

MMC CORPORATION BERHAD
 [(Company No. 197601004261(30245-H)]

Minutes of the **Extraordinary General Meeting ("EGM")** of MMC Corporation Berhad ("**MMC**" or "**the Company**") 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 ("**Boardroom**") at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on **Thursday, 30 September 2021 at 10.00 a.m. ("Virtual EGM")**

**DIRECTORS
PRESENT**

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

**IN
ATTENDANCE**

Puan Sazlin Ayesha Abdul Samat] Group Company Secretary
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BY INVITATION

Encik Badrulhisyam Fauzi] Group Chief Financial Officer
Encik Ahmad Zaki Abdullah] Head, Group Corporate Planning
Mr. Tommy Har	] Representative from RHB Investment Bank Berhad (" RHB ")
Mr. Tee Kok Wah	] Representative from Alliance Investment Bank Berhad (" Alliance ")

Cik Raihana Souket	] Representative from Alliance
Datin Seet Hooi Ping	] Representative from Messrs. Albar & Partners

SHAREHOLDERS, PROXY HOLDERS AND CORPORATE REPRESENTATIVES As per the attendance list

QUORUM

Upon confirmation by the Company Secretary that a quorum was present, the Chairman called the Meeting to order.

The Chairman began the Meeting by introducing himself to the shareholders. He then extended a warm welcome to the shareholders who were virtually present at the Company's Virtual EGM, which was held in compliance with Section 327 of the Companies Act 2016 ("**Act**") and Article 16.3 of the Company's Constitution.

The Chairman explained that the Virtual EGM was necessary for the safety and health of the valued shareholders and employees during the current COVID-19 pandemic crisis.

Before proceeding with the agenda of the Virtual EGM, the Chairman introduced the members of the Board of Directors ("**Board**") and the Senior Management who were participating remotely in the Virtual EGM from their respective locations to the shareholders. The Chairman also introduced the Company's advisers, Mr. Tommy Har, the representative from RHB, Mr. Tee Kok Wah, the representative from Alliance, and Datin Seet Hooi Ping of Messrs. Albar & Partners, who were also participating in the Virtual EGM.

The Chairman informed that the Virtual EGM was convened to seek the approval of the Entitled Shareholders [all shareholders other than Seaport Terminal (Johore) Sdn Bhd ("**STJSB**" or the "**Offeror**") for the proposed selective capital reduction and repayment exercise of MMC pursuant to Section 116 of the Act ("**Proposed SCR**"), as detailed out in the Circular to Shareholders on the Proposed SCR, Independent Advice Letter from Alliance and Notice of the Virtual EGM dated 8 September 2021 ("**Circular to Shareholders**").

The Chairman then proceeded with the agenda of the Meeting.

NOTICE CONVENING THE MEETING

The notice convening the Meeting dated 8 September 2021, which was circulated together with the Circular to Shareholders, was taken as read.

Before proceeding with the business of the day, the Chairman addressed the enquiries pertaining to the provision and distribution of vouchers raised by several shareholders. He emphasised that, as stated in the Administrative Details, which was circulated to the shareholders together with the Circular to Shareholders on 8 September 2021, the Company would not be distributing vouchers to the shareholders and proxies who participated in the Virtual EGM.

The Chairman briefed the shareholders that, in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the motion and/or resolution on the Proposed SCR would be voted by way of e-polling after dealing with the questions from the shareholders.

He further briefed the shareholders that Boardroom and SKY Corporate Services Sdn Bhd were appointed as the Polling Administrator and Scrutineer, respectively.

A short video on the polling procedure was presented to the shareholders by Boardroom. Subsequently, the Chairman informed the shareholders that the poll was opened and they could cast their vote now until the closure of the e-polling to be announced later.

The Chairman encouraged the shareholders to participate in the Virtual EGM by submitting their questions in real-time via the messaging icon displayed in the Lumi Online Meeting Platform until the announcement on the closure of the Question and Answer session. The shareholders were also advised to submit only questions related to the Proposed SCR.

