



MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING OF TA ENTERPRISE BERHAD (“THE COMPANY”) HELD AT THE AUDITORIUM, 10TH FLOOR, MENARA TA ONE, 22 JALAN P. RAMLEE, 50250 KUALA LUMPUR ON MONDAY, 28 SEPTEMBER 2020 AT 11.30 A.M.

Present – Board of Directors

Datuk Tiah Thee Kian	-	Non-Independent Non-Executive Chairman
Datin Tan Kuay Fong	-	Managing Director & Chief Executive Officer
Puan Zainab Binti Ahmad	-	Executive Director
Dato’ Sri Mohamed Bin Abid	-	Non-Independent Non-Executive Director
Datuk Jory Leong Kam Weng	-	Independent Non-Executive Director
Mr Christopher Koh Swee Kiat	-	Independent Non-Executive Director
Datin Rahmah Binti Mahmood	-	Independent Non- Executive Director

Absent with apologies

Mr Peter U Chin Wei	-	Independent Non-Executive Director
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In Attendance

Mr Lee Lin Chyuan	-	Head of Group Accounts
Ms Chuah Wen Pin	-	Company Secretary
Ms Tan Kit Yee	-	Company Secretary
KPMG PLT (Mr Chua See Guan, Partner)	-	External Auditors
Tricor Investor & Issuing House Services Sdn Bhd	-	Poll Administrator
Asia Securities Sdn Berhad	-	Scrutineers

The attendance of the Directors, Company Secretaries and members of senior management is as set out in Annexure 1.

The attendance of Members/Corporate Representatives/Proxies is as per the Summary of Attendance List in Annexure 2.

CHAIRPERSON OF THE MEETING

Datin Tan Kuay Fong presided as Chairperson of the Meeting.

QUORUM

There being 69 members present in person and by proxy, the Secretary confirmed that a quorum was present at the Meeting in accordance with Clause 72 of the Company’s Constitution.

Datin Chairperson then called the Meeting to order.

NOTICE

The Secretary confirmed that due Notice for the calling of the Meeting had been given to all registered shareholders of the Company on 30 June 2020 and that the same Notice was advertised in The Star national newspaper on the same day.

Since due Notice had been given to all registered shareholders of the Company for the calling of the Meeting, Datin Chairperson announced that the Notice was taken as read.

Datin Chairperson further informed the Meeting that other than registered shareholders of the Company, the Company’s Auditors who were present at the Meeting are entitled to attend all general meetings of the Company and that the Directors and Secretaries of the Company were present at the Meeting together with the invited senior management staff to answer questions from the floor relating to the resolutions proposed.

Datin Chairperson also informed the Meeting that other than the aforementioned persons and registered shareholders of the Company, no other person had been invited or allowed to be present at the Meeting.

VOTING

The Secretary informed that: -

- (1) The proposed resolutions are to be passed by a simple majority which will require more than 50% votes of ordinary shareholders present in person or by proxy at the Meeting.
- (2) The voting at the Meeting would be conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad by way of electronic voting (“*e-voting*”).
- (3) The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd (“*Tricor*”) as Poll Administrator to conduct the polling process and Asia Securities Sdn Berhad (“*Asia Securities*”) as the Scrutineers to verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”)

The Secretary informed the Meeting that the Company had on 21 September 2020 received a letter from MSWG enquiring certain issues of interest.

The replies to MSWG’s questions were presented by Ms Kimmy Khoo Poh Kim, Executive Director of TA Global Berhad via a PowerPoint presentation for the benefit of the shareholders present at the Meeting, a copy of the said questions and answers is as set out in Annexure 3.

AGENDA

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Datin Chairperson informed that the first agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2019 and the Reports of the Directors and Auditors thereon (collectively referred to as the “*Financial and Reports FYE2019*”).

Datin Chairperson explained that the Financial and Reports FYE2019 was for discussion only under Agenda 1, as it did not require shareholders’ approval. Hence, it would not be put for voting. Datin Chairperson then invited questions from the floor on the Financial and Reports FYE2019.

A shareholder sought clarification / information on certain matters and the response from the Directors and/or Management were summarized as follows:-

- (a) The shareholder commented that the Group has lots of properties and enquired whether the properties’ value have dropped in view of the current economic condition.

Datin Chairperson replied that they are currently revaluing some of the Group’s major properties and the value will most likely drop especially for the hotels due the COVID-19 pandemic. Mr Richard added that the Management will re-assess the impairment on hotels from time to time.

- (b) The shareholder enquired why the Company does not apply for an investment banking status.

Datin Chairperson explained that it will be costly for the Company to apply for an investment banking status and the Board is of the opinion there is no need to incur such cost at this juncture.

There being no further questions raised on the Financial and Reports FYE2019, Datin Chairperson declared that the Financial and Reports FYE2019 as received and duly tabled at the Meeting.

