

**STAR MEDIA GROUP BERHAD**  
(Company No.: 197101000523 (10894-D))

Minutes of the Extraordinary General Meeting (“EGM” or “the meeting”) of Star Media Group Berhad (“Star” or “the Company”) held virtually at the Broadcast Venue, Cyberhub, Level 2, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 10.00 a.m. via TIIH online website at <https://tiih.online/>

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**PRESENT**

**Directors**

Attended in person

- |  |   |
|--|---|
| Tan Sri Dato’ Seri Chor Chee Heung     | - Chairman, Independent Non-Executive Director  |
| Tan Sri Dato’ Sri Kuan Peng Soon       | - Deputy Chairman, Non-Independent Non-Executive Director ( <i>abstained from deliberation and voting</i> ) |
| Mr Chan Seng Fatt                      | - Independent Non-Executive Director  |
| Dato’ Dr Mohd Aminuddin bin Mohd Rouse | - Non-Independent Non-Executive Director  |

Joined remotely

- |                     |                                      |
|---------------------|--------------------------------------|
| Madam Wong You Fong | - Independent Non-Executive Director |
| Mr Loh Chee Can     | - Independent Non-Executive Director |

**IN ATTENDANCE**

**Management**

Attended in person

- |                 |   |
|-----------------|---|
| Mr Alex Yeow    | - Group Chief Executive Officer (“Group CEO”) |
| Mr Lim Sui Yuan | - Financial Controller (“FC”)                 |
| Ms Esther Ng    | - Chief Content Officer                       |
| Ms Lydia Wang   | - Chief Revenue Officer                       |
| Mr Terence Raj  | - Senior General Manager, Group People        |
| Ms Soh Sze Jean | - Senior General Counsel                      |
| Mr Kevin Seng   | - Senior General Manager, Technology          |
| Ms Kimberly Hoh | - Group Company Secretary                     |

**Poll Administrator**

Attended in person

- |                             |  |
|-----------------------------|--|
| Ms Wong Yoke Fun            | - Executive Director, Deputy Head, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) |
| Mr Mohammad Amirul Iskandar | - Senior Executive, Tricor   |

## **Independent Scrutineers**

### Attended in person

- |                   |  |
|-------------------|--|
| Mr Chuah Poo Sian | - Director, Coopers Professional Scrutineers Sdn Bhd (“Coopers”) |
| Mr Tey Chee Peng  | - Senior Scrutineer, Coopers                                     |

## **Independent Advisor, Alliance Islamic Bank Berhad**

### Attended in person

- |                         |   |
|-------------------------|---|
| Ms Lim Shueh Li         | - Senior Vice President of Coverage & Origination |
| Mr Tee Kok Wah          | - Head/Senior Vice President, Corporate Finance   |
| Mr Stewart Lau Teng Hwa | - Senior Vice President, Corporate Finance        |
| Mr Chan Huan Yik        | - Assistant Vice President, Corporate Finance     |
| Ms Hazel Lau Min Shuang | - Senior Executive, Corporate Finance             |

## **Solicitors, Shearn Delamore & Co.**

### Attended in person

- |                            |                                 |
|----------------------------|---------------------------------|
| Ms Marhaini Nordin         | - Partner, Corporate M&A        |
| Datin Anita Balakrishnan   | - Partner, Real Estate          |
| Ms Alexis Yong Mey Ling    | - Senior Associate, Real Estate |
| Ms Charlie Wong Jing Xiong | - Associate, Corporate M&A      |
| Ms Ng Kar Mun              | - Associate, Corporate M&A      |

## **Independent Valuer, CBRE WTW Valuation & Advisory Sdn Bhd**

### Joined remotely

- |                    |                                  |
|--------------------|----------------------------------|
| Mr Heng Kiang Hai  | - Deputy Group Managing Director |
| Mr Ivan Chu Yi Wen | - Assistant Manager              |

## **External Auditors**

- |                  |   |
|------------------|---|
| Mr Tan Seong Yuh | - Lead Engagement Partner, Messrs BDO PLT |
|------------------|---|

## **Shareholders**

A total of 195 eligible shareholders participated in the meeting which was conducted through live streaming and online remote voting via a Remote Participation and Voting (“RPV”) platform at <https://tiih.online/> per the attendance record provided by the Company’s Share Registrar, Tricor.

## **1. OPENING ADDRESS**

- 1.1 Chairman, Tan Sri Chor Chee Heung, called the fully virtual EGM to order at 10.00 a.m. and welcomed all present.
- 1.2 Chairman informed the shareholders that the meeting was conducted in accordance with Clause 69 of the Company’s Constitution, Section 327 of the Companies Act, 2016 (“CA 2016”) and the Guidance Note of the Securities Commission on the Conduct of General Meetings for Listed Issuers.
- 1.3 He then proceeded to introduce the Board members present at the Broadcast Venue and those who joined virtually. He also introduced the Group CEO, FC, Company Secretary and

the representatives from Alliance Islamic Bank Berhad (Independent Advisor), Shearn Delamore & Co. (solicitors) and CBRE (Independent Valuers) as well as Tricor (poll administrator) and Coopers (independent scrutineer for the polling exercise for the meeting).

## **2. CONFIRMATION OF QUORUM AND NOTICE SENT**

- 2.1 The Secretary confirmed that there was sufficient quorum for the convening of the meeting based on the number of members logged into the live meeting platform.
- 2.2 Chairman informed that the notice convening the EGM dated 16 May 2023 had been duly sent to the shareholders and published in The Star newspaper within the stipulated timeframe. He then declared that the notice of the EGM be taken as read.

