinta, 31200 Chemor, Perak.</p> <p>Title/ Lot No. : Pajakan Negeri 378723 (Previously known as H.S.(D) KA 46801) / Lot 197092 (Previously known as PT 128695)</p> <p>Mukim: : Hulu Kinta</p> <p>District: : Kinta, Perak</p> <p>Surveyed land area : 31,384 sq. m. (7.76 acres)</p> <p>Gross floor area : 3,280 sq. m.</p> <p>Category of land use : Industry</p> <p>Current land use : Warehouse, Office & Container Yard⁽³⁾</p> <p>Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 60 years expiring on 16 January 2056</p> <p>Unexpired term lease : Unexpired term of approximately 35 years</p> <p>Date of acquisition : 8 March 2001 (based on transfer date of title)</p>	CH Williams Talhar & Wong Sdn Bhd	Comparison approach / 12 August 2021 Last valuation date: 25 November 2015	4,300	2,698	1,602	160	1,442

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
4.	<p>Lot Nos. PT 68, PT 1345 and PT 3667, Kawasan Perindustrian Perai, Penang – No. 2443, Lorong Perusahaan 1, Kawasan Perindustrian Perai, 13600 Perai, Seberang Perai, Penang</p> <p>An industrial complex located in Kawasan Perindustrian Perai, Penang.</p> <p> Title/ Lot No. : (i) HSD 38001/PT 68 (ii) HSD 44142/PT 1345 (iii) HSD 42238/PT 3667 Mukim : 1 District : Seberang Perai Tengah, Penang Surveyed land area : 81,755 sq. m. (20.20 acres) Gross floor area : 10,384 sq. m. Category of land use : Perusahaan/Perindustrian Current land use : Warehouse, Office & Container Yard Owner : Kontena Nasional Berhad Tenure (in the titles) : (i) Leasehold 60 years expiring on 06/03/2041 (ii) Leasehold 60 years expiring on 07/03/2042 (iii) Leasehold 60 years expiring on 09/09/2053 Unexpired term lease : (i) Unexpired term of approximately 20 years (ii) Unexpired term of approximately 21 years (iii) Unexpired term of approximately 32 years </p>	CH Williams Talhar & Wong Sdn Bhd	Comparison approach / 9 August 2021 Last valuation date: 30 November 2015	25,000	11,053	13,947	1,395	12,552

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
	Date of acquisition : (i) 29 October 1994 (ii) 2 March 1983 (iii) 24 February 1995							
5.	Lot 6010, Township of Johor Bahru, Johor⁽⁴⁾ – No. 4, Jalan Kuku, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor An industrial premise comprises a single storey factory, a single storey office annex and other ancillary buildings located in Johor Bahru. Title/ Lot No. : HSD 381922 / Lot 6010 District : Johor Bahru, Johor Surveyed land area : 130,680 sq. f. (3.00 acres) Gross floor area : 3,537 sq. m. Category of land use : Industry Current land use : Warehouse Owner : Kontena Nasional Berhad Tenure : Leasehold 60 years expiring on 16 December 2028 Unexpired term lease : Unexpired term of approximately 7 years Date of acquisition : 30 May 1981 (based on transfer date of title)	CH Williams Talhar & Wong Sdn Bhd	Cost approach / 6 August 2021 Last valuation date: 27 November 2015	1,900	1,172	728	73	655

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
6.	<p>Lot 126, 126B & 127 (Kontena), Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang</p> <p>An industrial premise located in Kuantan, Pahang.</p> <p>Title/ Lot No. : (i) Lot 126: PN 12854 / Lot 8918 (ii) Lot 126B: PN 12855 / Lot 8919 (iii) Lot 127: PN 12853 / Lot 8920</p> <p>Mukim : Sungai Karang District : Kuantan, Pahang Surveyed land area : (i) Lot 126: 23,550 sq. m. (5.82 acres) (ii) Lot 126B: 75,430 sq. m. (18.64 acres) (iii) Lot 127: 74,450 sq. m. (18.40 acres)</p> <p>Gross floor area : 12,896 sq. m.</p> <p>Category of land use : Perusahaan/Perindustrian</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 66 years expiring on 28 December 2063</p> <p>Unexpired term lease : Unexpired term of approximately 42 years</p> <p>Date of acquisition : 29 December 1997</p>	CH Williams Talhar & Wong Sdn Bhd	Cost approach / 11 August 2021 Last valuation date: 30 November 2015	30,000	17,145	12,855	1,285	11,570

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
7.	<p>PLO 282, Jalan Suasa, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor</p> <p>A parcel of medium industrial land located in Pasir Gudang, Johor.</p> <p> Title/ Lot No. : PN 6655 / Lot 51612 Mukim : Plentong District : Johor Bahru, Johor Surveyed land area : 57,986 sq. m. (14.33 acres) Category of land use : Industry Current land use : Container Yard Owner : Kontena Nasional Berhad Tenure : Leasehold 60 years expiring on 26 April 2046 Unexpired term lease : Unexpired term of approximately 25 years Date of acquisition : 27 April 1986 </p>	CH Williams Talhar & Wong Sdn Bhd	<p>Comparison / approach / 6 August 2021</p> <p>Last valuation date: 27 November 2015</p>	17,500	7,199	10,301	1,030	9,271

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
8.	<p>Lot 37465 and Lot PT 223, Mukim Kapar, Klang, Selangor</p> <p>Legal interest of two (2) contiguous parcels of development land zoned for industrial use identified as Lot 37465 ("Lot 37465") and Lot PT 223 ("PT 223") held under Title No(s). GRN 43498 and HSD 13093, respectively. Both lands are located in the locality of Kawasan Perindustrian Bukit Raja which is broadly bordered by Lebuhraya Shapadu to the west and New Klang Valley Expressway (NKVE) to the south-east and is easily accessible via various major highways including the Federal Highway, North South Expressway, NKVE and Lebuhraya Shapadu.</p> <p> Mukim : Kapar District : Klang, Selangor Title/ Lot No. : (i) Lot 37465: GRN 43498/ Lot 37465 (ii) PT 223: HSD 13093/ Lot PT 223 Net land area : (i) Lot 37465: 120,714 sq. m. (29.83 acres) (ii) PT 223: 52,388 sq. m. (12.95 acres) Category of land use : (i) Lot 37465: Nil (ii) PT 223: Pertanian Current land use : Vacant land Owner : Kontena Nasional Berhad Tenure : Interest in perpetuity. Date of acquisition : (i) 8 June 2000 (ii) 14 February 1980 </p>	Knight Frank Malaysia Sdn Bhd	Comparison approach / 19 July 2021 Last valuation date: 25 February 2019	162,000	17,721	144,279	14,428	129,851

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation ⁽¹⁾ (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)
9.	<p>PLO 249, Jalan Tembaga 1, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor</p> <p>An industrial premise comprising a single storey administration building, a prime mover repair workshop, a trailer repair workshop, a single storey site office, an open shed and other ancillary buildings located in Pasir Gudang, Johor.</p> <p> Title/ Lot No. : PN 6651 / Lot 51605 Mukim : Plentong District : Johor Bahru, Johor Surveyed land area : 140,866 sq. m. (34.81 acres) Gross floor area : 3,156 sq. m. Category of land use : Industry Current land use : Office and workshop Owner : Kontena Nasional Berhad Tenure : Leasehold 60 years expiring on 6 January 2045 Unexpired term lease : Unexpired term of approximately 24 years Date of acquisition : 9 June 1998 </p>	CH Williams Talhar & Wong Sdn Bhd	Cost approach / 6 August 2021 Last valuation date: 27 November 2015	31,800	21,620	10,180	1,018	9,162
TOTAL				697,500	164,349	533,151	53,315	479,836

Notes:

(1) Based on Real Property Gain Tax in Malaysia of 10%.

(2) For the purpose of the valuation, the Independent Valuer has excluded the values of the buildings/structures constructed on the subject property and valued the subject property as two (2) contiguous parcels of redevelopment land designated for mixed-use commercial (wherein demolition cost of the existing structures has been accounted for).

(3) Part of the land was leased to Tenaga Nasional Berhad for a period of 30 years commencing from 15 December 1996 and expiring on 14 December 2026.

(4) The property is tenanted to a third party for a rental period of two (2) years commencing from 1 June 2020 and expiring on 31 May 2022 with option to renew for another two (2) years.

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Based on the RNAV method, the estimated value of Kontena Group is as follows:

	(RM '000)
Unaudited NA of Kontena as at 30 June 2021	212,046
Add: Net revaluation surplus from lands and buildings	479,836
Estimated RNAV of Kontena	691,882
Add: NA of subsidiary and associate companies as at 30 June 2021	(2,089)
Estimated value of Kontena Group	689,793
Estimated value of Kontena Group – based on MMC's effective equity interest of 99.1% in Kontena as at LPD	683,585

5.1.3 Total valuation of the Ports & Logistics segment

	MMC's effective equity interest	Low range ⁽²⁾ (RM '000)	High range ⁽²⁾ (RM '000)
1. PTP	70.0%	1,476,149	1,567,874
2. Northport	99.1%	1,535,233	1,572,029
3. Johor Port	100.0%	1,619,958	1,717,100
4. Penang Port	100.0%	621,952	658,749
5. Tanjung Bruas Port	70.0%	49,923	55,480
Value of the Port Businesses		5,303,215	5,571,232
6. SWW	100.0%	906,094	906,094
7. Kontena Group	99.1%	683,585	683,585
Net cash adjustment on NCB Holdings Bhd ⁽¹⁾	99.1%	4,551	4,551
Total value of the Ports & Logistics segment		6,897,445	7,165,462

Notes:

- (1) NCB Holdings Bhd is the holding company of Northport and Kontena Group. NCB Holdings Bhd is a 99.10% subsidiary of MMC Port, which in turn is a wholly-owned subsidiary of MMC.
- (2) The valuation on low and high ranges have taken into consideration MMC's effective equity interest in the respective port companies, SWW, Kontena Group and NCB Holdings Bhd.

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5.2 Engineering Segment

In arriving at the value of the Engineering segment, we have adopted the following valuation methods:

Company		Valuation methodologies
1.	<u>Mass Rapid Transit (“MRT”) Engineering and Construction Related Companies</u> (i) MMC Gamuda KVMRT (T) Sdn Bhd (ii) MMC Gamuda KVMRT (PDP SSP) Sdn Bhd (iii) MMC Gamuda KVMRT (UGW) – unincorporated joint venture	DCF
2.	<u>Non-MRT Engineering and Construction Related Companies</u> (i) MMC Engineering & Construction Sdn Bhd (ii) MMC Engineering Sdn Bhd	PER
3.	<u>Other Engineering Companies</u> (i) MMC Gamuda KVMRT (PDP) Sdn Bhd (ii) Projek Smart Holdings Sdn Bhd (iii) MMC-Gamuda Joint Venture Sdn Bhd (iv) MMC Tepat Teknik Sdn Bhd (v) MMC-GTM Bina Sama Sdn Bhd (vi) MMC Oil & Gas Engineering Sdn Bhd (vii) MMC Pembetulan Langat Sdn Bhd	NA

5.2.1 MRT Engineering and Construction Related Companies

The MRT Engineering and Construction Related Companies comprise three (3) active joint ventures of MMC and Gamuda Berhad to undertake the construction works for the tunnelling works and the Putrajaya Line of the MRT system. MMC holds 50% equity interest in each of the three (3) joint venture companies. In view that the projects under the MRT Engineering and Construction Related Companies are on-going and the MMC Group is expected to receive dividend from these companies for the remainder of the projects, we have considered the DCF method based on the total projected dividend from the MRT Engineering and Construction Related Companies (“**Future Dividend**”) and their respective projected net cash balances at the end of the projects, attributable to the MMC Group (collectively referred to as “**MRT Future Financials**”), as the most appropriate valuation method for arriving at the value of the MRT Engineering and Construction Related Companies.

Under the DCF method, the MRT Future Financials are discounted at an appropriate cost of equity to derive the present value of all future cash flows from the MRT Engineering and Construction Related Companies attributable to the MMC Group.

We have reviewed the MRT Future Financials which was prepared by the management of MMC Group on a best-effort basis, based on their judgement and estimations to reflect the distribution of projected dividend by the MRT Engineering and Construction Related Companies for the remainder of the projects as well as the projected net cash balances at the end of the projects. We have considered and evaluated the key bases and assumptions relating to the MRT Future Financials and we are satisfied that the key bases and assumptions used in the preparation of the MRT Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD.

The MRT Future Financials, together with the bases and assumptions adopted therein, has been reviewed and approved by the board of directors of the respective companies. The key bases and assumptions adopted in the preparation of the MRT Future Financials are as follows:

- (i) the MRT Engineering and Construction Related Companies are expected to continue their business operations until the completion of the existing contracts for the MRT projects;
- (ii) there will be no significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the MRT Engineering and Construction Related Companies;
- (iii) there will be no major disruptions or interruptions to the operations of the MRT Engineering and Construction Related Companies, whether due to acts of God, fire or other unforeseen circumstances, which may have a material adverse effect on the financial results, cash flows or business prospects of the MRT Engineering and Construction Related Companies;
- (iv) there will be no significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of the MRT Engineering and Construction Related Companies;
- (v) sufficient funds will be available to finance the working capital requirements of the MRT Engineering and Construction Related Companies without any material adverse effect on the financial results, cash flows or business prospects of the MRT Engineering and Construction Related Companies;
- (vi) the current accounting policies adopted by the Group in respect of the MRT Engineering and Construction Related Companies will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group; and
- (vii) there will be no significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the engineering and construction industry in Malaysia which also includes any changes arising from the COVID-19 pandemic and the implementation of the National Recovery Plan subsequent to the LPD which may have a material adverse effect on the financial performance and financial position of the Group.

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In deriving the value of the MRT Engineering and Construction Related Companies, we have discounted the MRT Future Financials at an appropriate cost of equity to reflect the rate of return required by the investors of MMC. Our valuation, together with the key bases and assumptions adopted are as follows:

No.	Parameters	Descriptions												
1.	Future cash flows	<p>The MRT Future Financials from FYE 31 December 2021 to FYE 31 December 2025 based on MMC's equity interest of 50% in the MRT Engineering and Construction Related Companies, are as follows:</p> <table><tr><td></td><td><u>(RM '000)</u></td></tr><tr><td>FYE 31 December 2021</td><td>265,000</td></tr><tr><td>FYE 31 December 2022</td><td>175,000</td></tr><tr><td>FYE 31 December 2023</td><td>90,000</td></tr><tr><td>FYE 31 December 2024</td><td>5,000</td></tr><tr><td>FYE 31 December 2025</td><td>295,222</td></tr></table> <p>The cash flows of the MRT Engineering and Construction Related Companies are discounted to its respective end of dividend pay-out following the completion of projects. Hence, there is no terminal value ascribed to the MRT Engineering and Construction Related Companies.</p>		<u>(RM '000)</u>	FYE 31 December 2021	265,000	FYE 31 December 2022	175,000	FYE 31 December 2023	90,000	FYE 31 December 2024	5,000	FYE 31 December 2025	295,222
	<u>(RM '000)</u>													
FYE 31 December 2021	265,000													
FYE 31 December 2022	175,000													
FYE 31 December 2023	90,000													
FYE 31 December 2024	5,000													
FYE 31 December 2025	295,222													
2.	Cost of equity ("Ke")	<p>Ke = 9.12%</p> <p>Cost of equity represents the required rate of return on equity by the investors on the cash flows to be generated.</p> <p>In arriving at the cost of equity, we have adopted the CAPM based on the following formula:</p> $Ke = R_f + \beta (R_m - R_f)$												
3.	Risk-free rate of return ("Rf")	<p>Rf = 2.68%</p> <p>The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 5-year Malaysian Government Securities as extracted from Bank Negara Malaysia as this represents the closest available approximation of the risk-free investment corresponding to the MRT Future Financials. As at the LPD, the yield as extracted from Bank Negara Malaysia's website is 2.68% per annum.</p>												
4.	Expected market rate of return ("Rm")	<p>Rm = 9.36%</p> <p>The expected market rate of return represents the expected rate of return of investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>In our opinion, the expected market rate of return for FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia. Based on the information extracted from Bloomberg, we have derived an average expected market rate of return in Malaysia of 9.36% per annum for the past ten (10) years up to the LPD.</p>												

No.	Parameters	Descriptions												
5.	Beta ("β")	<p>β = 0.96</p> <p>Beta is the sensitivity of an asset's return to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A Beta of more than 1 signifies that the asset is riskier than the market and a Beta of lower than 1 signifies that the asset is less risky as compared to the market.</p> <p>In deriving the Beta for the MRT Engineering and Construction Related Companies, we have relied on the average unlevered Beta of the comparable companies listed on Bursa Securities. In arriving at the average unlevered Beta, we derived a simple average based on the 3-year weekly raw historical Beta of the comparable companies up to the LPD and unlevered the raw Beta for each comparable company based on their respective capital structure as extracted from Bloomberg. Subsequently, we re-levered them based on the capital structures of the MRT Engineering and Construction Related Companies.</p> <p>The list of comparable companies and the principal activities are as follows:</p> <table> <tr> <th>Comparable companies⁽¹⁾</th><th>Principal activities</th><th>Market capitalisation as at LPD (RM '000)</th></tr> <tr> <td>Gamuda Berhad</td><td>Investment holding and civil engineering construction.</td><td>7,565,720</td></tr> <tr> <td>WCT Holdings Berhad</td><td>Investment holding and provision of management services. Its core businesses include engineering and construction, property development and property investment & management.</td><td>765,307</td></tr> <tr> <td>Sunway Construction Group Berhad</td><td>Investment holding company principally involved in building construction services, foundation and geotechnical engineering services, civil and infrastructure services, mechanical, electrical and plumbing services, and manufacturing and sale of precast concrete products.</td><td>2,166,123</td></tr> </table>	Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)	Gamuda Berhad	Investment holding and civil engineering construction.	7,565,720	WCT Holdings Berhad	Investment holding and provision of management services. Its core businesses include engineering and construction, property development and property investment & management.	765,307	Sunway Construction Group Berhad	Investment holding company principally involved in building construction services, foundation and geotechnical engineering services, civil and infrastructure services, mechanical, electrical and plumbing services, and manufacturing and sale of precast concrete products.	2,166,123
Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)												
Gamuda Berhad	Investment holding and civil engineering construction.	7,565,720												
WCT Holdings Berhad	Investment holding and provision of management services. Its core businesses include engineering and construction, property development and property investment & management.	765,307												
Sunway Construction Group Berhad	Investment holding company principally involved in building construction services, foundation and geotechnical engineering services, civil and infrastructure services, mechanical, electrical and plumbing services, and manufacturing and sale of precast concrete products.	2,166,123												

No.	Parameters	Descriptions
		<p>(Sources: Annual reports of respective comparable companies and Bloomberg)</p> <p>Note:</p> <p>(1) The comparable companies are involved in similar activities as the MRT Engineering and Construction Related Companies with more than 70% of their latest audited consolidated revenue being generated from engineering and construction business. However, these comparable companies may not be directly comparable due to, among others, composition and geographical coverage of business activities, scale of operations, profit track record, financial strength, liquidity of shares, operating and financial leverage, asset base, accounting and taxation policies, risk profile, future prospects, management and capital structure. Nonetheless, we view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated Beta for the MRT Engineering and Construction Related Companies.</p> <p>The MRT Engineering and Construction Related Companies' Beta of 0.96 is derived after taking into consideration the zero interest bearing debt as at 30 June 2021.</p>
7.	Statutory corporate income tax rate	The latest statutory corporate income tax rate applicable to the MRT Engineering and Construction Related Companies is 24%.
	Value of the MRT Engineering and Construction Related Companies	<p>The value of the MRT Engineering and Construction Related Companies is RM653.39 million derived based on the following formula:</p> $\frac{\text{MRT Future Financials}}{(1 + Ke)^n}$ <p>where "n" refers to number of years.</p>

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5.2.2 Non-MRT Engineering and Construction Related Companies

This segment comprises of the engineering companies that are involved in specialised engineering and civil engineering construction works not relating to MRT systems.

We have adopted the PER multiple valuation method as the most appropriate valuation method to derive the value for the Non-MRT Engineering and Construction Related Companies based on the weighted average PAT of each company in this segment. Other valuation method such as DCF method was not used in view that the Non-MRT Engineering and Construction Related Companies do not have long-term contracts or concessions, the depleting order book of these companies, no material projects are expected to be secured by the Group in the near term and hence a high degree of subjectivity is inherent in the assumptions underlying the future cash flow projections for the Non-MRT Engineering and Construction Related Companies.

