

Acquisition of CCAU

Reference No CM-060919-65290

Company Name : MAA HOLDINGS BERHAD
Stock Name : MAA
Date Announced : 22/09/2006

Type : Announcement
Subject : MAA HOLDINGS BERHAD ("MAAH" or "the Company")
- Proposed Subscription of up to 20.0 million series A preference shares ("Preference Shares") at an issue price of AUD1.00 each, representing up to 50% equity interest in Columbus Capital Pty Limited ("CCAU") for a total cash consideration of up to AUD20.0 million (equivalent to RM57.0 million based on the exchange rate of AUD1.00 : RM2.85) ("Proposed Subscription")

Contents :

1. INTRODUCTION

The board of directors of MAAH ("Board") wishes to announce that Columbus Capital Singapore Pte Ltd ("CCS"), being a wholly-owned subsidiary company of MAA International Investment Ltd*, had, on 22 September 2006 entered into a conditional subscription agreement ("Subscription Agreement") to subscribe up to 20.0 million Preference Shares at AUD1.00 per share for a total cash consideration of AUD20.0 million or RM57.0 million equivalent (based on the exchange rate of AUD1.00: RM2.85). Concurrently, CCS together with the founders of CCAU, had entered into a shareholders' deed to regulate their respective rights and obligations as members of CCAU ("Shareholders' Deed"). The Proposed Subscription, in essence, comprise of two (2) stages:

- a. Stage 1 - subscription by CCS of 15,000,000 Preference Shares at an issue price of AUD1.00 per share, representing approximately 42.86% equity interest in CCAU for total cash consideration of AUD15.0 million, whereby the total cash consideration shall be paid by October 2006 ("Closing Date") as stipulated by the Subscription Agreement; and
- b. Stage 2 - subscription by investor(s) or CCS of 5,000,000 Preference Shares at an issue price of AUD1.00 per share, representing 12.5% of the enlarged equity interest in CCAU for total cash consideration of AUD5.0 million, whereby the total cash consideration shall be paid on or before 300 calendar days after the Closing Date as stipulated by the Shareholders' Deed.

The cash consideration of up to AUD20.0 million will be satisfied by way of bank borrowing and/or internal generated funds of the MAAH group.

* MAAIIL is a wholly-owned subsidiary company of MAA Corporation Sdn Bhd, which is in turn a wholly-owned subsidiary company of MAAH.

2. SALIENT TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT

The salient terms of the Subscription Agreement include, inter-alia, the following:

- (i) The completion of the Subscription Agreement is subject to the following conditions precedent being fulfilled or waived in writing by both parties:

- Notification having been made to the Foreign Investment Review Board, Australia on the Proposed Subscription;
- The directors and shareholders of CCAU have passed all necessary resolutions to enable the valid issue of PS;
- Execution of all necessary transaction agreement; and
- There has been no material unremedied breach of warranties and indemnities set out in the Subscription Agreement.

(ii) CCAU undertakes to CCS that funds from the Proposed Subscription will be applied for the investment of retail mortgage lending and loan securitisation business (*details of which are set out in Section 3 below*) and to pay legal and other costs and expenses in execution of all necessary transaction documents involved.

3. INFORMATION ON CCAU

CCAU will principally involve in financial services business providing **product** (residential mortgages), **service** (ongoing management of residential mortgages) and **financing** (via banks and capital market facilities) to mortgage originators and their borrower clients within Australia. CCAU shall act as an intermediary to match mortgage borrowers and banks and capital market facilities. CCAU facilitates the matching up of these two groups of people's requirements by offering mortgage originators with mortgage products that they can sell to their borrower clients when these clients come to them for mortgage finance to purchase a residential property.

4. RATIONALE

The Proposed Subscription paves the way for MAAH to venture into the business of retail mortgage lending and loan securitization in Australia. This will be in line with the MAAH group's aspiration to diversify its income stream.

Further, the Proposed Subscription provides an opportunity for the MAAH group to participate in the future growth of CCAU and allow the group to enjoy any future potential capital appreciation in the value of its investment in CCAU.