The Chairman invited Mr. Tommy Har, the representative from RHB, the Company's Principal Adviser for the Proposed SCR, to brief the shareholders on the details of the Proposed SCR. (A copy of the presentation deck is attached herewith as **Appendix I** to the Minutes).

Following the presentation by Mr. Tommy Har, the Chairman then invited Cik Raihana Souket, one of the representatives from Alliance, the Independent Adviser for the Proposed SCR, to provide the shareholders with an independent assessment of the Proposed SCR. (A copy of the presentation deck is attached herewith as **Appendix II** to the Minutes).

SPECIAL RESOLUTION

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

Prior to tabling the motion to the Meeting, all questions raised by the shareholders, as detailed out below, in relation to the Proposed SCR were addressed by the Board of MMC and the advisers to the Proposed SCR. Multiple and repetitive questions were collectively dealt with as one.

Encik Mohammad Shazwan Azizan, a shareholder, enquired on the rationale for the shareholders to vote for the Proposed SCR.

As presented by the Principal Adviser earlier, the Chairman remarked that the Proposed SCR would provide the Company with a market value that is in line with its Net Assets ("**NA**"), reflective of the underlying value of its diversified business. Currently, the investors appeared not to be able to accord the Company with a valuation in line with its NA as the market price of MMC shares do not reflect the underlying value.

The Proposed SCR would also provide an opportunity for the Entitled Shareholders to exit and realise their investment in MMC at a premium over the prevailing market price of MMC shares, as the Proposed SCR Offer Price represents a premium ranging from 66.67% to 104.81% over the historical market price of MMC shares as at the Latest Trading Date, as set out in Section 2.2(i) of Part A of the Circular to Shareholders.

The Chairman added that the Proposed SCR, if completed, could provide greater flexibility for MMC to manage and develop its existing business 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 MMC and its subsidiaries ("**MMC Group**") in order to remain competitive. As a result, MMC's effort could be concentrated to drive the Company's future strategic direction and create a more effective and efficient operating structure, moving forward.

The Chairman further reiterated the stance of the Independent Adviser that although the Proposed SCR is not fair, it is reasonable. Therefore, the Independent Adviser had accordingly recommended the Entitled Shareholders to vote in favour of the Special Resolution on the Proposed SCR at the Virtual EGM.

Further to that, the Board of MMC had, on 4 August 2021, deliberated on the contents of the letter of offer dated 3 June 2021 from the Offeror requesting MMC to undertake the Proposed SCR. The Board of MMC had, after taking into consideration the advice from the Independent Adviser, resolved to table the Proposed SCR to the shareholders for approval. The Board of MMC had also concurred with the evaluation and recommendation of the Independent Adviser and recommended the shareholders to vote in favour of the Special Resolution at this Virtual EGM.

With regard to a query from Mr. Khoo Swee Teong, a shareholder, on any plans by the Offeror to undertake any corporate exercise for the MMC Group in the next 12 months, if the Proposed SCR is approved, the Chairman invited YBhg. Dato' Sri Che Khalib Mohamad Noh, the GMD, to respond to the said query.

YBhg. Dato' Sri Che Khalib Mohamad Noh informed the shareholders that the Company had received similar questions pertaining to the future plans of MMC Group upon completion of the Proposed SCR from several other shareholders. He sought the concurrence of the shareholders for an additional time to prepare the response to the query as the Company had just received a mandate from the Offeror/STJSB in respect of the same.

The Chairman then proceeded to address other queries from the shareholders.

Ms. Tan Soo Moi, a shareholder, enquired whether the offer price of RM2.00 per share could be revised to a higher price before or even after the conclusion of the EGM.

Mr. Tommy Har explained that the offer price could be revised before the EGM. However, as the Offeror has not revised the offer price, the offer price is maintained at RM2.00 per share.

Mr. Teh Kian Liang, a shareholder, enquired whether there is any farewell or door gift to be given to the shareholders.

The Chairman reiterated that as stated in the Administrative Details, which is disclosed in the Circular to Shareholders, the Company would not be distributing any voucher to the shareholders. The Chairman then expressed his appreciation to the shareholders for their kind cooperation and understanding during these challenging times.