In deriving the implied PER multiple of the Non-MRT Engineering and Construction Related Companies, we have relied on the average PER multiples of comparable companies listed on Bursa Securities which are involved in civil and infrastructure engineering works as shown below:

No.	Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)	Adjusted PAT (RM '000)	PER (times)
1.	Hock Seng Lee Berhad	Engaged in marine engineering and civil engineering, construction contractor as well as property development.	527,537	34,300	15.38
2.	TRC Synergy Berhad	Principally involved in construction and property development as well as construction of bridges including elevated highways.	167,308	⁽²⁾ 34,700	4.82
3.	George Kent (Malaysia) Berhad	Principally involved in engineering projects in the water infrastructure, rail transportation and hospital construction industry.	381,578	⁽³⁾ 45,363	8.41
Average PER					9.54

(Source: Annual reports of respective comparable companies and Bloomberg)

Notes:

- (1) The comparable companies are involved in similar activities as the Non-MRT Engineering and Construction Related Companies with more than 60% of their latest audited consolidated revenue being generated from engineering and construction business. However, these comparable companies may not be directly comparable due to, among others, composition and geographical coverage of business activities, scale of operations, profit track record, financial strength, liquidity of shares, operating and financial leverage, asset base, accounting and taxation policies, risk profile, future prospects, management and capital structure. Nonetheless, we are of the view that the identified companies are reasonable to be adopted for the purpose of deriving the average PER for the Non-MRT Engineering and Construction Related Companies.
- (2) Based on the trailing 12 months PAT for the FPE 31 March 2021 as extracted from Bloomberg and adjusted for impairment loss with respect to its investment in associate.
- (3) Based on the trailing 12 months PAT for the FPE 30 June 2021 as extracted from Bloomberg and adjusted for gain on disposal of property, plant and equipment.

In arriving at the value of the Non-MRT Engineering and Construction Related Companies, we have relied on the weighted average PAT for the FYE 31 December 2018 to FYE 31 December 2020 and the average PER multiple of its comparable companies as set out below:

Weighted average PAT (RM'000) ⁽¹⁾	19,050
Average PER multiple (times)	9.54
Estimated value of Non-MRT Engineering and Construction Related Companies (RM '000)	181,737

Note:

- (1) We have adopted the weighted average PAT based on the weightage as shown below, after taking into consideration the trend in the PAT for the past three (3) years from FYE 31 December 2018 to FYE 31 December 2020 as follows:

FYE 31 December	2018	2019	2020
Total PAT of Non-MRT Engineering and Construction Related Companies (RM'000)	9,663	13,026	26,196
Weightage	1	2	3
Weighted PAT (RM'000)	9,663	26,052	78,588
Weighted average PAT* (RM'000)			19,050

* Based on the total weighted PAT of RM114,303 divided by the total weightage of 6.

A weighted approach was adopted for Non-MRT Engineering and Construction Related Companies after taking into consideration the increasing year-on-year trend in the PAT of the companies in the segment from FYE 31 December 2018 to FYE 31 December 2020. The weightage is to allow the more recent year profits to be given a higher value to reflect the most recent performance of the companies.

5.2.3 Other Engineering Companies

We have adopted the NA valuation methodology as the most appropriate valuation method for the Other Engineering Companies in view that the Other Engineering Companies are either loss making, inactive, do not have significant profit contribution to the MMC Group or hold no material properties as at the LPD.

The value of the Other Engineering Companies based on the unaudited NA as at 30 June 2021 and MMC's effective equity interest in each company is set out below:

Other Engineering Companies	MMC's effective equity interest (%)	NA (RM'000)
MMC Gamuda KVMRT (PDP) Sdn Bhd ⁽¹⁾	50	48,695
Projek Smart Holdings Sdn Bhd ⁽²⁾	50	33,642
MMC-Gamuda Joint Venture Sdn Bhd ⁽³⁾	50	7,037
MMC Pembetulan Langat Sdn Bhd ("PLSB") ⁽⁴⁾	100	25,705
MMC-GTM Bina Sama Sdn Bhd ⁽⁵⁾	100	4,493
MMC Oil & Gas Engineering Sdn Bhd ⁽⁶⁾	100	4,476
MMC Tepat Teknik Sdn Bhd ⁽⁵⁾	100	(3,328)
Estimated value of Other Engineering Companies⁽⁷⁾		120,720

Notes:

- (1) The principal activity of MMC Gamuda KVMRT (PDP) Sdn Bhd is to undertake, construct, maintain, improve, develop, implement, control, execute and manage the Klang Valley MRT Project – Sungai Buloh – Kajang Line in Malaysia. The project was completed in 2017. We have adopted the NA method as the most appropriate valuation method as the company is currently inactive.
- (2) The principal activity of Projek Smart Holdings Sdn Bhd is investment holding, whilst its subsidiary namely Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd operates, manages the toll operations and maintains the motorway of the Stormwater Management and Road Tunnel Project (SMART). We have adopted NA method as the most appropriate valuation method to value the company as it is presently loss making and there is no observable pattern in its future financial performance due to the current economic condition.
- (3) The principal activity of MMC Gamuda Joint Venture Sdn Bhd is design, construction, testing, commissioning and maintenance of the Electrified Double Tracking Project between Ipoh and Padang Besar (Projek 2T). We have adopted the NA method as the most appropriate valuation method as the project was completed in year 2015 and the company is currently inactive.
- (4) The principal activity of PLSB is the design and construction of sewerage systems, namely the Langat Sewerage Project. The total contract sum for the project is RM1.51 billion and PLSB is the main contractor for the project. Other subcontractors including the Non-MRT Engineering and Construction Related Companies were engaged by PLSB for the construction of the project. The revenue of PLSB is based on the percentage completion method from which an annual margin is earned over the duration of the contract. We have adopted NA method as the most appropriate valuation method to value PLSB as the company's annual revenue and profit is principally derived from the Langat Sewerage Project which is expected to be completed in the second half of FYE 31 December 2023 and there are no other projects currently undertaken by PLSB. The future profits derived from PLSB until the end of contract is not expected to materially affect the valuation of PLSB, and hence was not taken into consideration in our valuation.

- (5) *MMC-GTM Bina Sama Sdn Bhd and MMC Tepat Teknik Sdn Bhd are currently inactive and dormant and hence we have adopted the NA method as the most appropriate method.*
- (6) *The principal activity of MMC Oil & Gas Engineering Sdn Bhd is provision of professional engineering services to the oil and gas industry. We have adopted the NA method as the most appropriate valuation method as the company is presently loss making and there is no observable pattern in its future financial performance due to the current economic condition.*
- (7) *The estimated value of Other Engineering Companies has taken into consideration MMC's effective equity interest in the respective companies.*

5.2.4 Total valuation of the Engineering segment

		(RM'000)
1.	MRT Engineering and Construction Related Companies	653,385
2.	Non-MRT Engineering and Construction Related Companies	181,737
3.	Other Engineering Companies	120,720
Total value of the Engineering segment		955,842

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5.3 Energy & Utilities

The Energy & Utilities segment of MMC Group comprises its associate companies, Malakoff Corporation Berhad (“**Malakoff**”) and Gas Malaysia Berhad (“**Gas Malaysia**”) as well as its wholly-owned subsidiary, Aliran Ihsan Resources Berhad (“**AIR Berhad**”). Malakoff and Gas Malaysia are public listed companies on the Main Market of Bursa Securities.

5.3.1 Malakoff and Gas Malaysia

In valuing this segment, we have relied on the market values of MMC Group’s equity interest in Malakoff and Gas Malaysia, respectively as at the LPD. Market value is the most appropriate valuation method as it represents the price at which an asset would change hands between a willing-buyer and a willing-seller in the marketplace, where in theory, both parties have reasonable knowledge of the relevant facts to such asset.

We note that based on the 6-month daily average Beta of Malakoff and Gas Malaysia of 0.42 and 0.11, respectively as extracted from Bloomberg, Malakoff and Gas Malaysia are relatively less risky as compared to the Bursa Malaysia Energy Index. Further, the share prices of Malakoff shares and Gas Malaysia shares over various periods for the last 6-month, was ranging from RM0.800 to RM0.890 and RM2.620 to RM2.770, respectively. This shows that there is low volatility in the market price of Malakoff shares and Gas Malaysia shares for the past 6-month. In view of the stable market price trends of Malakoff shares and Gas Malaysia shares, we have relied on the 5-day VWAP of Malakoff shares and Gas Malaysia shares as at the LPD to value MMC Group’s equity interest as it is a reflection of the prevailing market values of Malakoff shares and Gas Malaysia shares, respectively.

After taking into consideration the shareholdings of MMC Group in Malakoff and Gas Malaysia as at the LPD, the value ascribed is as follows:

		Malakoff	Gas Malaysia
5-day VWAP as at LPD (RM)	A	0.8713	2.7029
Total issued share capital as at LPD (‘000 units)	B	⁽¹⁾ 4,886,961	1,284,000
Market capitalisation as at LPD (RM ‘000)	A x B	4,258,009	3,470,524
MMC Group’s equity interest (%)		38.5	30.9
Value based on MMC Group’s equity interest (RM ‘000)		1,639,334	1,072,392

Note:

(1) *Excluding treasury shares.*

5.3.2 AIR Berhad

AIR Berhad is principally involved in the provision of engineering services for the reduction of non-revenue water and the operation, maintenance and management of water treatment plants. In valuing AIR Berhad, we have adopted the PER multiple as the most appropriate valuation method as the historical financial performances of AIR Berhad has been consistent and the company was profitable for the FYE 31 December 2020.

In ascribing an implied PER multiple of AIR Berhad, we have relied on the average PER multiples of comparable companies listed on Bursa Securities which are principally involved in water treatment activities as shown below:

No.	Comparable companies ⁽¹⁾	Principal activities	Market capitalisation as at LPD (RM '000)	Adjusted PAT (RM '000)	PER (times)
1.	PBA Holdings Berhad	Abstraction of raw water, treatment of water, supply and sale of treated water to consumers in the state of Penang and to engage in water related business.	279,693	23,700	11.80
2.	Brite-Tech Berhad	Provision of a complete and integrated range of services and products in the field of water treatment as well as engineered and formulated chemical products for water and wastewater treatment; and to provide analytical laboratory and environmental monitoring services.	104,580	5,300 ⁽²⁾	19.73
Average PER					15.77

(Source: Annual reports of respective comparable companies and Bloomberg)

Notes:

- (1) The comparable companies are involved in similar activities as AIR Berhad with more than 85% of their latest audited consolidated revenue being generated from water treatment activities. However, these comparable companies may not be directly comparable due to, among others, composition and geographical coverage of business activities, scale of operations, profit track record, financial strength, liquidity of shares, operating and financial leverage, asset base, accounting and taxation policies, risk profile, future prospects, management and capital structure. Nonetheless, we view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated PER for AIR Berhad.
- (2) Based on the trailing 12 months PAT for the FPE 30 June 2021 as extracted from Bloomberg and adjusted for impairment loss relating to investment properties.

In arriving at the value of AIR Berhad, we have relied on its latest audited PAT for the FYE 31 December 2020 and the average PER multiple of its comparable companies as set out below:

PAT for the FYE 31 December 2020 (RM'000) ⁽¹⁾	3,180
Average PER multiple (times)	15.77
Estimated value of AIR Berhad (RM'000)	50,148

Note:

(1) The historical PAT of AIR Berhad for the FYEs 31 December 2018 to 31 December 2020 is as follows:

FYE 31 December	2018	2019	2020
Total PAT (RM'000)	3,850	3,038	3,180

5.3.3 Total valuation of the Energy & Utilities segment

	(RM'000)
1. Malakoff	1,639,334
2. Gas Malaysia	1,072,392
3. AIR Berhad	50,148
Total value of the Energy & Utilities segment	2,761,874

5.4 Airport and Property Development

The Airport and Property Development segment comprises Senai Airport Terminal Services Sdn Bhd ("**SATS**") and its subsidiaries namely Senai Airport City Sdn Bhd, Senai Airport City Services Sdn Bhd and Senai Airport Sdn Bhd ("**SATS Group**").

The principal activities of the SATS Group and its subsidiaries are as follows:

Company	MMC's effective equity interest (%)	Principal activity
SATS	100	To manage, operate, maintain and develop the Senai International Airport
Senai Airport City Sdn Bhd	100	Property owner and developer
Senai Airport City Services Sdn Bhd	100	Provides management services for Senai Airport City development area and acting as Free Zone Authority manager
Senai Airport Sdn Bhd	100	Inactive

For the valuation of SATS Group, we have adopted the RNAV method as the most appropriate method to value the segment due to an absence of an observable pattern in the financial performance of SATS and a fluctuation between PAT and loss after tax during the historical financial years from FYE 31 December 2016 to FYE 31 December 2020. We also note that the future cash flows of SATS will be affected by the uncertainty of SATS' business performance for the upcoming years due to the impact of COVID-19 pandemic.

In addition, through Senai Airport City Sdn Bhd, SATS Group owns 1,331 acres of land held for development with ongoing industrial and mixed development projects. The RNAV method will take into consideration any surplus and/or deficit attributable to the owners of the Company arising from the revaluation of assets to reflect their market values based on a willing-buyer willing-seller basis in the open market.

In applying the RNAV method, we have taken into consideration the following assumptions made:

- (i) SATS Group will continue to operate as a going concern and the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario;
- (ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on SATS Group;
- (iii) there will be ready and committed buyer for each asset at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iv) there will not be any compulsory acquisition of SATS Group's land by the relevant authorities;
- (v) there will not be any significant or material changes to the agreements, contracts, property development plans, approvals, licences, permits and regulations governing the assets and property development projects of SATS Group;
- (vi) the current accounting policies in respect of the assets and property development projects adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group;
- (vii) while there may be changes to the risks inherent to the property development business due to COVID-19 pandemic, effective measures will continue to be implemented to mitigate risks known to the Group to ensure the financial performance and financial position of the Group are not materially affected in the longer term; and
- (viii) there will not be any material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

In deriving the RNAV of SATS Group, we have considered the valuation conducted by the Independent Valuer for all real properties under SATS Group. These properties are mainly lands held for development comprising Free Industrial Zone and Free Commercial Zone, hi-tech manufacturing and mixed development areas targeting various industrial segments strategically located within a mature industrial ecosystem of Senai, Johor ("**Senai Lands**").

Apart from the Senai Lands, the other assets in SATS Group mainly comprise current assets such as receivables and deposits, cash and bank balances, whose carrying values are reasonably expected to approximate their values.

We have relied upon the valuation conducted by the Independent Valuer on the Senai Lands for the purpose of computing the estimated RNAV of SATS Group. In arriving at the opinion of the market value, the Independent Valuer has adopted the **comparison approach** and the **income approach (residual)** of valuation. Please refer to Section 5.1.2 (a) of this IAL for details on the comparison approach.

Income Approach (Residual)

The income approach (residual) is based on the premise that the price which a purchaser can pay for a property is the surplus after he has net out the proceeds from the sale of the finished development against the full cost of development and profit.

In this approach, the gross development value of the property is derived by estimating the value of the project when completely developed. The sale value is then deducted by the relevant costs to complete the project including costs of construction, cost of finance, contingencies and developer's profit. The value obtained as residue after adjusting for necessary deferment to take into account the period of development would thereafter represent the present market value.

We are of the view that the valuation approaches adopted are reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Independent Valuer and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Independent Valuer as well as the reasonableness of the opinion of the market values expressed by the Independent Valuer on the Senai Lands and we have considered such market values for the purpose of computing the estimated RNAV of SATS Group.

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The details of the net revaluation surplus/(deficit) of the lands held for development are set out below:

Senai Lands^{(1) (2)}

No.	Description of subject property	Independent Valuer	Valuation / approach / Valuation date (Remote inspection date/ physical inspection date)	Market value (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus/ (deficit) (C) = (A) – (B) (RM '000)	Deferred taxation ⁽³⁾ (D) (RM '000)	Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM '000)
1.	<p>Ten (10) Parcels of Vacant Development Land Approved for Residential, Mixed Development and International College & Private School, Senai Airport City, Johor</p> <p>Title/ Lot No. : (i) HSD 591699/ PTD 105141 (ii) Part of HSD 591700/ PTD 105142 (iii) HSD 591701/ PTD 105143 (iv) HSD 591703/ PTD 105145 (v) HSD 591708/ PTD 105264 (vi) HSD 591709/ PTD 105265 (vii) HSD 591710/ PTD 105266 (viii) HSD 591711/ PTD 105267 (ix) HSD 591712/ PTD 105366 (x) HSD 591590/ PTD 175304 Provisional land area : 137.37 hectares (339.44 acres)</p> <p>Category of land use : Agriculture</p> <p>Intended land use : Industrial and mixed development</p> <p>Owner : Senai Airport City Sdn Bhd</p> <p>Tenure : Freehold</p> <p>Date of acquisition : 5 October 2007</p>	Raine & Home International Zaki + Partners Sdn Bhd	<p>Comparison approach / 2 July 2021</p> <p>(Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021)</p> <p>Last valuation date: 18 March 2021</p>	618,400	55,259	563,141	135,154	427,987

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date (Remote inspection date/ physical inspection date)	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus/ (deficit) (C) = (A) – (B) (RM '000)	Deferred taxation ⁽³⁾ (D) (RM '000)	Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM '000)
2.	<p>Twenty two (22) parcels of vacant development land approved for industrial use, Senai Airport City, Johor</p> <p>Title/ Lot No. : (i) HSD 591704/PTD 105146 (ii) HSD 591705/PTD 105147 (iii) HSD 591707/PTD 105258 (iv) HSD 591591/PTD 175317 (v) HSD 591598/PTD 175318 (vi) HSD 591592/PTD 175328 (vii) HSD 605508 – HSD 605511/PTD 205032 – PTD 205035 (viii) HSD 605512 – HSD 605516/PTD 205038 – PTD 205042⁽⁴⁾ (ix) HSD 605518/PTD 205049 (x) HSD 605519/PTD 205050 (xi) HSD 605521/Part of PTD 205052 (xii) HSD 605522/Part of PTD 205053 (xiii) HSD 605524/PTD 205055 (xiv) HSD 605526/PTD 205057 (xv) HSD 605527/PTD 205058 : 367.11 hectares (907.14 acres)</p> <p>Provisional land area : 367.11 hectares (907.14 acres)</p> <p>Category of land use : Agriculture</p> <p>Intended land use : Industrial and mixed</p> <p>Owner : Senai Airport City Sdn Bhd</p> <p>Tenure : Freehold</p> <p>Date of acquisition : 5 October 2007</p>	Raine & Horne International Zaki + Partners Sdn Bhd	Comparison approach / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021) Last valuation date: 18 March 2021	1,870,500	147,678	1,722,822	413,477	1,309,345

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date (Remote inspection date/ physical inspection date)	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus/ (deficit) (C) = (A) – (B) (RM '000)	Deferred taxation ⁽³⁾ (D) (RM '000)	Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM '000)
3.	A Parcel of Vacant Industrial Land in Senai Airport City, Johor Title/ Lot No. : HSD 569754/PTD 195469 Provisional land area : 10.02 hectares (24.75 acres) Category of land use : Industry Intended land use : Industrial and mixed development Owner : Senai Airport City Sdn Bhd Tenure : Freehold Date of acquisition : 5 October 2007	Raine & Home International Zaki + Partners Sdn Bhd	Comparison approach / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021) Last valuation date: 18 March 2021	59,300	4,029	55,271	13,265	42,006
4.	Six (6) Parcels of Vacant Development Land Approved for Commercial Use in Senai Airport City, Johor Title/ Lot No : (i) HSD 591702/PTD 105144 (ii) HSD 591706/PTD 105180 (iii) HSD 605520/PTD 205051 (iv) HSD 605525/ Part of PTD 205056 Provisional land area : 5.66 hectares (13.98 acres) Category of land use : Agriculture Intended land use : Industrial and mixed development Owner : Senai Airport City Sdn Bhd Tenure : Freehold	Raine & Home International Zaki + Partners Sdn Bhd	Comparison approach / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021) Last valuation date: 18 March 2021	49,900	2,275	47,625	11,430	36,195

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date (Remote inspection date/ physical inspection date)	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus/ (deficit) (C) = (A) – (B) (RM '000)	Deferred taxation ⁽³⁾ (D) (RM '000)	Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM '000)
	Date of acquisition : 5 October 2007							
5.	176 parcels of vacant subdivided medium low-cost terrace residential lot in Senai Airport City, Johor Title/ Lot No. : (i) HSD 63352 – HSD 63432/PTD 105371 – PTD 105451 (ii) HSD 63461 – HSD 63555/PTD 105485 – PTD 105579 Provisional land area : 21,661.43 sq. m. (5.35 acres) Category of land use : Building Intended land use : Industrial and mixed development Owner : Senai Airport City Sdn Bhd Tenure : Freehold Date of acquisition : 5 October 2007	Raine & Home International Zaki + Partners Sdn Bhd	Comparison approach / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021) Last valuation date: 18 March 2021	3,319	871	2,448	587	1,861
6.	150 parcels of vacant subdivided low-cost terrace commercial lot in Senai Airport City, Johor Title/ Lot No : (i) HSD 63221 – HSD 63276/PTD 105194 – PTD 105249 (ii) HSD 63265 – HSD 63350/PTD 105300 – PTD 105365	Raine & Home International Zaki + Partners Sdn Bhd	Comparison approach / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10	4,566	692	3,874	930	2,944

