

**STAR MEDIA GROUP BERHAD**

(Company No.: 10894-D)

("Star" or "the Company")

Minutes of the Extraordinary General Meeting ("EGM") of the Company held at the Cybertorium, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Friday, 7 July 2017 at 10.00 a.m.

- Present :
- Directors  
Dato' Fu Ah Kiow (Chairman)  
*(also proxy for shareholders as per the attendance list)*  
Mr Lee Siang Chin (Senior Independent Director)  
Datin Linda Ngiam Pick Ngoh - *also a shareholder*  
Dato' Dr Mohd Aminuddin bin Mohd Rouse  
Madam Wong You Fong
  - : Shareholders (including corporate representative)  
As per attendance list  
(Total 91 representing 695,418 ordinary shares)
  - : Proxies  
As per attendance list  
(Total 17 representing 532,983,760 ordinary shares of which 319,067,160 ordinary shares were represented by the Chairman)
- Absent with apologies :
- Tan Sri Dato' Sri IR Kuan Peng Soon (Deputy Chairman)
  - Datuk Seri Wong Chun Wai (Group Managing Director & CEO)
  - Mr Choong Tuck Oon
- In attendance :
- Mr Calvin Kan King Seong (Group Chief Operating Officer, Print)
  - Mr Ragesh Rajendran (Group Chief Financial Officer) ("Group CFO")
  - Ms Ong Wei Lymn (Group Company Secretary)
  - Ms Kimberly Hoh (Assistant Company Secretary)
- By invitation : As per attendance list

**1.0 WELCOMING SPEECH AND INTRODUCTION**

- 1.1** Dato' Fu Ah Kiow presided as Chairman of the Meeting and welcomed all shareholders, proxies and invitees present at the EGM of the Company ("the Company" or "Star").

**1.2** The Chairman then introduced the members of the Board of Directors, the external auditors from Messrs BDO represented by Mr Tan Seong Yuh and the Group Company Secretary who were in attendance.

**1.3** He informed the Meeting that Tan Sri Dato' Sri IR Kuan Peng Soon, Datuk Seri Wong Chun Wai and Mr Choong Tuck Oon were not able to attend the Meeting and conveyed their apologies to the Meeting.

## **2.0 QUORUM OF MEETING**

The Company Secretary confirmed that the required quorum to convene the Meeting in accordance with Article 75 of the Company's Articles of Association was present.

## **3.0 PROCEDURES OF MEETING**

**3.1** The Chairman briefed the members on the procedures in tabling and approving resolution at the Meeting. He encouraged shareholders to participate at the Meeting.

**3.2** He informed that voting at the Meeting would be conducted by way of poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

**3.3** As at 29 June 2017, being the cut-off date for determining who shall be entitled to attend, speak, participate and vote at the Company's EGM, the Company had 8,289 depositors, and the adjusted paid-up share capital stood at RM737,956,402.00 comprising 737,956,402 ordinary shares of RM1.00 each (excluding 607,200 ordinary shares held as treasury shares).

**3.4** The Company received in total 42 proxy forms from shareholders for a total of 532,922,760 ordinary shares representing 72.22% of the total issued and paid-up share capital of the Company. Out of those, there were 24 shareholders who appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 319,067,160 or 43.24% of the share capital of the Company.

## **4.0 NOTICE OF MEETING**

With permission from the members present, the Notice of Meeting having been circulated to all shareholders within the prescribed period was taken as read.

**5.0 PROPOSED DISPOSAL BY LAVIANI PTE LTD (“LAVIANI”) OF 128,458,590 ORDINARY SHARES IN CITYNEON HOLDINGS LIMITED (“CITYNEON”), REPRESENTING APPROXIMATELY 52.51% EQUITY INTEREST IN CITYNEON TO LUCRUM 1 INVESTMENT LIMITED FOR A TOTAL CONSIDERATION OF SGD115,612,731 (EQUIVALENT TO APPROXIMATELY RM360,179,902) TO BE SATISFIED ENTIRELY VIA CASH (“PROPOSED DISPOSAL”)**

**5.1** The Chairman informed that the purpose of the Meeting was to seek the shareholders’ approval on the Proposed Disposal. Upon completion of the Proposed Disposal, Laviani will not hold any equity interest in Cityneon. Accordingly, Cityneon will cease to be a subsidiary of Laviani and will cease to be an indirect subsidiary company of Star.

Full details of the Proposed Disposal and its rationale are set out in the said Circular dated 22 June 2017.

**5.2** The Chairman informed that Minority Shareholder Watchdog Group (“MSWG”) had via their letter dated 4 July 2017 to the Company raised some questions pertaining to the Proposed Disposal. For the benefit of the shareholders, the Chairman read out the reply from the Company to the questions raised by MSWG, per Appendix A attached herewith. Slides on the questions and answers were also projected on the screen.