Ms. Tan Soo Moi further suggested that the Offeror revise the offer price to RM2.50 per share to be fair to the non-interested shareholders since the Independent Adviser had given MMC a fair value of RM3.32 per share, RM1.32 or 66% higher than the offer price of RM2.00.

The Chairman invited Mr. Tommy Har to further respond to Ms. Tan Soo Moi.

Mr. Tommy Har explained that the Proposed SCR is a voluntary offer by the Offeror. In view thereof, in arriving at the offer price, the Offeror had considered their objectives and the financial resources required for the same. He highlighted that approximately RM2.9 billion is required to fund the Proposed SCR, which is a substantial amount.

Mr. Tommy Har further added that upon receiving the Proposed SCR from the Offeror, the Board of MMC had considered the rationale of the Proposed SCR as well as the opinion and recommendation by the Independent Adviser. He reiterated the Independent Adviser's recommendation that the offer price of RM2.00 is not fair but reasonable.

Mr. Khoo Swee Teong further enquired about the basis of the valuation done by the Independent Adviser, which resulted in a higher value of MMC shares compared to the offer price of RM2.00 per share.

The Chairman said that as the question was concerning the valuation of MMC Group, Mr. Tee Kok Wah, the representative of Alliance, was invited to respond to the question.

Mr. Tee Kok Wah explained that since MMC is a conglomerate company with different business segments, namely, Port & Logistics, Engineering, Energy & Utilities, Airport & Property Development, the Independent Adviser had adopted the sum-of-parts valuation ("**SOPV**") in arriving at the estimated value of the MMC Group. The SOPV method represents the aggregate valuation of the different business segments based on the most appropriate valuation methodologies.

Mr. Tee Kok Wah also informed that Section 5.6 on Page 81 of the Circular to Shareholders sets out the valuation methodologies for each business segment. Based on the SOPV method, the estimated value of MMC per share was between RM3.32 and RM3.41 per share, higher than the offer price of RM2.00 per share.

A shareholder, Mr. David Tai Dai Wei, enquired if this corporate exercise could be expedited and completed by October 2021.

Mr. Tommy Har clarified that the Proposed SCR could not be completed by October 2021 due to the requirements to file an application to the High Court on the Proposed SCR for an Order by the High Court to confirm the Proposed SCR upon obtaining the approval from the shareholders. However, based on the tentative timeline provided for the implementation of the Proposed SCR in the Circular to Shareholders, it is anticipated that the Proposed SCR will be completed by the end of December 2021.

The Chairman then invited YBhg. Dato' Sri Che Khalib Mohamad Noh to respond to the query from Mr. Khoo Swee Teong and several other shareholders on the Offeror's future plans for MMC Group after the completion of the Proposed SCR.

YBhg. Dato' Sri Che Khalib Mohamad Noh informed the shareholders that, in addition to the information/representation stated in Section 5 of Part A of the Circular to Shareholders, the Offeror had confirmed that it does not intend to do any of the following within 12 months from the completion of the Proposed SCR and had voluntarily provided an undertaking not to:

- (a) deal with MMC Shares, including any attempt to deal or take any steps for the purpose of dealing but shall not include dealing in the nature of giving of security relating to any financing arrangement; and
- (b) propose in any way and/or vote (both as a shareholder and through their representatives on the Board of Directors of the MMC Group) in favour of any contract, arrangement or commitment to dispose of the assets of the MMC Group which is not within the ordinary course of business and will result in a significant change in business direction or policy of the MMC Group which includes, among others:
 - construction, operation, maintenance and management of ports (namely the Port of Tanjung Pelepas, Northport, Johor Port, Tanjung Bruas Port and Penang Port) and activities related to the ports business;
 - engineering, construction and management services;
 - utilities business conducted via associated companies, Malakoff Corporation Berhad and Gas Malaysia Berhad, as well as water treatment and related business;
 - management, operation, maintenance and development of Senai International Airport and lands surrounding it; or

- contemplate a Major Disposal (as defined under the Listing Requirements).

