

MALAYSIA BUILDING SOCIETY BERHAD
Registration No. 197001000172 (9417-K)
(Incorporated in Malaysia)

MINUTES of the Extraordinary General Meeting of Malaysia Building Society Berhad [Registration No. 197001000172 (9417-K)] held as virtual meeting through live streaming from the broadcast venue at Level 4, Menara MBSB Bank, Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor (“Broadcast Venue”) on Thursday, 27 July 2023 at 10.00 a.m.

<i>Present:</i>	Puan Lynette Yeow Su-Yin Encik Szaliza bin Zainuddin Ir Moslim bin Othman Encik Mohamad Abdul Halim bin Ahmad Dr. Loh Leong Hua Datin Hoi Lai Ping	Senior Independent Non-Executive Director Non-Independent Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director
<i>In Attendance:</i>	Encik Mohamed Rafe bin Mohamed Haneef Encik Ramanathan Rajoo Dato’ Azlan bin Shahrin	Group Chief Executive Officer Group Chief Financial Officer Chief Strategy Officer
<i>Secretary:</i>	Cik Tina Koh Ai Hoon	Company Secretary
<i>Advisors:</i>	Puan Tan Keng Lin Encik Alvin Ooi Yet Ming	Representative from AmInvestment Bank Berhad Representative from Kenanga Investment Bank Berhad
<i>Others:</i>	As per Attendance List	

CHAIRMAN OF MEETING

In the absence of Chairman of the Board, the Board has elected Puan Lynette Yeow Su-Yin as Chairman of the Meeting pursuant to Clause 65 of the Company’s Constitution.

OPENING

Puan Lynette Yeow Su-Yin (“the Chairman”) chaired the Extraordinary General Meeting (“EGM”) of MBSB of the Company. The Chairman welcomed all present and called the Meeting to order at 10.00 a.m.

The Chairman informed that the EGM would be conducted virtually through the remote participation and electronic voting (“RPV”) application in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission.

The Chairman then introduced the Board members, the Group Chief Executive Officer, the Group Chief Financial Officer, the Chief Strategy Officer, the Company Secretary as well the representatives from the advisors, AmInvestment Bank Berhad, Kenanga Investment Bank Berhad, CIMB Investment Bank Berhad and Zaid Ibrahim & Co.

QUORUM

Upon the request by the Chairman, the Company Secretary confirmed that the quorum was met.

PROXIES

The Secretary informed that a total of 822 shareholders and proxy holders, holding 5,008,779,923 ordinary shares or 69.83% of the issued and paid up capital of MBSB, have registered to participate in this Virtual EGM.

NOTICE

The Notice convening the Meeting having been circulated to shareholders via email or hard copy within the prescribed period was taken as read.

PROCEDURES FOR MEETING / INTRODUCTION TO REMOTE PARTICIPATION AND ELECTRONIC VOTING

1. The Chairman briefed that shareholders would be able to attend, speak (posed questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tjih.online>.
2. The Chairman informed that there was one (1) ordinary resolution as set out in the Notice of EGM. In line with Para 8.29A of the Main Market Listing Requirements and pursuant to Clause 69 of the Company’s Constitution, the resolution set out in the Notice of Meeting would be carried out by poll.
3. The Chairman informed that none of the directors hold any shares in MBSB and as such, would not be voting on the resolution for the EGM.
4. The Chairman informed that the Company had appointed the share registrar Tricor to act as poll administrator to conduct the polling process.
5. The Chairman further informed that the Company had appointed Coopers Professional Scrutineers Sdn Bhd (“Coopers”) to act as Scrutineers to verify the poll results. The poll would be conducted when the deliberations on the item to be transacted at this meeting was completed. Coopers was also appointed as Independent Observer for the Q&A session.
6. The Chairman then invited Tricor to brief the meeting, the procedure for remote voting.
7. A short video on the RPV procedures were presented at this juncture.
8. The Chairman informed that the voting was opened and shareholders could cast their respective votes at any time until the announcement of the closure of poll voting.

MANAGEMENT PRESENTATION AND REPLY TO MSWG QUERIES

1. The Chairman invited the Group Chief Executive Officer (“GCEO”) of the Company, Encik Mohamed Rafe bin Mohamed Haneef (“Encik Rafe”) to present an overview of the Proposed Acquisition of Malaysian Industrial Development Finance Berhad (“MIDF”) as follows:-
 - a. The Proposed Acquisition
 - i. Proposed acquisition involves MBSB acquiring 480.35 million shares representing 100% equity interest in MIDF from Permodalan Nasional Berhad (“PNB”).
 - ii. The purchase consideration was at RM1.01 billion to be settled by issuance of 1.05 billion MBSB shares at RM0.9652 per share.
 - b. Shareholding before and after the Proposed Acquisition
 - i. MIDF will become a wholly owned subsidiary of MBSB, and PNB will emerge as a substantial shareholder of MBSB holding 12.78% interest.

