

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular relating to the Proposed Shareholders’ Mandate (as defined herein) prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



MAGMA

MAGMA GROUP BERHAD

(Formerly known as Impiana Hotels Berhad)
Registration No. 200601021085 (740838-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

**IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
(“PROPOSED SHAREHOLDERS’ MANDATE”)**

The above proposal will be tabled at the Fifteenth Annual General Meeting (15th AGM) of Magma Group Berhad (formerly known as Impiana Hotels Berhad) which will be held as a virtual meeting via live streaming broadcast from Jasmin room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur on Wednesday, 26 June 2024 at 11.00 a.m. or at any adjournment thereof. The Notice of 15th AGM together with the Form of Proxy as set out in the Annual Report 2023 of the Company which is despatched together with this Circular.

Members are to register online at <https://vps.megacorp.com.my/y7c18z>. Please refer to the Administrative Guide.

A member of the Company entitled to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the 15th AGM is entitled to appoint up to two (2) proxies to attend, participate, speak (in the form of real-time submission of typed texts) and vote on his / her behalf. In such event, the completed and signed Form of Proxy should be just lodged at the office of the Poll Administrator at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.magma@megacorp.com.my not less than 24 hours before the time appointed for holding the 15th AGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting in person at the 15th AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the 15th AGM.

The last date and time for the lodging of the Form of Proxy is Tuesday, 25 June 2024 at 11.00 am

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force
“AGM”	: Annual general meeting of the Company
“Approved Estimated Value”	: Estimated value of RRPTs which were approved by shareholders at the Company’s 14 th AGM held on 26 June 2023 and EGM
“Audit Committee”	: Audit and Risk Management Committee of the Company
“Astaka Mekar”	: Astaka Mekar Sdn Bhd [200901011731 (854761-P)]
“Board”	: Board of Directors of Magma
“Bursa Securities”	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Circular”	: This circular to shareholders dated 30 April 2024
“Director(s)”	: The director(s) of a company having the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPT were agreed upon, a Director of Impiana or its subsidiaries, or a chief executive of Impiana or its subsidiaries
“EGM”	: Extraordinary General Meeting of the Company held on 12 December 2023
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“HYM Signature”	: HYM Signature Sdn Bhd ([201801010412 (1272427-P)])
“Impiana Cherating”	: Impiana Cherating Sdn Bhd [198501013346 (145802-H)]
“Impiana Ipoh”	: Impiana Ipoh Sdn Bhd [201401002976 (1079050-P)]
“Impiana Selo Tioman Resorts”	: Impiana Selo Tioman Resorts Sdn Bhd [202101005152 (1405451-T)]
“Impiana Tioman Villas & Residences”	: Impiana Tioman Villas & Residences Sdn Bhd [Registration No. 202001040673 (1396994-X)]
“Magma Management”	: Magma Hospitality Management Sdn Bhd (formerly known as Impiana Hotels & Resorts Management Sdn Bhd [199101013081 (223393-A)])
“Impiana Pangkor”	: Impiana Pangkor Sdn Bhd [199101017935 (228246-W)]
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 15 April 2024, being the latest practicable date prior to the printing of this Circular
“Magma” or “Company”	: Magma Group Berhad (formerly known as Impiana Hotels Berhad [200601021085 (740838-A)])

DEFINITIONS (CONT'D)

“Magma Group” or “Group”	:	Magma and its subsidiary companies
“Magma Bintang”	:	Magma Bintang Sdn Bhd [202301043175 (1537091-H)]
“Magma Capital”	:	Magma Capital Sdn Bhd [202401006755 (1552605-D)]
“Magma Chain Management”	:	Magma Chain Management Sdn Bhd [202401009877 (1555727-U)]
“Major Shareholder”	:	Any person who has an interest or interests in one or more voting shares in the Company and the aggregate number of those shares, is: (i) 10% or more of the total number of voting shares in the Company; or (ii) 5% or more of the total number of voting shares in the Company, where such person is the largest shareholder of the Company For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act and a major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of Magma (or any other company which is its subsidiary or holding company)
“Person Connected”	:	This shall have the same meaning as in Chapter 1, Paragraph 1.01 of the Listing Requirements
“Related Party(ies)”	:	A Director, Major Shareholder or a Person Connected with such Director or Major Shareholder
“Related Party Transaction”	:	A transaction entered into by the Magma Group which involves the interest, direct or indirect, of a Related Party
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRPT”	:	A Related Party Transaction which is recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. Certain figures included in this Circular have been subject to rounding adjustments.