YBhg. Dato' Sri Che Khalib Mohamad Noh said that he believed the undertaking/confirmation by the Offeror would address the queries raised by the shareholders on the future plans of MMC Group. He also informed the shareholders that all queries and answers provided at this Virtual EGM would be minuted and published on MMC's website as soon as practicable for the shareholders' reference.

The Chairman then proceeded to address questions by the shareholders relating to the Proposed SCR.

Mr. Lim Thean Khoon, a shareholder, sought confirmation whether the Entitled Shareholders would receive the cash payment of RM2.00 per share by 31 December 2021.

Mr. Tommy Har informed the Meeting that if the shareholders approve the Proposed SCR and the order granted by the High Court confirming the reduction of the issued share capital of MMC pursuant to Section 116 of the Act could be obtained as per the tentative timeline set out in the Circular to Shareholders, the payment to the shareholders could be made by December 2021. However, he highlighted that, in the event of any delay, the timeline for completing the Proposed SCR would also be affected.

In response to Mr. Kan Yang Ming's query on the plan to be adopted by MMC if the shareholders reject the Proposed SCR, the Chairman said that in the event that 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 the Circular to Shareholders, MMC would remain listed on the Main Market of Bursa Securities and operate as per usual. Mr. Tommy Har concurred with the Chairman's reply on the matter.

Ms. Yeoh Ooi Phoe @ Yeoh Wooi Poay, a shareholder, enquired whether the Board expects any objection from the banks and creditors on the Proposed SCR.

The Chairman replied that the Sukukholders had granted their approval on the Proposed SCR during the Sukukholders' EGM held on 9 September 2021. In addition, the Company had also obtained the consents from all lenders, where applicable.

With regard to a query from Mr. Douglas Kong Han Kit, a shareholder, on the conditions that could cause the High Court to reject the Proposed SCR and the potential risk associated with such rejection, Datin Seet Hooi Ping responded that if the High Court is of the view that the Proposed SCR is prejudicial to the interest of the shareholders, creditors and/or the public, the High Court may use its discretion to reject the Proposed SCR.

She further added that the risk of rejection by the High Court had been minimised in view that the approvals from the Sukukholders/creditors had been obtained by MMC accordingly.

Since there were no further questions from the shareholders, the Chairman proceeded with the voting of the Special Resolution on the Proposed SCR tabled at the Meeting.

The Chairman informed the shareholders that the casting and verification process would take approximately twenty (20) minutes to complete.

The Chairman further informed that he was appointed as a proxy by several shareholders. Therefore, he would vote according to the respective shareholders' instructions. The Meeting was adjourned at this juncture for the polling session.

At 11:52 a.m., the Chairman called the Meeting to order, and the Chairman announced the result of the e-polling as follows:

- 1) Proposed Selective Capital Reduction and Repayment Exercise of MMC pursuant to Section 116 of the Companies Act 2016 ("Act") ("Proposed SCR")

	In terms of number		In terms of value	
	No. of disinterested shareholders present and voting at the EGM	%	No. of disinterested shares cast at the EGM	%
Voted For	800	85%	1,102,592,684	99.7519%
Voted Against	138	15%	2,742,825	0.2481%
Total	938	100%	1,105,335,509	100%

	No. of shares	%
Total number of disinterested shares	1,468,949,712	100%
Total voting share cast against	2,742,825	0.1867%

Based on the results of the e-polling, the Chairman declared the following Special Resolution carried:

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 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 authorised to take all such steps as it may deem necessary in connection with the Proposed SCR, including:

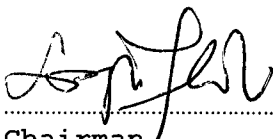
- (a) to determine the Entitlement Date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of the Company in order to be entitled to the capital repayment under the Proposed SCR;
- (b) to deal with any and all fractions of a sen and of a share that may arise 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.

CLOSE OF MEETING

There being no other business, the Meeting was declared closed at 11:55 a.m. with a vote of thanks to the Chairman.