Datin Chairperson then informed the Meeting that there would be 11 resolutions to be passed at the Meeting and each must be separately considered and voted by poll for which the shareholders and proxies would be given the opportunity to ask questions or express an opinion on each resolution.

2. RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH CLAUSE 117 OF THE COMPANY'S CONSTITUTION

Datin Chairperson informed that 3 Directors who retired by rotation in accordance with Clause 117 of the Company's Constitution were eligible for re-election. The retiring Directors who offered themselves for re-election under Resolutions 1, 2 and 3 respectively were as follows: -

- (a) Datuk Tiah Thee Kian (**Resolution 1**)
- (b) Datin Tan Kuay Fong (**Resolution 2**)
- (c) Mr Peter U Chin Wei (**Resolution 3**)

Datin Chairperson informed that Mr Peter U Chin Wei is currently in Melbourne and due to the COVID-19 restrictions on international travel, he is unable to return to Kuala Lumpur to attend this Meeting.

Datin Chairperson then invited questions from the floor pertaining to Resolutions 1, 2 and 3. No matter was raised by shareholders and proxies of the Company on this agenda.

3. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Shareholders' approval was sought for the payment of Directors' fees amounting to RM149,500.00 per annum for the Non-Executive Directors for the financial year ended 31 December 2019 under **Resolution 4** at the Meeting.

Datin Chairperson invited questions from the floor pertaining to Resolution 4. No matter was raised by shareholders and proxies of the Company on this agenda.

4. DIRECTORS' BENEFITS FROM 29 SEPTEMBER 2020 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

Shareholders' approval was sought for the payment of Directors' benefits of up to RM134,033.00 payable to the Non-Executive Directors from 29 September 2020 until the next Annual General Meeting of the Company under **Resolution 5** at the Meeting.

Datin Chairperson invited questions from the floor pertaining to Resolution 5. No matter was raised by shareholders and proxies of the Company on this agenda.

5. RE-APPOINTMENT OF AUDITORS

Shareholders' approval was sought to re-appoint KPMG PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration under **Resolution 6** at the Meeting.

Datin Chairperson invited questions from the floor pertaining to Resolution 6. No matter was raised by shareholders and proxies of the Company on this agenda.

6. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY PURSUANT TO THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

Datin Chairperson informed that Resolutions 7, 8, 9 and 10 were to seek shareholders' approval to retain Independent Non-Executive Directors who have exceeded a cumulative term of nine years pursuant to the Malaysian Code on Corporate Governance.

The Independent Non-Executive Directors who have exceeded a cumulative term of nine years were as follows: -

- (a) Mr Peter U Chin Wei (**Resolution 7**)
- (b) Datuk Jory Leong Kam Weng (**Resolution 8**)
- (c) Mr Christopher Koh Siew Kiat (**Resolution 9**)
- (d) Datin Rahmah Binti Mahmood (**Resolution 10**)

Datin Chairperson invited questions from the floor pertaining to Resolutions 7, 8, 9 and 10. No matter was raised by shareholders and proxies of the Company on this agenda.

7. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016

Datin Chairperson informed that **Resolution 11** was for the shareholders to grant authority to the Directors to further allot and issue ordinary shares in the Company and the proposed resolution to be passed was as set out in the Notice of 30th Annual General Meeting.

Datin Chairperson then invited questions from the floor pertaining to Resolution 11. No matter was raised by shareholders and proxies of the Company on this agenda.

ANY OTHER BUSINESS

Datin Chairperson sought confirmation from the Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 2016 and the Company's Constitutions. The Secretary confirmed that the Company had not received any notice of transaction of any other business at the Meeting.

POLLING PROCESS

Datin Chairperson then initiated the poll voting process and invited the Poll Administrator to explain the polling procedures.

Ms Samantha Goh of Tricor, the Poll Administrator explained the procedures for the conduct of poll at the Meeting using Tricor e-voting system.

The results of the poll were verified by the Scrutineers, Asia Securities.

ANNOUNCEMENT OF POLL RESULTS

At 12.30 p.m. Datin Chairperson called the Meeting to order for the declaration of results. She informed that she had received the poll results from Tricor, attached as Annexure 4. The poll results were shown on the projection screen in the meeting hall.

Based on the poll results, Datin Chairperson declared that Ordinary Resolutions 1 to 11 were carried. The Meeting **RESOLVED: -**

Resolution 1

“**THAT** Datuk Tiah Thee Kian who retired by rotation in accordance with Clause 117 of the Company's Constitution, be re-elected as Director of the Company.”

Resolution 2

“**THAT** Datin Tan Kuay Fong who retired by rotation in accordance with Clause 117 of the Company's Constitution, be re-elected as Director of the Company.”