## **3. CONFIRMATION OF PROXIES**

The Chairman reported that, based on the information provided by Tricor as at 10 a.m on 29 May 2023, the Company had received a total of 64,101,204 ordinary shares in proxies from the shareholders. Out of those, a total of 41,284,200 ordinary shares had appointed Chairman as their proxy to vote at the EGM.

## **4. REMOTE E-POLLING PROCEDURES**

- 4.1 Chairman provided a brief explanation of the meeting procedures as follows:
  - a) Voting on all resolutions put forward to the meeting would be conducted by poll pursuant to paragraph 8.29A of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The polling results would be announced prior to the closure of the meeting.
  - b) Chairman informed that shareholders and proxies had the right to ask questions and vote on the resolution tabled at this meeting. The shareholders could submit their questions online using the query box via the RPV platform. The Board and Management would endeavor to answer all the questions raised. If the Board and Management were not able to respond to the questions, the Company will email the reply to the shareholders individually and also post the answers onto the Company’s website soonest possible after the meeting.
  - c) The poll voting was conducted through the RPV facility provided by the poll administrator, Tricor whilst the poll results were validated by Coopers, an independent scrutineer.
  - d) The Chairman had exercised his right as per Clause 82 of the Company’s Constitution to demand for a poll for the resolution to be voted at the meeting.
  - e) Chairman announced that the online polling session had commenced. Shareholders and proxies were informed they could cast their votes on the resolution during or after the deliberation of all agenda items until the closure of the voting session which he would announce later.

- f) A tutorial video demonstrating the e-polling procedures via TIIH Online was played at the meeting.

## 5. MEETING AGENDA

- 5.1 The Chairman then proceeded to read out the agenda item tabled for the meeting and informed that questions and answers session would be open after the presentation by the Management and Independent Advisor respectively.

### **ORDINARY RESOLUTION**

**PROPOSED DISPOSAL OF TWO (2) UNITS OF DOUBLE STOREY SEMI-DETACHED FACTORY AND WAREHOUSE ANNEXED WITH A ONE-AND-A-HALF (1½)-STOREY OFFICE BUILDING AND OTHER ANCILLARY BUILDINGS TO BE ERECTED ON PART OF THE LAND HELD UNDER GERAN 204624, LOT 78658, MUKIM DAMANSARA, DAERAH PETALING, NEGERI SELANGOR BY SMG LAND SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO MATANG BERHAD AT THE AGGREGATE DISPOSAL CONSIDERATION OF RM33,000,000.00 TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT OF RM4,118,700.00 AND VIA ISSUANCE OF 357,000,000 NEW ORDINARY SHARES OF MATANG BERHAD AT THE ISSUE PRICE OF RM0.0809 EACH (“PROPOSED DISPOSAL”)**

“**THAT**, contingent upon the fulfilment of all other conditions precedent under the conditional sale and purchase agreement dated 10 February 2023 (“**SPA**”) between the Company, SMG Land Sdn Bhd (“**Vendor**”) and Matang Berhad (“**Purchaser**”) and subject to all approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the disposal of two (2) units of double storey semi-detached factory and warehouse annexed with a one-and-a-half (1½)- storey office building and other ancillary buildings to be erected on part of the land held under Geran 204624, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor by the Vendor, a wholly-owned subsidiary of the Company, to the Purchaser for a total consideration of RM33,000,000.00 to be satisfied via a combination of cash payment of RM4,118,700.00 and via issuance of 357,000,000 new ordinary shares of the Purchaser at an issue price of RM0.0809 each, in accordance with the terms and conditions as set out in the SPA;

**AND THAT**, the Board of Directors of the Company be and is hereby authorized and empowered to give full effect to the Proposed Disposal with full power to assent to any conditions, variations, modifications and/or amendments in any manners as may be required and permitted by the relevant authorities and to deal with all matters incidental, ancillary to and/or relating thereto and to take all such steps and to do such acts (including to execute such documents, agreements, undertakings and confirmations as may be required), deeds, things and matters as they may deem necessary or expedient to implement, finalize, to give full effect and complete the Proposed Disposal.”

- 5.2 Chairman informed that the Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements of Bursa Securities, in view of the interests of the Interested Director and Interested Major Shareholder of the Company. Tan Sri Kuan Peng Soon, being the interested party, had abstained from all deliberations and voting in respect of the Proposed Disposal. Tan Sri Kuan had also undertaken to ensure that persons connected to him who have direct or indirect interest in the proposal to abstain from voting at this EGM. In addition, Chairman also informed the shareholders that the interested

major shareholder namely Malaysian Chinese Association (MCA) and interested party, Huaren Holdings Sdn Bhd (whose interests are stated in Section 9 of Part A of the Circular) would abstain from voting in respect of their direct and/or indirect shareholdings on this resolution and they had also undertaken to ensure persons connected with them to abstain from voting in relation to the Proposed Disposal.