Confirmed by,



Chairman

30 September 2021
Kuala Lumpur

Appendix I



MMC CORPORATION BERHAD

(Registration No. 197601004261 (30245-H))

(Incorporated in Malaysia)

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE

Extraordinary General Meeting

Principal Adviser



RHB INVESTMENT BANK BERHAD

(Registration No. 197401002639 (19663-P))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

30 September 2021

Agenda

1. Introduction
2. Details of the Proposed SCR
3. Basis of Arriving at the SCR Cash Amount
4. Rationale for the Proposed SCR
5. Future Plans for the Group and their Employees
6. Effects of the Proposed SCR
7. Conditions of the Proposed SCR
8. Indicative Timeline

Introduction

Unless otherwise stated, all abbreviations and capitalised terms used in this presentation shall have the same meaning as those defined in the “Definitions” section of Part A of the Circular to shareholders in relation to the Proposed SCR dated 8 September 2021.

- ◆ On 3 June 2021, the Board of MMC received an offer letter from STJSB notifying MMC of its intention to privatise the Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Act.
- ◆ The chronological events pursuant to the Proposed SCR are set out below:

Date	Event
22 Jun 2021	Alliance Investment Bank was appointed as the Independent Adviser
14 Jul 2021	The Offeror had granted the Company an extension of time to 30 August 2021 to respond to the SCR Offer Letter
4 Aug 2021	The Board (save for Cik Sharifah Sofia who is an interested director) deliberated and resolved to table the Proposed SCR to the Entitled Shareholders of MMC for their consideration and approval
6 Aug 2021	Submission of the application in relation to the Proposed SCR to the SC
7 Sep 2021	The SC had notified that it has no further comments on the Circular and IAL in relation to the Proposed SCR

Details of the Proposed SCR

SCR Cash Amount	: RM2.00 for each MMC Share
Total capital repayment to Entitled Shareholders	: RM2,937,899,424
Shareholding structure	: <div><div><p>Before the Proposed SCR</p><pre>graph TD; subgraph "Non-Entitled Shareholder(s)" UO[Ultimate Offeror] -- 99.99% --> ICSB[ICSB] ICSB -- 100.00% --> O[Offeror] O -- 51.76% (1,576,108,840 MMC Shares) --> MMC[MMC] end; ES[Entitled Shareholders] -- 48.24% (1,468,949,712 MMC Shares) --> MMC</pre></div><div><p>After the Proposed SCR</p><pre>graph TD; subgraph "Non-Entitled Shareholder(s)" UO[Ultimate Offeror] -- 99.99% --> ICSB[ICSB] ICSB -- 100.00% --> O[Offeror] O -- 100.00% (1,576,108,840 MMC Shares) --> MMC[MMC] end;</pre></div></div> <div><p>Notes:</p><p>(1) Shareholding structure as at the LPD</p><p>(2) Upon completion of the repayment and cancellation of the Entitled Shareholders' shareholdings in the Company</p></div>

Details of the Proposed SCR (Cont'd)

Distribution	: The SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per MMC Share
Funding	: Funded by way of an advance from the STJSB to MMC
Listing status	: The Offeror does not intend to maintain the listing status of the Company. Upon completion of the Proposed SCR, the Company will be delisted from the Official List.
Mode and timing of settlement of SCR Cash Amount	<div><div>Made within 10 days from the date the High Court Order is lodged with the Registrar of Companies</div><div><div><div>Mode of Settlement</div><div><div>For Entitled Shareholders with <u>eDividend accounts</u></div><div>➡</div><div>Electronic remittance</div></div><div><div>For Entitled Shareholders who <u>do not maintain eDividend accounts</u></div><div>➡</div><div>Remittance in the form of cheques, banker's drafts or cashier's orders despatched by ordinary mail</div></div></div></div></div>

Basis of Arriving at the SCR Cash Amount

- ♦ The SCR Offer Price was arrived at after taking into consideration the following:

(i) Closing price and VWAP of MMC Shares up to and including the LTD

	Market price	Premium over market prices	
	(RM)	(RM)	(%)
Closing price of MMC Shares as 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

Premium
ranging from:
67% to 105%



(ii) the EPS and PER

	EPS	PER ⁽¹⁾	PER based on the SCR Cash Amount of RM2.00
	(RM)	(times)	(times)
Audited consolidated net EPS for the FYE 31 December 2020	0.1232	9.7403	16.2338