Resolution 3

“**THAT** Mr Peter U Chin Wei who retired by rotation in accordance with Clause 117 of the Company's Constitution, be re-elected as Director of the Company.”

Resolution 4

“**THAT** the payment of Directors’ fees amounting to RM149,500.00 per annum for the Non-Executive Directors for the financial year ended 31 December 2019 be approved.”

Resolution 5

“**THAT** the payment of Directors’ benefits of up to RM134,033.00 payable to the Non-Executive Directors from 29 September 2020 until the next Annual General Meeting of the Company be approved.”

Resolution 6

“**THAT** the re-appointment of KPMG PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and authorization to the Directors to fix their remuneration be approved.”

Resolution 7

“**THAT** Mr Peter U Chin Wei be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

Resolution 8

“**THAT** Datuk Jory Leong Kam Weng be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

Resolution 9

“**THAT** Mr Christopher Koh Siew Kiat be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

Resolution 10

“**THAT** Datin Rahmah Binti Mahmood be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

Resolution 11

“**THAT** subject always to the Companies Act 2016, Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 of the Companies Act 2016 to further allot and issue ordinary shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this resolution does not exceed ten percent (10%) of the total issued share capital of the Company in any one financial year and that such authority shall remain in force until the conclusion of the next Annual General Meeting of the Company.”

CLOSE OF MEETING

There being no other business transacted, Datin Chairperson declared the Meeting closed at 12.40 p.m.

Signed as a correct record,

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Chairperson of the Meeting

Appendix 3: Minority Shareholders Watchdog Group's Questions and Answers

Strategy and Financial Matters

1) TAE has intensified its investments in securities with increase in securities value to RM714.34 million on 30 June 2020 from RM371.25 million on 31 December 2019.

a) What is the breakdown of the investments in securities according to asset classes?

	Group		Variance RM'm
	30 June 2020 RM'm	31 December 2019 RM'm	
Current assets			
Shares	310.64	207.69	102.95
Unit trusts	1.77	23.23	(21.46)
Structured securities	361.98	76.93	285.05
Bonds	39.95	63.40	(23.45)
	<u>714.34</u>	<u>371.25</u>	<u>343.09</u>

b) What are the key markets and industries that these monies were invested?

Currently focused on US markets for travel service, airlines, automobile and IT industries.

2) TA Capital Sdn Bhd (TAC), a credit and lending arm of TAE posted RM3.3 million pre-tax profit to the Group in FY19.

a) What is the expected loan growth rate in FY20?

- Growth is expected in ESOS financing business, where TAC will focus on counters which we already have strong client base or where TAC is their major ESOS financier.
- For Term Loan financing, some gradual and full settlement of loan accounts is expected by end of the FY2020.
- Overall, a Profit Before Tax of RM4.0 million is projected for FY2020 - an increase of RM0.7 million compared to FY2019.

b) How does the cut in Overnight Policy Rate by Bank Negara Malaysia affect the interest margin of TAC?

- In tandem, with the reduction in the Overnight Policy Rate from May 2020 to September 2020, TAC's average borrowing cost dropped by 0.32%.
- This drop in borrowing cost is translated into higher profitable interest margin for TAC as its lending rate to its clients remains status quo.

3) TAE'S property development division is expected to rely on Ativo Suites and ALIX Residences to sustain the division performance in FY20.

What are the latest take-up rates of the two projects? What are the measures taken to boost sales amid the soft property market?

Take-up rate

- Ativo Suites - 83%.
- Alix Residences - 57% expression of interest and contracted sales

Measures to boost sales

- Rolled out our very own “Easy 2 Own” home ownership campaign
- Adopted HOC initiatives re-introduced by the Government of late to boost sales
- The strategic location of the projects coupled with its quality finishes and design concept at competitive pricing, further enhances its value and salability

4) TAE has re-strategised its yet-to-launch development projects (page 36 of AR2020). Why is a revised strategy required for these upcoming projects?

What aspects of these upcoming projects are being relooked at by TAE? What is the estimated gross development value (GDV) of these future projects?

- The yet-to-launch development projects refers to Ativo Annexe, TA3&4, Nova Square and Kluang Johor, where Development Order approvals has been obtained and in an advanced stage of planning.
- In the revision of the yet-to-launch development projects, we:
 - (a) Change the unit mix and product sizes
 - (b) Adopted value engineer to bring down the construction cost
 - (c) Readjusted the selling prices to a more competitive pricing to boost demand
- Total estimated gross development value of these projects is approximately RM 8.5 billion.

5) In 2020, the unit trust and management arm of TAE plans to launch four new funds and expanding private mandate business through private bankers (page 32 of AR2019).

a) What are the focuses of the new funds?

- The following three (3) new funds as of 31 August 2020 focuses on Asia regions.

