
MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF MARINE & GENERAL BERHAD (“Company”) HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON TUESDAY, 31 DECEMBER 2019 AT 10.00 AM

Present: As per attendance sheet

OPENING OF MEETING

Dato’ Mohammed Azlan bin Hashim (“**Dato’ Mohammed Azlan**”), the Executive Chairman of the Board of Directors (“**Board**”), took the chair at 10.00 am and welcomed all those present at the meeting.

Dato’ Mohammed Azlan introduced the Board Members and the Company Secretary present at the meeting. Dato’ Mohammed Azlan informed the meeting that two (2) Directors namely, Tan Sri Datuk Seri Razman M Hashim and En. Shariffuddin bin Khalid, are not able to attend the EGM due to prior engagements and had sent their apologies accordingly.

Dato’ Mohammed Azlan further introduced the advisers for the Proposals being presented for consideration at the meeting. He began by introducing the representatives from the Principal Adviser namely, Ms. Wan Hung See (“**Ms. Wan**”) and Cik Firdaus Nazila Samsuni from MIDF Amanah Investment Bank Berhad (“**MIDF Investment**”). Dato’ Mohammed Azlan continued by introducing the representatives of the Legal Adviser namely, Mr. Lee Hock Chye and Ms. Liew Mun Yee from Christopher & Lee Ong, the representatives from the Independent Adviser, Mr. Chris Lai Ther Wai (“**Mr. Chris Lai**”) and Ms. Chaw Qin Xin from Mercury Securities Sdn Bhd (“**Mercury Securities**”) and lastly the representatives of the Reporting Accountants namely, En. Muhammad Azman bin Che Ani and Mr. Loh Jia Liang, from KPMG PLT.

Before proceeding with the EGM, Dato’ Mohammed Azlan informed the meeting that he and Tuan Hj Abdul Rahman bin Ali, both the major shareholders of the Company, were deemed Interested Parties to the Proposals being considered at the meeting today by virtue of entering into separate call options agreements with and the Banks. Thus, both Dato’ Mohammed Azlan and Tuan Hj Abdul Rahman bin Ali would be abstaining for voting on resolutions no. 1 and 2 of the meeting agenda.

To ensure propriety of the meeting, the chairmanship was handed over to Mr. Tai Keat Chai (“**Mr. Tai**”), the Non-Independent Non-Executive Director of the Company. Dato’ Mohammed Azlan further briefed the meeting that Mr. Tai has been a Director of the Company since 18 August 2008. He was also the Chairman of the Company’ Audit Committee until the 22nd Annual General Meeting held on 30 October 2019. He also acted as Board Representative to the Due Diligence Working Group for the Proposals being bought for consideration today.

Mr. Tai took over the chairmanship of the meeting thereafter.

QUORUM OF MEETING

Mr. Tai called upon the Company Secretary, Ms. Chia Poh Tin ("**Ms. Chia**") to confirm the quorum.

Ms. Chia informed that in accordance with Clause 20.1 of the Company's Constitution, two members present personally shall be a quorum for the general meeting. Member includes a person attending as a proxy or as representing a corporation which is a member.

Ms. Chia further informed that there were 15 members present in person and 51 proxies (6 individual present in person and 45 represented by the Chairman of the meeting) attended the meeting.

As confirmed by Ms. Chia, a quorum was present at the meeting.

Mr. Tai briefed the members/proxies present that the voting of the EGM will be conducted by poll pursuant to Clause 20.6 of the Company's Constitution. Mr. Tai added that the Company had appointed Messrs Kalis & Co. as the Independent Scrutineers to verify the poll results. The polling process would be conducted upon the completion of the deliberation of all items to be transacted at the EGM.

NOTICE OF MEETING

The notice of meeting together with the Circular in relation to the Proposals, being circulated to all members on 16 December 2019, was taken as read and the meeting was declared duly convened.

Mr. Tai informed that an errata to the Circular was announced to Bursa Malaysia Securities Berhad and circulated to the all members on 19 December 2019 to rectify some errors stated in the Independent Advice Letter to the non-independent directors and non-interested shareholders of M&G, which formed part of the Circular. The errata shall be read together with the Circular to members dated 16 December 2019.

Before the deliberation of the agenda, Ms. Wan, the representative from MIDF Investment, was invited to make a brief presentation in relation to the Proposals which encompassed of the following:

- (i) Introduction;
- (ii) Proposed Debt Restructuring;
- (iii) Indicative Principal terms of JMM PS;
- (iv) Call Option;
- (v) Proposed Issuance;
- (vi) Proposed Subscription;

- (vii) Rationale of the Proposal;
- (viii) Effect of the Proposals;
- (ix) Approval Required; and
- (x) Indicative Timeline.