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date (Remote inspection date/ physical inspection date)	Market value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus/ (deficit) (C) = (A) – (B) (RM '000)	Deferred taxation ⁽³⁾ (D) (RM '000)	Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM '000)
	<p>(iii) HSD 63433 – HSD 63460/PTD 105457 – PTD 105484</p> <p>Provisional land area : 17,205.28 sq. m. (4.25 acres)</p> <p>Category of land use : Building</p> <p>Intended land use : Industrial and mixed development</p> <p>Owner : Senai Airport City Sdn Bhd</p> <p>Tenure : Freehold</p> <p>Date of acquisition : 5 October 2007</p>		August 2021) Last valuation date: 18 March 2021					
7.	<p>Six (6) Parcels of Vacant Residential Land in Senai Airport City, Johor</p> <p>Title/ Lot No : (i) HSD 63218/PTD 105181 (ii) HSD 63219/PTD 105182 (iii) HSD 63220/PTD 105183 (iv) HSD 63282/PTD 105286 (v) HSD 63283/PTD 105287 (vi) HSD 63284/PTD 105288</p> <p>Provisional land area : 14.72 hectares (36.38 acres)</p> <p>Category of land use : Building</p> <p>Intended land use : Industrial and mixed development</p> <p>Owner : Senai Airport City Sdn Bhd</p> <p>Tenure : Freehold</p> <p>Date of acquisition : 5 October 2007</p>	Raine & Horne International Zaki + Partners Sdn Bhd	Income approach (residual) / 2 July 2021 (Remote inspection date: 2 July 2021 / Physical inspection date: 10 August 2021) Last valuation date: 18 March 2021	(41,800) ⁽⁵⁾	5,922	(35,878) ⁽⁶⁾	-	(35,878)
TOTAL				2,564,185	216,726	2,359,303	574,843	1,784,460

Notes:

- (1) *Senai Lands are located within an ongoing industrial and mixed development project known as Senai Airport City, Johor. It is located at the eastern fringe of Iskandar Malaysia's Flagship E: Senai - Skudai Development. It is bound by Mukim Sedenak to the north, Gunung Pulai to the west, Mukim Tebrau to the south and Seelong to the east.*
- (2) *The last valuation conducted on Senai Lands being 24 parcels of development land approved for industrial and mixed development project measuring a total land area of approximately 748.64 acres were on 18 March 2021.*
- (3) *Based on the statutory corporate tax rate in Malaysia of 24%.*
- (4) *Senai Airport City Sdn Bhd has entered into two (2) sales and purchase agreements dated 6 August 2021 with Tiong Nam Logistics Solutions Sdn Bhd for the disposal of two (2) plots of vacant land measuring approximately 50.0 acres which forms part of the land held under HS(D) 605515 PTD 205041 and HS(D) 605516 PTD 205042 and 12.62 acres which forms part of the land held under HS(D) 605516 PTD 205042 for a total cash consideration of RM136.38 million for both plots of land. The proposed disposal is expected to be completed in August 2022.*
- (5) *The subject property is designated for 5-storey low-cost apartment and 5-storey medium low-cost apartment. The negative market value is arrived at after taking into consideration the sale value of the subject property and deducting the relevant costs to complete the development project including costs of construction, cost of finance, contingencies and developer's profit. These costs are to be expensed to profit or loss throughout the construction period.*
- (6) *The revaluation deficit is arrived at after taking into consideration the unaudited NBV of the subject properties as at 30 June 2021. As at the LPD, the Board has not deliberated on the revaluation deficit and no decision has been made on the same.*

Based on the RNAV method, the estimated value of SATS Group is as follows:

	(RM '000)
Unaudited consolidated NA of SATS Group as at 30 June 2021	789,727
Add: Net revaluation surplus from Senai Lands	1,784,460
Estimated RNAV of SATS Group	2,574,187

5.5 Others segment

The remaining companies under the Group that have not been included in the valuation under Ports & Logistics, Engineering, Energy & Utilities and Airport and Property Development segments have been grouped together under the Others segment.

This segment is further divided into two (2) distinct groups of companies namely Other Companies and Investment Holding Companies, as set out below:

5.5.1 Other Companies

The Other Companies are mainly involved in property holding, provision of management services and property investment. The contributions of the Other Companies to the MMC Group are fragmented. We have adopted the NA and RNAV as the most appropriate valuation methodologies as the Other Companies in this segment are either loss making, inactive or have a large asset base.

The Board had appointed an Independent Valuer to revalue selected properties which are likely to have material changes in value after taking into consideration the NBV of the properties ("**Selected Properties**"). We have relied upon the valuation conducted by the Independent Valuer on the Selected Properties for the purpose of computing the estimated RNAV of the Other Companies. In arriving at the opinion of the market value, the Independent Valuer has adopted the **comparison approach** of valuation. Please refer to Section 5.1.2 (a) of this IAL for details on the comparison approach.

We are of the view that the valuation methodology adopted is reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Independent Valuer and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Independent Valuer as well as the reasonableness of the opinion of the market values expressed by the Independent Valuer on the Selected Properties and we have considered such market values for the purpose of computing the estimated RNAV of the Other Companies.

The remaining properties under the Other Companies which were not revalued by the Independent Valuers were assessed based on discussions with the management and property valuation reports based on desktop valuations prepared for internal management use. Based on our enquiries and discussion with the management of MMC Group, we are satisfied that the remaining properties are not material to the Group based on the carrying amount of the remaining properties as at the FPE 30 June 2021 of RM53.24 million which represents approximately 0.21% of the total assets value of the MMC Group. In our view, the resultant outcome from the revaluation of the remaining properties is not expected to have a material impact to the estimated value of the MMC Group.

In applying the RNAV method, we have taken into consideration the following assumptions made:

- (i) the Other Companies will continue to operate as a going concern and the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario;
- (ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the Other Companies;
- (iii) there will be ready and committed buyer for each asset at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iv) there will not be any compulsory acquisition of the Other Companies' properties by the relevant authorities;
- (v) there will not be any significant or material changes to the agreements, contracts, property development plans, approvals, licences, permits and regulations governing the assets and property development projects of the Other Companies;
- (vi) the current accounting policies in respect of the assets and property development projects adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which will have a material adverse effect on the financial performance and financial position of the Group;
- (vii) while there may be changes to the risks inherent to the property development business pertaining to the Selected Properties due to COVID-19 pandemic, effective measures will continue to be implemented to mitigate risks known to the Group to ensure the financial performance and financial position of the Group are not materially affected in the longer term; and
- (viii) there will not be any material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

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The details of the net revaluation surplus for the properties are set out below:

No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value/ Estimated value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)																											
1.	<p>Lot 70008 and ten (10) other contiguous mixed industrial development lands, Mukim of Bandar Kulim, District of Kulim, Kedah (Located off Jalan Kulim-Mahang, opposite the Kulim Golf and Country Resort)</p> <p>11 parcels of contiguous lands which had obtained planning permission for mixed industrial development use. The lands are located along Jalan Kulim-Mahang and opposite the Kulim Golf and Country Resort. These lands are adjacent to the residential area of Kulim Techno City Phase I and II. It is located approximately 10 kilometres to the north of Kulim Town and about 21 kilometres to the north-east of Butterworth Ferry Terminal and Railway Station.</p>	IPC Island Property Consultant Sdn Bhd	Comparison approach / 12 August 2021 Last valuation date: 18 January 2016	262,000 ⁽¹⁾	241,710	20,290	4,870 ⁽²⁾	15,420																											
<p>Title/ Lot No.:</p> <table><tr><th>No</th><th>Title / Lot No.</th><th>Title land area</th></tr><tr><td>(i)</td><td>GRN 199919 / Lot 70008 Seksyen 39</td><td>25.66 hectares</td></tr><tr><td>(ii)</td><td>GRN 213283 / Lot 70025 Seksyen 39</td><td>3.21 hectares</td></tr><tr><td>(iii)</td><td>GRN 213282 / Lot 70027 Seksyen 39</td><td>6.95 hectares</td></tr><tr><td>(iv)</td><td>GRN 213281 / Lot 70028 Seksyen 39</td><td>6.29 hectares</td></tr><tr><td>(v)</td><td>GRN 202073 / Lot 70029 Seksyen 39</td><td>6.77 hectares</td></tr><tr><td>(vi)</td><td>GRN 202074 / Lot 70030 Seksyen 39</td><td>6.29 hectares</td></tr><tr><td>(vii)</td><td>GRN 202075 / Lot 70552 Seksyen 39</td><td>9.73 hectares</td></tr><tr><td>(viii)</td><td>HSD 67873 / PT 10840</td><td>47.91 hectares</td></tr></table>									No	Title / Lot No.	Title land area	(i)	GRN 199919 / Lot 70008 Seksyen 39	25.66 hectares	(ii)	GRN 213283 / Lot 70025 Seksyen 39	3.21 hectares	(iii)	GRN 213282 / Lot 70027 Seksyen 39	6.95 hectares	(iv)	GRN 213281 / Lot 70028 Seksyen 39	6.29 hectares	(v)	GRN 202073 / Lot 70029 Seksyen 39	6.77 hectares	(vi)	GRN 202074 / Lot 70030 Seksyen 39	6.29 hectares	(vii)	GRN 202075 / Lot 70552 Seksyen 39	9.73 hectares	(viii)	HSD 67873 / PT 10840	47.91 hectares
No	Title / Lot No.	Title land area																																	
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No.	Description of subject property	Independent Valuer	Valuation approach / Valuation date	Market value/ Estimated value (A) (RM '000)	Unaudited NBV as at 30 June 2021 (B) (RM '000)	Revaluation surplus (C) = (A) – (B) (RM '000)	Deferred taxation (D) (RM '000)	Net revaluation surplus (E) = (C) – (D) (RM '000)									
	<table><tr><td>(ix)</td><td>HSD 67862 / PT 10843</td><td>3.00 hectares</td></tr><tr><td>(x)</td><td>HSD 67863 / PT 10844</td><td>23.88 hectares</td></tr><tr><td>(xi)</td><td>HSD 67881 / PT 10851</td><td>3.79 hectares</td></tr></table> <p>Mukim : Bandar Kulim, District : Kulim, Kedah Title land area : 143.47 hectares (354.51 acres) Category of land use : Agriculture Intended land use : Industrial, commercial and residential Owner : Northern Technocity Sdn Bhd Tenure : Freehold Date of acquisition : 29 January 2016</p>	(ix)	HSD 67862 / PT 10843	3.00 hectares	(x)	HSD 67863 / PT 10844	23.88 hectares	(xi)	HSD 67881 / PT 10851	3.79 hectares							
(ix)	HSD 67862 / PT 10843	3.00 hectares															
(x)	HSD 67863 / PT 10844	23.88 hectares															
(xi)	HSD 67881 / PT 10851	3.79 hectares															
2.	Remaining properties of other subsidiaries under "Others" segment ⁽²⁾	⁽³⁾ -	-	301,110 ⁽⁴⁾	53,241	247,869	55,731 ⁽⁵⁾	192,138									

Notes:

- (1) The valuation of the subject property is based on the Planning Permission for industrial, commercial and residential development use granted by Pihak Berkuasa Tempatan Taman Perindustrian Hi-Tech Kulim on 17 December 2019.
- (2) Comprising mainly service apartments, landed residential buildings and vacant lands.
- (3) No valuation was performed by any independent valuer as these properties are not material based on the carrying amount as at the FPE 30 June 2021 of RM53.24 million which represents approximately 0.19% of the total assets value of the MMC Group.
- (4) The estimated value for these properties are derived based on discussion with the management of MMC Group and internal desktop valuation which have taken into consideration the analysis of market data and information from publicly available domains which the management of MMC Group believes the carrying amount of the properties approximate its estimated value. In our view, the resultant outcome from the revaluation of the remaining properties is not expected to have a material impact to the estimated value of the MMC Group.
- (5) Based on the statutory corporate tax rate in Malaysia of 24% and Real Property Gains Tax of 10%, where relevant.

The estimated value of the Other Companies is as follows:

	(RM '000)
Total unaudited NA of the Other Companies as at 30 June 2021	810,272
Add: Total net revaluation surplus ⁽¹⁾	207,558
Net gain on disposal of Red Sea Gateway Terminal Company Limited ("RSGT") ⁽²⁾	109,300
Adjusted for investment in subsidiaries and amount owing to / from related companies as at 30 June 2021	(364,386)
Estimated value of the Other Companies	762,744

Notes:

- (1) *Net revaluation surplus arising from:*
- | | |
|--|--------------------------|
| - the Selected Properties | <i>RM '000</i>
15,420 |
| - the remaining properties (including freehold properties in MMC at company level) | 192,138 |
| Total net revaluation surplus | 207,558 |
- (2) *Please refer to Section 3(i) of the Appendix VI of this Document on the details of the disposal of 8% equity interest in RSGT by City Island Holdings Limited.*

5.5.2 Investment Holding Companies

Investment Holding Companies comprise MMC, Anglo-Oriental (Annuities) Sdn Bhd, Anglo-Oriental (Malaya) Sdn Berhad, MMC Port and MMC Engineering Group Berhad. The principal activities of these companies is investment holdings in the subsidiaries, associates and/or joint ventures companies within the MMC Group involved in the Ports & Logistics, Engineering, Energy & Utilities, Airport and Property Development and Others segments.

In our valuation of the MMC Group, we have also taken into consideration the net cash or net debt position of the Investment Holding Companies adjusted for amount owing to and/or from related companies within the Group to arrive at the value of the entire Group.

The value of the Investment Holding Companies based on the abovementioned adjustments resulted in an adjusted net debt position of **RM3,832.7 million**.

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5.6 SOPV of MMC Shares

Based on the SOPV method, the estimated value of the MMC Group is as follows:

Business segment	Valuation methodologies	Low range (RM '000)	High range (RM '000)
1. Ports & Logistics	DCF and RNAV	6,897,445	7,165,462
2. Engineering	DCF, PER and NA	955,842	955,842
3. Energy & Utilities	Market Value and PER	2,761,874	2,761,874
4. Airport and Property Development	RNAV	2,574,187	2,574,187
5. Others	NA and RNAV	762,744	762,744
Total Value		13,952,092	14,220,109
Add:			
Adjusted net debt on Investment Holding Companies		(3,832,677)	(3,832,677)
Value of MMC Group		10,119,415	10,387,432
Number of issued shared as at the LPD ('000 units)		3,045,059	3,045,059
Estimated value per MMC Share (RM)		3.32	3.41

Based on the above, the SCR Offer Price represents a discount of 39.8% to 41.3% to the estimated value of between **RM3.32 and RM3.41 per MMC Share**.

Our view on the fairness of the Proposed SCR

Based on our evaluation in Section 5 of this IAL, the SCR Offer Price of RM2.00 is **lower than** and represents a **discount** of RM1.32 to RM1.41 or approximately 39.8% to 41.3% over the estimated value per MMC Share ranging between RM3.32 and RM3.41 derived using the SOPV method. Hence, we are of the view that the Proposed SCR is **NOT FAIR**.

The computation of the estimated value based on SOPV method of the MMC Group is based on the prevailing economic outlook, market sentiment and other conditions as well as publicly available information and information provided by the MMC Group up to the LPD. Events or circumstances occurring subsequent to the LPD may significantly change the bases and assumptions used which may then materially affect the valuation of the MMC Group, whether favourably or adversely.

In addition, there is no assurance that the real properties of the Group can be realised at their estimated market values due to various factors such as the existence of ready and committed buyer(s) who is willing to pay the market value of each property as well as the payment of incidental costs related to such sale transactions.

The Entitled Shareholders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposed SCR and not to rely on the valuation of MMC Shares derived based on the SOPV method as the sole criteria when assessing the Proposed SCR.

6. REASONABLENESS OF THE PROPOSED SCR

6.1 Historical market price performance of MMC Shares

6.1.1 Historical closing market prices of MMC Shares

The historical closing market prices of MMC Shares for the past three (3) years from 3 June 2018 up to the LTD and the LPD are set out below:



(Source: Bloomberg)

Save for the following announcements and key events, there is no other significant event announced by MMC to Bursa Securities during the past three (3) years from 3 June 2018 up to the LTD, which may have affected the historical closing market prices of MMC Shares:

Note	Date	Announcements / Key events
A	24 August 2018	Announcement by MMC on its unaudited quarterly results for the FPE 30 June 2018, where MMC recorded an increase in revenue of 32.7% and a decrease in PBT of 46.5% as compared to the unaudited FPE 30 June 2017.
B	8 October 2018	Announcement by MMC addressing a press statement issued by the Ministry of Finance (“ MOF Press Statement ”) in relation to the termination of the MRT2 underground contract.
C	26 October 2018	Announcement by MMC that the decision by the Ministry of Finance to terminate MMC Gamuda KVMRT (T) Sdn Bhd as set out in the MOF Press Statement had been rescinded. Further, the Cabinet had accepted MMC and Gamuda Berhad’s new offer wherein the entire remaining works shall be carried out on a turnkey contract basis.

Note	Date	Announcements / Key events
D	27 February 2019	Announcement by MMC on its unaudited quarterly results for the FYE 31 December 2018, where MMC recorded an increase in revenue of 20.4% and a decrease in PBT of 10.7% as compared to the unaudited FYE 31 December 2017.
E	28 May 2019	Announcement by MMC on its unaudited quarterly results for the FPE 31 March 2019, where MMC recorded a decrease in revenue of 10.7% and an increase in PBT of 37.9% as compared to the unaudited FPE 31 March 2018.
F	21 June 2019	Announcement by MMC on a receipt of offer by Projek Smart Holdings Sdn Bhd from the Ministry of Finance (Incorporated) to acquire all securities of Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd held by Projek Smart Holdings Sdn Bhd.
G	25 February 2020	Announcement by MMC on its unaudited quarterly results for the FYE 31 December 2019, where MMC recorded a decrease in revenue of 5.3% and an increase in PBT of 32.2% as compared to the unaudited FYE 31 December 2018.
H	16 March 2020	Announcement by the Government of Malaysia on the implementation of nationwide Movement Control Order to contain the outbreak of COVID-19 pandemic.
I	20 May 2020	Announcement by MMC on its unaudited quarterly results for the FPE 31 March 2020, where MMC recorded a decrease in revenue of 4.9% and an increase in PBT of 29.7% as compared to the unaudited FPE 31 March 2019.
J	24 August 2020	Announcement by MMC on its unaudited quarterly results for the FPE 30 June 2020, where MMC recorded a decrease in revenue of 12.5% and an increase in PBT of 10.2% as compared to the unaudited FPE 30 June 2019.
K	25 November 2020	Announcement by MMC on its unaudited quarterly results for the FPE 30 September 2020, where MMC recorded a decrease in revenue of 11.7% and an increase in PBT of 7.7% as compared to the unaudited FPE 30 September 2019.
L	29 January 2021	Announcement and press release by MMC on the disposal of 8% equity interest in RSGT by City Island Holdings Limited.
M	26 February 2021	Announcement by MMC on its unaudited quarterly results for the FYE 31 December 2020, where MMC recorded a decrease in revenue of 4.7% and an increase in PBT of 23.7% as compared to the unaudited FYE 31 December 2019.

Note	Date	Announcements / Key events
N	19 March 2021	Announcement by MMC in relation to the proposed acquisition of 50% equity interest in Boustead Cruise Centre Sdn Bhd by Klang Port Management Sdn Bhd, an indirect subsidiary of MMC from Boustead Holdings Berhad.
	22 March 2021	Announcement by MMC on the proposed acquisition of 50% equity interest in Retro Highland Sdn Bhd by MMC Land Sdn Bhd, a wholly-owned subsidiary of MMC from Tradewinds Corporation Berhad. The proposed acquisition was completed on 6 July 2021.
O	3 June 2021	Announcement by MMC on the receipt of the SCR Offer Letter.

For the period from 4 June 2021, being the next Market Day after the receipt of SCR Offer Letter until the LPD, the market prices of MMC Shares had been trending upwards and closer to the SCR Offer Price. Nonetheless, this may not be an indication of future market price performance of MMC Shares which may be influenced by, amongst others, the performance and prospects of MMC Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical market prices of MMC Shares may not be a reliable indicator of the future price levels and should not be relied upon as an indication of the future price levels. There is also no assurance that the market prices of MMC Shares will remain at the current level in the event the Proposed SCR is not successful.

Further, we note that:

- (i) based on the three (3) years preceding the LTD, the market price of MMC Shares have traded below the SCR Offer Price;
- (ii) the highest market price of MMC Share in the three (3) years preceding the LTD was RM1.550 on 23 July 2018, whilst the lowest market price of MMC Share in the three (3) years preceding the LTD was RM0.4650 on 23 March 2020; and
- (iii) the highest market price of MMC Share in the past three (3) years preceding the LPD was RM1.840 on 22 June 2021, 9 August 2021, 27 August 2021 and 30 August 2021, which is after the announcement on the receipt of the SCR Offer Letter on 3 June 2021.