Fund Name	Types of fund	Launched Date
TA Asian Bond Fund	Fixed Income	19 February 2020
TA Flexible Asian Bond Fund	Fixed Income	17 March 2020
TA Asia Absolute Alpha Fund	Equity	12 May 2020

b) How does the focus of these four new funds fit into the risk appetite of investors in the current challenging macroeconomic environment?

Addressing the Risk Appetite of Investors

i. TA Asian Bond Fund

- Asian-focused fixed income strategy
- Use interest rate derivatives such as US bond futures and interest rate swaps to actively manage duration risk
- Allocation up to 30% in Asian local currency for yield pick up
- Adopt overweight allocation to high yield credit
- Focus on credit differentiation by investing in companies that are better positioned to weather the pandemic-induced growth slowdown.
- Allocation of high yield sectors as a carry play.

- maintain higher convictions on property, utilities and Technology, Media and Telecommunications (TMT) sectors
- Avoid lower rated corporates in India and Indonesia that are more susceptible to liquidity constraints in the near term.

ii. TA Flexible Asian Bond Fund

- Income and capital growth on investments in broad Asian Fixed Income markets - including both hard and local currency sovereign debt, high grade and high yield corporate bonds and global Sukuk bonds
- Asset allocation according to different phases of the economic cycle by investing during markets rally or adopting wealth protection when markets fall
- Adopting scorecard approach to analyze investment opportunities

iii. TA Asia Absolute Alpha Fund

- Flexible approach to investing in Asia
- invest in stocks with good upside potential and not driven by benchmark weights
- Flexibility to invest in companies listed outside of Asia while deriving substantial earnings from Asia.
- Downside risk management to hold up to 40% cash to mitigate market volatility and have the flexibility to redeploy cash back to market
- Driven mainly by stock picks in China as well as Asia related US stocks
- Sectorial investment in Consumer Discretionary (which includes E-commerce), Information Technology and Communication Services

6) TA Futures Sdn Bhd (TAF) operates in a competitive environment where competitors are offering very low brokerage rates with some even operate at loss (page 35 of AR2019).

What are the competitive edges of TAF in attracting institutional and retail clients? What will be the incentives that TAE will offer to entice them?

Competitive Edge & Incentive

- Quality of our services
- Personalized direct interaction of front liners and back-office support with the clients
- Strong team of experienced traders & dealers
- Well-established reputable Institutional team

7) As at 30 June 2020, TAE recorded a significant increase of 35% in current liabilities to RM2.39 billion from RM1.77 billion as of 31 December 2019, primarily driven by increase of 30% (RM410.95 million) and 37% (RM202.62 million) in borrowings and payables to RM1.79 billion and RM544.49 million respectively. At the meantime, TAE has RM1.04 billion cash on hand.

a) To which business segment is the substantial increase in current liabilities related to?

- Business segment that the substantial increase in current liabilities related to
 - Investment holding
 - Broking and financial services.

b) What is TAE's current gearing ratio? Does the Company have further room to gear-up? Is there any plan to utilize existing cash on hand to pare down borrowings for better capital management?

Gearing ratio

	Group 30 June 2020 RM'm
Short-term borrowings	1,794.90
Long-term borrowings	525.83
Total borrowings	<u>2,320.73</u>
Equity attributable to equity holders of the Company	2,369.38
Gearing ratio (times)	<u>0.98</u>

Room to Gear-up & Cash utilization

- Yes, the Company has further room to gear-up.
- For FYE2020, cash will be conserved to sustain the various businesses of the Group which are impacted by COVID-19.

Corporate Governance Matters

MSWG commented that the Company does not seek shareholders' approval through a two-tier voting process for the retention of independent directors who have exceeded the cumulative term limit of 12 years. According to Securities Commission's FAQ, the two-tier voting process does not affect the rights and the powers attached to the shares as accorded in the Companies Act 2016.

The Board noted MSWG's comment. However, the Board opted to maintain its present voting practice as all shareholders are entitled to equal treatment unless and to the extent that their rights in this respect are modified by the contract under which they hold their shares.

There is only one class of ordinary shares in the Company and the rights of the holders, including the right to vote, shall rank pari passu. A resolution passed by a majority shareholders must be regarded as having validly passed as a matter of law, irrespective of whether a majority of both large shareholders and other shareholders had voted in favour of such a resolution as required under the Malaysia Code of Corporate Governance.

TA ENTERPRISE BERHAD
(194867-M)

Extraordinary General Meeting

The Auditorium, 10th Floor, Menara TA One,

22, Jalan P. Ramlee, 50250 Kuala Lumpur

On 30-November-2020 at 11:00AM

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	481,938,774	99.9240	170	366,532	0.0760	38	482,305,306	100.0000	208	100.0000
Ordinary Resolution 2	482,055,741	99.9298	173	338,565	0.0702	35	482,394,306	100.0000	208	100.0000