- 5.3 Chairman informed that the Board oversees the Company's operations while Management manages the business to the best of its abilities and with full transparency. He assured the shareholders that although MCA is the Company's major shareholder, nevertheless, all business transactions and dealings involving Star Media Group (SMG) are conducted at arm's length. He indicated that more than half of the Board members are independent, and the Directors are encouraged to voice their opinions and their decisions during board meetings regarding any discussions and everyone is entitled to agree or disagree.
- 5.4 Chairman then shared his view on the write-up by The Edge weekly newspaper dated 29<sup>th</sup> May 2023 pertaining to the Proposed Disposal where it mentioned the fiduciary duties of Directors. Chairman gave his assurance to shareholders that when the Directors were all appointed to the Board, the fiduciary duties of Directors to the Company are always at the forefront of their minds when making decisions. Chairman highlighted that, as far as the motion in this EGM is concerned, there are bound to be various opinions whereby some views may be fair while others may not deem it as a right decision by the Company. However, as business managers, the decision on the proposed disposal of the two (2) warehouses to Matang was based on consideration of the benefits that can be derived from the proposed disposal. This development project at Bukit Jelutong is part of the Group's strategy to diversify its revenue streams and Matang provides another accessible platform for diversification initiatives.

Shareholders were informed that, the Board had also deliberated on the issue of selling the Bukit Jelutong land instead of developing it. Proceeds from the sale can be used by the Group for many strategic business purposes. However, the Board felt that by developing the land, it will bring SMG more benefits such as the Group will derive higher profit than merely disposing of the land to create long-term shareholders value.

- 5.5 Chairman then touched on the issue concerning the Company's Independent Non-Executive Director ("INED"), Madam Wong You Fong ("Madam Wong"). It was noted that Madam Wong was appointed to the Board on 1 June 2017 as an INED, guided by the definition of "Independent Director" in the Listing Requirement of Bursa Securities. Chairman informed that Madam Wong is neither a nominee nor a corporate representative of the Company's major shareholder, MCA. Chairman informed that, based on the yearly assessment conducted by the Nomination Committee of the Company, and Madam Wong's written declaration, she is deemed independent and has been acting in the best interests of the Company.
- 5.6 Chairman then invited Group CEO to share a brief background of the Proposed Disposal with the shareholders.

## **6. PRESENTATION BY MANAGEMENT**

Chairman invited FC, Mr Lim Sui Yuan to present the summary key points of the Proposed Disposal to the shareholders.

## 7. PRESENTATION BY INDEPENDENT ADVISOR

Chairman then invited Mr Stewart Lau from Alliance Islamic Bank Berhad, the appointed Independent Advisor, to share their slide presentation with the shareholders.

## 8. QUESTIONS & ANSWERS (“Q&A”) SESSION

- 8.1 Chairman proceeded to the Q&A session at 10.50 a.m.
- 8.2 Chairman informed that the Company would address the enquiries received from the shareholders and proxies prior to the EGM as per Appendix A attached.
- 8.3 Chairman then proceeded to address the live questions received during the meeting. The list of questions and the Company’s responses is attached herewith as Appendix B.
- 8.4 The Chairman announced the closed of the Q&A session at 12.20 p.m.

## 9. POLL VOTING

- 9.1 The Chairman proceeded with the polling session. He reminded shareholders who had not yet voted to proceed with their voting before he declared the voting session closed at 12.30 p.m.
- 9.2 The meeting was adjourned to allow tabulation and verification of the polling results.

## 10. ANNOUNCEMENT OF POLL RESULTS

- 10.1 The EGM re-convened at 1.05 p.m. and the Chairman called the meeting to order for declaration of results.
- 10.2 Chairman then invited Mr Chuah Poo Sian, representing the independent Scrutineers to share the poll voting results. Mr Chuah confirmed that the poll voting results had been verified and he read out the results and the same was shared on the screen concurrently for ease of reference of the shareholders.
- 10.3 Based on the poll results, Chairman declared that the resolution set out in the EGM Notice was not carried. The details of the poll results were as follows:

### Ordinary Resolution

Resolution	FOR		AGAINST		TOTAL VOTES	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Proposed Disposal	11,107,872	18.2652	49,706,429	81.7348	60,814,301	100.0000

**11. CLOSE OF MEETING**

- 11.1 There being no other business, the meeting was declared closed by the Chairman at 1.10 p.m. with a vote of thanks to the Chair, the Directors, invitees, shareholders and proxies for their participation.

Confirmed as a true record of the proceedings thereof:

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Tan Sri Chor Chee Heung  
Chairman

Dated :

**Appendix A**

**Pre-Meeting Questions and Answers for the Extraordinary General Meeting (“EGM”) of Star Media Group Berhad (“the Company”) held on 31 May 2023**

*(Unless otherwise stated, all abbreviations used herein shall have the same meanings as those used in the Circular of the Company dated 16 May 2023)*