Note:

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

Basis of Arriving at the SCR Cash Amount (Cont'd)

- ◆ The SCR Offer Price was arrived at after taking into consideration the following:

(iii) NA per MMC Share and PBR

	NA per MMC Share	PBR ⁽¹⁾	PBR based on the SCR Cash Amount of RM2.00
	(RM)	(times)	(times)
Audited consolidated NA per MMC Share as at 31 December 2020	3.12	0.3846	0.6410

Note:

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

Rationale for the Proposed SCR

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

1	Market value not reflective of underlying value	:	Market price of MMC Shares does not reflect the underlying value of its diversified business
2	Opportunity for the Entitled Shareholders to exit and realise their investment	:	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. Thus, provides an opportunity to exit and realise investments in the Company at a premium
3	Greater flexibility	:	Greater flexibility to the 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 a result, efforts can be concentrated to drive the future strategic direction of the Company and create a more effective and efficient operating structure moving forward

Future Plans for the Group and their Employees

- ♦ The future plans of the Offeror and Ultimate Offeror for the Group after the completion of the Proposed SCR are as follows:

1	Continuation of the Group's businesses	:	<ul style="list-style-type: none">▪ Continue with the existing businesses and operations of the Group.▪ Does not have any immediate plan and/or intention to liquidate any company within the Group.▪ However, may from time to time undertake a review of the businesses and operations of the Group as they consider suitable and which are in the best interests of the Group.
2	Major changes to the Group's businesses	:	<ul style="list-style-type: none">▪ No immediate plan and/or intention to introduce or effect any major change to the existing businesses of the Group.▪ However, may effect changes that is necessary to improve the utilisation of resources, prospects and future growth of the Group.
3	Employees	:	<ul style="list-style-type: none">▪ No immediate plan to dismiss or make redundant any of the existing employees of the Group.▪ However, 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 the 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 the Group that may present themselves

Effects of the Proposed SCR

- ◆ The proforma effects of the Proposed SCR on the following:

(i) **Issued share capital**

	No. of MMC Shares	RM
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	1,593,623,229	1,593,623,229.00
Less: MMC Shares to be cancelled pursuant to the Proposed SCR	(3,062,572,941)	(2,937,899,424.00)
Resultant share capital after the Proposed SCR	1,576,108,840	1,000,000,000.00

Effects of the Proposed SCR (Cont'd)

(ii) Substantial shareholders' shareholdings

	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	%	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	-	-	1,576,108,840	51.76	-	-	1,576,108,840	100.00
TSSM	-	-	1,576,108,840	51.76	-	-	1,576,108,840	100.00
Sharifah Sofia	-	-	1,576,108,840	51.76	-	-	1,576,108,840	100.00

Notes:

(1) Based on 3,045,058,552 MMC Shares

Effects of the Proposed SCR (Cont'd)

(iii) NA and Gearing

	Audited as at 31 December 2020	After the Proposed SCR
	(RM'000)	(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)	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

Effects of the Proposed SCR (Cont'd)

(iv) Earnings and EPS

- Not expected to have any material effect on the earnings of the Group for the FYE 31 December 2021 other than the estimated expenses of RM6.50 million for the Proposed SCR.
- After the 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.
- The pro forma effect of the Proposed SCR on the consolidated EPS of the Company based on the latest audited consolidated statement of comprehensive income of the 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 the 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

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 this EGM;
 - (ii) the approval and/or consent of the existing financiers (including bond/sukuk holders) and/or creditors of the Group; and
 - (iii) the granting of the Order by the High Court giving effect to the Proposed SCR.

Indicative Timeline

- ◆ The Proposed SCR is expected to be completed in the 4th quarter of 2021, barring any unforeseen circumstances and subject to the fulfilment of the conditions of the Proposed SCR.