5. FINANCIAL EFFECTS

5.1 Share Capital and Substantial Shareholding Structure of MAAH

The Proposed Subscription will not have any effects on the issued and paid-up share capital and substantial shareholding structure of the Company as the total consideration of up to AUD20.0 million will be satisfied entirely by cash.

5.2 Earnings

Barring unforeseen circumstances, the Proposed Subscription is expected to contribute positively to the future earnings of MAAH in the form of dividend income. However, the form, frequency and quantum of the future dividend payments will depend on the future earnings, capital requirement, cash flow and financial conditions of CCAU as well as the general business conditions and other factors which may affect CCAU.

5.3 Net Assets ("NA") and Gearing

The Proposed Subscription will not have any material effects on the NA of the MAAH group. The gearing of the MAAH group is expected to increase as the Proposed Subscription shall be financed by bank borrowing.

	Audited as at 31 December 2005 RM'000	After the Proposed Subscription RM'000
Share capital	152,177	152,177
Share premium	11,744	11,744
Retained earnings	226,836	226,836
Other reserve	1,063	1,063
Minority interest	1,775	1,775
NA	393,595	393,595
No. of shares in issue (‘000)	152,177	152,177
NA per share (RM)	2.53	2.53
Total borrowings (RM'000)	141,448	184,198*
Gearing ratio (times)	0.37	0.48

Note:

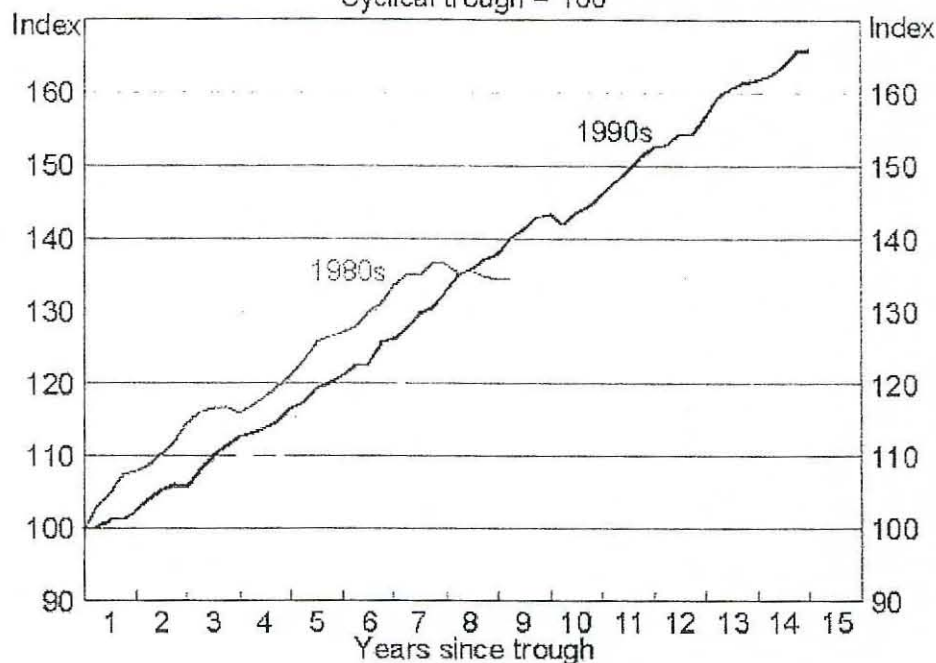
** It is assumed that the Stage one of the Proposed Subscription will be financed by bank borrowing and Stage 2 by internal generated funds of the MAAH group and/or bank borrowing*

6. OVERVIEW OF THE AUSTRALIAN ECONOMY

The current expansion, which is now in its 15th year, is already roughly twice as long as the two previous ones which are mid 1970s and early 1980s. Average growth during the current expansion has been 3.7 per cent per annum, which is one of the best performances over this period in the developed world. It is true that this is not quite as high as the average growth rate achieved during the 1980s, but the current expansion more than makes up for that by its extended duration.

