

# **JOHAN HOLDINGS BERHAD**

*Registration No. 192001000038 (314-K)*

Summary of Minutes of the Extraordinary General Meeting of the Company held as a fully virtual general meeting at the Boardroom of Johan Holdings Berhad, 11<sup>th</sup> Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur (the “Broadcast Venue”) on Friday, 29 January 2021, at 9.30a.m.

## **1. ADDRESSED BY CHAIRMAN**

The Chairman, on behalf of the Board of Directors, welcomed the shareholders and proxies present to the Extraordinary General Meeting (“EGM”) of the Company which was conducted fully virtual and broadcasted live from the Broadcast Venue. The attendance of the EGM was restricted to shareholders, proxies and authorised representatives of corporate shareholders, who had registered to join the EGM remotely (“the Members”).

The Company Secretary confirmed that the requisite quorum was present at the EGM, the Chairman called the meeting to order.

The Chairman reported that the EGM was convened via a fully virtual meeting in the manner as guided by the Securities Commission Malaysia Guidance on the Conduct of General Meetings for Listed Issuers. The Chairman, the Company Secretary and Mr Nantha Kumar from UOB Kay Hian Securities (M) Sdn Bhd, the Principal Adviser were in attendance physically at the Broadcast Venue.

All the other Board members, the representative of Deloitte PLT, the Reporting Accountants, the representative of Qwantum Skylight Capital Sdn Bhd (“Qwantum”), the Independent Adviser and the management team members were also present at the EGM via video conference.

## **2. POLL VOTING**

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution as set out in the Notice of EGM was voted by poll, conducted electronically via the Remote Participation and Voting (“RPV”) facility provided by provided by Propoll Solutions Sdn Bhd, the Poll Administrator appointed for the poll voting.

The Chairman informed the Members that he would address all the relevant questions submitted via the Q&A Platform and for those questions which had not been responded due to time constraint, the responses would be posted on the Company’s website after the Meeting as soon as possible.

A video clip on how the Members can access the online voting platform to cast their votes was played during the Meeting. The Chairman then declared the opening of the voting session commencing from 9.35 a.m. until the end of voting session to be announced later..

The Chairman then proceeded to deal with the business on hand.

## **JOHAN HOLDINGS BERHAD**

Registration No. 192001000038 (314-K)

Summary of Minutes of the Extraordinary General Meeting held on Friday, 29 January 2021 at 9.30a.m. – Cont'd

### **3. SPECIAL RESOLUTION**

**PROPOSED DISPOSAL BY JOHAN INVESTMENT PRIVATE LIMITED, A WHOLLY-OWNED SUBSIDIARY OF JOHAN HOLDINGS BERHAD (“JOHAN”), OF THE ENTIRE EQUITY INTEREST IN DINERS CLUB (SINGAPORE) PRIVATE LIMITED TO EZY NET PTE. LTD. FOR A DISPOSAL CONSIDERATION OF SGD103,586,103 (EQUIVALENT TO APPROXIMATELY RM313.98 MILLION) (“PROPOSED DISPOSAL”)**

The Chairman informed the Members that due to the implementation of Movement Control Order (“MCO”) by the Government effective from 13 to 26 January 2021, which was now extended to 4 February 2021, the Board had on 15 January 2021 decided to conduct the EGM as a fully virtual general meeting to comply with the SOP to be observed under MCO.

The Chairman informed the Members that the purpose of the EGM was to seek shareholders’ approval to the Special Resolution for the Proposed Disposal by Johan Investment Pte Ltd of its entire equity interest in Diners Club (Singapore) Pte Ltd (“DCS”), including one of its wholly-owned subsidiary, DinersPay Pte Ltd, to Ezy Net Pte Ltd for a disposal consideration of S\$103,586,103 (equivalent to RM313.98 million).

The Chairman informed that the Special Resolution was set out in the Notice of EGM dated 7 January 2021 which was circulated to all shareholders pursuant to the provisions of the Company’s Constitution, and advertised in the Star on 7 January 2021. With the permission from the Members, the Notice convening the EGM was taken as read.

The Circular to Shareholders dated 7 January 2021 containing relevant information on the Proposed Disposal was tabled.

The Chairman reported on the salient terms of the Major Disposal, set out as follows:-

- (i) the disposal consideration of approximately S\$103.586 million would be satisfied entirely via cash and to offset against Excluded Assets consideration of S\$18.861 million and Net Receivables amount of S\$84.725 million;
- (ii) the Excluded Assets amounting to S\$18.862 million, comprised of its costs of investments (net of impairment) in Diners World Travel Pte Ltd of S\$1.7 million and Strategic Usage Sdn Bhd (“SUSB”) of S\$17.16 million, where SUSB’s subsidiaries include Diners Club (Malaysia) Sdn Bhd (S\$16.85 million), Diners World Travel (M) Sdn Bhd (S\$0.16 million) and Lumut Park Resort Sdn Bhd (S\$0.15 million);

## **JOHAN HOLDINGS BERHAD**

Registration No. 192001000038 (314-K)

Summary of Minutes of the Extraordinary General Meeting held on Friday, 29 January 2021 at 9.30a.m. – Cont'd

- (iii) the Net Receivables due and owing to DCS by the Excluded Assets and other subsidiaries within the Johan Group was derived based on the outstanding amount owing as at 31 December 2020 and the anticipated net receivables amount as at 31 January 2021 of approximately S\$84.73 million.
- (iv) the Proposed Disposal was expected to result in a proforma gain of RM190.172 million to the Johan Group.