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
1.	Tan Sri Tong Kooi Ong (“TST”)	<p>Why did Star agree for the disposal consideration to be satisfied primarily in Matang shares (RM28.9 million or 87.5% of total disposal consideration) and only RM4.1 million in cash (receivable upon delivery of vacant possession) instead of an all-cash deal?</p> <p>MCA already owns direct stakes in both Star and Matang. What is the intention of this complicated arrangement, which will result in crossholdings, of Star also owning 13% of Matang?</p>	<p>The Proposed Disposal is a commercial transaction (on a willing buyer willing seller basis) between two (2) public listed companies that are looking to diversify their business streams. The payment of all-cash upfront was not an option during the negotiations with Matang.</p> <p>As Star Media Group's (“SMG”) intention is to diversify its income stream, this transaction will allow SMG to enter the plantation industry through an investment in a listed company. Additionally, this transaction, via the disposal of the two (2) units will realise the value of our property development business.</p> <p>As TST has rightly pointed out, the terms of the transaction allow for a substantial portion of the payment (87.5% of the Disposal Consideration) via Consideration Shares to be made by Matang upfront, compared to a sale to another property buyer, where payments are made progressively over the construction of the project. This in turn allows SMG to be entitled to the dividends declared (if any) by Matang.</p>
2.	TST	<p>Star can only classify its 13% stake in Matang as “investments”. The only future income stream is from dividends, to be declared at Matang’s discretion, that will most likely earn less than if the disposal consideration was to be all cash and placed in fixed deposits. Alternatively, why not receive cash and use the proceeds to undertake share buyback that will</p>	<p>The share price of Matang secured for this proposed transaction is RM0.0809 per share, which is lower than the volume weighted average market price of the last twelve (12) months, last six (6) months and last three (3) months, as well as 26% below Matang's NTA per share of RM0.11 before any land revaluation.</p>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
		enhance shareholder value?	<p>This transaction enables SMG to sell the units in its ongoing property development project ahead of schedule. Moreover, this arrangement provides SMG with an opportunity to diversify its income streams, as part of its ongoing initiative, by acquiring an initial substantial share in an established plantation public listed company with recurring income and a healthy balance sheet.</p> <p>With SMG's strong holding of cash balances, an opportunity to acquire a good asset below its net tangible value is equally attractive compared to receiving cash proceeds only. Additionally, there are potential opportunities for further investments in Matang, which can result in an even better financial position.</p> <p>The Board thanked TST for his suggestion of the share buyback option. The Company has sufficient cash position to undertake a share buyback exercise if the Board deems it appropriate in the future and subject to the relevant rules and regulations on share buyback.</p>
3.	TST	Is Star providing financial assistance to Matang? Star has to finance the construction of the factory-warehouse since the disposal consideration shares are non-cash. As a result, the proposed disposal will result in net cash outflow of RM11.1 million for Star, upon completion. It also creates a possible loss to the company if, for any reason, it fails to deliver the buildings. Star has given an unconditional and irrevocable guarantee to Matang for a full refund, in cash.	<p>No financial assistance is being provided to Matang. The payment upfront from Matang is actually in the form of Matang shares. There are no incremental net cash outflows arising from the Proposed Disposal to Matang, compared to retaining the two (2) units of property (as explained earlier, full cash payment was not an option during the negotiations). In fact, there will be a cash inflow of RM4.1 million after the property is delivered to Matang.</p> <p>Irrespective of whether a purchaser is to settle the consideration via cash or shares will be of no difference because SMG Land Sdn Bhd ("SMG Land") would still have to deliver its obligation by completing the construction of the warehouse.</p>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
			Being a credible and reputable company, SMG will not allow its wholly owned subsidiary (SMG Land) to default on any legitimate compensation to any purchasers, under this unlikely scenario of “failed delivery”. The obligation of SMG Land as the developer is the same to Matang and any other purchasers of the property in the development project.
4.	TST	If Star’s intention is to monetise its land, why not just dispose of the land for cash, through an open tender to get the best price? Why build the factories-warehouses, only to sell the buildings for less than development cost (and even then, receive Matang shares not cash)? Star would make more profits by simply selling the land than it would after developing the property. This project makes no financial sense to Star.	<p>The Group's intention is to diversify into the property development industry. Executing this maiden project would enhance the capabilities and experience of SMG for future projects. For this project at Bukit Jelutong, SMG stands to make a strong double-digits development margin on top of the gain from mark-to-market land value over book value. In short, by just selling the land at market price, the realised absolute profit will be significantly lower.</p> <p>The proforma net gain from this proposed transaction with Matang of RM15.6 million is arising from the margin earned on the development costs, as well as the mark-to-market gain on the valuation of the land. The estimated development cost is RM14.8 million, land cost is RM2.2 million, and other expenses is RM0.4 million.</p>
5.	TST	Three independent non-executive directors were subject to retirement this year, two of whom decided against seeking re-election. Why?	The two (2) directors have not sought re-election due to personal reasons. At the 51 <sup>st</sup> AGM of the Company held on 22 May 2023, our Chairman assured the shareholders that none of the retiring directors have any dispute with the Board.
6.	Chee Sai Mun	Star has been sitting on substantial net cash position for at least more than 4 years, given that Star has been trying to search for acquisition to put its RM364 million cash hoard to good use, can management brief us their business plan going forward and enlighten what is holding back Star strategic move today?	<p>The Group has a 5-year plan to diversify its income stream into one third media business, one third property development and one third new businesses.</p> <p>The Proposed Disposal to Matang would accelerate the growth of the property development business.</p>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
			All potential investments are being carefully evaluated by the management and the Board. The Proposed Disposal is our first step into the plantation industry. There are possibilities for further investments in Matang.
7.	Minority Shareholders Watchdog Group ("MWSG")	What factors influenced Star Media's decision to accept most of the disposal consideration to be satisfied via Matang shares (87.52% of the total purchase consideration) rather than opting for an all-cash transaction.	<p>The Proposed Disposal is a commercial transaction (on a willing buyer willing seller basis) between two (2) public listed companies. During the negotiations, the payment of all-cash upfront was not an option.</p> <p>The terms of the transaction allow for a substantial portion of the payment (87.5% of the Disposal Consideration) to be made by Matang upfront, compared to a sale to another property purchaser, where payments are to be made progressively over the construction of the project. This allows SMG to be entitled to the dividends declared (if any) once the Matang shares are issued.</p>
8.	MSWG	It is the intention of Star Media to retain the 13% stake in Matang as strategic investment. By holding Matang shares, the Company will be exposed to volatility in market prices and liquidity risks which are beyond the control of the Company. Furthermore, the future income stream from this investment would depend on dividend declaration from Matang at its discretion. Would it not be better to receive cash upfront whereby the Company could utilise the cash proceeds for share buyback or place in fixed deposits to earn interest income, thereby enhancing shareholder value?	<p>The share price of Matang secured for the Proposed Disposal is RM0.0809 per share, which is lower than the volume weighted average market price in the last twelve (12) months, last six (6) months and last three (3) months, as well as 26% below Matang's NTA per share of RM0.11 before any land revaluation.</p> <p>The Proposed Disposal allows SMG to sell units in its ongoing property development project ahead of schedule. This arrangement also provides SMG the opportunity, as part of its ongoing initiative to diversify income streams, to acquire an initial substantial share into an established plantation public listed company with recurring income and a healthy balance sheet.</p>
9.	MSWG	Why did Star Media decide to make Matang a preferable choice over other plantation companies for diversification purposes? What are the appealing	Besides the favourable share price secured for this transaction as explained in the response to the previous question, the Company believes there are opportunities in