Expansions in GDP

Cyclical trough = 100



Source ABS

(Source: <http://www.rba.gov.au>, Reserve bank of Australia, *The Australian Economy – Prospects for 2006 and beyond*)

Australia has one of the strongest economies in the world—competitive, open and vibrant. The nation's high economic performance stems from effective economic management and ongoing structural reform. Australia has a competitive and dynamic private sector and a skilled, flexible workforce.

In 2003–04, the Australian Government recorded a budget surplus of \$8 billion—one per cent of gross domestic product (“GDP”). The Australian Government's net debt fell by \$6.2 billion in 2003–04 to \$23.4 billion. At 2.9 per cent of GDP, this is the lowest in 26 years

Australia's economic growth is coupled with low inflation. Australia's inflation rate has been stable over the past decade, and inflation in 2003–04 was just 2.4 per cent.

An important factor contributing to Australia's ability to maintain low inflation with high growth has been the economy's productivity performance. Since 1990, Australia's productivity has been growing at an average annual rate of over 2.3 per cent. This has been one of the fastest-growing productivity rates in the OECD—above the average of 1.8 per cent.

(Source: http://www.dfat.gov.au/aib/competitive_economy.html, Australia Government Department of Foreign Affairs and Trade)

7. RISK FACTORS

7.1 Political and economic risk

As CCAU will be operating mainly in Australia, the business, prospect and financial condition of CCAU will be affected by the development of the economic, political and regulatory environment in Australia. Any adverse development in the political condition, economic uncertainties or changes in the regulatory environment in Australia could materially and adversely affect the financial performance of CCAU. These risks include risks of war, global economic downturn, expropriation, changes in interest rates, unfavourable changes in government policies such as introduction of new regulations, import duties, tariffs and imposition of exchange control.

In addition, the ability of MAAH to repatriate the profits arising from its investment in CCAU will largely depend on the relevant legislation relating to repatriation of profits prevailing at the point of repatriation. There can be no assurance that any change to the policies on foreign investment and taxation and repatriation of profits may not materially affect the rights of the MAAH group with respect to its investment in CCAU.

7.2 Business risk

The business of CCAU is subject to certain risks inherent to the financial industry such as market risk, fluctuation in interest rate, fraud, default and legal risks.

CCAU will adopt a comprehensive approach to monitor risks involved in its investment and asset/liability portfolios. Market risk will be managed and supervised by the credit risk management unit, which functions independently from the operating business units.

7.3 Foreign exchange fluctuation

The value of MAAH's investment in CCAU is exposed to foreign exchange risk as the company will be operating in Australia. Any future significant fluctuations in the exchange rates may have an impact on the value of MAAH's investment in CCAU as well as dividend income received from CCAU.

8. APPROVALS REQUIRED

The Proposed Subscription is not subject to the approval of the shareholders of MAAH or any regulatory authorities.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors and substantial shareholders of MAAH and persons connected to them have any interest, direct or indirect, in the Proposed Subscription.

10. OPINION OF DIRECTORS

The directors of MAAH are of the opinion that the Proposed Subscription is fair and in the best interest of the Company.

This announcement is dated 22 September 2006.

Reference No **CM-060926-56435**

Company Name : MAA HOLDINGS BERHAD
Stock Name : MAA
Date Announced : 26/09/2006

Type : **Announcement**
Subject : **MAA HOLDINGS BERHAD ("MAAH" or "the Company")**
- Further announcement on the Proposed subscription of up to 20.0 million series A preference shares ("Preference Shares") at an issue price of AUD1.00 each, representing up to 50% equity interest in Columbus Capital Pty Limited ("CCAU") for a total cash consideration of up to AUD20.0 million (equivalent to RM57.0 million based on the exchange rate of AUD1.00 : RM2.85) ("Proposed Subscription")