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

Event	Date
EGM for the Proposed SCR	30 Sep 2021
Filing of application to the High Court	Early Oct 2021
Expect High Court to grant the Order ⁽¹⁾	Early Dec 2021
Announcement of the Entitlement Date for the capital repayment to the Entitled Shareholders	Early Dec 2021
Announcement of notice of suspension of trading of MMC Shares	Early Dec 2021
Entitlement Date	Mid Dec 2021
Lodgment of the office copy of the Order with the Registrar of Companies	Mid Dec 2021
Cash payment to the Entitled Shareholders and completion of the Proposed SCR	End Dec 2021
Delisting of MMC	Mid Jan 2022

Note:

- (1) 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



THANK YOU



Appendix II



MMC CORPORATION BERHAD

INDEPENDENT ADVICE IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE

EXTRAORDINARY GENERAL MEETING

30 September 2021

SUMMARY

Fairness

- Based on our evaluations, we are of the view that the Proposed SCR is **NOT FAIR** as the SCR Offer Price of RM2.00 is at discount of 39.8% to 41.3% over the estimated value per MMC Share of RM3.32 and RM3.41.

Reasonableness

- We are of the view that the Proposed SCR is **REASONABLE** as it provides an exit opportunity to the Entitled Shareholders to realise their investments in MMC Shares, based on the following:
 - The SCR Offer Price represents:
 - a significant premium of 66.67% to 104.81% over the market prices of MMC Shares in the last 1 year up to the LTD; and
 - a premium of 8.70% to 67.62% over the market prices of MMC Shares in the last 1 year up to the LPD.
 - 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.

Our Recommendation

- We recommend that the Entitled Shareholders **VOTE IN FAVOUR** of the Special Resolution in relation to the Proposed SCR.

EVALUATION OF THE PROPOSED SCR - FAIRNESS

The SOPV method was adopted as the most appropriate valuation method in view that MMC Group is involved in different business segments.

The value of MMC Group based on the SOPV method is:

Business segment	Low (RM million)	High (RM million)
1. Ports & Logistics	6,897	7,165
2. Engineering	956	956
3. Energy & Utilities	2,762	2,762
4. Airport & Property Development	2,574	2,574
5. Others	763	763
Adjusted net debt on Investment Holding Companies	(3,833)	(3,833)
Value of MMC Group	10,119	10,387
Estimated fair value per MMC Share (RM)	3.32	3.41
Discount of SCR Offer Price to the estimated value of MMC Share	RM1.32 or 39.8%	RM1.41 or 41.3%

EVALUATION OF THE PROPOSED SCR - FAIRNESS

□ PORTS & LOGISTICS

We have adopted the DCF and RNAV as the most appropriate valuation methodologies based on the following:

- Historical and future financial information of the Port Businesses. DCF is appropriate as the Port Businesses are concession based and DCF takes into consideration the future potential cash flows and earnings; and
- Valuations conducted by independent valuers on the properties owned by SWW and Kontena Group. RNAV is the most appropriate valuation methodology as SWW is principally involved in property development, while Kontena Group is loss making and has a significantly large asset base.

		MMC's effective equity interest	Low (RM million)	High (RM million)
1.	PTP	70.0%	1,476	1,568
2.	Northport	99.1%	1,535	1,572
3.	Johor Port	100.0%	1,620	1,717
4.	Penang Port	100.0%	622	659
5.	Tanjung Bruas Port	70.0%	50	55
Value of the Port Businesses			5,303	5,571
6.	SWW	100.0%	906	906
7.	Kontena Group	99.1%	684	684
Net cash adjustment on NCB Holdings Bhd		99.1%	4	4
Total value of Ports & Logistics segment			6,897	7,165

EVALUATION OF THE PROPOSED SCR - FAIRNESS

□ ENGINEERING

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

Company	Valuation method	Valuation (RM million)
A. MRT Engineering and Construction Related Companies comprise 3 active joint ventures of MMC and Gamuda Berhad to undertake the construction works for the MRT system	DCF was adopted as the companies have ongoing projects with projected dividend to be distributed and net cash balances at the end of the projects.	653
B. Non-MRT Engineering and Construction Related Companies comprises of companies that are involved in specialized engineering and civil engineering construction works not relating to MRT system	PER multiple method was adopted to value this segment based on weighted average PAT of each company in this segment. We have relied on the average PER multiple of comparable companies listed on Bursa Securities which are involved in civil and infrastructure engineering works.	182
C. Other Engineering Companies	NA method was adopted as the companies in this segment are either loss making, inactive, do not have significant profit contribution to the MMC Group or hold no material properties as at the LPD.	121