- ii. Shareholding of Employees Provident Fund Board (“EPF”) will reduced from 65.87% to 57.45%.
 - iii. Shareholding of minority shareholders will reduced from 34.13% to 29.77%.
 - c. Key Rationale for the Proposed Acquisition
 - i. Complementary businesses creating high synergistic opportunities for consumer, commercial & SME and corporate customers.
 - ii. Stronger capital base.
 - Opportunity to offer wider financial products and services.
 - Scalable investment banking business opportunities.
 - iii. Expanded network.
 - Cross selling to existing and new customers.
 - 47 MBSB Bank branches and 6 MIDF branches
 - Combines talent strength and expertise.
 - d. Purchase Consideration
 - i. The purchase consideration of RM1,014.29 million represents a price-to-book ratio (“PBR”) of 0.85 times based on 2022 MIDF Net Assets Post Adjustments which was within the range of 0.39 times to 1.47 times of the traded PBR of financial institution/ their holding companies listed in Malaysia.
 - e. Issue Price
 - i. The issue price of RM0.9652 per share represents a PBR of 0.83x (RM6.92 billion / RM8.30 billion) based on 2022 MBSB Net Assets Post Adjustments which is within the range of 0.39 times to 1.47 times of the traded PBR of financial institution/ their holding companies listed in Malaysia.
 - f. Effect of the Proposed Acquisition
 - i. Share Capital would increase from RM7,198 million to RM7,876 million.
 - ii. Number of shares would increase from 7,171 million shares to 8,222 million shares.
 - iii. Earning Per Share (“EPS”) would increase from 6.42 sen in FYE 2022 to 12.79 sen. Excluding one-off gain from acquisition and estimated expenses, the EPS was 6.53 sen.
 - iv. Net Assets would increase from RM8,350 million (after pre-completion dividend) to RM9,543 million. Net asset per share would remain at RM1.16.
 - v. Borrowings would increase from RM6,813 million (after pre-completion dividend) to RM7,052 million. Gearing would reduce from 0.82 times to 0.74 times.
 - g. Approvals Required
 - i. Approval for the Proposed Acquisition from Bank Negara Malaysia had been obtained.
 - ii. Approval for the listing of and quotation for the Final Consideration Shares on Main Market from Bursa Malaysia had been obtained.
 - iii. Approval from MBSB’s shareholders to be obtained at this EGM.
 - iv. Approval for the change in controller of MIDF Amanah Investment Bank Berhad and MIDF Amanah Asset Management Berhad from PNB to MBSB was pending.
 - v. Barring unforeseen circumstances and subject to regulatory approvals, the Proposed Acquisition expected to be completed in August 2023.
2. Encik Rafe then informed that Kenanga Investment Bank Berhad, the Independent Adviser (“IA”) for the Proposed Acquisition was of the opinion that the Proposed Acquisition was fair, reasonable and not detrimental to the interests of shareholders of MBSB. The IA had recommended that the shareholders of MBSB to vote in favour of the resolution pertaining to the Proposed Acquisition.
3. Encik Rafe then invited Encik Alvin Ooi Yet Ming (“Encik Alvin”), representative of Kenanga Investment Bank Berhad to brief the shareholders on the Independent Advice Letter (“IAL”) in relation to the to the Proposed Acquisition.

4. Encik Alvin presented the summary of the IAL as follows:-
- a. Rationale and benefits of the Proposed Acquisition
 - i. Enlarged banking group with end to end banking services.
 - Wider customer base.
 - Emerge stronger and more financially resilient.
 - ii. Broader range of products, services and solutions
 - Stronger asset and capital base.
 - Targeting previously underserved segments.
 - iii. Expanded network and complementary business
 - Minimal overlap of customer base and product offerings.
 - Improved customer data and analytics.

Based on the above, the IA was of the opinion that the rationale and benefits of the Proposed Acquisition 2343 reasonable.

- b. Evaluation of the Final Purchase Consideration and Final Issue Price
 - i. Final Purchase Consideration of RM1,014,295,048.55.
 - Implied PBR of 0.85 times which was below the median of comparable companies of 0.92 times and below the median of the precedent transactions of 1.28 times.
 - ii. Final Issue Price of RM0.9652 per Final Consideration Share
 - Final Issue Price was higher than the historical price of MBSB Shares for the past 3 years prior to LTD and up to the latest practicable date (“LPD”).
 - Premium ranging from 49.60% to 55.55% to the volume weighted average market price (“VWAP”) of MBSB Shares for various periods up to and including LPD.

Based on the above, the IA was of the view that the Final Purchase Consideration and Final Issue Price were fair.

- c. The IA also took the following factors into consideration for the evaluation:-
 - i. Salient Terms of the Share Purchase Agreement
 - ii. Effects of the Proposed Acquisition
 - iii. Prospects, outlook and future plans
 - iv. Risk factors of the Proposed Acquisition
- d. Conclusion and recommendation
 - i. Premised on the detailed evaluation as set out in the IAL, the IA was of the opinion that the Proposed Acquisition was fair, reasonable and not detrimental to the interests of shareholders of MBSB. The IA had recommended that the shareholders of MBSB to vote in favour of the resolution pertaining to the Proposed Acquisition.