In this Circular, words denoting the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations. References to “we”, “us”, “our” and “ourselves” are to our Company save where the context otherwise requires, our subsidiaries and to “you” or “your” are to the shareholders of Magma.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as representation or warranty that Magma’s plans and objectives will be achieved.

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I. FURTHER INFORMATION

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MAGMA

MAGMA GROUP BERHAD

(Formerly known as Impiana Hotels Berhad)
Registration No. 200601021085 (740838-A)
(Incorporated in Malaysia)

Registered Office:

Ho Hup Tower-Aurora Place,
2-07-01-Level 7, Plaza Bukit Jalil,
No. 1, Persiaran Jalil 1,
Bandar Bukit Jalil,
57000 Kuala Lumpur, Malaysia

30 April 2024

Board of Directors:

Dato' Seri Ismail @ Farouk bin Abdullah (*Executive Chairman*)
Dato' Sri Lee Hock Seng (*Deputy Executive Chairman*)
Dato' Sri Liang Chee Fong (*Managing Director*)
Dyana Sofya binti Mohd Daud (*Non-Independent Non-Executive Director*)
Lee Guat Tin (*Independent Non-Executive Director*)
Lim Su Hwei (*Independent Non-Executive Director*)
Tan Kim Chee (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At our 14th AGM held on 26 June 2023 and Extraordinary General Meeting held on 12 December 2023, the Company had sought and obtained from its shareholders a mandate for our Group to enter into RRPTs with the respective Related Parties based on normal commercial terms which were not more favourable to the Related Parties than those generally available to the public and which were necessary for the Company's day-to-day operations. Pursuant to the Listing Requirements, the said mandate shall lapse at the conclusion of the forthcoming 15th AGM of our Company, unless authority for its renewal is obtained from the shareholders at the said AGM of our Company.

On 29 April 2024, our Board announced our intention to seek shareholders' approval for the RRPTs pursuant to the Proposed Shareholders' Mandate at the 15th AGM, the details of which are set out in Sections 2.3 and 2.4 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE COMPANY'S 15TH AGM TO BE HELD ON 26 JUNE 2024.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Under Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements, for related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for our Group's day-to-day operations, the Company may seek a shareholders' mandate in respect of such transactions subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Company's annual report on the breakdown of the aggregate value of transactions conducted under such mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) issuance of a circular to shareholders for the shareholders' mandate including information as may be prescribed by Bursa Securities;
- (iv) in the meeting to obtain shareholders' mandate, the relevant related party must comply with requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (v) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Company wishes to seek the approval of the shareholders for the Proposed Shareholders' Mandate to enable our Group to enter into the RRPTs which are necessary for our day-to-day operations within our ordinary course of business. The RRPTs, details of which are set out in Sections 2.3 and 2.4 of this Circular, are entered into at arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The RRPTs are subject to the review procedures set out in Section 2.5 of this Circular.