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6.1.2 Premium of the SCR Offer Price over the historical closing market prices / VWAPs of MMC Shares

The SCR Offer Price also represents the following premiums to the historical closing market prices / VWAPs of MMC Shares:

	Closing market prices / VWAPs of MMC Shares	Premium of the SCR Offer Price to the closing market prices / VWAPs of MMC Shares	
	RM	RM	%
Last closing market price as at the LTD	1.2000	0.8000	66.67
Up to and including the LTD:			
• 5-day VWAP	1.1519	0.8481	73.63
• 1-month VWAP	1.1092	0.8908	80.31
• 3-month VWAP	1.0645	0.9355	87.88
• 6-month VWAP	1.0291	0.9709	94.34
• 1-year VWAP	0.9765	1.0235	104.81
Last closing market price as at the LPD	1.8400	0.1600	8.70
Up to and including the LPD:			
• 5-day VWAP	1.8302	0.1698	9.28
• 1-month VWAP	1.8127	0.1873	10.33
• 3-month VWAP	1.7171	0.2829	16.48
• 6-month VWAP	1.2669	0.7331	57.87
• 1-year VWAP	1.1932	0.8068	67.62

(Source: Bloomberg)

Based on the table above, we noted that the SCR Offer Price represents:

- (a) a **significant premium** of between RM0.8000 (66.67%) and RM1.0235 (104.81%) over the last closing market price as at the LTD, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of MMC Shares up to the LTD; and
- (b) a **premium** of between RM0.1600 (8.70%) and RM0.8068 (67.62%) over the last closing market price as at the LPD, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of MMC Shares up to the LPD.

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6.2 Historical liquidity analysis of MMC Shares

The historical trading volume of MMC Shares for the past twelve (12) months from September 2020 to August 2021, being the last full trading month prior to the LPD, are as follows:

Month	⁽¹⁾ Monthly trading volume	⁽²⁾ Monthly trading volume-to-free float (%)
2021		
August	60,568,300	6.82
July	171,332,300	19.30
June	365,502,000	41.16
May	216,193,900	24.35
April	285,354,800	32.14
March	999,598,300	112.57
February	83,614,800	9.42
January	68,555,800	7.72
2020		
December	78,597,000	8.85
November	88,114,900	9.92
October	48,959,700	5.51
September	45,836,400	5.16
Simple average	209,352,350	23.58
Simple average (excluding outlier)⁽³⁾	137,511,809	15.49

(Source: Bloomberg)

Notes:

- (1) Excludes MMC Shares traded in the open market by the Board, substantial shareholders of MMC and persons connected to them during the respective month, if any.
- (2) Free float is computed based on the total MMC Shares held by the public shareholders that excludes MMC Shares held by the Board, substantial shareholders of MMC and persons connected to them as at the end of the respective month.
- (3) Excludes the trading volume of MMC Shares in March 2021 as an outlier (which is determined based on significant deviation from the average).

The average monthly trading volume-to-free float of MMC Shares (23.58%) is higher than the average monthly trading volume-to-free float of KLTRAN (15.80%) for the past twelve (12) months from September 2020 to August 2021.

Pursuant to our analysis, we noted that there was a significant increase in the trading volume of MMC Shares for March 2021 subsequent to the announcement made by MMC on its unaudited quarterly results for the FYE 31 December 2020 on 26 February 2021. If the trading volume of MMC Shares for March were excluded, the average monthly trading volume-to-free float of MMC Shares is 15.49% which is in line with the average monthly trading volume-to-free float of KLTRAN of 15.80% for the past twelve (12) months from September 2020 to August 2021. As such, we note that MMC Shares are fairly liquid.

Notwithstanding the average monthly trading volume of MMC Shares, the SCR Offer Price is significantly above the historical VWAP of MMC Shares for the past one (1) year preceding the LTD.

The above evaluation is based on the historical trading volume of MMC Shares for the respective month as well as the free float of MMC based on the total MMC Shares held by the public shareholders that excludes MMC Shares held by the Board, substantial shareholders of MMC and persons connected to them as at the end of the respective month prior to the LPD, and should not be relied upon as an indication of the future trading liquidity of MMC Shares, which may be influenced by amongst others, the performance and prospects of MMC Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors.

6.3 No alternative offer

Save for the Proposed SCR, MMC has not received any other offer for MMC Shares or to acquire the assets and liabilities of the MMC Group as at the LPD.

As at the LPD, the Offeror holds the majority equity stake / voting rights of approximately 51.76% in MMC. As such, any other offer from a third party to acquire MMC will require the support of the Offeror to be successful.

In the absence of an alternative proposal, the Proposed SCR represents an opportunity for the Entitled Shareholders to realise their investments in MMC Shares at significant premiums of between 66.67% and 104.81% over the historical closing market prices / VWAPs of MMC Shares in the past one (1) year up to the LTD and a premium of between 8.70% and 67.62% over the historical closing market prices / VWAPs of MMC Shares in the past one (1) year up to the LPD.

6.4 Level of control of the Offeror, Ultimate Offeror and their PACs

In view of the majority equity stake / voting rights of the Offeror, Ultimate Offeror and their PACs in MMC of approximately 51.76% as at the LPD, unless the Offeror, Ultimate Offeror and their PACs are required to abstain from voting on resolutions sought at general meetings of MMC, the Offeror, Ultimate Offeror and their PACs have control over the outcome of ordinary resolutions (as such resolutions only require approval from more than 50% of the total votes cast) and influence the outcome of special resolutions (as such resolutions require approval from at least 75% of the total votes cast) sought at general meetings.

Save for the Offeror, Ultimate Offeror and their PACs, and Amanahraya Trustees Berhad – Amanah Saham Bumiputera, there are no other substantial shareholders in MMC.

Our view on the reasonableness of the Proposed SCR

Based on our analysis as set out in Section 6 of this IAL, we are of the view that the Proposed SCR is **REASONABLE** as it provides an exit opportunity to the Entitled Shareholders to realise its investments in MMC Shares.

Based on the historical market prices of MMC Shares in the past three (3) years preceding the LTD and LPD, we noted that the price of MMC Shares from 4 June 2021, being the next Market Day after the announcement of the receipt of SCR Offer Letter had been trending upwards and closer to the SCR Offer Price after the announcement. There is no assurance that the market prices of MMC Shares will remain at the current level in the event the Proposed SCR is not successful.

Based on the above, in arriving at our opinion of the reasonableness of the Proposed SCR, we have considered the historical market price performance of MMC Shares based on the three (3) years preceding the LTD. We noted that the SCR Offer Price is significantly above the market prices of MMC Shares for the past one (1) year up to the LTD. This would provide an opportunity for the Entitled Shareholders to realise their investment at a significant premium to the market prices of MMC Shares.

Further, save for the Proposed SCR, MMC has not received any other offer for MMC Shares or to acquire the assets and liabilities of the MMC Group as at the LPD. In addition, the Offeror holds the majority equity stake / voting rights of approximately 51.76% in MMC. As such, any other offer from a third party to acquire the MMC Group will require the support of the Offeror to be successful.

7. RATIONALE FOR THE PROPOSED SCR AND FUTURE PLANS FOR MMC GROUP AND ITS EMPLOYEES

We refer to the rationale for the Proposed SCR and future plans for MMC Group and its employees as set out in Sections 4 and 5 of **Part A** of this Document, respectively.

Our comments on the rationale for the Proposed SCR

The Proposed SCR is undertaken after taking into consideration the following:

- (i) the investors of MMC are unable to accord MMC with a valuation in line with its NA as the market price of MMC Shares does not reflect the underlying value of its diversified business;
- (ii) the Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in MMC at a significant premium over the prevailing market price of MMC Shares. The SCR Offer Price represents a premium ranging from 66.67% to 104.81% over the historical closing market prices / VWAPs of MMC Shares in the past one (1) year up to the LTD; and
- (iii) the Proposed SCR provides the Company greater flexibility in managing and developing its existing businesses whilst exploring opportunities without regulatory restrictions and compliance costs associated with its listing status on Bursa Securities, as it considers to be suitable to improve the utilisation of resources, prospects and future growth of the MMC Group in order to remain competitive.

We wish to highlight that the Proposed SCR is undertaken on a voluntary basis by the Non-Entitled Shareholders via the SCR Offer Letter to privatise the Company whereby upon successful completion of the Proposed SCR, the Non-Entitled Shareholders will collectively hold 100% equity interest in MMC and the Company will be delisted from the Official List thereafter.

Our comments on the future plans for MMC Group and its employees

The intentions of the Offeror and the Ultimate Offeror in respect of the future plans of MMC Group and its employees after the completion of the Proposed SCR is summarised as follows:

- (i) continuation of the existing businesses and operations of the MMC Group and no immediate plan and/or intention to liquidate any company within the Group (save for the companies which have been identified by the management of MMC Group prior to the completion of the Proposed SCR and/or which are already in the process of liquidation/winding up). However, the Offeror and the Ultimate Offeror may from time to time undertake a review of the businesses and operations of MMC Group and make such arrangements, rationalisation and reorganisation as the Offeror and the Ultimate Offeror consider suitable and which are in the best interests of MMC Group;
- (ii) no immediate plan and/or intention to introduce or effect any major change to the existing businesses of MMC Group, dispose of any major assets or undertake any major redeployment of the fixed assets of MMC Group upon completion of the Proposed SCR, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of MMC Group or to improve the utilisation of resources, prospects and future growth of MMC Group; and

- (iii) no immediate plan to dismiss or make redundant any of the existing employees of the Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and/or streamlining of business activities to further improve productivity and efficiency of the operations of MMC Group.

Notwithstanding the above, the Offeror and the Ultimate Offeror shall retain the flexibility to consider any option or explore any potential opportunities as the Offeror and the Ultimate Offeror consider suitable and which are in the best interests of the MMC Group.

As at the LPD, the Board (save for the Interested Director) has also taken note that, the Offeror and the Ultimate Offeror have no knowledge and have not entered into any negotiation, arrangement or understanding with any third party with regards to any significant change in the Group's business, assets or shareholding structure.

The Board (save for the Interested Director) is of the view that the rationale for the Proposed SCR as set out in Section 4 of Part A of this Document and the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for the MMC Group and the employees are in the best interest of the Company.

Premised on the above, we are of the view that the businesses and management of MMC Group will continue to operate as usual and are not expected to change materially after the successful completion of the Proposed SCR.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interests of Directors and major shareholders of MMC and/or persons connected with them (together with their course of actions in relation to the Proposed SCR) are set out in Section 11 of Part A of this Document.

9. DIRECTORS' INTERESTS AND INTENTION TO VOTE

Save as disclosed below, the Directors of MMC do not have any interest, whether direct or indirect, in MMC Shares:

- (i) Sharifah Sofia, who is the Interested Director; and
- (ii) Dato' Sri Che Khalib bin Mohamad Noh, the Group Managing Director of MMC, who holds 0.02% equity interest in MMC as at the LPD. For avoidance of doubt, he is an Entitled Shareholder and is neither related to the Offeror, the Ultimate Offeror or the Interested Director, nor does he hold any directorship or shareholdings in the Offeror. As such, he is not conflicted by his interest of 0.02% in MMC as at the LPD and is entitled to deliberate and vote on the Proposed SCR at the relevant Board meetings of MMC. He and persons connected with him (if any) need not abstain from voting in respect of their direct and/or indirect shareholdings in MMC, on the Special Resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

Dato' Sri Che Khalib bin Mohamad Noh intends to **VOTE IN FAVOUR** of the Special Resolution in respect of his shareholding in the Company.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR and will also abstain from voting in respect of her indirect shareholdings in the Company on the Special Resolution to be tabled at the forthcoming EGM. The Interested Director has undertaken that she will ensure persons connected with her, if any, will abstain from voting in respect of her indirect shareholdings on the Special Resolution to be tabled at the forthcoming EGM.

10. FURTHER INFORMATION

The Entitled Shareholders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in Part A of this Document, Attachment I of this IAL and other relevant information as contained in this Document for further details in relation to the Proposed SCR.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby the term “**fair and reasonable**” should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term.

The Proposed SCR is considered as “**fair**” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of MMC Shares. However, the Proposed SCR is considered as “**not fair**” if the SCR Offer Price is equal to or higher than the market price but is lower than the value of MMC Shares.

In considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of MMC Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained.

We have assessed and evaluated the fairness and reasonableness of the Proposed SCR based on all relevant and pertinent factors as set out in Sections 5 and 6 of this IAL.

In arriving at our opinion, we have considered the following pertinent factors which you should carefully consider before voting on the Special Resolution to be tabled at the forthcoming EGM:

Fairness	:	Based on our evaluation in Section 5 of this IAL, the SCR Offer Price of RM2.00 is lower than and represents a discount of RM1.32 to RM1.41 or approximately 39.8% to 41.3% over the estimated value per MMC Share ranging between RM3.32 to RM3.41 derived using the SOPV method. Hence, we view that the Proposed SCR as NOT FAIR .
Reasonableness	:	Based on our analysis, we noted that the SCR Offer Price represents: (a) a significant premium of between RM0.8000 (66.67%) and RM1.0235 (104.81%) over the last closing market price as at the LTD, 5-day, 1-month, 3-month, 6-month and 1-year VWAP of MMC Shares up to the LTD; and

	<p>(b) a premium of between RM0.1600 (8.70%) and RM0.8068 (67.62%) over the last closing market price as at the LPD, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of MMC Shares up to the LPD.</p> <p>The Proposed SCR would provide an opportunity for the Entitled Shareholders to realise their investment at a significant premium to the market prices of MMC Shares.</p> <p>Further, save for the Proposed SCR, MMC has not received any other offer for MMC Shares or to acquire the assets and liabilities of the MMC Group as at the LPD. In addition, the Offeror holds the majority equity stake / voting rights of approximately 51.76% in MMC. As such, any other offer from a third party to acquire the MMC Group will require the support of the Offeror to be successful.</p> <p>In view of the majority equity stake / voting rights of the Offeror, Ultimate Offeror and their PACs in MMC of 51.76% as at the LPD, unless the Offeror, Ultimate Offeror and their PACs are required to abstain from voting on resolutions sought at general meetings of MMC, the Offeror, Ultimate Offeror and their PACs have control over the outcome of ordinary resolutions (as such resolutions only require approval from more than 50% of the total votes cast) and influence the outcome of special resolutions (as such resolutions require approval from at least 75% of the total votes cast) sought at general meetings.</p> <p>Hence, we view that the Proposed SCR as REASONABLE as it provides an exit opportunity to the Entitled Shareholders to realise its investments in MMC Shares.</p>
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Premised on the above and our evaluation of the Proposed SCR, we are of the view that although the Proposed SCR is deemed **NOT FAIR**, the Proposed SCR is **REASONABLE**. Accordingly, we recommend that the Entitled Shareholders to **VOTE IN FAVOUR** of the Special Resolution to be tabled at the forthcoming EGM.

If the Entitled Shareholders so wish and if the trading liquidity permits, they may consider disposing of their securities in MMC in the open market in the event the market prices of these securities are higher than the SCR Offer Price, after taking into consideration the associated transaction costs involved and assuming that there will not be any revision to the SCR Offer Price.

The Entitled Shareholders are advised to closely monitor the market prices and trading volume of MMC Shares as well as any press releases and/or announcements made in relation to the Proposed SCR before making a decision whether to vote in favour of or against the Special Resolution. The Entitled Shareholders should also be mindful there may be continuous fluctuations in the market prices of MMC Shares.

The advice of Alliance Investment Bank as contained in this IAL is addressed to the Entitled Shareholders at large and not to any particular Entitled Shareholder. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives, financial situation, risk profile and particular needs of any individual Entitled Shareholder or any specific group of Entitled Shareholders. We recommend that any Entitled Shareholder who may require advice in relation to the Proposed SCR in the context of his individual investment objectives, financial situation, risk profile and particular needs should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Yours faithfully
For and on behalf of
Alliance Investment Bank Berhad

TEE KOK WAH
Head / Senior Vice President
Corporate Finance – Capital Markets

RAIHANA SOUKET
Vice President
Corporate Finance – Capital Markets

ATTACHMENT I – FURTHER INFORMATION

1. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES**1.1 By MMC****1.1.1 Disclosure of interests in the Offeror**

MMC does not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror as at the LPD.

1.1.2 Dealings in the securities of the Offeror

MMC has not dealt, directly or indirectly, in any voting shares or convertible securities of the Offeror during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.1.3 Dealings in MMC Shares

MMC has not dealt, directly or indirectly, in any of its own voting shares during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.2 By Directors of MMC**1.2.1 Disclosure of interests in the Offeror**

Save as disclosed below, the Directors of MMC do not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror as at the LPD.

Sharifah Sofia's shareholdings in STJSB as at the LPD is as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Sharifah Sofia	-	-	⁽¹⁾ 10,000,000	100.00

Note:

(1) Sharifah Sofia, the daughter of TSSM, is deemed interested in STJSB through TSSM's shareholding in ICSB, by virtue of Section 8 of the Act. She is also a director of STJSB.

1.2.2 Dealings in the securities of the Offeror

The Directors of MMC have not dealt, directly or indirectly, in any voting shares or convertible securities of the Offeror during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.2.3 Disclosure of interests in MMC

Save as disclosed in Section 2 of this Attachment I, the Directors of MMC do not have any interest, whether direct or indirect, in any voting shares of MMC as at the LPD.

ATTACHMENT I – FURTHER INFORMATION (CONT'D)

1.2.4 Dealings in the securities of MMC

The Directors of MMC have not dealt, directly or indirectly, in any voting shares of MMC during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.3 By the persons with whom MMC or any persons acting in concert with it has any arrangement over MMC Shares

As at the LPD, MMC or any persons acting in concert with it has not entered into any arrangement with any person, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing with MMC Shares.

1.4 By the persons with whom MMC or any persons acting in concert with it has borrowed or lent

As at the LPD, MMC or any persons acting in concert with it has not borrowed or lent any shares of MMC from or to any person.

1.5 By Alliance Investment Bank**1.5.1 Disclosure of interests in MMC**

Alliance Investment Bank and funds whose investments are managed by Alliance Investment Bank on a discretionary basis do not have any interest, whether direct or indirect, in any voting shares of MMC as at the LPD.

1.5.2 Dealings in MMC Shares

Alliance Investment Bank and funds whose investments are managed by Alliance Investment Bank on a discretionary basis have not dealt, directly or indirectly, in voting shares of MMC during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

2. DIRECTORS

As at the LPD, the Directors of MMC and their respective shareholdings in MMC are as follows:

Name / Designation	Correspondence address	Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	%
Datuk Seri Tajuddin bin Atan <i>Independent Non-Executive Chairman</i>	60, Jalan Anjung U8/34 Bukit Jelutong 40150 Shah Alam Selangor	-	-	-	-
Dato' Sri Che Khalib bin Mohamad Noh <i>Group Managing Director</i>	No. 6, Jalan Kenyalang 11/6C Kota Damansara PJU 5 47810 Petaling Jaya Selangor	600,000	0.02	-	-
Datuk Ooi Teik Huat <i>Senior Independent Non-Executive Director</i>	2, Lorong Aminuddin Baki 4 Taman Tun Dr Ismail 60000 Kuala Lumpur	-	-	-	-

ATTACHMENT I – FURTHER INFORMATION (CONT'D)

Name / Designation	Correspondence address	Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	%
Dato' Abdul Hamid bin Sh Mohamed <i>Independent Non-Executive Director</i>	Lot 15060 Jalan L8, Kemensah Heights 53100 Kuala Lumpur	-	-	-	-
Dato' Siti Halimah binti Ismail <i>Independent Non-Executive Director</i>	No. 343, Jalan Timur 2/7C Timur @ Enstek Bandar Enstek 71760 Nilai Negeri Sembilan	-	-	-	-
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar <i>Independent Non-Executive Director</i>	No. 12, Jalan Sultan Salehuddin 9/7 40000 Shah Alam Selangor	-	-	-	-
Dato' Ir. Jamaludin bin Osman <i>Non-Independent Non-Executive Director</i>	No. 32, Jalan Seri Beringin 2 Seri Beringin Bukit Damansara 50490 Kuala Lumpur	-	-	-	-
Sharifah Sofia <i>Non-Independent Non-Executive Director</i>	Level 4 No. 88 Jalan Perdana Taman Tasik Perdana 50480 Kuala Lumpur	-	-	⁽²⁾ 1,576,108,840	51.76

Notes:

(1) Based on 3,045,058,552 MMC Shares as at the LPD.

(2) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC, by virtue of Section 8 of the Act. She is also a director of STJSB.