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Further to our announcement dated 22 September 2006 in respect of the Proposed Subscription, we wish to further announce the following:

1. Salient terms of the Preference Shares

The proposed rights, privileges and conditions of the Preference Shares are as follows:

- (i) Each Preference Share is entitled to receive dividends as declared by the board from time to time in priority to the ordinary shares. The ordinary shares shall not be entitled to any dividends or other distributions until all Preference Shares have been redeemed and converted.
- (ii) CCAU may at any time redeem the Preference Shares for an amount equal to the issue price less any dividends, distributions or redemption amount previously paid ("redemption amount").
- (iii) Each Preference Shares will confer its holders the rights to receive notices of and to attend and vote at general meeting of the company.
- (iv) Each Preference Shares is entitled to participate in an issue of bonus shares, or offer to allot new shares, pro rata to the holders of ordinary shares, in the same manner as the holders of ordinary shares.
- (v) Each Preference Share shall be convertible at the option of the holder, at any time after the date of issue of such share, into one (1) ordinary share.
- (vi) Conversion of Preference Shares will not constitute a cancellation, redemption and termination of Preference Shares, but will be by the way of reclassification of the status of, and the rights attaching to Preference Shares so that they become ordinary shares.

(vii) If on a winding up there are surplus assets, they shall be paid or distributed in the following order of priority:

(a) firstly, in paying the redemption amount of each Preference Shares to each holder;

(b) secondly, any excess after (a) above, the holder of ordinary shares and Preference Shares will participate pro rata in any remaining proceeds available for distribution on an 'as converted' basis.

2. Basis of arriving at the subscription price for the Preference Shares.

The subscription price of the Preference Shares is AUD1.00, which is equivalent to the par value. The subscription price was arrived at a willing-buyer willing seller basis, after taking into consideration the future earnings potential of CCAU.

3. Net profits and net assets of CCAU.

CCAU was incorporated in Australia under the Corporations Act 2001 on 4 May 2006. No financial results on CCAU as it is a newly incorporated company.

4. The expected timeframe for completion of the Proposals.

Stage 1 of the Proposed Subscription is expected to be completed by October 2006. Stage 2 of the Proposed Subscription will be completed on or before 300 calendar days of the completion of the Stage 1, which will be tentatively completed in August 2007.

This announcement is dated 26 September 2006.

Reference No **CM-070912-66165**

Company Name : MAA HOLDINGS BERHAD
Stock Name : MAA
Date Announced : 12/09/2007

Type : **Announcement**
Subject : **MAA HOLDINGS BERHAD ("MAAH" or "the Company") - Further Announcement on the Proposed Subscription of up to 20.0 million series A preference shares ("Preference Shares") at an issue price of AUD1.00 each, representing up to 50% equity interest in Columbus Capital Pty Limited by Columbus Capital Singapore Pte Ltd, a wholly-owned subsidiary of MAA International Investment Ltd**

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Reference is made to the announcements dated 22 September 2006 and 26 September 2006 in respect of the Shareholders' Deed dated 22 September 2006 entered into between Consortia Group Holdings Pty Limited ("CGH") and Columbus Capital Singapore Pte Ltd ("CCS"), a wholly-owned subsidiary of MAA International Investment Ltd pertaining to the subscription of the Preference Shares in Columbus Capital Pty Limited ("CCAU").

Under the Shareholders' Deed, both parties have agreed to use their respective best endeavours to identify third party investors who are willing to invest a further 5,000,000 Preference Shares at an issue price of AUD1.00 per share, representing 12.5% of the enlarged equity interest in CCAU, whereby the total cash consideration shall be paid on or before 300 calendar days after the Closing Date.

CCS and CGH have now mutually agreed to vary the said period of "300 calendar days after the Closing Date" to "on or before 28 April 2008, subject to monthly review by the Board".
This announcement is dated 12 September 2007.