2.2 Principal business of Magma and its subsidiaries

The principal activity of Magma is that of investment holding while its subsidiaries and their principal activities are as follows:

No.	Company name	Equity Interest	Principal activity
1.	Magma Management	100%	Giving professional management services to hotels and resorts and recreation clubs
2.	Impiana Pangkor	100%	Dormant
3.	Astaka Mekar	100%	Investment holding
4.	Impiana Cherating	100%	Property development, operation of resort, hotel business and related services
5.	Impiana Ipoh	100%	Investment holding, management and operation of hotels and resorts, property investment and hotel development
6.	Impiana Tioman Villas & Residences ("ITVR")	100%	Operation of resort, hotel business and related services

No.	Company name	Equity Interest	Principal activity
7.	Impiana Selo Tioman Resorts	75% (held through ITVR)	Dormant
8.	Magma Bintang	100%	Provision of operating of self-owned or leased real estate – non-residential buildings
9.	Magma Capital	100%	Provision of investment holding, financial consultancy, credit and leasing services
10.	Magma Chain Management	51%	Provision of Food and Beverage Business

2.3 Details of the RRPTs contemplated under the Proposed Shareholders' Mandate

The classes and nature of the RRPTs are as follows:

(a) Proposed Renewal of Shareholders' Mandate

Subsidiary of Magma	Nature of transaction	Related Party	Approved Estimated Value from EGM to the next date of AGM (RM)	Actual value transacted from 12 December 2023 (date of EGM) till the LPD (RM)	Proposed Shareholders' Mandate (RM)	Interested Directors / Major Shareholders and Persons Connected with them
Magma Bintang	Leasing of property at Wolo Kuala Lumpur, Corner of Jalan Bukit Bintang and Jalan Sultan Ismail, 55100 Bukit Bintang, Kuala Lumpur (Total Rooms 137, Level 2 is Management Office and Meeting Room, and 15 level building) comprising Land Area of approximately 646.464 sqm RM250,000.00 per month plus other estimated expenses charged on incurred basis for a lease period of three (3) years from 1 January 2024 to 31 December 2026 by Magma Bintang (lessee) from HYM Signature (lessor)	HYM Signature	2,500,000	1,000,000	4,000,000	<p><u>Interested Director and Major Shareholder</u></p> <ul style="list-style-type: none"> Dato' Sri Lee Hock Seng ⁽¹⁾ <p><u>Interested Major Shareholder</u></p> <ul style="list-style-type: none"> Datin Sri Joanne Yew Hong Im ⁽²⁾ <p><u>Interested Persons Connected with Director and Major Shareholder</u></p> <ul style="list-style-type: none"> Lee Kim Hai ⁽³⁾

Notes:

(1) Dato' Sri Lee Hock Seng is a Director and Major Shareholder of both Magma and HYM Signature. His direct and indirect interests in Magma and HYM Signature as at the LPD are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Magma HYM Signature	12.74 50.00	6.54 (a) 30.00 (a)

(a) Deemed interest by virtue of his spouse's interest pursuant to Section 59(11) of the Act.

(2) Datin Sri Joanne Yew Hong Im is the spouse of Dato' Sri Lee Hock Seng. Her direct and indirect interests in Magma and HYM Signature as at the LPD are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Magma HYM Signature	6.54 30.00	12.74 (b) 50.00 (b)

(b) Deemed interest by virtue of her spouse's interest pursuant to Section 59(11) of the Act.

(3) Mr Lee Kim Hai is a Person Connected to Dato' Sri Lee Hock Seng. His direct and indirect interests in Magma and HYM Signature as at the LPD are set out below:-

Name of Company	% of Interest	
	Direct	Indirect
Magma HYM Signature	0.01 20.00	- -

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(b) Previous mandate obtained but renewal will not be sought