5. Encik Rafe thanked Encik Alvin for the presentation. Encik Rafe then informed that the Board (save for the Employees Provident Fund’s Nominee Director who had voluntarily abstained) was of the opinion that the Proposed Acquisition was in the best interest of MBSB, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders. The Board (save for the Employees Provident Fund’s Nominee Director who had voluntarily abstained) recommended the shareholders to vote in favour of the resolution pertaining to the Proposed Acquisition.
6. Encik Rafe then presented the answers to the queries raised by Minority Shareholder Watch Group (“MSWG”) and the answers for the list of questions received from the shareholders prior to the EGM as per *Annexure 1*.
7. Encik Rafe then proceeded to address the questions received via query box from the shareholders, corporate representative and proxies during the meeting, the details of which as per *Annexure 2*.

8. The Chairman thanked the shareholders for all the questions posted and informed that in the event the questions were not answered at the meeting, the Company Secretary would revert on the answers to the shareholders via email soonest possible.

AGENDA OF THE MEETING

1.0 TO APPROVE THE PROPOSED ACQUISITION BY MALAYSIA BUILDING SOCIETY BERHAD OF 100% EQUITY INTEREST IN MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD FROM PERMODALAN NASIONAL BERHAD

The Chairman informed that the agenda of the meeting, which was an ordinary resolution, was to approve the proposed acquisition by Malaysia Building Society Berhad (“MBSB”) of the entire 100% equity interest in Malaysian Industrial Development Finance Berhad (“MIDF”) from Permodalan Nasional Berhad (“PNB”) for a purchase consideration of RM1,014,295,048.55 to be satisfied through the issuance and allotment of 1,050,828,629 new ordinary shares in MBSB at the issue price of RM0.9652 per share (“Proposed Acquisition”).

2.0 POLL PROCESS

There being no notice received for any other business, the Chairman declared that the meeting adjourned at 11.20 a.m. for the poll vote count.

3.0 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order at 11.35 a.m. for declaration of results. The Chairman informed that she has received the poll results from Tricor and the confirmation from Coopers. A copy of the same was attached as *Annexure 3*.

The details of the results were as follows: -

1. To approve the Proposed Acquisition (**Ordinary Resolution**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution	5,005,888,699	99.9935	326,884	0.0065

The Chairman declared that the Ordinary Resolution was duly passed as follows: -

RESOLVED THAT, subject to all approvals and consents being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to MBSB to acquire the entire 100% equity interest in MIDF from PNB for a purchase consideration of RM1,014,295,048.55 to be satisfied through the issuance and allotment of 1,050,828,629 new ordinary shares in MBSB being the Final Consideration Share(s) at the issue price of RM0.9652 per Final Consideration Share, as determined based on the principles and terms in the conditional share purchase agreement dated 9 June 2023 entered into between MBSB and the PNB (“SPA”), without such Final Consideration Shares being required to be offered to the members of MBSB in proportion, as nearly as may be, to the number of shares held by them in MBSB or at all and effectively resulting in the members of MBSB waiving their pre-emptive rights under Clause 47 of MBSB’s Constitution (read together with Section 85(1) of the Companies Act 2016) to be offered all or any part of the Final Consideration Shares to be issued;

RESOLVED THAT, approval be and is hereby given for the directors of the Company to issue and allot 1,050,828,629 Final Consideration Shares as determined based on the principles and

terms of the SPA as set out in Section 2.4 of the circular to shareholders of MBSB dated 12 July 2023;

RESOLVED THAT, the Final Consideration Shares shall be issued free from all encumbrances, and with all rights and benefits attached thereto, ranking equally in all respects with the existing issued and fully paid-up ordinary shares in MBSB, including without limitation all rights, dividends and/or other distributions which may be declared, made or paid in respect thereof, where the date on which the shareholders of the Company must be registered in order to participate in the relevant distribution, is on or subsequent to the date of completion of the SPA in accordance with its terms;

RESOLVED THAT, the Board be and is hereby authorised to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect and to complete the Proposed Acquisition, with full power to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Acquisition;

AND THAT, any and all previous actions taken by the Board for the purpose of and/or in connection with the Proposed Acquisition be and are hereby adopted, approved, ratified and confirmed.

CLOSE OF MEETING

There being no notice received for any other business, the Chairman concluded the Meeting at 11.40 a.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD

SIGNED

CHAIRMAN

MINORITY SHAREHOLDERS WATCH GROUP (MSWG) QUERIES

QUESTION 1

1. Post-completion of the Proposed Acquisition, MIDF will become a wholly-owned subsidiary of MBSB.
- 1(a) Moving forward, does MBSB plan to fully integrate MIDF (the entity and/or its businesses) into MBSB Bank to further streamline the organisation structure and operations?

After completing this Acquisition, will MBSB resume the earlier plan of turning MBSB Bank into a holding company and a listed entity?