Reference No **CM-071213-49698**

Company Name : MAA HOLDINGS BERHAD
Stock Name : MAA
Date Announced : 13/12/2007

Type : **Announcement**
Subject : **MAA HOLDINGS BERHAD ("MAAH" or "the Company") - Further announcement on the Proposed subscription of up to 20.0 million series A preference shares ("Preference Shares") at an issue price of AUD1.00 each, representing up to 50% equity interest in Columbus Capital Pty Limited ("CCAU") for a total cash consideration of up to AUD20.0 million (equivalent to RM57.0 million based on the exchange rate of AUD1.00 : RM2.85) ("Proposed Subscription")**

Contents :

1. Introduction

Reference is made to the announcements dated 22 September 2006, 26 September 2006 and 12 September 2007 in relation to the Proposed Subscription which in essence, comprises of two (2) stages:

a. Stage 1 - subscription by CCS of up to 15,000,000 Preference Shares at an issue price of AUD1.00 per share, representing approximately a 42.86% equity interest in CCAU for total cash consideration of AUD15.0 million.

Stage 1 of the Proposed Subscription was completed in October 2006.

b. Stage 2 - subscription by investor(s) or CCS of up to 5,000,000 Preference Shares at an issue price of AUD1.00 per share, representing 12.5% of the enlarged equity interest in CCAU for a total cash consideration of AUD5.0 million.

In this connection, MAAH wishes to announce that that Columbus Capital Singapore Pte Ltd ("CCS"), being a wholly-owned subsidiary company of MAA International Investments Ltd ("MAAIL")*, has, on 13 December 2007, subscribed for 3,500,000 Preference Shares under Stage 2 at an issue price of AUD1.00 per share, being 9.1% of the enlarged equity interest in CCAU for a total cash consideration of AUD3.5 million ("Subscription").

The cash consideration of AUD3.5 million was satisfied by way of internal generated funds of the MAAH group.

Upon completion of the Subscription, the total investment in CCAU is AUD18.5 million (equivalent to RM52,149,000 based on the exchange rate of AUD1.00:RM2.7766 for Stage 1 and AUD1.00: RM3.00 for the Subscription) comprising 18.5 million Preference Shares or representing 48.1% equity interest in CCAU.

** MAAIL is a wholly-owned subsidiary company of MAA Corporation Sdn Bhd, which is in turn a wholly-owned subsidiary company of MAAH.*

2. Salient terms and conditions of the Subscription Deed

- (a) On the date of the Subscription Deed, CCAU must issue and CCS must subscribe for 3.5 million Preference Shares at AUD1.00.
- (b) CCAU must issue to CCS the number of Preference Shares subscribed for free from encumbrances and recorded as fully paid.
- (c) CCAU must notify Australia Securities & Investments Commission of the Subscription.

3. Rationale for the Subscription

The rationale for the Subscription is to enable CCAU to meet the working capital requirement for its business of retail mortgage lending and loan securitization.

4. Financial effects

4.1 Share Capital and Substantial Shareholding Structure of MAAH

The Subscription will not have any effects on the issued and paid-up share capital and substantial shareholding structure of the Company as the total consideration of up to AUD3.5 million will be satisfied entirely by cash.

4.2 Earnings

Barring unforeseen circumstances, the Subscription is expected to contribute positively to the future earnings of MAAH in the form of dividend income. However, the form, frequency and quantum of the future dividend payments will depend on the future earnings, capital requirement, cash flow and financial conditions of CCAU as well as the general business conditions and other factors which may affect CCAU.

4.3 Net Assets ("NA") and Gearing

The Subscription will not have any material effects on the NA and gearing of the MAAH group as the Proposed Subscription shall be financed by internal generated fund.

5. Approval Required

The Subscription is not subject to the approval of the shareholders of MAAH or any regulatory authorities.

6. Directors' and Substantial Shareholders' Interests

None of the Directors and substantial shareholders of MAAH and persons connected to them have any interest, direct or indirect, in the Subscription.

7. Opinion of Directors

The directors of MAAH are of the opinion that the Subscription is fair and in the best interest of the Company.

This announcement is dated 13 December 2007.