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
		factors that make Matang, a desirable company for investment?	<p>optimisation and improvement in operational efficiencies that will further enhance the value of Matang. Also, the size of a company of Matang is suitable for the purposes of this transaction.</p> <p>A meaningful stake in other plantation companies was not available. If we are to invest in larger plantation companies, the shareholding we could have obtained would be significantly smaller.</p> <p>In addition, Matang is interested in our properties therefore we need not purchase the Matang shares with cash.</p>
10.	MSWG	Has Star Media engaged in an open-tender exercise to receive quotes from third parties before concluding the deal with Matang?	<p>The units in the Star Business Hub project are not existing or completed units, which would then call for an open-tender exercise. Instead, these units are currently under construction and are therefore available for sale to the general market.</p> <p>The sales price of the two (2) warehouse units to Matang is at market price. Furthermore, the proposed disposal to Matang follows a standard property development sale process, where all units are made available to the public through the efforts of our marketing strategy. Therefore, Matang is just one of the purchasers.</p> <p>The transaction structure with Matang is due to subsequent negotiation on a willing buyer willing seller basis. The properties which Matang are buying are our standard units, without any customisation specifically catered for Matang.</p>
11.	MSWG	What are the due diligence steps taken by Star Media before selecting Matang as the purchaser for the Property?	<p>Typically, in property transactions, developers do not conduct due diligence on purchasers because we are selling to the market.</p> <p>As mentioned earlier, the units in Star Business Hub are not existing or completed, which will require an open-tender</p>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
			<p>exercise. The sale to Matang is actually a standard property development sale process where all units are made available to public through efforts of our marketing strategy. Matang is just one of the purchasers.</p> <p>However, with respect to this transaction with Matang, since we will be receiving Consideration Shares in Matang, a legal due diligence exercise needs to be conducted on Matang.</p>
12.	Loke Teik Lee	By selling the 2 units will assure a proforma gain of RM15.6 million, as an investor can we assume if all the 5 units sold within this financial year will possibly achieve gain of RM30 million after deduction of RPGT, land cost and interests or holding cost.	<p>As disclosed in our Circular to shareholders, the estimated gross development value (“GDV”) of the entire Star Business Hub development is RM130 million, while the estimated total development cost is RM73 million. This should provide SMG with a healthy profit margin, assuming all five (5) units are sold.</p> <p>As of today, 60% of the GDV remains unsold. The sale to Matang will generate additional profits for the current financial year and FY2024, as we are targeting the progress claims to be over two (2) years and no more than three (3) years, as per the terms of the SPA.</p> <p>Hence, the Company expects the profits to be realised over the next two (2) to three (3) financial years as the construction of the project progresses and all units are sold.</p>
13.	Chee Sai Mun	<p>In view of the recent controversy on StarHub, can management enlighten us on:</p> <ol style="list-style-type: none"> <li>1. Overall GDV</li> <li>2. Overall development cost</li> <li>3. Potential profit of the overall development project</li> <li>4. StarHub overall land value as per value of the valuers report</li> <li>5. Total land cost of StarHub</li> </ol>	<p>The information on the Star Business Hub (or referred by Mr Chee as “StarHub”) project is as follows:</p> <ol style="list-style-type: none"> <li>1. Overall GDV is at RM130 million</li> <li>2. Overall development cost is at RM73 million</li> <li>3. Potential profit on the overall development at RM57 million</li> <li>4. StarHub’s land value as per valuation report is RM42 million</li> <li>5. Total land cost of StarHub is at RM8.8 million</li> </ol>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
14.	Chee Sai Mun	<p>Star started construction on the property to be sold to Matang for RM33m, why did Star incur construction cost on the property when it did not secure a buyer for the property before Matang came in?</p> <p>Is the said property to be sold to Matang, receive input from the buyers to its requirement before the property is sold to them?</p> <p>Also, is it true that Matang is the only buyer for the StarHub project todate?</p>	<p>As this is our maiden project, our plan was to commence construction while concurrently marketing the sale of the property units. This is normal in the property development industry.</p> <p>Regarding the warehouses that are to be sold to Matang, they comply with the approved building plans. The units to be sold to Matang are standard units and no customisation was included. Currently, in addition to the proposed two (2) units to be sold to Matang, we have secured the booking for one other unit.</p>
15.	Chee Sai Mun	<p>Looking at the latest financial report as at 31 December 2022, Star had spent RM9.65m on property development cost and segment on property division had reported losses of RM530k as of 31 March 2023. Does that mean Star property development division no longer capitalised its development cost?</p> <p>And why is the property development division making a loss of RM530k?</p>	<p>The property development cost is being capitalised and the main component of the property development cost relates to the land cost.</p> <p>In regard to the property division segment, it consists of property development and property investment. The loss of RM530,000 is attributed to our property investment division, where the rental income earned is lower than the costs incurred largely due to depreciation of buildings. We are continuously looking to increase rental yield or potentially dispose of some of the properties we own.</p>
16.	Chee Sai Mun	<p>By looking at the list of properties in the 2022 Annual Report page 188 to 189, the following land are situated in Bukit Jelutong:</p> <p>No. 7&amp;9, Jalan Tiang U8/93 No.2, Jalan Astaka U8/8</p> <p>Which of the above is the Starhub development location?</p>	<p>The Star Business Hub development is situated at No. 7 and 9, Jalan Tiang U8/93.</p> <p>No. 2, Jalan Astaka U8/88 is where our printing plant is located.</p>
17.	Chee Sai Mun	<p>As for Star future property development, I notice that Star has many non-core properties located in UK,</p>	<p>Currently, these properties are not used for our own holiday resorts. For information, our properties located in UK,</p>