Total value of the Engineering segment

956

EVALUATION OF THE PROPOSED SCR - FAIRNESS

□ ENERGY & UTILITIES

- The Energy & Utilities segment of MMC Group comprises its associate companies, Malakoff and Gas Malaysia as well as its wholly-owned subsidiary, AIR Berhad.
- In arriving at the fair value of the Energy & Utilities segment, we have adopted the following valuation methods:

Company	MMC's effective equity interest	Valuation method	Valuation (RM million)
1. Malakoff	38.5%	Market value based on the VWAP of Malakoff shares and Gas Malaysia shares as at the LPD. Market value is the most appropriate as it represents the price at which an asset would change hands between a willing-buyer willing-seller in the marketplace.	1,639
2. Gas Malaysia	30.9%		1,073
3. AIR Berhad	100.0%	PER multiple method was adopted as the historical financial performances of AIR Berhad has been consistent and the company was profitable for the FYE 31 December 2020. We have relied on the average PER multiple of comparable companies listed on Bursa Securities which are involved in water treatment activities.	50

Total value of the Energy & Utilities segment

2,762

EVALUATION OF THE PROPOSED SCR - FAIRNESS

❑ AIRPORT & PROPERTY DEVELOPMENT

- We have adopted the **RNAV method** as the most appropriate method to value the Airport & Property Development segment due to an absence of an observable pattern in the financial performance of SATS and a fluctuation between PAT and LAT during the historical financial years from FYE 31 December 2016 – 2020.
- We also noted 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, SATS Group own 1,331 acres of land for development with ongoing industrial and mixed development projects.

The estimated value of SATS Group based on the RNAV method is **RM2,574 million**.

EVALUATION OF THE PROPOSED SCR - FAIRNESS

❑ OTHERS SEGMENT

The remaining companies have been grouped together under the Others Segment. This segment is further divided into 2 distinct group of companies namely Other Companies and Investment Holding Companies.

- a) **Other Companies:** The Other Companies are mainly involved in property holding, provision of management services and property investment. The contributions of the Other Companies are fragmented. We have adopted the **NA and RNAV** as the most appropriate valuation methodology as the Other Companies in this segment are loss making, inactive or have a large asset base.

The value of the Other Companies is **RM763 million**.

- b) **Investment Holding Companies** comprises of companies within the MMC Group which are principally involved in investment holdings in the subsidiaries, associates and/or joint ventures within the MMC Group involved in the Ports & Logistics, Engineering, Energy & Utilities, Airport& Property Development and Others segments.

We have 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 fair value of the entire Group.

The position of the Investment Holding Companies after adjustments is a net debt of **RM3,833 million**.

EVALUATION OF THE PROPOSED SCR - REASONABLENESS

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:
 - (i) a **significant premium** of between 66.67% and 104.81% over the market prices of MMC Shares over the last 1 year up to the LTD; and
 - (ii) a **premium** of between 8.70% and 67.62% over the market prices of MMC Shares over the last 1 year up to the LPD.

Historical liquidity analysis

- MMC Shares are **fairly liquid** based on the average monthly trading volume-to-free float of MMC Shares excluding outlier of 15.49% which is in line with that of Bursa Malaysia Transportation & Logistics Index of 15.80% for the past twelve (12) months from September 2020 to August 2021.

EVALUATION OF THE PROPOSED SCR - REASONABLENESS

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.

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

- The Offeror, Ultimate Offeror and their PACs have majority equity stake / voting rights in MMC of approximately 51.76% as at the LPD. Unless they 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).

CONCLUSION AND RECOMMENDATION

- ❑ Based on our evaluation, 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.
- ❑ Based on our analysis, we are of the view that the Proposed SCR is **at a significant premium** over the market prices of MMC Shares over the last 1 year up to the LTD and it provides an exit opportunity to the Entitled Shareholders to realise your investments in MMC Shares.

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 Proposed SCR.

Thank You.



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