3. SERVICE CONTRACTS

As at the LPD, the MMC Group does not have any service contracts with any Director of MMC or proposed Directors of MMC, which have been entered into or amended within six (6) months prior to the date of the SCR Offer Letter or which are fixed term contracts with more than twelve (12) months to run.

For this purpose, the term "service contracts" excludes those contracts expiring or determinable by MMC Group without payment of compensation within twelve (12) months from the date of this IAL.

4. ARRANGEMENT AFFECTING DIRECTORS

- 4.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit which will be made or given to any of the Directors of MMC as compensation for loss of office or otherwise in connection with the Proposed SCR;
- 4.2 As at the LPD, save for the Proposed SCR which involves the Interested Director, there is no agreement, arrangement or understanding between any Director of MMC and any other person which is conditional on or dependent upon the outcome of the Proposed SCR or otherwise connected with the outcome of the Proposed SCR; and
- 4.3 As at the LPD, there is no material contracts entered into by the Offeror, the Ultimate Offeror or their PACs in which any Director of MMC has a material personal interest.

5. SHARE CAPITAL

As at the LPD, MMC has one (1) class of share in issue. The holders of MMC Shares are entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders and are entitled to one (1) vote per MMC Share at general meetings of MMC.

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SCR OFFER LETTER

***Seaport Terminal (Johore) Sdn. Bhd.*** (221307-M)

03 JUN 2021

Board of Directors
MMC Corporation Berhad
Ground Floor, Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur
Malaysia

Dear Sirs,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY MMC CORPORATION BERHAD ("MMC") PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SCR")

1. INTRODUCTION

- 1.1 We, Seaport Terminal (Johore) Sdn Bhd ("**STJSB**" or "**Offeror**"), in our capacity as the controlling shareholder of MMC, hereby notify you of our intention to privatise MMC by way of a selective capital reduction and repayment exercise under Section 116 of the Act ("**Letter**").
- 1.2 We wish to request MMC to present the Proposed SCR to its shareholders for their consideration and approval.
- 1.3 Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor ("**TSSM**"), who indirectly holds the entire equity interest in STJSB via Indra Cita Sdn Bhd ("**ICSB**"), is deemed to be the ultimate offeror for the Proposed SCR ("**Ultimate Offeror**").
- 1.4 The persons acting in concert with us are set out in Paragraph 1.6 of this Letter ("**PACs**"). All PACs will waive their entitlements to the repayment of capital pursuant to the Proposed SCR. Assuming the Proposed SCR is approved and implemented, all PACs will not be entitled to the capital repayment pursuant to the Proposed SCR.
- 1.5 As at 28 May 2021, being the latest practicable date ("**LPD**"), the issued share capital of MMC is RM2,344,276,000 comprising 3,045,058,552 ordinary shares ("**MMC Shares**"). STJSB holds 1,576,108,840 MMC Shares, representing approximately 51.76% of the share capital of MMC.

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CORRESPONDENCE ADDRESSKUALA LUMPUR

110 JALAN MAAROF, BANGSAR BARU, 59000 KUALA LUMPUR, MALAYSIA
TEL: 03 2093 2255/03 2093 2266 FAX: 03 20958811

SCR OFFER LETTER (Cont'd)

- 1.6 The respective shareholdings of the Ultimate Offeror, the Offeror and the PACs (the Offeror and the PACs are collectively referred to as "**Non-Entitled Shareholders**") in MMC as at the LPD are set out as follows:

	Direct		Indirect	
	No. of MMC Shares	(1) %	No. of MMC Shares	(1) %
Ultimate Offeror				
TSSM	-	-	(2) 1,576,108,840	51.76
Offeror				
STJSB	1,576,108,840	51.76	-	-
PACs				
ICSB	-	-	(3) 1,576,108,840	51.76
Sharifah Sofia Syed Mokhtar Shah ("Sharifah Sofia")	-	-	(4) 1,576,108,840	51.76

Notes:

- (1) Based on 3,045,058,552 MMC Shares as at the LPD.
- (2) TSSM is a substantial shareholder of ICSB and is indirectly a substantial shareholder of MMC. Deemed interested by virtue of Section 8 of the Act.
- (3) Deemed interested by virtue of Section 8 of the Act through its shareholdings in STJSB.
- (4) Sharifah Sofia is a non-independent non-executive director of MMC and a director of STJSB. She is also the daughter of TSSM. Deemed interested by virtue of Section 8 of the Act.

2. DETAILS OF THE PROPOSED SCR

- 2.1 The Proposed SCR involves MMC undertaking a selective capital reduction and a corresponding capital repayment exercise pursuant to Section 116 of the Act in respect of the MMC Shares held by all the shareholders of MMC (other than STJSB), whose names appear in the Record of Depositors of MMC as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of MMC ("**Board**") ("**Entitlement Date**") ("**Entitled Shareholders**").
- 2.2 As at the LPD, the Entitled Shareholders hold 1,468,949,712 MMC Shares, representing approximately 48.24% of the share capital of MMC.
- 2.3 Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM2,937,899,424, which represents a cash repayment of RM2.00 for each MMC Share ("**SCR Offer Price**") held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, STJSB will not be entitled to the repayment of capital pursuant to the Proposed SCR.
- 2.4 Upon the approval and successful implementation of the Proposed SCR, the share capital of MMC will be reduced by RM2,937,899,424, by way of cancellation of 1,468,949,712 MMC Shares held by the Entitled Shareholders at the SCR Offer Price.
- 2.5 In view that the capital reduction of the Proposed SCR is higher than the existing issued share capital of MMC of RM2,344,276,000 comprising 3,045,058,552 MMC Shares and to facilitate the Proposed SCR, a bonus issue is proposed to be undertaken by MMC ("**Proposed Bonus Issue**") to increase the share capital of MMC up to a level sufficient to carry out the Proposed SCR.

SCR OFFER LETTER (Cont'd)

- 2.6 All MMC Shares held by the Entitled Shareholders including the new MMC Shares to be issued pursuant to the Proposed Bonus Issue ("**Bonus Shares**") will be cancelled pursuant to the Proposed SCR. The Bonus Shares will be cancelled immediately and will not be credited into the central depository system accounts of the Entitled Shareholders or be listed on the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). For the avoidance of doubt, STJSB will not be entitled to the Bonus Shares.
- 2.7 STJSB will still hold the remaining 1,576,108,840 MMC Shares, which are not cancelled pursuant to the Proposed SCR. The said 1,576,108,840 MMC Shares will amount to the entire issued share capital of MMC, which would result in MMC being a wholly-owned subsidiary of STJSB on completion of the Proposed SCR ("**Completion**").
- 2.8 The Proposed SCR will be funded by way of an advance from the Offeror to MMC.
- 2.9 We confirm that the Proposed SCR will not fail by reason of insufficient financial capability of MMC and every Entitled Shareholder will be fully paid in cash.
- 2.10 We do not intend to maintain the listing status of MMC on the Main Market of Bursa Securities and we will request that you make an application to Bursa Securities to delist MMC and withdraw its listing status from the Official List of Bursa Securities upon Completion.

3. BASIS OF ARRIVING AT THE SCR OFFER PRICE

The SCR Offer Price of RM2.00 for each MMC Share was arrived at after taking into consideration the following:

- (i) The closing price and volume weighted average market price ("**VWAP**") of MMC Shares up to and including the LPD as set out below:

	Market price	Premium over market prices	
	RM	RM	%
Closing price at LPD	1.1700	0.8300	70.94
5-day VWAP	1.1388	0.8612	75.62
1-month VWAP	1.1349	0.8651	76.23
3-month VWAP	1.0914	0.9086	83.25
6-month VWAP	1.0567	0.9433	89.27
1-year VWAP	1.0023	0.9977	99.54

(Source: Bloomberg)

- (ii) The earnings per MMC Share ("**EPS**") and price to earnings ratio ("**PER**"):

	EPS (RM)	PER ⁽ⁱ⁾ (times)	PER of Offer ⁽ⁱⁱ⁾ (times)
Audited consolidated net EPS for the financial year ended 31 December 2020	0.1232	9.4968	16.2338

Notes:

- (i) Based on MMC's closing shares price as at LPD of RM1.1700.
- (ii) Based on the SCR Offer Price.

SCR OFFER LETTER (Cont'd)

- (iii) The net assets ("NA") per MMC Share and price to book ratio ("PBR"):

	NA per MMC Share (RM)	PBR ⁽ⁱ⁾ (times)	PBR of Offer ⁽ⁱⁱ⁾ (times)
Audited consolidated NA per MMC Share as at 31 December 2020	3.12	0.3750	0.6410

Notes:

- (i) Based on MMC's closing shares price as at LPD of RM1.1700.
(ii) Based on the SCR Offer Price.

4. RATIONALE FOR THE PROPOSED SCR

The Proposed SCR is undertaken in view of the following rationale:

(i) **Greater flexibility**

The Proposed SCR provides greater flexibility to MMC in managing and developing its existing businesses whilst exploring opportunities without regulatory restrictions and compliance costs associated with its listing status, as it considers to be suitable to improve the utilisation of resources, prospects and future growth of the MMC group in order to remain competitive.

(ii) **Opportunity for the Entitled Shareholders to exit and realise their investment**

The Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in MMC at a premium over the prevailing market price of MMC Shares. The SCR Offer Price represents a premium ranging from 70.94% to 99.54% over the historical market price of MMC Shares as set out in Paragraph 3(i) of this Letter.

(iii) **Market value not reflective of underlying value**

The investors appear to be unable to accord MMC with a valuation in line with its net assets as the market price of MMC Shares does not reflect the underlying value of its diversified business.

5. DISTRIBUTION

If MMC declares, makes and/or pays any further dividend and/or distribution of any nature whatsoever ("**Distribution**"), the entitlement date of which is after the date of this Letter up to the Completion, the SCR Offer Price will be reduced by an amount equivalent to the net Distribution made per MMC Share.

SCR OFFER LETTER (Cont'd)

6. COVENANTS

6.1 From the date of your acceptance of the terms of this Letter until Completion, MMC shall undertake that:

- (i) Save for the advance to be provided by us to MMC as set out in Paragraph 2.8 of this Letter, MMC will not conduct any form of capital raising exercise, whether in the form of debt or equity, and will not grant any options over MMC Shares or issue any new MMC Shares;
- (ii) Save for the purpose of financing or refinancing, MMC and its subsidiaries will not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
- (iii) MMC will not pass any resolution in a general meeting (other than in respect of the ordinary business tabled in an annual general meeting or in connection with the Proposed SCR) or make any alteration to the provisions of the constitution of MMC or any of its subsidiaries unless it is in relation to the Proposed SCR; and
- (iv) MMC will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of MMC or any of its subsidiaries,

without our prior written consent.

6.2 In addition, MMC shall not enter into any discussion, negotiation or agreement with any other party with respect to the sale of the assets and liabilities of MMC and its subsidiaries or any privatisation proposal involving MMC or any of its subsidiaries at any time until the date of Completion without our prior written consent.

6.3 MMC shall also undertake that, as from the date of this Letter until the date of Completion, MMC (and using reasonable endeavours to cause and procure that each of its subsidiaries) shall carry on its business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as at the date of this Letter so as to preserve its relationships with all parties to the end that its goodwill and going concern shall not be materially impaired at the date of Completion, save as otherwise agreed in writing by us.

7. CONDITIONS OF THE PROPOSED SCR

7.1 The Proposed SCR is subject to and conditional upon the following being obtained:

- (i) approval of the Entitled Shareholders for the Proposed SCR via a special resolution to be tabled at an extraordinary general meeting ("EGM") ("**Special Resolution**"). The Special Resolution is required to be approved by:
 - (a) at least a majority in number of the Entitled Shareholders and 75.00% in value to the votes attached to the MMC Shares held by the Entitled Shareholders that are cast either in person or by proxy at the EGM; and
 - (b) the value of the votes cast against the Special Resolution is not more than 10.00% of the votes attached to all MMC Shares held by the Entitled Shareholders of the total voting shares of MMC;

SCR OFFER LETTER (Cont'd)

- (ii) granting of an order by the High Court of Malaya confirming the reduction of the share capital of MMC in accordance with Section 116 of the Act ("**Order**") giving effect to the Proposed SCR, followed by the lodgment of an office copy of the Order with the Registrar of Companies ("**Lodgment**");
- (iii) approval and/or consent of the existing financiers (including bond/sukuk holders) and/or creditors of MMC and/or its subsidiaries, if required; and
- (iv) approval and/or consent of any relevant authorities or parties, if required.

7.2 The Proposed Bonus Issue, which is implemented solely for the purposes of facilitating the implementation of the Proposed SCR, shall form an integral part of the Proposed SCR.

7.3 The Proposed SCR will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than 10 days from the date of Lodgment.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

8.1 Save for Sharifah Sofia as disclosed in Paragraph 1.6 of this Letter, to the best of our knowledge, there is no other director or major shareholder of MMC and/or persons connected with them who has any interest, directly or indirectly, in the Proposed SCR ("**Interested Director**"). As such, the Interested Director will abstain from all deliberation and voting at the relevant Board meetings pertaining to the Proposed SCR, and together with persons connected with her, if any, will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, in MMC on the Special Resolution pertaining to the Proposed SCR to be tabled at the EGM.

8.2 The Non-Entitled Shareholders, together with persons connected with them, if any, will abstain from voting in respect of the Special Resolution in relation to the Proposed SCR to be tabled at the EGM.

8.3 In addition, we also confirm that as at the LPD:

- (i) we have not received any irrevocable undertaking from any Entitled Shareholders to vote in favour of the Special Resolution in relation to the Proposed SCR; and
- (ii) there is no existing or proposed agreement, arrangement or understanding in relation to the MMC Shares between us and any of the Entitled Shareholders.

9. GOVERNING LAW AND DISPUTE RESOLUTION

The Proposed SCR and any agreement constituted by the acceptance of this Letter shall be governed by the laws of Malaysia and each party will submit to the non-exclusive jurisdiction of the Courts of Malaysia.

SCR OFFER LETTER (Cont'd)

10. ACCEPTANCE PERIOD

If the Board (save for the Interested Director) is agreeable to take steps to implement the Proposed SCR and to recommend the Proposed SCR to the Entitled Shareholders upon the terms envisaged in this Letter, please execute the enclosed duplicate of this Letter and return the same to us no later than 5.00 p.m. on 15 July 2021 (or such other date as may be extended by us in writing), after which the proposal in this Letter shall lapse.

We trust the above is sufficient for the Board's kind consideration and deliberation. Pursuant to the above, kindly make the necessary announcement(s) to your shareholders of our request for MMC to undertake the Proposed SCR.

Yours sincerely,
For and on behalf of
SEAPORT TERMINAL (JOHORE) SDN BHD



SYED DANIAL SYED MOKHTAR SHAH
DIRECTOR

SCR OFFER LETTER *(Cont'd)*

TO: SEAPORT TERMINAL (JOHORE) SDN BHD

MMC CORPORATION BERHAD

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY MMC CORPORATION BERHAD PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SCR")

We, MMC Corporation Berhad, hereby agree and accept the terms of your Letter as set out above and to be read together with your consent letter dated 14 July 2021 to extend the deadline to no later than 5.00 p.m. on 30 August 2021.

Yours sincerely,

For and on behalf of

MMC CORPORATION BERHAD

.....
DATO' SRI CHE KHALIB MOHAMAD NOH
GROUP MANAGING DIRECTOR

04 Aug 2021

INFORMATION ON STJSB

1. HISTORY AND PRINCIPAL ACTIVITIES

STJSB was incorporated in Malaysia on 22 July 1991 as a private company limited by shares under the name of Seaport Terminal (Johore) Sdn. Bhd.

The principal activities of STJSB are investment holding and provisions of the development and management of port facilities and other related services.

The principal activities of the subsidiaries, associated companies and joint ventures of STJSB are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

2.1 Share capital

The issued share capital of STJSB as at the LPD is as follows:

	No. of shares	RM
Ordinary shares	10,000,000	10,000,000.00

2.2 Changes in share capital

There have been no changes in the share capital of STJSB for the past three (3) years.

2.3 Convertible securities

As at the LPD, STJSB does not have any outstanding convertible securities in issue.

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of STJSB and their respective shareholdings in STJSB as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	(1)%	No. of shares	%
ICSB	10,000,000	100.00	-	-
TSSM	-	-	(2)10,000,000	100.00

Notes:

(1) Calculated based on the total issued share capital of STJSB.

(2) TSSM is deemed interested through his shareholding in ICSB by virtue of Section 8 of the Act.

4. DIRECTORS

The Directors of STJSB and their respective shareholdings in STJSB as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Syed Danial bin Syed Mokhtar Shah	-	-	(1)10,000,000	100.00
Sharifah Sofia	-	-	(1)10,000,000	100.00

INFORMATION ON STJSB (Cont'd)

Note:

- (1) *Sharifah Sofia and Syed Danial bin Syed Mokhtar Shah, the children of TSSM, are deemed interested in STJSB through TSSM's shareholding in ICSB, by virtue of Section 8 of the Act.*

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**5.1 Subsidiaries**

The subsidiaries of STJSB as at the LPD are as follows:

Name	Date / Place of incorporation	Effective equity interest of STJSB (%)	Principal activities
Melaka Port Development Sdn Bhd	10 August 2016 / Malaysia	100.00	Development
Seaport Management Services Sdn Bhd	1 November 2002 / Malaysia	100.00	Investment holding
Seaport Development (Johore) Sdn Bhd	24 May 1993 / Malaysia	100.00	Holding company
MMC	19 November 1976 / Malaysia	51.76	Investment holding, construction, mining and mineral exploration
MMC Group	Please refer Section 5.1 of Appendix IV of this Document for details of the MMC Group.		

5.2 Associated companies

The associated companies of STJSB as at the LPD are as follows:

Name	Date / Place of incorporation	Proportion of ownership interest (%)	Principal activities
MMC's associated companies	Please refer Section 5.2 of Appendix IV of this Document for details of MMC's associated companies.		

5.3 Joint ventures

The joint ventures of STJSB as at the LPD are as follows:

Name	Date / Place of incorporation	Proportion of ownership interest (%)	Principal activities
MMC's joint ventures	Please refer Section 5.3 of Appendix IV of this Document for details of MMC's joint ventures.		

INFORMATION ON STJSB (Cont'd)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of STJSB and its subsidiaries ("STJSB Group") based on the audited consolidated financial statements for the past three (3) FYE 31 December 2017 to 31 December 2019 are as follows:

	Audited FYE 31 December		
	2017 (RM'000)	2018 (RM'000)	2019 (RM'000)
Continuing operations			
Revenue	4,650,705	5,145,329	4,711,796
(Loss)/ Profit before taxation	(55,719)	(106,381)	526,018
Taxation	(204,761)	(143,434)	(225,063)
(Loss)/ PAT from continuing operations for the financial year	(260,480)	(249,815)	300,955
Discontinued operations			
Loss from discontinued operations for the financial year	(21,717)	-	-
(Loss)/ PAT for the financial year	(282,197)	(249,815)	300,955
(Loss)/ PAT attributable to:			
Owners of the parent	(403,879)	(407,074)	132,619
Non-controlling interests	121,682	157,259	168,336
	(282,197)	(249,815)	300,955
No. of shares in issue ('000)	10,000	10,000	10,000
Net EPS (RM)	(40.39)	(40.71)	13.26
Dividend per share	Nil	Nil	Nil

There was no material exceptional item noted in the audited consolidated financial statements of STJSB for the past three (3) FYE 31 December 2017 to 31 December 2019.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the STJSB Group based on its audited consolidated financial statements as at 31 December 2018 and 31 December 2019 are as follows:

	Audited as at 31 December	
	2018 (RM'000)	2019 (RM'000)
Non-Current Assets		
Property, plant and equipment	9,431,377	8,707,231
Investment properties	1,304,357	1,495,841
Rights-of-use assets	-	2,097,858
Interests in associates	4,440,459	4,382,475
Investments in joint arrangements	300,864	333,037
Investment securities	3,712	32,583

INFORMATION ON STJSB (Cont'd)

	Audited	
	as at 31 December	
	2018	2019
	(RM'000)	(RM'000)
Other investments	-	-
Inventories	1,885,008	1,916,580
Receivables	130,504	115,654
Intangible assets	2,327,957	2,310,042
Deferred tax assets	738,313	636,793
	20,562,551	22,028,094
Current Assets		
Inventories	104,673	93,323
Receivables	6,729,939	7,138,870
Contract assets	411,094	233,554
Tax assets	128,808	23,413
Assets held for sale	175,896	19,563
Investment securities	8,289	-
Other investments	561,026	1,334,998
Deposits, bank and cash balances	2,788,012	1,511,747
	10,907,737	10,355,468
TOTAL ASSETS	31,470,288	32,383,562
EQUITY AND LIABILITIES		
Equity attributable to owners of parent		
Share capital	10,000	10,000
Reserves	6,012,273	5,964,483
	6,022,273	5,974,483
Non-controlling interests	5,293,037	5,218,555
TOTAL EQUITY	11,315,310	11,193,038
Non-Current Liabilities		
Redeemable preference shares	16,674	-
Borrowings	8,146,154	7,335,587
Lease liabilities	-	2,115,281
Land lease received in advance	316,274	-
Provision for retirement benefits	125,805	77,027
Deferred income	204,374	180,210
Payables	383,472	251,262
Contract liabilities	-	111,150
Deferred tax liabilities	581,805	502,007
	9,774,558	10,572,524

INFORMATION ON STJSB (Cont'd)

	Audited	
	as at 31 December	
	2018	2019
	(RM'000)	(RM'000)
Current Liabilities		
Borrowings	2,537,170	3,045,332
Lease liabilities	-	147,351
Payables	6,980,055	6,374,775
Contract liabilities	828,598	977,660
Deferred income	29,679	24,275
Derivative financial instruments	359	3,974
Tax payables	4,559	44,633
	10,380,420	10,618,000
TOTAL LIABILITIES	20,154,978	21,190,524
TOTAL EQUITY AND LIABILITIES	31,470,288	32,383,562
No of shares ('000)	10,000	10,000
NA per share (RM)	602	597

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of the STJSB Group subsequent to its last audited consolidated financial statement for the FYE 31 December 2019.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of STJSB for the past three (3) FYE 31 December 2017 to 31 December 2019 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on STJSB's audited consolidated financial statements for the respective years under review.