No.	Name of Shareholder/Proxy/ Corporate Representative	Question	Answer
		<p>Cameron Highland, Beijing, Singapore which are unlikely to be use for future development. What are the plan for these assets as it will be a waste if kept as a holiday resort?</p> <p>Thus better to dispose to monetize these assets in order to support and finance the property development funding requirement.</p>	<p>Cameron Highland, Beijing and Singapore are currently rented for long tenancy or short stay at market rates.</p> <p>Regarding your question about whether it is better to dispose to monetize these assets to support and finance the property development funding requirement, the answer is yes, and that is precisely what we are currently pursuing.</p>
18.	Chee Sai Mun	<p>I need to bring your attention to The Edge on 29 May 2023 which commented on Star Media Group regarding value destructive related party transaction with Matang on page 16-18.</p> <p>Can management of Star answer all the doubts highlighted by Tong Kooi Ong in order for us to assess the advantages and disadvantages of the disposal of property to Matang?</p>	<p>As part of the pre-EGM questions, by and large, Chairman informed that we had already responded to the concerns raised by the article in The Edge earlier, as well as through the presentations made by the management and the Independent Advisor, namely Alliance Islamic Bank Berhad and the opening statements by him and the Group CEO.</p> <p>Chairman informed Mr Chee, if there were any areas that were not sufficiently covered, he may still raise his questions by posting them.</p> <p>Therefore, we urged all shareholders to distinguish between true facts, facts that are correctly interpreted and presented in their actual context versus facts that are true but have been distorted by bringing in circumstances that are not related to this Proposed Disposal to potentially distort other shareholders' perception of the deal. Armed with this information, the Chairman requested that all shareholders to vote accordingly.</p>

## Appendix B

### Live Questions and Answers for the Extraordinary General Meeting (“EGM”) of Star Media Group Berhad (“the Company”) held on 31 May 2023

*(Unless otherwise stated, all abbreviations used herein shall have the same meanings as those used in the Circular of the Company dated 16 May 2023)*

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
1.	Lee Choon Meng	What is the expected amount of income stream will receive by Star via the holding of 13% of Matang Shares? (Assume income derivation as at current financial)	The potential additional income, i.e., via dividend declaration by Matang (if any) is estimated to be approximately RM70,000. As mentioned earlier, it is the Group’s intention to retain Consideration Shares as a strategic investment.
2.	Lee Choon Meng	May I know the land ownership during the construction period?	Star Media Group Berhad is the owner of the land during the construction period.
3.	Lee Choon Meng	Who is the potential contractor? Any open tender for the appointment of building contractor?	The Financial Controller (“FC”) informed that a few rounds of open tender exercise were conducted for the selection of contractor for the Star Business Hub project. The contractor appointed for this project is SQA Builders Sdn. Bhd.
4.	Tey Kian Lang	Why not develop the land internally? The CEO was formerly from Tropicana and Malayan Cement and therefore have property development skill set. Surely he can unlock value for Star without having to go through a complex transaction that result in messy cross shareholdings in Matang?	<p>Group CEO clarified that some shareholders were confused due to information received prior to the EGM through other media. He emphasized that we are developing the Parent Land as a typical developer. We have owned the land for many years and are now developing it into a RM130 million GDV project.</p> <p>This development could potentially result in a revenue increase of approximately RM60 million per year, which would be a substantial increase for the Company. It is a good project with promising sales opportunities if we can lock in this deal.</p>

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
5.	Tey Kian Lang	Matang is overvalued versus other plantation companies listed on Bursa?	FC informed that the issue price of Matang at RM0.0809 per Consideration Share is below the NTA per share of Matang at RM0.11. It is also below the volume-weighted average price of the last one (1), three (3) and six (6) months. Furthermore, it would not be possible to acquire such a significant stake from another listed company. He added that, whether Matang is overvalued or not depends on each shareholder's risk assessment.
6.	Palaniappan @ Mohan	Land value of property to be sold is RM10 million x 2 = RM20 million Building value is RM6.5 million x 2 = RM13 million So, two building is RM16.5 million x 2 = RM33 million Construction cost is RM14.9 million So, why build the building and sell at lower than construction cost before any variation cost?	The value of the raw land is RM190 psf, resulting in a land value of RM10 million.  As mentioned in the management presentation earlier, there is an incremental profit of RM24 million to be earned from the development.
7.	Palaniappan @ Mohan	Why give guarantee and if deal is not done must refund in cash and return the shares	The Guarantee serves as the security for the due performance by the Vendor, SMG Land to deliver vacant possession of the two (2) warehouses to Matang in view of the entitlement by SMG to receive the Consideration Shares upfront. In a typical property transaction, payment is made progressively. In the event the Proposed Disposal is not completed, the Consideration Shares would not be returned to Matang.
8.	Palaniappan @ Mohan	Why Matang is chosen since Matang is listed in ACE Board and hardly any volume traded?	SMG intends to sell the warehouse, which is yet to be constructed, in the open market. Matang has expressed interest in purchasing the said property. During the negotiation, Matang did not offer to purchase the property in full cash. Instead, they offered to purchase the warehouse partly by shares