**5.3** Several other shareholders/proxy holders, namely Mr Krishnamoorthy A/L A.K Muthaly, Mr Wan Heng Wah, Mr Mr Jeremy Ting Keng Fui, Mdm Chong Siew Yoon, Mr Leo Ann Puat and Mr William Woon Peng Wah raised various comments and questions at the Meeting, which were duly answered by the Board of Directors and Management. The salient comments among others included:

- a) A shareholder commented that the Proposed Disposal would allow Star to realise a gain on disposal of about RM214.07 million. In response to a question raised by the shareholder if the proceeds from the Proposed Disposal would be utilised to support the upcoming General Election campaign, the Chairman informed that there should not be any political influence in the Board’s decision making.
- b) A shareholder commented that the transaction was valued at almost 33 times of the earnings of Cityneon. In response to numerous queries raised and comments by shareholders on the reasons for the Proposed Disposal despite its improved performance, the Chairman informed that the disposal would allow Star to unlock its investment in Cityneon and enables it to concentrate on the expansion of its primary business activities. Chairman added that Star will use the proceeds to strengthen the existing businesses and look for new business opportunities.

The Chairman further clarified that the disposal allowed Star to monetize its investment in Cityneon and Victory Hills Exhibition Pte Ltd (“VHE”). Star invested in Cityneon in 2008. The profit before taxation (“PBT”) contributions by Cityneon for the past two (2) financial years up to the financial year ended

(“FYE”) 31 December 2016 were less than 10.0% of the total PBT of Star Media Group. In addition, save for the dividend declared for the FYE 31 December 2014 which was paid in the FYE 31 December 2015, there was no dividend declared by Cityneon to its shareholders over the past five (5) financial years up to the FYE 31 December 2016.

The Chairman informed that the Board was of the opinion that the offer price of SGD0.90 per share represents an attractive valuation for Star to realise its investment in Cityneon and has already factored in its growth potential.

- c) Responding to a shareholder’s query on whether the Purchaser Lucrum 1 Investment Limited was able to pay the remaining 80% of the disposal consideration of approximately RM360.0 million, the Chairman informed that the payment should be made within 3 market days after the condition precedent is satisfied, or upon written notice by the Purchaser to Laviani, have up to an additional 30 days to settle the balance consideration (“Completion Date”). The deposit sum of 20% of the total disposal consideration paid by the Purchaser which is currently held in Laviani’s escrow account would be forfeited in the event the Purchaser fails to pay the balance 80% to Laviani on Completion Date.

5.4 The Ordinary Resolution was duly proposed by Mr Loo Phan Kooi and seconded by Mr Mr Krishnamoorthy A/L A.K Muthaly.

5.5 With no further questions from the floor, the Meeting proceeded to voting by poll.

## 6.0 ELECTRONIC POLLING PROCEDURES

6.1 At the invitation of the Chairman, Puan Suzana Abdul Rahim from Tricor Investor Issuing House Services Sdn Bhd, the Poll Administrator briefed on the procedures for the conduct of electronic poll voting at the Meeting.

6.2 After the briefing from Pn. Suzana, the Chairman declared the closure of the registration of attendance for Meeting and adjourned the Meeting at 12.30 p.m for the electronic polling process. All members were requested to return to the meeting hall by 12.45 p.m. for the declaration of poll results.

## 6.3 ANNOUNCEMENT OF POLL RESULT

Having received the poll result from the scrutineers, the Meeting resumed at 12.45 p.m. for the declaration of result by the Chairman.

6.4 The poll result for the Ordinary Resolution is as follows:

**Ordinary Resolution – Proposed Disposal of Cityneon**

	<b>Number of shares</b>	<b>%</b>
<b>For</b>	506,696,764	94.977
<b>Against</b>	26,797,000	5.023
<b>Total</b>	533,493,764	100.000

The Chairman declared that Ordinary Resolution was duly approved.

It was hereby RESOLVED:

**PROPOSED DISPOSAL BY LAVIANI PTE. LTD., A WHOLLY-OWNED SUBSIDIARY COMPANY OF STAR MEDIA GROUP BERHAD, OF 128,458,590 ORDINARY SHARES IN CITYNEON HOLDINGS BERHAD ("CITYNEON"), REPRESENTING APPROXIMATELY 52.51% OF THE EQUITY INTEREST IN CITYNEON TO LUCRUM 1 INVESTMENT LIMITED FOR A TOTAL DISPOSAL CONSIDERATION OF SGD115,612,731 (EQUIVALENT TO APPROXIMATELY RM360,179,902) TO BE SATISFIED ENTIRELY VIA CASH ("PROPOSED DISPOSAL")**

"THAT, subject to approvals of the relevant authority and/ or parties being obtained, the board of Directors of Star Media ("Board") be and is hereby authorised to dispose of the entire equity interest of 128,458,590 ordinary shares, representing 52.51% of the equity interest in Cityneon, an indirect subsidiary company of Star Media to Lucrum 1 Investment Limited for a total disposal consideration of SGD115,612,731 (equivalent to approximately RM360,179,902) to be satisfied entirely via cash, in accordance with the terms and conditions of the conditional share purchase agreement dated 12 May 2017 entered into between Laviani Pte. Ltd. and Lucrum 1 Investment Limited;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the aforesaid Proposed Disposal with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps in any manner as they may deem necessary or expedient in the best interest of the Company."

**7.0 CONCLUSION OF MEETING**

There being no further business, the Meeting was declared closed by the Chairman at 12.55 p.m. with a vote of thanks to the Chairman and Board.

CONFIRMED AS A CORRECT RECORD



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CHAIRMAN