ANSWER:

Post-completion of the Proposed Acquisition, the enlarged Group comprising MBSB Bank and MIDF will be working together as one team with one common aim to grow the business of the Group. There are presently no immediate plans to amalgamate the assets, liabilities and businesses of MBSB Bank and MIDF Group as a result of the Proposed Acquisition.

At this juncture, there are no plans to turn MBSB Bank into the holding company and a listed entity.

QUESTION 1 (b)

1(b) The Proposed Acquisition would result in an expanded network and complementary businesses, strengthening the enlarged group's footprint.

What is the enlarged number of branches and number of customers post-completion of acquisition?

ANSWER:

The Enlarged Group will possess a combined network of 53 branches spanning Peninsular Malaysia, Sabah, and Sarawak, comprising 47 branches from MBSB Bank and 6 branches from MIDF.

With over 303k retail customers, 4.8k SME customers, and 760 corporate customers, the Enlarged Group's customer base will be significantly strengthened. Additionally, it will serve 5k retail and institutional brokerage customers and 8.4k retail and institutional asset management customers, further expanding its market reach and capabilities.

QUESTION 2

2 MIDF's net profit and return on equity (ROE) for the past three financial years are shown below:

	FY2022	FY2021	FY2020
Profit attributable to shareholders of the company (RM'000)	76,395	33,460	77,150
Shareholders' equity (RM'000)	1,652,660	1,691,573	1,787,768
ROE (%)	4.62	1.98	4.32

Source: page 71, Appendix I, Circular dated 12 July 2023

MIDF's ROEs for the past three years were between 1.98% and 4.62%, compared to 3.1% and 5.2% for MBSB. For perspective, the ROE of Kenanga Investment Bank Berhad (which is involved in comparable businesses) was 10.72%, 11.55% and 5.27% for FY2020, FY2021 and FY2022, respectively.

The Acquisition of MIDF will benefit MBSB in terms of an enlarged financial services group with a wider network and product offerings. How does the Board and management plan to realise the full potential of the enlarged group to be more earnings accretive to be on par with other banking peers?

What are the strategies to achieve the above objectives?

ANSWER:

Enabled by the complementary range of customers and products of MBSB Group and MIDF Group, the Enlarged Group is better positioned to offer end-to-end banking services. MBSB believes that there are more avenues and opportunities for cross-selling complementary and/or existing products and services to the enlarged customer pool. The Consumer, Commercial, SME, and Corporate customers of both banks will have the advantage of a more extensive suite of financial products and services.

QUESTION 2

ANSWER (CONT'D):

Consumer: The integration of MBSB Bank's consumer-focused services with MIDF's asset management division will allow the Enlarged Group to cater to a broader spectrum of customer needs. Customers of MBSB Bank will be able to access wealth creation tools and investment opportunities through MIDF's investment platform, providing them with a holistic approach to manage and grow their assets. Customers of MIDF will also be able access MBSB Bank's retail solutions including property financing and personal financing. Customers will have a seamless and diversified experience under one roof, fostering stronger customer loyalty and retention.

Commercial & SME: Both banking groups have a strong heritage of supporting the micro and SME space in Malaysia. Recognising the sizeable financing gap within the SME market, the merger of both banking groups will add MBSB Bank's range of commercial banking products to MIDF's development finance capabilities, to the Enlarged Group's network of clients. There is also opportunity to originate club deals, combining existing Government Scheme Funds (currently disbursed by MIDF) and proprietary lending products by MBSB Bank to comprehensively meet the financing requirements of SMEs.

Corporate: Complementing MBSB Bank's traditional banking products and services, the merger introduces a compelling fundraising solution and a fuller suite of investment banking services offered by MIDF. These encompass an array of financial offerings, including debt capital market services, equity capital market services, and corporate finance solutions. The integration of these capabilities will enable the Enlarged Group to offer a more comprehensive financial proposition to a wide spectrum of clients. This comprehensive offering is expected to lead to higher customer satisfaction, loyalty, and an increased propensity for clients to engage in more business with the Group, driving earnings growth.

QUESTION 3

3. Despite recording higher operating revenue at RM100.81 million in the three month ended 31 March 2023 for FY2023, MIDF turned loss-making with a net loss of RM1.8 million compared to a net profit of RM16.23 million in the previous corresponding period (page 71, Appendix 1, Circular dated 12 July 2023). The decline was attributable to lower net income from Islamic banking operations and non-interest income, and the absence of impairment write-back during the financial period.
- 3(a) How will MIDF perform financially for the rest of FY2023?

ANSWER:

For the financial period 31 March 2023, whilst MIDF recorded a higher operating revenue of RM100.81million, the overall net income has declined to RM53.3million (31 March 2022 : RM62.9 million).