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
			<p>with a discount and partly in cash. This is a commercial decision based on negotiation between the Parties. The management has reviewed the proposal and presented it to the Board, who also deemed it valuable and favourable to SMG.</p> <p>Further, there were no other offers from other companies. Matang's size is appropriate for SMG which is in line with its long-term objective of diversifying into the non-media sector and providing a good investment opportunity to our available cash.</p>
9.	Palaniappan @ Mohan	Why did director, Mr. Choong Tuck Oon unable to state a recommendation?	<p>The Independent Non-Executive Director of the Company, Mr Chan Seng Fatt ("Mr Chan") informed that Mr Choong was supportive in terms of whether the deal is reasonable and fair. Mr Choong was only not agreeable for the Company to provide a Guarantee simply because in his mind he thought that being a developer, if it cannot complete the project, it is already obligated at the subsidiary level. As for the holding company level to provide a Guarantee, it's like providing a double protection. However, Mr Choong is entitled to his opinion and his way of making business decisions.</p> <p>Mr Chan stated that the remaining members of the Audit Committee and Board (save for the interested party, Tan Sri Kuan Peng Soon who abstained from all discussions regarding the Proposed Disposal), are agreeable to the Proposed Disposal as the risk is the same by providing the Guarantee.</p>

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
10.	Palaniappan @ Mohan	Have you tried selling the property for cash in the open market?	<p>All the five (5) units of warehouse at Star Business Hub are available for sale in the market. The default payment method is cash. However, there are currently no offers from immediate buyers for the two (2) units that are proposed to be sold to Matang.</p> <p>The shareholders were further informed that, there is one booking secured for another unit, leaving the remaining two (2) units without any interested buyers at this stage. Therefore, the sale to Matang is an incremental sale.</p>
11.	Palaniappan @ Mohan	Did the company appoint an agent to sell the property and how long was it in the market before agreeing to sell to Matang?	<p>SMG has started its marketing efforts during the planning and submission stages since the end of last year. A sales gallery is put up at our printing plant, which is next to the project site.</p> <p>SMG can only market it officially after obtaining all the necessary approvals from the authorities earlier this year. Marketing efforts are currently underway and as previously mentioned, we have secured one booking pending the execution of the Sale and Purchase Agreement.</p>
12.	Lew Tuck Wai	The GCEO explained that Matang's plantation land are at Net Book Value of RM14,000 per hectare which is below market value. Matang is a plantation company and the net book value shouldn't be compared to market value vs a property developer as the plantation land are utilised for plantation purposes and not for immediate sale. What matters is the valuation of Matang as a plantation company vs other Bursa Listed Plantation companies. Appreciate Independent Directors' views please.	Mr Chan clarified that the net book value is RM40,000 per acre. As the mode of consideration is primarily in share, we have not taken into consideration of the market value of the plantation lands with development potential as a determining factor. Instead, we have evaluated the share price of the company and the underlying assets of Matang as a plantation company with emphasis on whether the assets are undervalued or overvalued in the book.

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
			For those who are familiar with the industry, currently this type of assets in Johor area, you can hardly get it with this book value.
13.	Chee Sai Mun	For disposal of property, we are receiving the proceeds upfront in the form of Matang share, the question when can we booked in the profit?	<p>FC clarified that the profit of disposal of property will not be recognized immediately upon disposal as this is a sale of unit from a property development whereby the accounting and revenue recognition is different from sale of a completed property.</p> <p>The recognition of profit from the disposal of property will be realised in the current financial year and over the next two (2) financial years following the progress of the construction.</p>
14.	Nur Amirah (MSWG)	How can Chairman Tan Sri Chor and Madam Wong establish their independence as Independent Non-Executive Directors (INEDs) despite their affiliation with MCA?	<p>Chairman informed that he was the Vice President of MCA more than 10 years ago. But he has since retired in 2013, and from 2013 until now he is just an ordinary member of MCA without any key post in the party. He informed that he is not a nominee or corporate representative of MCA and he maintains his independence.</p> <p>For Madam Wong You Fong, she is a practising lawyer and from her written declaration, Madam Wong confirmed that she is not acting as a nominee, or a corporate representative of MCA, nor acting under the instructions of MCA. Unlike our Deputy Chairman, Tan Sri Kuan Peng Soon who is a non-independent non-executive director, because he is a corporate representative of MCA.</p> <p>Both Chairman (i.e., Tan Sri Chor Chee Heung) and Madam Wong also fulfil the criteria for the definition of “independent directors” in the Main Market Listing Requirements of Bursa Securities.</p>