Subsidiary of Impiana	Nature of transaction	Related Party	Approved Estimated Value (RM)	Actual value transacted from 26 June 2023 (date of 14 th AGM) till the LPD (RM)	Reason for deviation of 10% or more of Approved Value	Proposed Shareholders' Mandate (RM)
Magma Management	For Magma Management to manage and operate Impiana Resort Patong, Phuket, Thailand	Haad Sai Ngen Co Ltd ("HSN") ⁽¹⁾	1,200,000	[375,893	-	NIL
Magma Management	For Magma Management to manage and operate Impiana Private Villas Kata Noi, Thailand	HSN	500,000	96,823	-	NIL
Magma Management	For Magma Management to manage and operate Impiana Resort Chaweng Noi, Koh Samui, Thailand	South Shore Co Ltd ("SSCL") ⁽²⁾	800,000	84,618	-	NIL
Magma Management	For Magma Management to manage and market Impiana Private Villas Seminyak, Bali, Indonesia	PT Villas Hotel ("PT VH") ⁽³⁾	1,200,000	572,038	-	NIL
Magma Management	For Magma Management to manage and market Impiana Private Villas Cemagi, Bali, Indonesia	PT Impiana Villas Cemagi ("PT IVC") ⁽⁴⁾	100,000	21,756	-	NIL
Magma Management	For Magma Management to manage and market Impiana Private Villas & Resorts Ubud, Bali, Indonesia	PT Impiana Ubud Bali ("PT IUB") ⁽⁵⁾	900,000	-	-	NIL
Magma Management	For Magma Management to provide consultancy services for the development of Samaja Selo – Private Residences	Impiana Tioman ⁽⁶⁾	600,000	-	-	NIL

Subsidiary of Magma	Nature of transaction	Related Party	Approved Estimated Value (RM)	Actual value transacted from 26 June 2023 (date of 14 th AGM) till the LPD (RM)	Reason for deviation of 10% or more of Approved Estimated Value	Proposed Shareholders' Mandate (RM)
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Notes:

Transacting Party	Interested Director/Major Shareholder or person connected	Shareholdings of Related Parties in Transacting Parties		Nature of relationship
		Direct	Indirect	

(1) HSN	Impiana Sdn Bhd ("Impiana SB")	49.0%	19.5%	Impiana SB is presently a major shareholder of HSN. Impiana SB is also a major shareholder of Magma.
	Dato' Seri Ismail @ Farouk bin Abdullah ("Dato' Seri Farouk")	-	68.5%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is a director and indirect major shareholder of HSN via his shareholdings in Impiana SB.
	Dyana Sofya binti Mohd Daud ("Interested Director")	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.

Shareholdings of Related Parties in Transacting Parties

Interested Director/Major Shareholder or person connected

Transacting Party	Interested Director/Major Shareholder or person connected	Direct	Indirect	Nature of relationship
(2) SSCL	Impiana SB	-	68.5%	Impiana SB is presently an indirect major shareholder of SSCL via its shareholdings in HSN. Impiana SB is also a major shareholder of Magma. Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is a director and indirect major shareholder of SSCL via his shareholdings in Impiana SB. The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.
	Dato' Seri Farouk	*	68.5%	
	Interested Director	-	-	
(3) PT VH	Impiana SB	1.0%	99.0%	Impiana SB is presently an indirect major shareholder of PT VH via its shareholdings in Impiana Seminyak (Labuan) Co Ltd. Impiana SB is also a substantial shareholder of Magma.

Shareholdings of Related Parties in Transacting Parties

Interested Director/Major Shareholder or person connected

Transacting Party	Direct	Indirect	Nature of relationship
Dato' Seri Farouk	-	100.0%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is an indirect major shareholder of PT VH via his shareholdings in Impiana SB
Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.
(4) PT IVC	1.0%	99.0%	Impiana SB is presently an indirect major shareholder of PT IVC via its shareholdings in Impiana Cemagi (Labuan) Co Ltd. Impiana SB is also a substantial shareholder of Magma.
Dato' Seri Farouk	-	100.0%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is an indirect major shareholder of PT IVC via his shareholdings in Impiana SB
Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk.