The decline of net income was attributable to:

- i. Higher cost of funding as observed from the higher interest expense and higher income attributable to depositors (notably this is also similar industry trends particularly pursuant to four revisions of Overnight Policy Rates after 31 March 2022 to 31 March 2023 and the market's anticipation of further rate hikes hence resulting in higher cost of funds);
- ii. Lower investment income particularly attributable to the unrealised marked to market loss on valuation of derivative financial instruments; and
- iii. Lower fee income recognition due to slower progress on mandated deals.

QUESTION 3 (Cont'd)

ANSWER (CONT'D)

On the back of the evolving and challenging operating landscape, MIDF's focus would be to continue to strive and maintain a healthy balance between growth and diligence as it pursues its activities in 2023 whilst ensuring compliance to its regulatory requirements.

For its fee based income, MIDF will continue its efforts on execution of mandated deals and securing new deals while for its fund based income, the primary focus would be to optimise its position in the face of a challenging interest/profit rate environment. In addition, post completion of the proposed acquisition, MIDF looks forward to realising potential synergies with MBSB Bank.

QUESTION 3 (Cont'd)

3(b) For FY2022, MIDF's net impaired loans ratio (NIL) increased to 11.5% from 11.13% in the year before (page 145, Note 11 (b)(i) – Loans, advances and financing, Appendix II, Circular dated 12 July 2023).

Was the NIL of MIDF above 10% in the past? Please provide a five-year trend of MIDF's NIL to enable MBSB's shareholders to better gauge the asset quality of MIDF.

ANSWER:

Please refer to the table below

<u>Financial Year</u>	<u>NIL Ratio</u>
FY2022	11.50%
FY2021	11.13%
FY2020	10.25%
FY2019	22.49%
FY2018	31.42%
FY2017	41.99%

QUESTION 3 (Cont'd)

3(c) MIDF's impaired loans, advances and financing (LAF) amounting to RM49 million was extended to mining and quarrying customers during the year. These LAFs were categorised as exposures to COVID-19-impacted sectors. (page 146, Note 11 (b)(ii) – Loans, advances and financing, Appendix II, Circular dated 12 July 2023).

What resulted in the impairment upon the expiry of COVID-19 loan assistance measures? Are the impaired LAFs recoverable or reversible?

ANSWER:

The RM49 million is attributed to a single account. During the COVID lockdown, the bank provided temporary Repayment Assistance to the customer in line with the government's call.

Upon expiration of the repayment assistance, the customer was still unable to pay, hence the loan becoming impaired.

Recovery efforts are in progress, and we hope to resolve it soon.

PRE-EGM QUERIES FROM SHAREHOLDERS

QUESTION 1

- 1 What would be the actions that will be taken to increase the share price of MBSB post-merger, and what will be the dividend payout ratio policy will be undertaken by MBSB?

ANSWER:

Our share price is expected to improve as our financial performance improves, subject to market forces and sentiments.

MBSB has in place a dividend policy to pay a minimum 30% dividend on profit after tax.

QUESTION 2

2. Adakah perancangan bagi meningkatkan kecekapan Operasi MBSB. Semasa saya berurusan untuk dapatkan penyata menunggu masa lama dan cetakan menggunakan printer lama.

Mohon MBSB menaiktaraf perkhidmatan dengan secara Online dimana pelanggan yang ada akaun boleh menggunakan talian online untuk lihat dan download PDF untuk rekod. Online akses tanpa perlu penggunaan kad debit. Contoh : Public Bank boleh akses akaun online walaupun akaun tanpa kad debit atau kad kredit.

ANSWER:

MBSB Bank telah memperkenalkan penyata dalam talian (e-statement) melalui perbankan internet dan aplikasi mudah-alih M Journey. Pelanggan boleh menyemak dan memuat-turun penyata akaun sama ada secara bulanan bagi akaun semasa atau setiap tiga bulan bagi akaun simpanan. Pelanggan boleh melayari laman web MBSB Bank di www.mbsbbank.com atau memuat turun aplikasi M Journey di Apple Store dan juga Google Play.

Pendaftaran untuk akses perbankan internet dan aplikasi mudah-alih M Journey tidak memerlukan kad debit. Pelanggan boleh mendaftar penggunaan perbankan internet dan aplikasi mudah-alih dengan hanya menggunakan nombor akaun semasa atau simpanan. Akses transaksi lain seperti pindahan wang memerlukan pelanggan mendaftar aplikasi mudah-alih M Journey untuk meluluskan transaksi.

QUESTION 3

3. Is the company giving any door gift to shareholders attending this EGM

ANSWER:

The company has a no-gift policy. We believe in rewarding all shareholders equally and meaningfully. To achieve this, available funds will be channeled back to shareholders in terms of dividends.