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
15.	Lew Tuck Wai	<p>Extract from Matang's Independent Advisor's assessment on the Matang Issue price: "The Issue Price translates to an implied P/E of 31.12 times which represents a premium of 397% when compared with the median P/E of the Comparable Companies of 6.26 times. We conclude that the Issue Price is fair and reasonable and not detrimental to the non-interested shareholders of the Company."</p> <p>Appreciate Allianz Islamic's explanation why no comparison was made with comparable plantation companies.</p>	<p>Mr Stewart Lau from the Independent Advisor, Alliance ("IA") informed that when they evaluated the Issue Price of the Consideration Shares, it was based on the market-based approach, which was the historical trend of Matang shares. Market based approach is the benchmark used for companies, especially listed companies that are issuing shares for such transaction. For instance, in the past two (2) years, Matang had implemented three (3) tranches of private placement, where they were placed out at 10 to 11 sen based on the market price.</p> <p>IA took into account that plantation companies are asset-based companies. Every plantation is different, in terms of land size, plantation location, maturity profile, financial position etc.</p> <p>Other commonly used valuation method for plantation company is that they can value the plantation, using the Discounted Cashflow Method to value the plantation based on maturity profile. We can mark to market the book value based on the valuation of the plantation.</p> <p>Matang's book value is currently 11 sen and SMG is acquiring the Consideration Shares at 8 sen, which is lower than the book value. IA indicated that based on this, they don't see how it could be considered overvalued. IA added that the use of P/E ratio is not appropriate for a plantation company.</p>
16.	Chee Sai Mun	Any due diligence conducted by Star CEO by visiting Matang's plantation looking at the palm oil yield, extraction rate and land value?	Group CEO informed that he visited the plantation with the Company's management team. Considerations were given to the relevant information for assessment, such as the

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
			<p>CPO/hectare, FFB/hectare, extraction rate, cost structure, infrastructure inside the plantation which is critical to making sure FFB is harvested on time.</p> <p>The management also assessed the location of the plantation. It is directly connected to a two-way road that connects Tangkak to the next town, so access is very good. The land is largely freehold and is one continuous piece, which has advantages for productivity. Overall, the Company's management viewed that it's a well-managed plantation by Matang with growth prospect.</p>
17.	Chee Sai Mun	<p>Thanks for Star clarifications. I like to point out if Star has given more information to support the acquisition, there is probability less controversial from shareholders especially Tong Kooi Ong as the deal is beneficial to the shareholders.</p>	<p>The Chairman thanked Mr Chee for his comments. He assured that everything is done above board and complies with the Bursa's regulations, where applicable.</p> <p>Group CEO highlighted that the Proposed Disposal helps to expedite our property development business that diversifies our generation of income and presents a potential profit for RM15.6 million over the next two (2) years. The Proposed Disposal also gives SMG an opportunity to venture into the plantation sector which may potentially provide returns to the Group.</p>
18.	Lew Tuck Wai	<p>As explained by the FC, the 357 million shares receivable by STAR from the sale of the property will only receive RM785,000 in dividends based on Matang's dividend payout of 0.22 sen in FY2022.</p> <p>It is very unlikely for Matang to maintain the 0.22 sen dividend due to lower profits from lower CPO prices this year. The issue price of Matang shares</p>	<p>Shareholders had been informed of the benefits to this deal, which had been explained through the answers to previous questions. To recap:</p> <p>Firstly, if we look at this from an investment perspective, Matang may not be the most valuable investment available. However, this is a non-cash deal for both parties. As the Group CEO explained earlier, if we were to sell two (2) units of the</p>

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
		<p>at 8 sen is not attractive from P/E and Dividend Yield from an investment perspective. There are much attractive plantation companies to invest in.</p>	<p>warehouses which would realise a profit of RM15.6 million, that would translate to earnings per share of 2 sen, providing an upside for SMG.</p> <p>Secondly, the Proposed Disposal enables us to acquire a substantial stake of 13% in a listed company that is not easily acquired. In comparison to other more attractive plantation companies, acquiring a 13% stake would not be as easy.</p> <p>In terms of management and synergy, the Group CEO shared that aligning the direction of both companies is much easier as they have a common shareholder. We believe that by doing so, we can enhance the operating efficiencies (of Matang), which would translate to more profits for Matang. It was noted that Matang is also a cash positive company.</p> <p>There are two (2) ways to look into the buying channel of the company. The first is the trading mindset where you buy for the dividend and the ability to cash out when the price increases. However, we are looking at it from an investment and business expansion perspective. Compared to a hypothetical best-case scenario, where we are able to sell the two (2) units to the market for cash and we are able to buy KKK shares with a substantial discount from market price, we would compare and consider that as more favourable. However, there is no such deal on the table, and it is illustrated as a hypothetical situation.</p> <p>Therefore, we are presenting this deal that is currently on the table to shareholders for their consideration. The management team has put in considerable effort and spent months in discussion</p>

No.	Name of Shareholder/Proxy/Corporate Representative	Question	Answer
			and negotiation to come to this point of presenting the opportunity to shareholders.
19.	Nur Amirah (MSWG)	<p>By holding Matang shares, the Company will be exposed to the volatility in the market prices that would be beyond the Company's control.</p> <p>How would Star mitigate this risk?</p>	<p>There will be volatility whether due to the specific counter performance, the general market or the global economy. Despite being a substantial shareholder of Matang (if the Proposed Disposal is approved by our shareholders), SMG has no intention of trading or disposing the shares in the short term.</p> <p>Our intention is to improve operations and will explore the possibilities of increasing our stake in Matang, subject to evaluation and approval by the Board as well as approval from shareholders, if necessary.</p> <p>The Proposed Disposal provides an opportunity for SMG to unlock its investment in the property, which is considered an expansion of our business and consistent with our strategic plans of diversifying into new areas of business. This will improve SMG's income and provide a better-balanced portfolio for our shareholders. The objective is to enhance the value of SMG for the interest of its shareholders.</p>