There were changes in the accounting policies that would result in a material variation to the comparable figures for the audited financial statements of the STJSB Group for the past three (3) FYE 31 December 2018 to 31 December 2020. The STJSB Group has adopted MFRS 16 Leases for the first time in the 2019 financial statements, which resulted in changes in the accounting policies. As MMC is the main subsidiary of STJSB, please refer to Note 42 of the audited financial statements of MMC for the FYE 31 December 2019 for further details of the impact of the adoption of MFRS 16 Leases by the STJSB Group.

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INFORMATION ON TSSM

1. BACKGROUND INFORMATION OF TSSM

TSSM, a Malaysian, male, aged 70 was appointed to the Board of ICSB on 1 September 2015. He is a business entrepreneur.

TSSM is a businessman, entrepreneur and philanthropist, and is involved in businesses across various sectors and industries.

He is also known for his social and charitable work through the Yayasan Albukhary. The activities of the Yayasan Albukhary encompass social, religious, cultural and educational programmes.

2. RELATIONSHIP BETWEEN TSSM WITH THE OFFEROR AND THE PACS AS AT THE LPD

Name	Description of relationship between TSSM with STJSB and the PACs
STJSB	TSSM is a major shareholder of ICSB, the holding company of STJSB. He has indirect shareholding of 100.00% held through ICSB.
ICSB	TSSM is a Director and major shareholder of ICSB. He has a direct shareholding of 99.99% in ICSB.
Sharifah Sofia	She is the daughter of TSSM.

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INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 19 November 1976 as a private company limited by shares under the name of Malayan Tin Dredging (M) Sdn Berhad. It was converted into a public company and changed its name to Malayan Tin Dredging (M) Berhad on 8 March 1977. On 10 October 1981, it changed its name to Malaysia Mining Corporation Berhad before assuming its present name, MMC on 4 June 2004.

MMC was listed on the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) and London Stock Exchange on 12 July 1977. MMC's listing on the London Stock Exchange was terminated with effect from 31 January 1996.

The principal activities of our Company are investment holding, construction, mining and mineral exploration.

The principal activities of our subsidiaries, associated companies and joint ventures are set out in Section 5 of this Appendix IV.

2. SHARE CAPITAL

2.1 Issued share capital

The issued share capital of our Company as at the LPD is as follows:

	No. of shares	RM
Ordinary shares	3,045,058,552	2,344,276,195.00

2.2 Changes in share capital

There have been no changes in the share capital of our Company since the last financial year of our Company.

2.3 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of our Company and their respective shareholdings in our Company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
STJSB	1,576,108,840	51.76	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	580,387,600	19.06	-	-
ICSB	-	-	(2)1,576,108,840	51.76
TSSM	-	-	(3)1,576,108,840	51.76
Sharifah Sofia	-	-	(4)1,576,108,840	51.76

INFORMATION ON OUR COMPANY (Cont'd)

Notes:

- (1) Based on the total issued share capital of our Company.
- (2) ICSB is deemed interested by virtue of Section 8 of the Act through its shareholding in STJSB.
- (3) TSSM is a major shareholder of ICSB and is indirectly a controlling shareholder of MMC. He is deemed interested by virtue of Section 8 of the Act.
- (4) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC, by virtue of Section 8 of the Act. She is also a Non-Independent Non-Executive Director of MMC and a director of STJSB.

4. DIRECTORS

The Directors of our Company and their respective shareholdings in our Company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
Datuk Seri Tajuddin bin Atan (Independent Non-Executive Chairman)	-	-	-	-
Dato' Sri Che Khalib bin Mohamad Noh (Group Managing Director)	600,000	0.02	-	-
Datuk Ooi Teik Huat (Senior Independent Non-Executive Director)	-	-	-	-
Dato' Abdul Hamid bin Sh Mohamed (Independent Non-Executive Director)	-	-	-	-
Dato' Siti Halimah binti Ismail (Independent Non-Executive Director)	-	-	-	-
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (Independent Non-Executive Director)	-	-	-	-
Dato' Ir. Jamaludin bin Osman (Non-Independent Non-Executive Director)	-	-	-	-
Sharifah Sofia (Non-Independent Non-Executive Director)	-	-	(2)1,576,108,840	51.76

Notes:

- (1) Based on the issued share capital of our Company.
- (2) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC, by virtue of Section 8 of the Act. She is also a director of STJSB.

INFORMATION ON OUR COMPANY (Cont'd)

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**5.1 Subsidiaries**

Our subsidiaries as at the LPD are as follows:

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
MMC Port	26 September 2006 / Malaysia	100.00	Investment holding
MMC Engineering Group Berhad	19 April 1928 / Malaysia	100.00	Engineering, management services and investment holding
Aliran Ihsan Resources Berhad	27 January 2000 / Malaysia	100.00	Investment holding and provision of services for the reduction of non-revenue water (NRW) and of operation, maintenance and management of water treatment plants
MMC Utilities Berhad	28 February 1928 / Malaysia	100.00	Inactive
MMC Logistics Holdings Sdn Bhd	13 March 2015 / Malaysia	100.00	Inactive
MMC Pembetungan Langat Sdn Bhd	29 July 2013 / Malaysia	100.00	Design and construct sewerage system
MMC Land Sdn Bhd	28 January 2016 / Malaysia	100.00	Investment holding
MMC International Holdings Limited	1 June 2006 / British Virgin Islands	100.00	Investment holding
Southern Kinta Consolidated (M) Berhad	19 November 1976 / Malaysia	100.00	Inactive
Anglo-Oriental (Annuities) Sdn Bhd	3 May 1971 / Malaysia	100.00	Investment holding
Kramat Tin Dredging Berhad	28 August 1926 / Malaysia	52.90	Inactive
Senai Airport Terminal Services Sdn Bhd	16 June 1992 / Malaysia	100.00	To manage, operate, maintain and develop the Senai International Airport
Anglo-Oriental (Malaya) Sdn Berhad	30 March 1928 / Malaysia	100.00	Investment and property holding
Southern Malayan Tin Dredging (M) Berhad	19 November 1976 / Malaysia	100.00	Inactive
Bidor Malaya Tin Sdn Berhad	24 December 1965 / Malaysia	100.00	Inactive
Pernas Charter Management Sdn Bhd	30 April 1977 / Malaysia	100.00	Provision of management services to holding company and fellow subsidiaries

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
Timah Securities Berhad	28 July 1976 / Malaysia	100.00	Property investment
<u>Indirect subsidiaries under MMC Port</u>			
NCB Holdings Bhd	8 January 1999 / Malaysia	99.10	Investment holding and provision of management services to its subsidiaries
MMCP Shared Services Centre Sdn Bhd	29 July 2020 / Malaysia	100.00	Provision of shared services covering functions such as information, technology, procurement, human resources, finance, legal and its related activities
Penang Port Sdn Bhd	7 December 1993 / Malaysia	100.00	Operating, maintaining, managing and the provision of port facilities and other related services
Tanjung Bruas Port Sdn Bhd	21 October 2013 / Malaysia	70.00	Port operations
Andaman Port Sdn Bhd	26 November 2020 / Malaysia	100.00	Develop, operate, manage, maintain and provide port facilities, activities and services
Pelabuhan Tanjung Pelepas Sdn Bhd	28 December 1994 / Malaysia	70.00	Constructing, operating, maintaining and managing Pelabuhan Tanjung Pelepas together with the provision of port facilities and other related services under the terms of license issued by the Johor Port Authority
Johor Port Berhad	7 December 1992 / Malaysia	100.00	Port and other port related activities, construction activities and any other related works
<u>Indirect subsidiaries under NCB Holdings Bhd</u>			
Northport	30 October 1985 / Malaysia	99.10	Management of port activities which comprises services rendered to ships, cargo and container handling, rental of port premises and other ancillary services
Kontena Nasional Berhad	26 August 1971 / Malaysia	99.10	Haulage of containers, warehousing and provision of freight forwarding services
<u>Indirect subsidiary under Northport</u>			
KPM	14 September 1991 / Malaysia	99.10	Inactive

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
<u>Indirect subsidiary under KPM</u>			
Northport Distripark Sdn Bhd	1 August 1991 / Malaysia	99.10	Management of a distribution centre with warehousing, storage and other associated facilities to support trading activities through Port Klang
<u>Indirect subsidiaries under Kontena Nasional Berhad</u>			
Kontena Nasional Global Logistics Sdn Bhd	26 August 1975 / Malaysia	99.10	Provision of freight forwarding services
KN Global Transport Sdn Bhd	11 March 1991 / Malaysia	99.10	Inactive
KN Loginfra Sdn Bhd	14 January 1993 / Malaysia	99.10	Inactive
KN Maritime Services Sdn Bhd	7 September 1990 / Malaysia	99.10	Inactive
Konnas Prolink Sendirian Berhad	27 February 1985 / Malaysia	99.10	Inactive
<u>Indirect subsidiaries under Penang Port Sdn Bhd</u>			
Penang Port Human Capital Services Sdn Bhd	26 July 2017 / Malaysia	100.00	Inactive
Swettenham Pier Cruise Terminal Sdn Bhd	17 July 2018 / Malaysia	60.00	Development, operation, management and maintenance of the Swettenham Pier Cruise Terminal
<u>Indirect subsidiaries under Pelabuhan Tanjung Pelepas Sdn Bhd</u>			
Pelepas Terminal Inland Services Sdn Bhd	29 January 2001 / Malaysia	49.00	To repair, prepare and trade of containers and to deal in all kinds and descriptions of containers and containerisation system and other related services
Manpower Excellence Sdn Bhd	16 March 2020 / Malaysia	70.00	Recruitment services, i.e. prime mover drivers and port lashers
<u>Indirect subsidiaries under Johor Port Berhad</u>			
JP Logistics Sdn Bhd	9 December 1996 / Malaysia	100.00	Provision of warehouse and office space, rendering cargo and container handling, freight forwarding, internal and external haulage services, container repairs and maintenance and yard operations
Seaport Worldwide Sdn Bhd	9 October 1997 / Malaysia	100.00	Investment holding and property development

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
SPT Services Sdn Bhd	13 March 2017 / Malaysia	70.00	Operation, management and maintenance of a terminal and any business related thereto
<u>Indirect subsidiaries under MMC Engineering Group Berhad</u>			
MMC Engineering Sdn Bhd	16 August 1984 / Malaysia	100.00	Specialised engineering and construction works
MMC Engineering & Construction Sdn Bhd	13 June 1991 / Malaysia	100.00	Civil engineering construction works
MMC Technical Services Sdn Bhd	22 June 1995 / Malaysia	100.00	Investment holding company and to provide professional services to the oil and gas and resources industries
MMC-GTM Bina Sama Sdn Berhad	4 April 1987 / Malaysia	100.00	Property developer, civil engineering and construction works
MMC Tepat Teknik Sdn Bhd	6 May 1986 / Malaysia	100.00	Inactive
MMC Transport Engineering Sdn Bhd	16 January 1991 / Malaysia	100.00	Inactive
MMC EG Co Ltd	20 December 1996 / Mongolia	90.00	Inactive
<u>Indirect subsidiary under MMC Technical Services Sdn Bhd</u>			
MMC Oil & Gas Engineering Sdn Bhd	20 August 1984 / Malaysia	100.00	Provision of professional engineering services to the oil and gas industry
<u>Indirect subsidiary under MMC Oil & Gas Engineering Sdn Bhd</u>			
MMC Oil and Gas Engineering Consultancy LLC	23 October 2017 / Oman	51.00	Inactive
<u>Indirect subsidiaries under MMC Tepat Teknik Sdn Bhd</u>			
MMC Tepat Teknik (Kejuruteraan) Sdn Bhd	28 August 1986 / Malaysia	100.00	Inactive
MMC Tepat Teknik (Sarawak) Sdn Bhd	1 December 1988 / Malaysia	100.00	Inactive
Tepat Teknik (Labuan) Ltd	15 August 2002 / Labuan, Malaysia	100.00	Inactive
<u>Indirect subsidiaries under Aliran Ihsan Resources Berhad</u>			
Aliran Water Services Sdn Bhd	7 September 1993 / Malaysia	100.00	Inactive
Aliran Utara Sdn Bhd	18 August 2011 / Malaysia	100.00	Operation, maintenance and management of water treatment plant

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
Aliran Utilities Sdn Bhd	24 July 1993 / Malaysia	100.00	Investment holding, water treatment, rehabilitation of water treatment plants and construction of water works
Southern Water Technology Sdn Bhd (under creditors' winding up)	7 September 1993 / Malaysia	-	-
Aliran Jebat Sdn Bhd	22 November 2011 / Malaysia	80.00	Inactive
<u>Indirect subsidiary under Aliran Water Services Sdn Bhd</u>			
SWESB MMCES JV Sdn Bhd	21 July 2017 / Malaysia	100.00	To supply the Water Asset Management System to the Langat 2 Water Treatment Plant.
<u>Indirect subsidiary under MMC Land Sdn Bhd</u>			
Northern Technocity Sdn Bhd	28 January 2016 / Malaysia	100.00	Property developer
<u>Indirect subsidiaries under MMC International Holdings Limited</u>			
City Island Holdings Limited	9 March 2006 / British Virgin Islands	100.00	Investment holding
MMC Saudi Holdings Limited	1 June 2006 / British Virgin Islands	100.00	Investment holding
MMC Ports Limited	7 July 2006 / British Virgin Islands	100.00	Investment holding
MMC Utilities Limited	8 June 2007 / British Virgin Islands	100.00	Investment holding and provision of project management services
MMC Saudi Arabia Limited	11 April 2007 / Kingdom of Saudi Arabia	100.00	Investment holding
<u>Indirect subsidiaries under Anglo-Oriental (Annuities) Sdn Bhd</u>			
Dana Vision Sdn Bhd	26 October 1989 / Malaysia	100.00	Inactive
Labohan Dagang Galian Sendirian Berhad	13 November 1973 / Malaysia	100.00	Investment holding
MMC Marketing Sdn Bhd	27 January 1979 / Malaysia	100.00	Property investment
Projek Lebuhraya Timur Sdn Bhd	21 April 1988 / Malaysia	100.00	Inactive

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
<u>Indirect subsidiaries under Senai Airport Terminal Services Sdn Bhd</u>			
Senai Airport City Services Sdn Bhd	5 June 2006 / Malaysia	100.00	Provides management services for Senai Airport City development area and acting as Free Zone Authority manager
Senai Airport City Sdn Bhd	25 January 2005 / Malaysia	100.00	Property owner and developer
Senai Airport Sdn Bhd	22 April 2003 / Malaysia	100.00	Inactive
<u>Indirect subsidiaries under Anglo-Oriental (Malaya) Sdn Berhad</u>			
Tronoh (Selangor) Berhad Holdings Sendirian	24 December 1965 / Malaysia	100.00	Property investment
MMC Frigstad Offshore Sdn Bhd	16 January 1991 / Malaysia	100.00	Inactive

5.2 Associated companies

Our associated companies as at the LPD are as follows:

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
Malakoff Corporation Berhad	26 April 2006 / Malaysia	37.60	Investment holding
P.T. Ritra Konnas Freight Centre	5 January 1996 / Indonesia	33.00	Container depot operations
Gas Malaysia Berhad	16 May 1992 / Malaysia	30.90	Selling, marketing and promotion of natural gas to the industrial, commercial and residential sectors as well as construct and operate the Natural Gas Distribution System in Peninsular Malaysia
Jazan Economic City Land Limited	4 March 2008 / Kingdom of Saudi Arabia	24.00	Development of Jazan Economic City in the Kingdom of Saudi Arabia
Red Sea Ports Development Company	11 June 2009 / Kingdom of Saudi Arabia	20.00	Operation and maintenance of container terminals
Red Sea Gateway Terminal Company Limited	29 August 2007 / Kingdom of Saudi Arabia	12.00	Operation and maintenance of container terminals
Konsortium Bernas MMC SPPM Sdn Bhd	8 April 2014 / Malaysia	10.00	Inactive
Ajil Minerals Sdn Bhd	9 December 1986 / Malaysia	49.00	Inactive

INFORMATION ON OUR COMPANY (Cont'd)

5.3 Joint ventures

Our joint ventures as at the LPD are as follows:

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
KTMB MMC Cargo Sdn Bhd	3 December 2015 / Malaysia	49.00	Rail freight transport and related businesses in the rail cargo sector
MMC-Gamuda Joint Venture Sdn Bhd	21 December 1996 / Malaysia	50.00	Design, construction, testing, commissioning and maintenance of the Electrified Double Tracking Project between Ipoh and Padang Besar
MMC Gamuda KVMRT (PDP) Sdn Bhd	27 December 2010 / Malaysia	50.00	Undertake, construct, maintain, improve, develop implement, control, execute and manage the Klang Valley Mass Rapid Transit Project – Sungai Buloh – Kajang Line in Malaysia
MMC Gamuda KVMRT (T) Sdn Bhd	2 March 2011 / Malaysia	50.00	Design, construction, testing and commissioning of the Klang Valley Mass Rapid Transit Project Underground Works (tunnels, stations and associated structures)
MMC Gamuda KVMRT (PDP SSP) Sdn Bhd	10 November 2014 / Malaysia	50.00	Undertake, construct, maintain, improve, develop implement, control, execute and manage the Klang Valley Mass Rapid Transit Project – Sungai Buloh – Serdang – Putrajaya Line in Malaysia
Projek Smart Holdings Sdn Bhd	29 January 2003 / Malaysia	50.00	Investment holding
UEM MMC Joint Venture Sdn Bhd	21 December 2015 / Malaysia	50.00	Investment holding
Salcon MMCB AZSB JV Sdn Bhd	8 April 2014 / Malaysia	34.00	Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work
Salcon MMCES AZSB JV Sdn Bhd	23 December 2014 / Malaysia	50.00	Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date / Place of incorporation	Our effective equity interest (%)	Principal activities
Cranetech Global Sdn Bhd	25 September 2014 / Malaysia	50.00	Providing maintenance service for all types and makes of industrial crane, hoist, machine tools and port equipment
Red Sea Housing Malaysia Sdn Bhd	23 September 2011 / Malaysia	51.00	Manufactures and builders of fabricated buildings
Syarikat Mengurus Air Banjir & Terowong Sdn Bhd	21 November 2002 / Malaysia	50.00	Design and construct the Stormwater Management and Road Tunnel Project (SMART), comprising the stormwater channel and motorway works, operate, manage the toll operations and maintain the motorway
Retro Highland Sdn Bhd	3 August 2010 / Malaysia	⁽¹⁾ 50.00	Property development

Note:

- (1) Pending registration of transfer following completion of the transaction referred to in Section 3(iii) of Appendix VI of this Document, on 6 July 2021.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on the audited consolidated financial statements for the past three (3) FYE 31 December 2018 to 31 December 2020 and the unaudited six (6) months FPE 30 June 2021 are as follows:

	Audited FYE 31 December			Unaudited six (6) months FPE 30 June
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)
Revenue	4,983,770	4,711,796	4,492,748	2,292,743
PBT	402,927	521,991	653,714	493,602
PAT	267,037	300,410	445,844	362,279
PAT attributable to:				
- owners of MMC	220,080	255,166	375,295	298,467
- non-controlling interests	46,957	45,244	70,549	63,812
	267,037	300,410	445,844	362,279
EPS (sen)	7.23	8.38	12.32	9.80
Dividend per MMC Share (sen)	4.00	4.50	5.00	-

There was no exceptional item in the audited consolidated financial statements of our Group for the past three (3) FYE 31 December 2018 to 31 December 2020 and the unaudited six (6) months FPE 30 June 2021.