No	Question	Answer
1	In your circular to shareholders dated 12 July 2023 under Appendix 3, item number 7 Dividends, it was mentioned that MBSB shall use its reasonable endeavours to declare a post-completion dividend whether as interim and/or final dividends within 12 months after PNB is registered as a shareholder. Could you please clarify whether a post completion dividend will be declared after this merger has been completed.	Although there is intention to declare post-completion dividends, any declaration of dividends would need to take into consideration the financial performance of the group, working capital requirements, applicable legal requirements and is also subject to approval from the Regulator.
2	How much equity ownership will be owned by PNB upon such proposal goes through?	Post-completion of the Proposed Acquisition, PNB will be issued 1.05 billion MBSB shares, which translates to 12.78% of the enlarged equity interest in MBSB. As a result, PNB will become a new substantial shareholder of MBSB, becoming the second largest shareholder after EPF.
3	Would the PNB will elect its member to join the board of members?	- Under the SPA, PNB is entitled to nominate 2 persons as directors of MBSB, one of whom shall be an independent director, subject to the Regulator's approval. - An application to the Regulator on the appointment will be made before completion of this exercise. - Barring any unforeseen circumstances, these appointments are expected to be finalised within 2 to 3 months from the date of the application to the Regulator - Further announcements will be made with regard to the appointments of new directors to MBSB.
4	Any financial implication to MBSB upon acquire MIDF? How much profit contribution expected derived from the MIDF segment?	Historically, for FYE 31 December 2022, MIDF recorded profits of approximately RM76.4 million. We cannot comment on future financial performance, either for MBSB group or the MIDF group. However, we do expect going forward that the profit contribution from MIDF to the MBSB Group should continue to be positive, after taking into consideration the potential synergies and cross selling between the 2 groups.
5	How about the staff planning upon acquire the MIDF?	Staff planning upon acquiring the other company is a crucial aspect of the integration process. Our focus will be on optimizing and synergizing the workforce to unlock their full potential and drive the success of the merged entity. By optimizing and synergizing the workforce, we will create a cohesive and high-performing organization that leverages the strengths of both banks and maximizes the potential of our talented employees.
6	What more can the senior management and the BOD do to make the shareholders and general public more confident with MBSB?	The Management and Board will set a comprehensive overall strategy and direction taking into consideration the synergy of the merger with focus in creating and delivering value to shareholders.
7	After the merger transaction via share swap, this financial institutions will move towards what direction and which company is our nearest competitors that serve the market that MBSB and MIDF serving?	There are more avenues and potential opportunities for cross selling of complementary and existing products and services to the enlarged customer pool as well as improvement in services: •For MBSB, there is a potential to increase its customer base as MBSB's customers are predominantly retail / individual while MIDF's customers are largely corporate. MBSB will be able to scale up its existing corporate and small medium enterprise (SME) clients using MIDF's banking products; •For MIDF's investment banking, there is a potential to support larger transaction value deals by leveraging on MBSB's balance sheet such as corporate finance and debt market deals. In view of the above, MBSB believes that the Proposed Acquisition will provide a good avenue for MBSB Group to grow its banking segment to compete with other banks.
8	1) When will MBSB Islamic Bank will take over the listing statuses of MBSB? 2) What is the plan of the bank for future growth?	1) There are currently no plans for MBSB Bank to assume the listing status of MBSB. We are currently focused on completing the MIDF acquisition and implementing the post-merger integration to ensure that the integration process will be executed smoothly. 2) The proposed acquisition of MIDF will enable the enlarged banking group to provide a broader range of products, services and solutions to our customers. The MIDF Group will continue to grow its business, with focus in shariah-compliant businesses.
9	Would like to enquire about the progress of MBSB BANK's conversion to become a fully Islamic bank. What's the percentage of completion in the conversion? Is there a dateline? Thank you.	MBSB Bank is a fully Islamic licensed bank governed by the Islamic Financial Services Act 2013.
10	any workforce downsize coming soon ?	There are currently no plans to reduce the workforce. We will be able to complement the skills of the workforce from MBSB Bank & MIDF, and aim to retain and maximise the potential of our talent, to ensure the merger's success. We will optimize processes and reallocate resources, as necessary, to achieve cost optimization without reducing the workforce.
11	A news release on 26 of July stating the unsuccessful auction of a land which Serba Dinamik pledged on their loan from MBSB bank. How does the company going to deal with this issue? Will the company do a write down of the loan to Serba Dinamik in the near future?	Recovery will be dealt according to our recovery policy, which includes continuing effort to auction off the collateral (Land). From financial impact perspective, we have provided the necessary provision for exposure to Serba Dinamik.