Shareholdings of Related Parties in Transacting Parties

Interested Director/Major Shareholder or person connected

Transacting Party	Interested Director/Major Shareholder or person connected	Direct	Indirect	Nature of relationship
(5) PT IUB	Impiana SB	-	99.0%	Impiana SB is presently an indirect major shareholder of PT IUB via its shareholdings in Impiana Ubud (Labuan) Co Ltd. Impiana SB is also a substantial shareholder of Magma.
	Dato' Seri Farouk	-	99.0%	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is an indirect major shareholder of PT IUB via his shareholdings in Impiana Sdn Bhd.
	Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk
(6) Impiana Tioman	Dato' Seri Farouk	100.0%	-	Dato' Seri Farouk, the Executive Chairman and a major shareholder of Magma, is a major shareholder of Impiana Tioman
	Interested Director	-	-	The Interested Director is deemed to be interested by virtue of being persons connected to Dato' Seri Farouk

2.4 Outstanding RRPT Receivables

As at the LPD, there is no amount due or owing to the Magma Group by the Related Parties.

2.5 Review procedures

The Magma Group has established the following procedures to ensure that the RRPT, wherever possible, are undertaken at arms' length basis and on normal commercial terms consistent with our Group's usual business practices and policies, which are generally not more favourable to the related parties than those generally available to the public and are not detrimental to Magma's minority shareholders.

There are no specific thresholds for the approval of RRPT. All RRPTs will be reviewed and approved by the Director(s) (with the exception of Directors deemed interested in each RRPT) or such other senior executive(s) (not being a person connected to the related party) designated by the Audit Committee, from time to time for such purpose.

The Magma Group has established the following procedures in relation to RRPTs:

- (i) the relevant employees of the Magma Group are notified of the identities of the Related Parties and will be required, prior to entering into such transactions, to ensure that all the RRPT are consistent with the Magma Group's normal business practices and policies, on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to our minority shareholders;
- (ii) the transaction prices and terms are determined based on the prevailing market rates which are determined by market forces and other relevant factors. Where practical and feasible, quotations and/or tenders will be obtained from unrelated parties for the same or substantially similar products or services for at least 2 other contemporaneous transactions with unrelated third parties for similar services will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of services. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar transactions between our Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public and is not detrimental to our Group;
- (iii) all records of RRPTs will be properly captured, kept and maintained to ensure accurate disclosure;
- (iv) the Audit Committee will review all RRPTs every quarter to ensure that such transactions are undertaken at arm's length basis, on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;
- (v) additional information pertaining to the RRPT may be requested from independent sources or advisers by the Audit Committee as part of its review, if required;
- (vi) where any of the Company's Directors or members of the Audit Committee has a direct or indirect interest in the RRPT, he/she shall abstain from all deliberations and voting in respect of the said transaction;
- (vii) There is no threshold for approval for RRPT as all RRPTs will be reviewed by the Audit Committee and approved by the Board of Directors.

Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

- (i) the type of RRPT entered into; and
- (ii) the names of the Related Parties involved in each type of the RRPT and their relationship with the Magma Group.

2.6 Statement by Audit Committee

The Audit Committee has reviewed the procedures mentioned in Section 2.5 of this Circular and is satisfied that our Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner in order to ensure that the RRPTs will be undertaken:

- (i) on arm's length basis;
- (ii) under normal commercial terms consistent with our Group's business practices and policies;
- (iii) not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of our minority shareholders.

The Audit Committee conducts a review of the procedures on a yearly basis or such frequency as the Audit Committee considers appropriate having regard to the value and frequency of the RRPTs.

2.7 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the 15th AGM, will take effect from the date of the passing of the ordinary resolution at the 15th AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from shareholders for a renewal of the mandate in relation to the RRPTs will be sought at each subsequent AGM of the Company.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The RRPTs to be entered into by our Group pursuant to the Proposed Shareholders' Mandate sought are all in the ordinary course of business and reflect the potential long-term commercial relationship between the parties. It is envisaged that in the ordinary course of business of our Group, the RRPTs are likely to occur with some degree of frequency and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT as and when such RRPTs occur. This will reduce administrative time and expenses in convening such meetings without compromising the corporate objectives of our Group or adversely affecting the business opportunities available to the Magma Group.

The Proposed Shareholders' Mandate are intended to facilitate transactions in the ordinary course of business of our Group which are transacted from time to time with the Related Parties.