INFORMATION ON OUR COMPANY (Cont'd)

Commentary on financial performance:**(i) FYE 31 December 2018**

For the FYE 31 December 2018, our Group recorded RM4,983.8 million in revenue, a 19.8% increase from RM4,160.1 million reported in the FYE 31 December 2017 mainly due to higher cumulative work progress from Klang Valley Mass Rapid Transit - Putrajaya Line (formerly known as Sungai Buloh-Serdang-Putrajaya Line) ("**KVMRT-Putrajaya Line**"), effect from consolidation of Penang Port Sdn Bhd's ("**PPSB**") revenue from 1 May 2018 onwards and higher volume handled at Pelabuhan Tanjung Pelepas ("**PTP**"). These were partially offset by lower revenue from Johor Port Berhad ("**JPB**") and lower volume handled at Northport.

Our Group's PBT decreased to RM402.9 million compared with RM436.1 million in the FYE 31 December 2017 mainly due to lower contribution from JPB and Northport, no gain on disposal of equity securities, no forfeited deposit on land sale transaction at Senai Airport City ("**SAC**") and lower contribution from its associate, namely Malakoff Corporation Berhad ("**Malakoff**"). These were partially offset by higher contribution from KVMRT-Putrajaya Line and PTP, and no one-off provision for impairment of RM98.0 million on its investment in Project Smart Holdings Sdn Bhd.

(ii) FYE 31 December 2019

For the FYE 31 December 2019, our Group recorded RM4,711.8 million in revenue, a 5.5% decrease from RM4,983.8 million reported in the FYE 31 December 2018 mainly due to lower work progress from KVMRT-Putrajaya Line and Langat Sewerage project. These were cushioned by consolidation of PPSB's revenue, higher passenger volume at Senai Airport Terminal Services Sdn Bhd ("**Senai Airport**") and higher volume handled at PTP and JPB.

Our Group's PBT increased to RM522.0 million compared with RM402.9 million reported in the FYE 31 December 2018 mainly due to higher contribution from PTP, JPB, Senai Airport and Malakoff, reversal of provision no longer required at Double Track project, gain on disposal of assets held for sale and lower other operating expenses incurred. These were offset with no recognition of negative goodwill upon finalisation of PPSB's purchase price allocation exercise and provision for impairment of receivables.

(iii) FYE 31 December 2020

For the FYE 31 December 2020, our Group recorded RM4,492.7 million in revenue, a 4.6% decrease from RM4,711.8 million reported in the FYE 31 December 2019 mainly due to lower work progress from KVMRT-Putrajaya Line, lower passenger and cargo volumes at Senai Airport, and lower volume handled at PPSB. These were partially offset by higher volume handled at PTP and sale of land at SAC.

Our Group's PBT increased to RM653.7 million compared with RM522.0 million reported in the FYE 31 December 2019 mainly due to higher contribution from PTP, gain on sublease of land at PTP, sale of land in SAC, higher contribution from KVMRT-Putrajaya Line upon completion of tunnelling works, and lower finance costs incurred. These were partially offset by no reversal of provision at Double Track project, lower contribution from Senai Airport and provision for impairment of a discontinued project's receivables.

(iv) Six (6) months FPE 30 June 2021

For the six (6) months FPE 30 June 2021, our Group recorded RM2,292.7 million in revenue, a 10.4% increase from RM2,077.5 million reported in the FPE 30 June 2020 mainly due to higher volume handled at PTP and Northport. These were partially offset by lower work progress from KVMRT-Putrajaya line and Langat Sewerage project as the projects are nearing completion, lower passenger volume at Senai Airport and no sale of land at SAC.

INFORMATION ON OUR COMPANY (Cont'd)

Our Group's PBT increased to RM493.6 million compared with RM242.9 million reported in the FPE 30 June 2020 in line with higher volume handled at PTP and Northport, gain on sublease of land at PTP and lower finance costs incurred. These were offset by lower contribution from KVMRT-Putrajaya Line, Langat Sewerage project, Senai Airport and no sale of land at SAC, as mentioned above.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of our Group based on the audited consolidated financial statements as at 31 December 2019 and 31 December 2020, as well as the unaudited consolidated financial statements as at 30 June 2021 are as follows:

	Audited		Unaudited
	as at 31 December		as at 30 June
	2019	2020	2021
	(RM'000)	(RM'000)	(RM'000)
Non-Current Assets			
Property, plant and equipment	8,767,795	8,617,166	8,491,367
Investment properties	1,495,841	673,431	667,575
Rights-of-use assets	2,087,908	1,993,471	1,958,279
Interests in associates	4,382,475	4,332,817	4,391,659
Investments in joint arrangements	333,037	276,049	246,396
Investment securities	32,583	40,950	40,966
Other investments	-	4,000	4,000
Inventories	1,916,580	3,035,269	3,116,678
Trade and other receivables	115,654	43,321	41,414
Derivative financial instruments	-	-	1,345
Intangible assets	2,333,210	2,320,202	2,327,710
Deferred tax assets	636,793	560,962	487,165
	<u>22,101,876</u>	<u>21,897,638</u>	<u>21,774,554</u>
Current Assets			
Inventories	93,323	78,844	83,724
Trade and other receivables	1,565,222	1,207,457	1,144,610
Contract assets	233,554	102,980	206,124
Tax recoverables	22,581	11,831	13,867
Assets held for sale	19,563	7,783	7,596
Other investments	1,334,998	2,349,660	1,833,031
Deposits, bank and cash balances	1,074,646	451,236	459,368
	<u>4,343,887</u>	<u>4,209,791</u>	<u>3,748,320</u>
TOTAL ASSETS	<u>26,445,763</u>	<u>26,107,429</u>	<u>25,522,874</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of parent			
Share capital	2,344,276	2,344,276	2,344,276
Reserves	6,999,754	7,166,003	7,399,388
	<u>9,344,030</u>	<u>9,510,279</u>	<u>9,743,664</u>
Non-controlling interests	762,751	787,198	850,988
TOTAL EQUITY	<u>10,106,781</u>	<u>10,297,477</u>	<u>10,594,652</u>

INFORMATION ON OUR COMPANY (Cont'd)

	Audited		Unaudited
	as at 31 December		as at 30 June
	2019	2020	2021
	(RM'000)	(RM'000)	(RM'000)
Non-Current Liabilities			
Borrowings	7,335,587	8,760,833	8,578,378
Lease liabilities	2,115,281	2,172,858	2,143,342
Provision for retirement benefits	77,027	43,985	41,847
Deferred income	180,210	166,511	164,089
Trade and other payables	186,862	171,198	202,549
Contract liabilities	111,150	96,669	100,143
Deferred tax liabilities	523,417	524,718	523,493
	10,529,534	11,936,772	11,753,841
Current Liabilities			
Borrowings	3,045,332	1,010,438	898,712
Lease liabilities	147,351	141,844	144,588
Trade and other payables	1,566,223	1,628,347	1,164,142
Contract liabilities	977,660	988,299	863,515
Deferred income	24,275	12,618	8,363
Derivative financial instruments	3,974	16,720	-
Tax payables	44,633	74,914	95,061
	5,809,448	3,873,180	3,174,381
TOTAL LIABILITIES	16,338,982	15,809,952	14,928,222
TOTAL EQUITY AND LIABILITIES	26,445,763	26,107,429	25,522,874
No of shares ('000)	3,045,058	3,045,058	3,045,058
NA per share (RM)	3.07	3.12	3.20

8. MATERIAL CHANGES IN FINANCIAL POSITION AND PROSPECTS

As at the LPD, there are no known material changes within the knowledge of our Board, the Offeror and the Ultimate Offeror, in the financial position or prospects of our Group since the date of our last audited financial statements were laid before our Company's shareholders at its Annual General Meeting held on 10 May 2021 other than as disclosed in the announcements made by our Company on Bursa Securities from time to time, which include quarterly financial results, from time to time.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of our Company for the past three (3) FYE 31 December 2018 to 31 December 2020 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on our audited consolidated financial statements for the respective years under review.

There were changes in the accounting policies that would result in a material variation to the comparable figures for the audited financial statements of our Group for the past three (3) FYE 31 December 2018 to 31 December 2020. Our Group has adopted MFRS 16 Leases for the first time in the 2019 financial statements, which resulted in changes in the accounting policies. For further details of the impact of the adoption of MFRS 16 Leases by our Group, please refer to Note 42 of the audited financial statements of our Group for the FYE 31 December 2019.

INFORMATION ON OUR COMPANY (Cont'd)

10. BORROWINGS

As at 30 June 2021, which is not more than three (3) months preceding the LPD, our Group has total outstanding borrowings of approximately RM9.5 billion, as follows:

	RM'000
Unsecured	7,462,812
Secured	2,014,278
Total borrowings	9,477,090

11. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**11.1 Material commitments**

Save as disclosed below, as at 30 June 2021, which is not more than three (3) months preceding the LPD, there are no commitments contracted or known to be contracted by our Group which may have a material impact on the profits or NA of our Group:

	RM'000
Capital expenditure contracted but not provided for: Property, plant and equipment	362,991

11.2 Contingent liabilities

Save as disclosed below, as at 30 June 2021, which is not more than three (3) months preceding the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group:

	RM'000
Contingent liabilities in respect of bank guarantees issued to third parties for performance	143,375

Bank guarantees issued to third parties mainly comprise customers and utilities suppliers. These are mainly in respect of performance bonds and payment guarantee for utilities facilities.

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DISCLOSURE OF INTERESTS AND DEALINGS IN MMC SHARES

1. DISCLOSURE OF INTEREST IN MMC SHARES

There is only one (1) class of shares in our Company, being the ordinary shares.

1.1 By the Offeror

Save as disclosed below, the Offeror does not have any other interest, whether direct or indirect, in our Company as at the LPD:

Name	Direct		Indirect	
	No. of MMC Shares	(1)%	No. of MMC Shares	(1)%
STJSB	1,576,108,840	51.76	-	-

Note:

(1) Based on the total issued share capital of our Company.

1.2 By the directors of the Offeror

Sharifah Sofia and Syed Danial bin Syed Mokhtar Shah are the only directors of the Offeror. The interest of Sharifah Sofia in our Company is set out in Section 4 of Appendix IV of this Document.

1.3 By the Ultimate Offeror

Save as disclosed below, the Ultimate Offeror does not have any interest, whether direct or indirect, in our Company as at the LPD:

Name	Direct		Indirect	
	No. of MMC Shares	(1)%	No. of MMC Shares	(1)%
TSSM	-	-	(2)1,576,108,840	51.76

Notes:

(1) Based on the total issued share capital of our Company.

(2) He is deemed interested through his shareholding in ICSB by virtue of Section 8 of the Act.

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DISCLOSURE OF INTERESTS AND DEALINGS IN MMC SHARES (Cont'd)

1.4 By the PACs

Save as disclosed below, none of the PACs has any interest, whether direct or indirect, in our Company as at the LPD:

Name	Direct		Indirect	
	No. of MMC Shares	(1)%	No. of MMC Shares	(1)%
ICSB	-	-	(2)1,576,108,840	51.76
Sharifah Sofia	-	-	(3)1,576,108,840	51.76

Notes:

- (1) Based on the total issued share capital of our Company.
- (2) ICSB is deemed interested through its shareholding in STJSB by virtue of Section 8 of the Act.
- (3) Sharifah Sofia, the daughter of TSSM, is deemed interested in MMC through TSSM's indirect shareholding in MMC, by virtue of Section 8 of the Act. She is also a Non-Independent Non-Executive Director of MMC and a director of STJSB.

1.5 By persons who have irrevocably undertaken to vote in favour of or against the Proposed SCR

As at the LPD, there is no irrevocable undertaking received by the Offeror, the Ultimate Offeror or their PACs from any of the Entitled Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM.

1.6 By persons who have any arrangement with the Offeror, the Ultimate Offeror or their PACs

As at the LPD, there is no person with whom the Offeror, the Ultimate Offeror or their PACs has entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to MMC Shares which may be an inducement to deal or to refrain from dealing.

1.7 Borrowing or lending of MMC Shares by the Offeror, the Ultimate Offeror or their PACs

As at the LPD, there is no MMC Share being borrowed by the Offeror, the Ultimate Offeror or their PACs from another person or lent by the Offeror, the Ultimate Offeror or their PACs to another person.

2. DEALINGS IN MMC SHARES**2.1 By our Company and its Directors**

Our Directors' interests in our Company are set out in Section 4 of Appendix IV of this Document. Our Company and its Directors have not dealt in MMC Shares during the period commencing six (6) months prior to 3 June 2021, being the date of the SCR Offer Letter, and up to the LPD.

2.2 By the Offeror, the Ultimate Offeror and the Directors of the Offeror

The Offeror, the Ultimate Offeror and the Directors of the Offeror have not dealt in MMC Shares during the period commencing six (6) months prior to 3 June 2021, being the date of the SCR Offer Letter, and up to the LPD.

DISCLOSURE OF INTERESTS AND DEALINGS IN MMC SHARES *(Cont'd)*

2.3 By the PACs

The PACs have not dealt in MMC Shares during the period commencing six (6) months prior to 3 June 2021, being the date of the SCR Offer Letter, and up to the LPD.

3. GENERAL DISCLOSURES

- (i) As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit which will be made or given to any of the Directors of our Company as compensation for loss of office or otherwise in connection with the Proposed SCR.
- (ii) As at the LPD, save for the Proposed SCR that involves the Interested Director, there is no agreement, arrangement or understanding that exists between the Offeror, the Ultimate Offeror or their PACs and any of the Directors or recent Directors of our Company (being a person who was, during the period of six (6) months prior to 3 June 2021, being the date of the SCR Offer Letter, a Director of our Company), holders of voting shares or voting rights or recent holders of voting shares or voting rights of our Company (being a person who was, during the period of six (6) months prior to 3 June 2021, being the date of the SCR Offer Letter, a holder of voting shares or voting rights of our Company) having any connection with or dependence upon the Proposed SCR.
- (iii) As at the LPD, there is no agreement, arrangement or understanding entered into by the Offeror, the Ultimate Offeror or their PACs whereby any MMC Shares held by the Offeror, the Ultimate Offeror or their PACs upon completion of the Proposed SCR will be transferred to any other person(s).

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Document has been seen and approved by our Board who collectively and individually accept full responsibility for the accuracy of the information contained in this Document and confirm, that after having made all reasonable enquiries and to the best of their knowledge and belief that:

- (i) they have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate and have been arrived at after due and careful consideration and that no material facts have been omitted;
- (ii) there are no false or misleading statements and/or information in this Document; and
- (iii) there are no other facts and/or information not contained in this Document, the omission of which would make any statement or information in this Document false or misleading.

All statements and information in relation to the Offeror, the Ultimate Offeror and their PACs as disclosed in this Document were provided by the Offeror and/or obtained from publicly available sources. Any statement or information concerning the Offeror, the Ultimate Offeror and their PACs as disclosed in this Document have been confirmed by them, respectively. The responsibility of our Board is limited to ensuring that such information relating to the Offeror, the Ultimate Offeror and their PACs is accurately reproduced in this Document.

In respect of the IAL, the responsibility of our Board is limited to ensuring that all relevant information in relation to our Group that is provided to Alliance Investment Bank for its evaluation of the Proposed SCR is accurate and that no material facts have been omitted, the omission of which would make any information provided to Alliance Investment Bank false or misleading.

2. CONSENT AND CONFLICTS OF INTERESTS**2.1 RHB Investment Bank**

RHB Investment Bank, being the Principal Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in form and context in which they appear in this Document.

RHB Investment Bank has also been appointed as the principal adviser to STJSB for the Proposed SCR. The Board is fully informed of and is aware of RHB Investment Bank's capacity as the Principal Adviser to MMC and the principal adviser to STJSB. Further, MMC has appointed Alliance Investment Bank as the Independent Adviser to advise the Non-Interested Directors and Entitled Shareholders on the Proposed SCR.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad ("**RHB Banking Group**") forms a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, among others, brokerage, securities trading, asset and fund management and credit transaction service in its ordinary course of business with MMC Group. RHB Banking Group has engaged and may in the future engage in transactions with and perform services for the MMC Group, in addition to the roles set out in this Document.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer or provide its services to or engage in any transaction (whether on its own account or otherwise) with any member of the MMC Group, their directors, and/ or their shareholders, hold long or short positions in securities issued by the Company, make investment recommendations and/ or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in MMC shares and/ or other securities, which we may issue in the future.

ADDITIONAL INFORMATION *(Cont'd)*

As at the LPD, the RHB Banking Group had extended credit facilities with a combined limit of RM3.17 billion with the MMC Group. RHB Islamic Bank Berhad had extended an offer to the Offeror to part finance the advance to be extended to MMC to facilitate the Proposed SCR for an amount up to RM1.35 billion, which forms part of the RM3.17 billion stated above. The extension of the said facilities is in the ordinary course of business of the RHB Banking Group.

Notwithstanding the above, RHB Investment Bank is of the opinion that the abovementioned do not give rise to any potential conflict of interest that exists or is likely to exist in its capacity as Principal Adviser for the Proposed SCR due to the following:

- (i) Notwithstanding that the total credit facilities of RM3.17 billion extended to the MMC Group (which includes RM1.35 billion extended to the Offeror which will advance it to MMC to facilitate the Proposed SCR) represents 11.73% of the audited NA of RHB Banking Group as at 31 December 2020 of approximately RM27.02 billion, the same was provided by RHB Banking Group on an arms' length basis and in its ordinary course of business;
- (ii) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser is in the ordinary course of business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposed SCR; and
- (iii) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB Investment Bank confirms that there are no circumstances that would give rise to a conflict of interest in its capacity as the Principal Adviser to MMC and the principal adviser to STJSB for the Proposed SCR.

2.2 Alliance Investment Bank

Alliance Investment Bank, being the Independent Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Alliance Investment Bank is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Independent Adviser for the Proposed SCR.

2.3 Jones Lang Wootton ("JLW")

JLW, being the independent valuer for the selected properties held by our Group as set out in Section 5 of **Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

JLW is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the said selected property for the Proposed SCR.

2.4 IPC Island Property Consultants Sdn Bhd ("IPC")

IPC, being the independent valuer for the selected properties held by our Group as set out in Section 5 of **Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

IPC is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the said selected property for the Proposed SCR.

ADDITIONAL INFORMATION *(Cont'd)*

2.5 Knight Frank Malaysia Sdn Bhd ("Knight Frank")

Knight Frank, being the independent valuer for the selected properties held by our Group as set out in Section 5 of **Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Knight Frank is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the said selected property for the Proposed SCR.

2.6 C H Williams Talhar & Wong Sdn Bhd ("C H Williams")

C H Williams, being the independent valuer for the selected properties held by our Group as set out in Section 5 of **Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

C H Williams is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the said selected property for the Proposed SCR.

2.7 Raine & Horne International Zaki + Partners Sdn Bhd ("Raine & Horne")

Raine & Horne, being the independent valuer for the selected properties held by our Group as set out in Section 5 of **Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Raine & Horne is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the said selected property for the Proposed SCR.

3. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any other material contracts (not being a contract entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of the SCR Offer Letter and up to the LPD:

- (i) on 27 January 2021:
 - (a) City Island Holdings Limited ("**CIHL**"), a wholly-owned subsidiary of MMC International Holdings Limited, which in turn is a wholly-owned subsidiary of our Company, had entered into a share purchase agreement for the transfer of shares in Red Sea Gateway Terminal Company Limited ("**RSGT**") with Saudi Industrial Services Company ("**SISCO**"), Xenel Industries Limited ("**Xenel**"), Saudi Trade and Export Development Company Limited ("**Tusdeer**"), Red Sea Ports Development Company ("**RSPD**") and Sound Joyce Enterprises Limited, a wholly-owned subsidiary of COSCO Shipping Ports Limited for the proposed disposal of 22,208 shares representing 4.00% equity interest in RSGT held by CIHL for a cash consideration of USD28.0 million (equivalent to approximately RM112.5 million); and
 - (b) CIHL had entered into a share purchase agreement with SISCO, Xenel, Tusdeer, RSPD and Public Investment Fund, the sovereign wealth fund of Saudi Arabia for the proposed disposal of 22,208 shares representing 4.00% equity interest in RSGT held by CIHL for a cash consideration of SAR105.0 million (equivalent to approximately RM112.4 million).

Both transactions were completed on 14 July 2021.

ADDITIONAL INFORMATION (Cont'd)

Note:

The Offeror had on 25 June 2021 provided its written consent to MMC for the disposal transaction which was expected to be completed during the offer period in relation to the Proposed SCR.