12	<p>Could you please comment on Bintai Kinden allegedly defaulting on a RM109 million Islamic financing facility.</p> <p>Is there any asset being pledged by Bintai Kinden on the above loan?</p> <p>Will there be any write down of the loan in the near future?</p>	<p>We have commenced legal action against the borrower, Optimal Property Sdn Bhd and the corporate guarantor, Bintai Kinden Corp Bhd. The litigation is currently in the early stages where parties are in the midst of filing their respective pleadings.</p> <p>The exposure has been provided for appropriately in accordance with accounting standards.</p>
13	<p>Is there any loan exposure to Serba Dinamik by MIDF?</p>	<p>Yes, MIDF via its subsidiary MIDF Amanah Investment Bank Berhad has exposure to Serba Dinamik as part of a syndicated financing facility.</p> <p>The exposure has been provided for appropriately in accordance with accounting standards.</p>
14	<p>how does this acquisition benefits the minorities shareholders in terms of dividend and share price ?</p>	<p>MBSB's share price post-merger will be determined by market forces.</p> <p>Any declaration of dividends would need to take into consideration the financial performance of the group, working capital requirements, applicable legal requirements and is also subject to approval from the Regulator.</p>
15	<p>Why MIDF latest result was significant lower than preceding years? Will it continue going forward?</p>	<p>The lower result for MIDF 1Q2023 compared to the corresponding period in 2022 was attributable to:</p> <ul style="list-style-type: none"> (i) Higher cost of funding as observed from the higher interest expense and higher income attributable to depositors. Notably, this is similar to the trend in the industry, particularly pursuant to four (4) revisions of Overnight Policy Rates between 31 March 2022 and 31 March 2023 by Bank Negara and the market's anticipation of further rate hikes, resulting in higher cost of funds); (ii) Lower investment income particularly attributable to the unrealised marked to market loss on valuation of derivative financial instruments; and (iii) Lower fee income recognition due to slower progress on mandated deals. <p>On the back of the evolving and challenging operating landscape, MIDF's focus would be to continue its efforts to perform and will strive and maintain a healthy balance between growth and diligence as it pursues its activities in 2023 whilst ensuring compliance to its regulatory requirements.</p> <p>For its fee based income, MIDF will continue its efforts on execution of mandated deals and securing new deals while for its fund based income, the primary focus would be to optimize its position albeit the challenging interest/profit rate environment. In addition, post completion of the proposed corporate exercise, MIDF looks forward to realising potential synergies with MBSB.</p>
16	<p>Can the management explain what is the net excess capital and adjusted closing net asset after excess capital in layman term? thanks</p>	<p>Essentially, the excess capital is computed by taking the difference between the CET-1 capital as at Closing Account Date (31 December 2022) and the CET-1 ratio of 15% which has been agreed between the parties, multiplied by the risk weighted assets less pre-completion dividend.</p> <p>The 15% CET-1 ratio is within the CET-1 capital of financial institutions listed in Malaysia between 12.84% to 17.90%.</p>
17	<p>After this acquisition, what will be the No of share ? and what's the nta for MBSB ? Please explain</p>	<p>1) As the purchase consideration is via issuance of new shares, MBSB number of shares in issue will increase from 7,171,484,803 to 8,222,312,432 post completion of the Proposed Acquisition.</p> <p>2) As at 31 March 2023, the NTA of MBSB Group is RM8.26bil (after excluding goodwill and intangible assets of RM290mil).</p>
18	<p>After this acquisition, Will the MBSB be giving same dividend or more for the coming year ? Please reply</p>	<p>Any declaration of dividends will take into consideration the Group's financial performance, working capital requirements, applicable legal requirements and also be subject to the approval from the Regulator.</p>
19	<p>May I know in simple language, what the payback period & what is the IRR? Because whenever there is an acquisition, a rosy picture is painted with all sorts goodness of synergies and return. However, in reality, many BIG companies have failed in their acquisitions even with high pay talents in the company. Eventually, only shareholders suffer tremendously whereas the board and management still get their fees and salaries and all sort of other benefits!</p>	<p>The purchase consideration represents a PBR of 0.85 times. It is within the range of traded PBRs of 0.39 times to 1.47 times applicable to financial institutions or their holding companies listed in Malaysia.</p> <p>As stated in the independent advice letter (IAL), the implied PBR of 0.85 times is lower than the average and median PBR of the comparable companies as stated in the IAL of 0.89 and 0.92 times, as well as within the range of the comparable companies' PBR of 0.50 to 1.22 times.</p>
20	<p>Hi. PNB bought out MIDF at RM1.9 back in 2007, valuing MIDF at RM1.8 billion. Current MBSB buy of MIDF at RM 1.014 billion is very much cheaper. IS MBSB getting a bargain basement deal??</p>	<p>The purchase consideration represents a PBR of 0.85 times. It is within the range of traded PBRs of 0.39 times to 1.47 times applicable to financial institutions or their holding companies listed in Malaysia.</p> <p>As stated in the independent advice letter (IAL), the implied PBR of 0.85 times is lower than the average and median PBR of the comparable companies as stated in the IAL of 0.89 and 0.92 times, as well as within the range of the comparable companies' PBR of 0.50 to 1.22 times.</p>
21	<p>If any excess capital with MBSB (Post merger) and BNM approval. Would MBSB distribute the excess capital to MBSB shareholders soonest? Distributed over few period? Thank you.</p>	<p>Although there is intention to declare post-completion dividends, any declaration of dividends would need to take into consideration the financial performance of the group, working capital requirements, applicable legal requirements and is also subject to approval from the Regulator.</p>
22	<p>Any special dividend for shareholder for this merging?</p>	<p>Any declaration of dividends would need to take into consideration the financial performance of the group, working capital requirements, applicable legal requirements and is also subject to approval from the Regulator.</p>