Mr. Tai thanked Ms. Wan for her explanation on the Proposals. Consequently, Mr. Chris Lai, the representative from Mercury Securities was invited to make a brief presentation in relation to the Proposals which encompassed the following:

- (i) Introduction;
- (ii) Rationale for the Proposed Issuance;
- (iii) Salient Terms of the JMM PS;
- (iv) Indicative Salient Terms of the Call Option;
- (v) Issue Price;
- (vi) Effect; and
- (vii) Conclusion.

Mr. Tai thanked Mr. Chris Lai and invited questions from the floor. As there were no questions raised from the floor, Mr. Tai proceeded with the agenda on the notice of the EGM.

1.0 AGENDA 1

PROPOSED ISSUANCE AND ALLOTMENT OF NEW ORDINARY SHARES IN M&G (“M&G SHARES”) TO THE HOLDERS OF 150.0 MILLION IRREDEEMABLE PREFERENCE SHARES OF RM1.00 EACH IN JASA MERIN (MALAYSA) SDN. BHD. (“JMM PS”) IN CONJUNCTION WITH THE PROPOSED DEBT RESTRUCTURING BETWEEN THE JASA MERIN (MALAYSA) SDN. BHD. (“JMM”) GROUP OF COMPANIES AND ITS EXISTING FINANCIERS (“PROPOSED ISSUANCE”) (Ordinary Resolution1)

1.1 The first agenda was to seek members’ approval on the Proposed Issuance. Mr. Tai invited questions from the floor.

1.2 A proxy, Mr. Ng Kok King, raised the following issues as follows:

- *How certain is M&G that the Group would be in a better financial standing upon the implementation of the debt restructuring scheme, albeit the continuously challenging market conditions faced by the Upstream Division?*

Dato’ Mohammed Azlan, with permission from the Chairman of the meeting, responded that the Group’s business is not solely focused on the provision of support services by the Upstream Division. It now actually consists of marine logistics and support services to the oil & gas industry provided by the Upstream Division as well as the provision of marine logistics and transportation of liquid bulk cargo by the Downstream Division.

Dato' Mohammed Azlan continued to explain that the implementation of the debt restructuring scheme will allow JMM to be on a stronger financial footing, which in turn will allow it to re-assure charterers when JMM submits a bid for contracts. Further, the debt restructuring will allow JMM to preserve its cash for other purposes, such as working capital requirements and proper maintenance of its vessels.

Dato' Mohammed Azlan further explained that the Downstream Division is not affected by the low level of activity in the oil and gas industry. Management was of the opinion that there is further growth opportunities within this segment and with the stronger financial position, the Group will continuously be evaluating opportunities for additional investment in the future, subject to available resources.

- *What are the future plans to be undertaken by Management to improve the gearing and profit margin of the Group upon the implementation of the debt restructuring scheme?*

Dato' Mohammed Azlan, with the permission from the Chairman of the Meeting, explained the following:-

Upon the implementation of the debt restructuring scheme, the total debt due to the Banks will be reduced by RM200 million and consequently the debt ratio would be reduced from 10.90 times to 3.08 times. The Group will also benefit from annual interest savings arising thereof. In addition, the share capital base of M&G will be strengthened when the JMM PS are converted into M&G Shares.

With regard to the profit margin, Dato' Mohammed Azlan explained that the successful implementation of the debt restructuring scheme is essential and would enable JMM to continue operating through the industry downturn and progress further once the situation normalises. Demand for the offshore support vessels has been improving with a slight increase in the daily charter rate towards the end of 2019. In view thereof, Management believed that both utilization rate and profit margin will be better moving forward.

- 1.3 There were no further questions raised from the floor, Mr. Tai proceeded to invite for a proposer and seconder for Resolution 1.
- 1.4 The Resolution was proposed by Tengku Khajakee bin Tengku Ibrahim and seconded by Ng Kok Kiong.

2.0 AGENDA 2
PROPOSED ACQUISITION OF JMM PS FROM ABDUL RAHMAN BIN ALI (“ARA”)
AND DATO’ MOHD AZLAN BIN HASHIM (“MAH”) (“PROPOSED ACQUISITION”)
(Ordinary Resolution 2)

- 2.1 The second agenda was to seek members’ approval on the Proposed Acquisition. Mr. Tai invited a proposer and a seconder for Resolution 2.
- 2.2 The Resolution was proposed by Ng Kok Kiong and seconded by Badzanishah bin Sharom.

