



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

24 May 2019

BY FAX/HAND

(Fax No: 03-62528080)

The Board of Directors
MAA Group Berhad
 Suite 11.05, 11 Floor
 No. 566, Jalan Ipoh
 51200 Kuala Lumpur



Dear Directors,

Attention: Ms. Lily Yin Kam May
Company Secretary

**Re: 21st Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of
 MAA Group Berhad (MAAG) to be held on Wednesday, 29 May 2019**

In the interest of minority shareholders and all other stakeholders of the Group, we would like to raise the following:

Strategy & Financial Matters

- 1) As stated in the Management's Discussion & Analysis (page 35 & 36, Annual Report), as at 31 December, 2018, the Group is in a healthy financial position with zero external debt and strong liquidity level. As at end December, 2018, its total assets stood at RM434.9 million where 51.3% comprised of low risk liquid assets in fixed and call deposits, cash and bank balances and its Net Assets per Share stood at RM1.94 (2017: RM2.04).

Given the improved and healthy financial position, what measures has the Board taken in the last 3 years to address its PN17 status? Why have the proposed strategies/plans to regularise the PN17 status not been successful for the last 8 years? (The Company was placed under PN17 in 2011)

- 2) We note that the Independent Auditors' Report (page 70, Annual Report) has stated that the approval to submit a regularisation plan by the Group was extended to 30 April 2019. The Group has applied for a further extension of time up to 31 October 2019.

What is the latest action plan and timeline set by the Board to resolve the PN17 status? Will the Company apply for further extension of time after 31 October 2019?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia • Company No: 524989-M)

Tingkat 11, Bangunan KWSP, No 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.

Tel: (603): 2070 9090 Fax: (603): 2070 9107

E-Mail: mswatch@mswg.org.my Website: www.mswg.org.my



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3) Why has the Board not considered distributing part of the available liquid assets as dividends to shareholders?

Extraordinary General Meeting

1) The Company has via a Circular to Shareholders dated 3 May, 2019 informed that it has received a Proposed Selective Capital Reduction and Repayment Exercise (SCR) under Section 116 of the Companies Act, 2016 from Melewar Acquisitions Limited and Melewar Equities (BVI) Ltd, both collectively owning 38.67% of the Issued share capital of the Company of RM304,353,752 comprising 273,517,752 MAAG Shares. Under the SCR, the Non-Interested/Entitled Shareholders own 167,740,668 MAAG Shares representing 61.33% of the issued share capital of the Company. The offer price is RM1.10 for each MAAG Share.

- Why did the Board not reject the SCR, given that the offer price is at steep discount of 42.3% from the Net Assets per Share of RM1.94 per MAAG Share as at 31 December 2018? (The Group as at 31 December, 2018, is in a healthy financial position with zero external debt and strong liquidity level.)
- Why did the Board consider it fair to Non-Interested Shareholders and has recommended to vote for the approval to utilise the remaining sale proceeds from the disposal of MAA Takaful Berhad of around RM208.15 million to partly fund the SCR? (page 45, Circular)

(The sale proceeds are to fund the Group's future investment opportunities/prospective business.)

Corporate Governance Matters

We note from the Corporate Governance Overview Statement (page 43, Annual Report) that one of the directors, Dato' Narendrakumar Jasani did not attend 2 out of the 5 Board meetings during the year. He also did not attend 3 out of 5 of the Audit Committee meetings and 3 out of 4 of the Risk & Sustainability Management Committee meetings held in 2018. The director is the Chairman of the Risk & Sustainability Management Committee.

Please explain.



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We would appreciate if the Board could present the points raised here, and their related answers, for the shareholders present at the forthcoming AGM/EGM. At the same time, we await a written reply as soon as possible for our records, and for posting on our website for the benefit of all stakeholders.

Thank you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Devanesan Evanson'.

Devanesan Evanson
Chief Executive Officer
DE/qba/MAAG/AGM/EGM 2019