Our respective subsidiaries would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, close co-operation and a good understanding of each other's business needs provides a platform where decisions can be quickly made and all parties can benefit from conducting the RRPT.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the issued share capital, dividend policy and substantial shareholders' shareholding of the Magma Group. The Proposed Shareholders' Mandate is not expected to have any immediate material effect on the earnings, net assets and gearing of the Magma Group.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Magma at the 15th AGM to be convened.

6. INTERESTS OF DIRECTORS' AND/OR MAJOR SHAREHOLDERS' AND/OR PERSONS CONNECTED WITH THEM

The direct and indirect shareholdings of the interested Director and Major Shareholder, namely Dato' Sri Lee Hock Seng ("**Interested Director**"), Datin Sri Joanne Yew Hong Im ("**Interested Major Shareholder**") and interested Persons Connected with the Director and Major Shareholder, namely Mr Lee Kim Hai ("**Interested Persons Connected**") in the Company as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Director				
Dato' Sri Lee Hock Seng	120,800,000	12.74	62,000,000 ⁽¹⁾	6.54
Interested Major Shareholder				
Datin Sri Joanne Yew Hong Im	62,000,000	6.54	120,800,000 ⁽²⁾	12.74
Interested Persons Connected				
Lee Kim Hai	100,000	0.01	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his spouse's interest pursuant to Section 59(11) of the Act.

⁽²⁾ Deemed interested by virtue of her spouse's interest pursuant to Section 59(11) of the Act.

The Interested Director, Interested Major Shareholder and Interested Persons Connected will ensure that they will abstain from voting in respect of their direct and indirect shareholdings, if any, on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 15th AGM and they have also undertaken to ensure that the person(s) connected with them will abstain from voting in respect of their direct and indirect shareholdings, if any, on the resolution deliberating or approving the Proposed New RRPT Mandate at the forthcoming 15th AGM.

Further to the above, the Interested Director has abstained and will continue to abstain from all Board deliberations and voting pertaining to the Proposed Shareholders' Mandate.

Save as aforesaid, none of the other Directors or Major Shareholders or Persons Connected with them has any interest, direct or indirect in the Proposed Shareholders' Mandate.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Save for the Interested Director, the Board, having taken into consideration all aspects of the Proposed Shareholders' Mandate, including the rationale for the Proposed Shareholders' Mandate is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company.

Accordingly, the Board (save for the Interested Director) recommends that you vote in favour of the ordinary resolution for the Proposed Shareholders' Mandate to be tabled at the forthcoming 15th AGM.

8. 15TH AGM

The 15th AGM of Magma will be held as a virtual meeting via live streaming broadcast from Jasmin Room, Level 1, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur on Wednesday, 26 June 2024 at 11.00 a.m. or at any adjournment thereof for the purpose of considering, amongst others, and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Shareholders' Mandate. The Notice of 15th AGM together with the Form of Proxy as set out in the Annual Report 2023 of the Company which is despatched together with this Circular.

If you are unable to attend, participate, speak (in the form of real-time submission of typed texts) and vote in person at the 15th AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein, to be lodged at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.magma@megacorp.com.my not less than 24 hours before the time appointed for holding the 15th AGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking (in the form of real-time submission of typed texts) and voting in person at the 15th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of,
MAGMA GROUP BERHAD
(FORMERLY KNOWN AS IMPIANA HOTELS BERHAD)

DATO' SERI ISMAIL @ FAROUK BIN ABDULLAH
Executive Chairman

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the directors do not have any knowledge of any proceeding, pending or threatened, against our Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the 15th AGM:

- (i) Constitution of Magma; and
- (ii) the audited consolidated financial statements of Magma Group Berhad for the FPE from 1 July 2021 to 31 December 2022 and FYE 31 December 2023

ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT approval be hereby given to the Company and its subsidiaries ("Magma Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Sections 2.3 of the Circular to Shareholders dated 30 April 2024, provided that:

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."