3.0 AGENDA 3
PROPOSED SUBSCRIPTION OF UP TO 150.0 MILLION NEW CUMULATIVE NON-
CONVERTIBLE REDEEMABLE PREFERENCE SHARES (“CN-RPS”) IN JMM FOR
A TOTAL SUBSCRIPTION OF RM150.0 MILLION (“PROPOSED SUBSCRIPTION”)
(Ordinary Resolution 3)

- 3.1 The last agenda was to seek members’ approval on the Proposed Subscription. Mr. Tai invited a proposer and a seconder for the Resolution 3.
- 3.2 The Resolution was proposed by Chua Leng Heng seconded by Thong Jee Chee.
- 3.3 Mr. Tai declared that the meeting will proceed with the polling process.

POLLING PROCESS

The Company Secretary, Ms. Chia was invited to explain the procedures for the conduct of poll at the EGM. All the members/proxies were directed to slip the duly completed and signed polling slips into the balloting boxes carried around by the representatives from Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd).

With the permission of Mr. Tai, the Company Secretary declared that the meeting be adjourned for about 30 minutes at 10.55 a.m. to conduct the poll count.

ANNOUNCEMENT OF POLL RESULTS

At 11.27 pm., Mr. Tai called the meeting to order for the declaration of the poll results. Mr. Tai announced that he had received the poll results from Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) and Kalis & Co. Mr. Tai proceeded to read out the poll results to the Members/Proxies present.

Mr. Tai announced the poll result in respect of Resolution 1 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 – Proposed Issuance	162,954,443	100.0000	0	0.0000

Dato' Tai declared that Resolution 1 was duly passed as follows:-

“THAT in conjunction with the proposed debt restructuring (“**Proposed Debt Restructuring**”) involving RM923.2 million as at 31 December 2018 owing by JMM and its subsidiaries to its existing financiers (“**Banks**”), to be partly settled by the issuance of the JMM PS which are exchangeable for new M&G Shares, approval be and is hereby given to the Board of Directors of M&G (“**Board**”) to allot and issue 1.5 billion new M&G Shares to the holders of the JMM PS based on the exchange ratio of 1 RM1.00 nominal value JMM PS to 10 M&G Shares (“**Exchange Rate**”), upon the surrender of the JMM PS by the holders of the JMM PS to M&G.

THAT pursuant to the separate call option agreements to be entered by the Banks with Abdul Rahman bin Ali, a major shareholder of the Company and Dato' Mohd Azlan bin Hashim, a director and major shareholder of the Company (collectively “**Promoters**”), the Board is authorized to issue up to 750 million new M&G Shares to each of the Promoters, from time to time.

THAT the new M&G Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing M&G Shares, save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new M&G Shares.

AND THAT the Board be and is hereby authorized to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements, as the Board may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Issuance, including without limitation, with full power to consent to and to adopt and implement any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem fit or necessary in the best interest of the Company.”

Mr. Tai announced the poll result in respect of Resolution 2 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2 – Proposed Acquisition	162,954,443	100.0000	0	0.0000

Mr. Tai declared that Resolution 2 was duly passed as follows:-

“THAT in conjunction with the Proposed Debt Restructuring, whereby the respective Banks will enter into separate call option agreements with ARA, a major shareholder of the Company and MAH, a director and major shareholder of the Company (collectively “**Promoters**”) granting the Promoters the option to purchase the JMM PS from the Banks, approval be and is hereby given to the Board to purchase from the Promoters the JMM PS held by them to be satisfied by the issuance of up to 750 million new M&G Shares at the Exchange Rate to each of the Promoters.

AND THAT the Board be and is hereby authorized to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements, as the Board may deem necessary and/or expedient to finalise, implement and give full effect to complete the Proposed Acquisition, including without limitation, with full power to consent to and to adopt and implement any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem fit or necessary in the best interest of the Company.”

Mr. Tai announced the poll result in respect of Resolution 3 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3 – Proposed Subscription	526,190,420	100.0000	0	0.0000

Mr. Tai declared that Resolution 3 was duly passed as follows:-

“THAT the Company be and is hereby authorized to subscribe in tranches of up to 150.0 million new CN-RPS at the nominal value of RM1.00 each in JMM for a total consideration of RM150.0 million, subject to the salient terms as set out in section 4 of the Circular.

AND THAT the Board be and is hereby authorized to do all acts, deeds and things and to execute, sign and deliver on behalf of the Company all such documents and/or agreements, as the Board may deem necessary and/or expedient to finalise,

implement and give full effect to complete the Proposed Subscription, including without limitation, with full power to consent to and to adopt and implement any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem fit or necessary in the best interest of the Company.”

CLOSE OF MEETING

There being no other business to transact, the Chairman declared the meeting closed at 12.30 pm. and thanked those present for their attendance.

Confirmed as True and Correct Record of Proceedings,



Tai Keat Chai
Chairman of the meeting

Dated: 17 January 2020