- (ii) on 19 March 2021, KPM, a wholly-owned subsidiary of Northport, which in turn is a wholly-owned subsidiary of NCB Holdings Bhd, which in turn is a 99.10% subsidiary of MMC Port, a wholly-owned subsidiary of our Company, had entered into the SSPA with Boustead Holdings Berhad in relation to a proposed acquisition of 184,856,447 ordinary shares representing 50.00% equity interest in BCC by KPM for a cash consideration of RM115.0 million. Pursuant to the SSPA, Westports Holdings Berhad will acquire the remaining 184,856,447 ordinary shares, representing 50.00% equity interest in BCC for a cash consideration of RM115.0 million. The implementation of the transaction is still ongoing but pending completion.
- (iii) on 22 March 2021, MMC Land Sdn Bhd, a wholly-owned subsidiary of our Company, had entered into a share sale and purchase agreement with Tradewinds Corporation Berhad ("**Tradewinds**") to acquire 2,500,000 ordinary shares representing 50.00% equity interest in Retro Highland Sdn Bhd ("**Retro Highland**") and the shareholder's loan (together with all interest accrued thereon) of approximately RM55.0 million advanced by Tradewinds to Retro Highland, for a total cash consideration of RM250.0 million. The transaction was completed on 6 July 2021.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and our Board is not aware of any proceedings, pending or threatened against our Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group:

- (i) Kontena Nasional Berhad ("**KNB**"), our indirect subsidiary, had on 15 May 2018 served a Writ of Summons and a Statement of Claim on Hood bin Osman.

KNB, the Plaintiff, is a public company limited by shares and in the business of transportation and logistics services. The Defendant, Hood bin Osman, is the former Chief Executive Officer of KNB. KNB's claim is premised primarily on breach of the Defendant's employment contract with KNB, fraud and various breaches of duty of care under common law and the Act. KNB's claims against the Defendant included, among others, damages in the sum of RM66,590,105.43, general damages, full indemnity against any claims arising from the transactions, interest and costs.

On 25 August 2020, Shah Alam High Court had delivered its decision in the legal proceedings by KNB against Hood bin Osman ("**High Court Judgment**").

In the High Court Judgment, the Shah Alam High Court partially allowed KNB's claim against Hood bin Osman, with costs. The Shah Alam High Court found that Hood bin Osman had breached his legal and fiduciary duties to KNB and awarded damages to KNB in the sum of RM6,852,918.13, which includes exemplary damages of RM3,000,000.00.

On 24 September 2020, KNB had been informed by its solicitors that Hood bin Osman had filed an appeal to the Court of Appeal against the whole of the decision of the Shah Alam High Court that was delivered on 25 August 2020.

As at the LPD, KNB has filed an application to strike out the appeal, which is fixed for hearing on 4 October 2021.

ADDITIONAL INFORMATION (Cont'd)

- (ii) JP Logistics Sdn Bhd ("**JPL**"), a wholly-owned subsidiary of JPB, which in turn is a wholly-owned subsidiary of MMC Port, which in turn is our wholly-owned subsidiary, had on 3 April 2019 served a Notice of Arbitration to commence arbitration proceedings against CCJV P1 Engineering & Construction Sdn Bhd ("**CCJV**"). JPL's claim in the arbitration proceedings is premised on the payment due and owing to JPL for services rendered to CCJV in respect of the Subcontract Agreement for Project Customs Broker Service (on shore) dated 5 May 2015, in which JPL claims for, among others, payment of RM52,076,296.12, costs and interest at a rate to be determined by the arbitrator.

On 15 December 2019, JPL had been informed by its solicitors that CCJV has served a counterclaim on 13 December 2019 against JPL in the arbitration proceedings. Based on its solicitors' view, JPL has an arguable defence to the counterclaim.

In its counterclaim, CCJV sought, among others, a declaration that it is not liable for JPL's claim of RM52,076,296.12, damages to be assessed for alleged breaches of contract and fiduciary duties by JPL, exemplary and aggravated damages to be assessed, interest and costs.

On 16 April 2021, JPL received the award of the Arbitration ("**Award**"), allowing JPL's claim against CCJV and dismissing CCJV's counterclaim against JPL with costs. The Award orders the following:

- (a) that CCJV pays JPL the sum of RM49,139,010.12;
- (b) that CCJV pays JPL the sum of RM2,937,285.70, being the Goods and Services Tax on the amount of RM49,139,010.12;
- (c) that CCJV pays JPL the sum of RM457,375.27 being the costs of the Arbitration and deposits paid by JPL;
- (d) that CCJV pays JPL the sum of RM351,929.25 being JPL's legal costs and other expenses incurred in the Arbitration; and
- (e) that CCJV pays JPL post-award interest at the rate of 5.00% per annum on the sum of RM52,076,296.12 from the date of the Award to the date of final payment.

On 8 July 2021, CCJV has filed an application to set aside the Award at the Kuala Lumpur High Court ("**Setting Aside Application**").

The Setting Aside Application is fixed for hearing on 2 November 2021.

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ADDITIONAL INFORMATION *(Cont'd)*

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during office hours from Mondays to Fridays (except public holidays) at the registered office of our Company at Ground Floor, Wisma Budiman, Persiaran Raja Chulan, 50200 Kuala Lumpur from the date of this Document up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Company for the past three (3) FYE 31 December 2018 to 31 December 2020 and the unaudited six (6) months FPE 30 June 2021;
- (iii) the SCR Offer Letter;
- (iv) the letters of consent referred to in Section 2 of this Appendix VI;
- (v) the material contracts referred to in Section 3 of this Appendix VI; and
- (vi) the relevant cause papers in respect of the material litigation referred to in Section 4 of this Appendix VI.

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MMC CORPORATION BERHAD
(Registration No. 197601004261 (30245-H))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of MMC Corporation Berhad ("**MMC**" or "**Company**") will be held on a fully virtual basis through live streaming and remote participation and electronic voting ("**RPV**") facilities via the online meeting platform provided by Boardroom Share Registrars Sdn Bhd ("**BSR**") at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 September 2021 at 10.00 a.m., for the purpose of considering and if thought fit, passing the following resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF MMC PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SCR")

THAT, subject to the approvals and consents obtained from all relevant authorities and parties, as well as the confirmation from the High Court of Malaya ("**High Court**") for the reduction of the issued share capital of MMC in accordance with Section 116 of the Act, approval be and is hereby given for the Company to undertake and effect the Proposed SCR in the following manner:

- (a) to undertake a bonus issue of 1,593,623,229 new ordinary shares of MMC ("**MMC Shares**" or "**Shares**") ("**Bonus Shares**") to be issued as fully paid-up to all shareholders of MMC (other than Seaport Terminal (Johore) Sdn Bhd and persons acting in concert with it ("**Non-Entitled Shareholder(s)**") whose names appear in the Record of Depositors of MMC on an entitlement date to be determined and announced later by the Board of Directors of MMC ("**Board**") in respect of the Proposed SCR ("**Entitlement Date**") ("**Entitled Shareholders**"), by way of capitalising up to RM1,593,623,229.00 from the retained earnings of MMC, in order to increase the issued share capital of MMC up to a level which is sufficient for the capital reduction ("**Proposed Bonus Issue**"). The Proposed Bonus Issue is purely to facilitate the implementation of the Proposed SCR.

The Non-Entitled Shareholder(s) will waive its/their entitlements to the Bonus Shares to be issued pursuant to the Proposed Bonus Issue. The Bonus Shares to be issued under the Proposed Bonus Issue will be cancelled immediately after issuance to facilitate the implementation of the Proposed SCR. As such, the Bonus Shares will not be credited into the Central Depository System accounts of the Entitled Shareholders and will not be listed on the Official List of Bursa Malaysia Securities Berhad;

- (b) to immediately after the Proposed Bonus Issue, cancel all MMC Shares in issue other than the MMC Shares held by the Non-Entitled Shareholder(s); and
- (c) to effect the capital repayment of RM2.00 in cash for each existing MMC Share held by the Entitled Shareholders on the Entitlement Date which have been cancelled. The reduction shall be effected by the cancellation of 1,468,949,712 MMC Shares held by the Entitled Shareholders and all the 1,593,623,229 Bonus Shares;

AND THAT pursuant to the Proposed SCR, the Board be and is hereby authorised to take all such steps as it may deem necessary in connection with the Proposed SCR including:

- (a) to determine the Entitlement Date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of the Company in order to be entitled to the capital repayment under the Proposed SCR;

- (b) to deal with any and all fractions of a sen and of a share that may arise in connection with the Proposed Bonus Issue, where applicable, in the best interests of the Company;
- (c) to assent to any term(s), condition(s), stipulation(s), modification(s), variation(s) and/or amendment(s) as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as a consequence of any requirement(s) imposed by the relevant authorities and/or by the Registrar of Companies and/or as may be required to comply with any applicable law, in relation to the Proposed SCR;
- (d) to lodge the required documents, including an office copy of the order of the High Court with the Registrar of Companies on such date as the Board may determine;
- (e) after the Proposed Bonus Issue, and subject to the confirmation of the order of the High Court being granted pursuant to Section 116 of the Act with regard to the Proposed SCR, to effect the capital repayment of RM2.00 in cash for each MMC Share held by the Entitled Shareholders on the Entitlement Date; and
- (f) to do all such acts, deeds and/or things incidental, and/or as may be required and/or as considered necessary and/or expedient and/or in the best interests of the Company, and to take such steps, execute such documents and enter into any arrangements, undertakings and/or agreements with any party or parties as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise, complete and to give full effect to the Proposed SCR.

BY ORDER OF THE BOARD

Sazlin Ayesha Abdul Samat

(LS0008112)

SSM Practicing Certificate No. 201908000994

Sharifah Ashtura Jamalullail Syed Osman

(LS0009113)

SSM Practicing Certificate No. 201908001128

Company Secretaries

Kuala Lumpur

8 September 2021

Notes:

(1) IMPORTANT NOTICE

- (i) *The venue of the EGM is the online meeting platform which is located in Malaysia being the main venue and is strictly for the purpose of compliance with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue. For health and safety measures due to COVID-19 pandemic, the EGM will be held on a fully virtual basis via the online meeting platform provided by BSR.*
- (ii) *Members are entitled to attend, participate and speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM via the RPV provided by BSR via <https://meeting.boardroomlimited.my>.*
- (iii) *Please refer to the Administrative Details for EGM which is available on the Company's website at www.mmc.com.my/shareholdersmeeting.html and read the notes (2) to (12) below for the procedures on using the RPV to participate in the EGM.*
- (2) *For the purpose of determining who shall be entitled to attend the EGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 September 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend the EGM via RPV or appoint a proxy to attend, speak and vote for and on his/her/its behalf.*
- (3) *A member who is entitled to participate and vote at the EGM via the RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.*
- (4) *A member of the Company who is entitled to participate and vote at the EGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM via the RPV.*
- (5) *Where a member appoints more than one (1) proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (7) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
- (8) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised. The appointment of a proxy may be made in hard copy form or by electronic form. If the appointment is made in hard copy form, the Proxy Form must be deposited with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the time fixed for holding the EGM.
- (9) Please ensure all the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (10) Last date and time for lodging the Proxy Form is on Wednesday, 29 September 2021 at 10.00 a.m.
- (11) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (12) For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one (1) shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Administrative Details for Extraordinary General Meeting (“EGM”)

Day and Date	: Thursday, 30 September 2021
Time	: 10.00 a.m.
Fully Virtual via Online Meeting Platform	: https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn Bhd

As a precautionary measure amid the COVID-19 outbreak, the Company’s forthcoming EGM will be held on a fully virtual basis via the Online Meeting Platform provided by Boardroom Share Registrars Sdn Bhd (“BSR” or “Boardroom”). The conduct of a fully virtual EGM is in line with the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers (“**Revised Guidance Note**”) issued by the Securities Commission Malaysia on 16 July 2021. The Revised Guidance Note states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gatherings irrespective of size are prohibited.

According to the Revised Guidance Note, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

We strongly encourage you to participate in the fully virtual EGM via the Online Meeting Platform provided by BSR to exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the EGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.

VOUCHERS

- No vouchers will be distributed to the shareholders/proxies who participate in the EGM.

RECORD OF DEPOSITORS FOR ATTENDANCE AT EGM

- For the purpose of determining members who shall be entitled to participate in the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 23 September 2021. Only depositors whose names appear on this Record of Depositors as at 23 September 2021 shall be entitled to participate in the EGM or appoint proxies to participate and/or vote on their behalf.

PROXY FORM(S)

- Shareholders are encouraged to participate and vote at the EGM using the Remote Participation and Electronic Voting (“RPV”) facilities. If you are unable to participate in the EGM, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form(s).
- You may download the Proxy Form from our website at www.mmc.com.my/shareholdersmeeting.html. Please ensure that the Proxy Form is deposited at the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for the meeting or any adjournment thereof.

- Alternatively, you may deposit your Proxy Form by electronic means through Boardroom Smart Investor Portal, not less than twenty-four (24) hours before the time appointed for the meeting or any adjournment thereof. For further information on the electronic lodgement of Proxy Form, kindly refer to the Electronic Lodgement of Proxy Form below:

Step 1 Register Online with Boardroom Smart Investor Portal (for first time registration only)

(Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on eProxy Lodgement.)

- Access website <https://investor.boardroomlimited.com>
- Click **<<Register>>** to sign up as a user.
- Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG or PNG format.
- Please enter a valid email address and wait for Boardroom's email verification.
- Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Step 2 eProxy Lodgement

- Access website <https://investor.boardroomlimited.com>
- Login with your User ID and Password given above.
- Select "**MMC CORPORATION BERHAD EXTRAORDINARY GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".
- Click on "**Submit eProxy Form**".
- Read the terms & conditions and confirm the Declaration.
- Enter your CDS Account Number and indicate the number of securities.
- Appoint your proxy(ies) or the Chairman of the Meeting and enter the required particulars for your proxy(ies).
- Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes.
- Review and confirm your proxy(ies) appointment.
- Click submit.
- Download or print the eProxy Form acknowledgement.

REVOCATION OF PROXY

- If you have submitted your Proxy Form and subsequently decide to personally participate in the EGM, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier submitted Proxy Form not less than twenty-four (24) hours before the EGM. Upon revocation, your proxy(ies) will not be allowed to participate in the EGM. In such event, kindly advise your proxy(ies) accordingly.



VOTING PROCEDURE

- The voting will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting). SKY Corporate Services Sdn Bhd has been appointed as the scrutineers to verify the poll results.

VIRTUAL MEETING FACILITIES

Please follow the following procedures to register, participate and vote remotely:

Procedure		Action
Before the day of EGM		
1.	Register Online with Boardroom Smart Investor Portal (for first time registration only)	<p>Note: If you have signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2. Submit a request for Remote Participation user ID and password.</p> <ol style="list-style-type: none"> Access website https://investor.boardroomlimited.com Click <<Login>> and click <<Register>> to sign up as a user. Complete registration and upload softcopy of MyKAD/ Identification Card (front and back) or Passport in JPEG or PNG format. Please enter a valid email address and wait for Boardroom's email verification. Your registration will be verified and approved within one (1) business day, and an email notification will be provided to you.
2.	Submit Request for Remote Participation User ID and Password	<p>Note: The registration for remote access will open on 8 September 2021 onwards.</p> <p>Individual Members</p> <ul style="list-style-type: none"> Login to https://investor.boardroomlimited.com using your user ID and password given above. Select "MMC CORPORATION BERHAD EXTRAORDINARY GENERAL MEETING" from the list of Corporate Meetings and click "Enter". Click on "Register for RPEV". Read and accept the General Terms & Conditions and click "Next". Enter your CDS Account Number and thereafter submit your request. <p>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</p> <ul style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of the Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case maybe) to submit the request. Please provide a copy of the Corporate Representative's MyKAD/ Identification Card (front and back) or Passport in JPEG or PNG format as well as his/her email address. <ol style="list-style-type: none"> You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified. Upon system verification against the General Meeting Record of Depositors as at 23 September 2021, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. You will receive your remote access user ID and password along with the email from Boardroom if your registration is approved. You will also be notified in the event your registration is rejected. Please note that the closing time and date to submit your request is at 10.00 a.m. on 29 September 2021 (24 hours before the commencement of the EGM).

Procedure		Action
On the day of the EGM		
3.	Login to Virtual Meeting Portal	<p>Please note that the quality of the connectivity to Virtual Meeting Portal for a live webcast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.</p> <p>a. The Online Meeting Platform will open for login starting an hour (1 hour) before the commencement of EGM which is from 9.00 a.m. on Thursday, 30 September 2021.</p> <p>b. The Online Meeting Platform can be accessed by navigating to the website at https://meeting.boardroomlimited.my.</p> <p>c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 2.</p>
4.	Participate	<p>Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote.</p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the EGM, select the messaging icon. </p> <p>c. Type your message within the chat box and once completed, click the send button.</p>
5.	Voting	<p>a. The polling icon will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session.</p> <p>b. To vote, select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received.</p> <p>c. To change your vote, re-select your voting preference.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
6.	End of Participation	Upon the announcement by the Chairman on the closure of the EGM, the live webcast will end.

PRESENTATION AT THE EGM

- Shareholders who participate in the EGM are able to view the Company's presentation or slides via the live web streaming.

SUBMISSION OF QUESTIONS

- Shareholders may type their questions in the chat box at any time during the EGM. The Board of Directors and Management will endeavour to provide responses at the EGM.

NO RECORDING OR PHOTOGRAPHY

- No recording or photography of the EGM proceedings is allowed without the prior written permission of the Company.

ENQUIRY

- If you have any enquiries prior to the EGM, please contact the following during office hours from Mondays to Fridays (8.30 a.m. to 5.30. p.m.):

Boardroom Share Registrars Sdn Bhd

Address : 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

General Line : 603-7890 4700
603-7890 4716 (Encik Mohamed Sophiee Ahmad Nawawi)

Fax Number : 603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

PERSONAL DATA

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents) and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



MMC CORPORATION BERHAD
(Registration No. 197601004261 (30245-H))
(Incorporated in Malaysia)

PROXY FORM

No. of Ordinary Share(s) held	
CDS Account No.	

Proxy Form for
the Extraordinary
General Meeting

I/We, _____
(FULL NAME OF SHAREHOLDERS AS PER MYKAD/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

_____ of _____
(MYKAD NO./PASSPORT NO./COMPANY NO.) (FULL ADDRESS)

being a member/members of MMC CORPORATION BERHAD hereby appoint:

Name of Proxy 1 (Full Name)	MyKad/Passport No.	No. of Shares	Percentage (%)
Address	Email Address	Contact No.	

*and/or failing him/her

Name of Proxy 2 (Full Name)	MyKad/Passport No.	No. of Shares	Percentage (%)
Address	Email Address	Contact No.	

or failing him/her, the **Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held on a fully virtual basis through live streaming and remote participation and electronic voting ("RPV") facilities via the online meeting platform provided by Boardroom Share Registrars Sdn Bhd ("BSR") at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 September 2021 at 10.00 a.m. and/or at any adjournment thereof, on the following resolution referred to in the notice of the EGM:

(Please indicate "X" in the appropriate box as to how you wish your proxy/proxies to vote)

RESOLUTION	FOR	AGAINST
Special Resolution: Proposed SCR		

* Strike out whichever is inapplicable.

** If you do not wish to appoint the Chairman of the Meeting as your proxy/one (1) of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name (s) of the proxy/proxies you wish to appoint in the table provided above.

Dated this _____ day of _____ 2021

Signature/Common Seal of Shareholder

Notes:

(1) IMPORTANT NOTICE

- (i) The venue of the EGM is the online meeting platform which is located in Malaysia being the main venue and is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. For health and safety measures due to COVID-19 pandemic, the EGM will be held on a fully virtual basis via the online meeting platform provided by BSR.
 - (ii) Members are entitled to attend, participate and speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM via the RPV provided by BSR via <https://meeting.boardroomlimited.my>.
 - (iii) Please refer to the Administrative Details for EGM which is available on the Company's website at www.mmc.com.my/shareholdersmeeting.html and read the notes (2) to (12) below for the procedures on using the RPV to participate in the EGM.
- (2) For the purpose of determining who shall be entitled to attend the EGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 September 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend the EGM via RPV or appoint a proxy to attend, speak and vote for and on his/her/its behalf.
 - (3) A member who is entitled to participate and vote at the EGM via the RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
 - (4) A member of the Company who is entitled to participate and vote at the EGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM via the RPV.
 - (5) Where a member appoints more than one (1) proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.



- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (7) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
- (8) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised. The appointment of a proxy may be made in hard copy form or by electronic form. If the appointment is made in hard copy form, the Proxy Form must be deposited with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than twenty-four (24) hours before the time fixed for holding the EGM.
- (9) Please ensure all the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (10) Last date and time for lodging the Proxy Form is on Wednesday, 29 September 2021 at 10.00 a.m.
- (11) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than twenty-four (24) hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (12) For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with BSR at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- (a) at least two (2) authorised officers, of whom one (1) shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX
STAMP

To: **THE REGISTRAR**
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

2nd Fold Here

Fold This Flap For Sealing