The Chairman informed the Members that the Proposed Disposal is a major disposal which is subject to approval of at least 75% of the total number of issued shares held by shareholders, present and voting either in person or by proxy at the EGM.

The Chairman informed the Members that the Board, having considered all aspects of the Proposed Disposal, was of the opinion that the Proposed Disposal is in the best interest of the Company. The Board recommended that the Members to vote in favour of the Special Resolution pertaining to the Proposed Disposal.

The Chairman informed the Members that the Board had appointed Qwantum as the Independent Adviser to comment as to whether the Proposed Disposal is fair and reasonable and to advise shareholders of Johan whether they should vote in favour of the Proposed Disposal.

The Chairman informed the Members that as stated in the Independent Advice Letter, which was set out in Part B of the Circular, Qwantum was of the opinion that based on their evaluations, that the Proposed Disposal is fair and reasonable and is not detrimental to the interests of Johan shareholders. Accordingly, Qwantum had recommended that shareholders to vote in favour of the Special Resolution pertaining to the Proposed Disposal.

The Chairman reported that the Company had received proxy forms from shareholders holding a total of 529,215,357 shares, representing 67.96% of the total issued shares of the Company appointing the Chairman to vote in favour on the Special Resolution pertaining to the Proposed Disposal.

The Chairman informed the Members that the Board had received some questions from the shareholders. The questions and the replies, as set out below, were presented at the Meeting at 9.45 am:-

- Questions from Minority Shareholders Watch Group (“MSWG”) via their Letter dated 19 January 2021

### Questions:-

- a) How Does Johan plan to mitigate the significant impact of revenue loss in the near term.

## **JOHAN HOLDINGS BERHAD**

Registration No. 192001000038 (314-K)

Summary of Minutes of the Extraordinary General Meeting held on Friday, 29 January 2021 at 9.30a.m. – Cont'd

- b) To what extent will the remaining three business segments, ie general trading, provision of management and secretarial services, hospitality business be able to cushion the short term financial impact.

Reply:-

Given that the three remaining business segments had contributed less than 5% of the Johan Group's revenue, to cushion the short term financial impact, the Group has increased its general trading activities substantially as one of the measures taken to address this in the short term.

Questions:-

- c) How much will it cost to build/acquire a gloves business? How long will it take for the new venture to be profitable? Does the Group have the financial resources to fund the new business?

Reply:-

As mentioned in page 14 and 15 of the Circular Letter it is the intention of the Board to venture into the manufacturing and marketing of gloves. The Board will make an announcement at a relevant time when the Group's plan is finalised.

Subject to the finalisation of the Plan the Group will use the proceeds from the disposal of the vacant land owned by Prestige Ceramics Sdn Bhd for a total disposal consideration of RM127 million together with other internal cash resources the Group has available including the RM9.8 million raised from the private placement in September 2020. The Group will also consider using debt from financial institutions.

Questions:-

- d) As the Board is still evaluating this new business with no concrete plan has been announced, this cast uncertainties on the future and prospect of Johan, given this is major disposal. Should this venture hit a snag, what are the alternative options available for Johan.

Reply:-

The Group is also considering other investment opportunities which we are not at liberty to disclose currently.

Questions:-

- e) If the company is classified as an Affected Issuer after the major disposal, and the company may not have a level of operations adequate to warrant continued trading or listing on Bursa, how will Johan rectify the situation and ensure that its listing status is unaffected.

## JOHAN HOLDINGS BERHAD

Registration No. 192001000038 (314-K)

Summary of Minutes of the Extraordinary General Meeting held on Friday, 29 January 2021 at 9.30a.m. – Cont'd

Reply:-

As disclosed in Page 16 of the Circular, on completion of the Proposed Disposal, our Board will assess the segmental contribution of the Group to determine whether our Group will be deemed as an Affected Listed Issuer. The Board views this issue most seriously and has on board several ideas and if necessary will take all necessary action to address this issue.

- Questions were received from two shareholders, in respect of dividend to be paid out on completion of the Proposed Disposal.

Reply:-

The Company will consider paying a dividend only after a period of sustained profitability from business operations.

The Chairman then opened up a Question and Answer (“Q&A”) session to allow the Members to post questions in relation to the Proposed Disposal via the Q&A platform.

As there were no further questions raised, the Chairman proposed the Special Resolution in relation to the Proposed Disposal to be voted by the Members by poll via the RPV facility. The Members were allocated another five (5) minutes time to submit their votes.

The Chairman announced the closure of the voting session at 9.50 a.m., and declared that the EGM be immediately adjourned to enable the poll administrator and independent scrutineers to count the votes and verify the poll results.

The EGM resumed at 9.54 a.m.

The Chairman informed the Members that the poll result had been validated by the independent scrutineers. The poll result was as follows and the Special Resolution was unanimously carried:-

	FOR			AGAINST		
	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
<u>Special Resolution</u>	9	529,467,757	100	0	0	0
Proposed Disposal						

**JOHAN HOLDINGS BERHAD**

Registration No. 192001000038 (314-K)

Summary of Minutes of the Extraordinary General Meeting held on Friday, 29 January 2021 at 9.30a.m. – Cont'd

**4. CLOSURE**

There being no other business to transact, the Chairman thanked the shareholders and proxies present for their attendance and declared the meeting closed at 9.56 a.m.