23	How the group comments on the current Case of SDSB ? Any impact to the merging plan on this?	Recovery from exposure to SDSB (Serba Dinamik Sdn Bhd) is to be dealt according to our recovery policy, which includes continuing effort to auction off the collateral (land). From financial impact perspective, we have provided the necessary provision for exposure to SDSB.
24	Will there be any work from home from this acquisition? How does this help in the bottom line? Which segment have this privilege?	We are complying to Flexible Working Arrangement as per recent employment act amendments.
25	A subsidiary of Serba Dinamik Holdings Bhd failed to auction off a plot of project land it was ordered to put on sale by the court to settle a loan from MBSB Bank Bhd that it had defaulted on. The sale was undertaken by the group's wholly-owned Serba Dinamik Group Bhd between 30th March 2023 and July 2023. (The Edge) Question: May I know why the auction was not undertaken by MBSB but instead by the borrower itself?	The auction was initiated by MBSB as part of our recovery process. MBSB is a secured creditor.
26	Any synergies in staffing ie. less staff and therefore more cost savings.	As previously answered, there is no plans to reduce workforce. We will be able to complement the skills of the workforce from MBSB Bank & MIDF, and aim to retain and maximise the potential of our talent, to ensure the merger's success. We will optimize processes and reallocate resources, as necessary, to achieve cost optimization without reducing the workforce.
27	Hi BOD. How are you going to compete with your peers in the Banking and Finance sector ? The performance leave much to be desired viz.a.viz in terms profit and dividend. It is obvious that the BOD are incompetent , staff personnel are under performing. You need to have dynamic and professional employees who are dedicated, hardworking and knowlegable. Integrity ,Honesty and Responsibility to the shareholders must be the priority of the BOD.	The enlarged banking group will greatly add value due to the strength in its respective areas. Hence we strongly believe with a comprehensive strategy & direction the enlarged banking group will be able to compete with peers.
28	How much is the provision for Serba Dinamik's non performing loan?	We have provided the necessary provision for exposure to Serba Dinamik in accordance with the accounting standards.
29	Do you see a more positive or negative outcome on the auction of the land pledged to Serba Dinamik loan?	At this juncture we are unable to provide a view as this is part of the normal process in recovery.
30	With this acquisition, are the 2 companies still operating as 2 separate entities?	Post-completion of the Proposed Acquisition, the enlarged Group comprising MBSB Bank and MIDF will be working together as one team to grow the business of the Group. At this juncture, there are no immediate plans to amalgamate the assets, liabilities and businesses of MBSB Bank and MIDF Group as a result of the Proposed Acquisition.
31	What can the shareholders expect with the new leadership in the Company?	The Management and Board will set a comprehensive overall strategy and direction taking into consideration the synergy of the merger with focus in creating and delivering value to shareholders.
32	Does the Company has a fixed dividend policy in place? Can the board elaborate on the fixed dividend policy?	MBSB has in place a dividend policy to pay a minimum of its current year PAT (provided certain factors and considerations are met e.g availability of reserves and any regulatory requirements).
33	Dear team, Can i know the estimation of %revenue upon the acquisition for MBSB? Thank you.	Historically, for FYE 31 December 2022, MIDF recorded profits of approximately RM76.4 million. We expect going forward the profit contribution from MIDF to the MBSB Group should be continue to be positive after taking into consideration the potential synergies and cross selling between the 2 group.
34	I need to thanks the board of director and all MBSB team for continue creating value for stakeholders. Keep up the good work and I believe all the dedicated and hardworking members of MBSB will be well rewarded in the future!	Thank you, we hope to receive shareholders continuous support towards the enlarged group and will keep up the good work in delivering great value.
35	May I get a hard copy of today's Egm ' s documents to be send to me	We will send the circular to you within 4 working days.
36	Dear BOD, please consider giving e-vouchers to those attending this EGM. Thanking you in advance	The company has a no gift policy. We believe in rewarding all shareholders equally and meaningfully. To achieve this, available funds will be channeled back to shareholders in terms of dividends

MALAYSIA BUILDING SOCIETY BERHAD
(9417-K)

Annexure 3

Extraordinary General Meeting
Level 4, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52,
46200 Petaling Jaya, Selangor
On 27-July-2023 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	5,005,888,699	99.9935	326,884	0.0065	5,006,215,583	100.0000



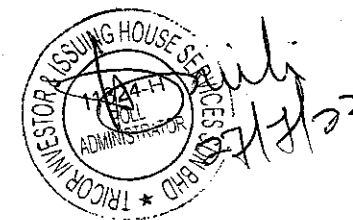
MALAYSIA BUILDING SOCIETY BERHAD
(9417-K)

Extraordinary General Meeting

Level 4, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52,
46200 Petaling Jaya, Selangor
On 27-July-2023 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	5,005,888,699	99.9935	656	86.2024	326,884	0.0065	105	13.7976	5,006,215,583	100.0000	761	100.0000



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	1,239,409	5	204,145	13

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

