

Summary of proceedings and salient points raised during the Twenty-Seventh Annual General Meeting of the Company held on 19 April 2017 (“27th AGM”)

Dato’ Nik Mohamed Din bin Datuk Nik Yusoff (“the Chairman”) chaired the 27th AGM of the Company. The Chairman called the meeting to order at 10.00 am after confirmation of the requisite quorum being present pursuant to Article 74 of the Company’s Articles of Association.

Dato’ Chairman informed that the Listing Requirements of Bursa Malaysia Securities Berhad has mandated poll voting for all resolutions set out in the notice of general meetings with effect from 1 July 2016.

Pursuant to the above and Section 330 of the Companies Act 2016 (“the Act”), Dato’ Chairman exercised his right to direct the vote on all resolutions of this Meeting to be conducted by way of poll.

All the resolutions tabled at 27th AGM of the Company held on 19 April 2017 were duly passed by the shareholders, including the re-election and re-appointment of Directors as set out in the Notice of 27th AGM. The shareholders also received the Audited Financial Statements of the Company and of the Group, together with the Reports of the Directors and Auditors thereon, for the financial year ended 31 December 2016.

The shareholders and the Minority Shareholder Watchdog Group (“MSWG”) raised questions during the 27th AGM, which were duly answered and clarified by the Directors. The salient questions raised by the shareholders and MSWG are as follows:

Q1 In the Group Managing Director’s review, it was stated that the Company launched 4 projects with Gross Development Value of RM1.07 billion in Financial Year (“FY”) 2016. What was the take up rate for these projects?

A1 The take up rate for the following projects as at 31 March 2017 are as follows:

Name of Project	%
Windmill Upon Hills	52
TimurBay	32
Luminari	14
Sg Petani – Louvre	46

Q2 The Company is in the midst of planning a 770 acres new township development in Seremban. What is the total Gross Development Value (“GDV”) of this development?

A2 The new township development in Seremban, namely Iringan Bayu, will be developed in phases over the next years. Phase 1 with a total GDV of approximately RM198.0 million will be launched in 2nd half of 2017.

Q3 Faber Towers completed its refurbishment at the end of FY 2015 and has an occupancy rate of 65% as at 31 December 2016. What would be the expected occupancy rate for FY 2017?

A3 The Board is targeting to achieve 85% occupancy rate by the end of FY 2017.

Q4 According to the Group Managing Director's Review, the Hotels Division recorded a loss of RM16.3 million in FY 2016, mainly due to the low occupancy rates across the Group's hotels and operating costs incurred in the newly opened Swiss-Inn in Johor Bahru. The Division also made a provision for impairment in respect of development cost incurred in Damai Laut resort amounting to RM10.4 million.

- (i) **What was the average occupancy rate of the hotels?**
- (ii) **What are the measures taken to improve the occupancy rates of the hotels?**
- (iii) **What was the reason for the provision for impairment in development cost of Damai Laut Resort?**

A4 (i) The average occupancy for FY 2016 was 55%.
(ii) The measures taken to improve the occupancy rates of the hotels are as follows:

1. Increasing manning of Sales Office by:
 - (a) Increasing sales staff ratio across all our hotels.
 - (b) Hiring of a Senior Sales Consultant who has vast experience in the industry.
 - (c) Creating lead by soliciting through tele-marketing by the team in the central head quarter office.
 - (d) Launching of the group reservation office.
2. Driving product improvements via renovation, improved amenities and refurbishment of existing assets. Some of the improvements on-going are as follows:
 - (a) Swiss-Garden Hotel Kuala Lumpur
 - Renovation of rooms and reception lobby and common area
 - (b) Swiss-Garden Beach Resort Damai Laut
 - Renovation of the swimming pool area and addition of pool attractions by building a water park
 - Renovation of function rooms and common area
3. New and continuous marketing programmes, for example:
 - (a) Tie-ups with banks for joint marketing and promotions
 - (b) "Meet and meet again" campaign to entice customers to make repeat reservations at any of our facilities at any locations
 - (c) Golf Tournament Series at Damai Laut

- (iii) The infrastructure cost for Damai Laut was incurred in respect of 20.23 hectares seabed development of sea villas. The development rights has expired and the Company has also appealed to the State Government to extend the development rights. At this point in time, based on feasibility studies conducted, the management is of the opinion that the development will not be feasible. Pending any positive outcome from the appeal, the management has decided to make provision for the cost incurred for the development.

Q5 Under Resolution 4, the Board is proposing to seek shareholders' approval on the payment of directors' benefits to the Non-Executive Directors up to an amount of RM200,000 from 1 January 2017 until the next Annual General Meeting ("AGM"). MSWG noted that from page 236 of the Annual Report that Other Emoluments paid to Non-Executive Directors amounting to RM325,000. Could the Board clarify the reason for seeking shareholders' approval for a lower amount for the upcoming financial year?

A5 The lower amount is due to the pro-rated allowance payable to one of the Directors of the Company up to the conclusion of this AGM.

Q6 How is the performance of Atria Shopping Gallery thus far?

A6 When Atria Shopping Gallery commenced its operation in May 2015, the occupancy rate was more than 70% and now it is above 90% occupancy rate. The Atria Shopping Gallery has matured faster than it is supposed to be and far beyond market average. Customers' traffic count has also increased and a cinema will be operating in the mall to attract more crowd. He added that the Management is working in a tough situation and is working hard to improve the performance of Atria Shopping Gallery.

Q7 Melbourne Square project seems to be a promising project. When would the Group meet the projected profit and the reason for inviting the Employees Provident Fund ("EPF") to the project?

A7 It is a privilege to be able to partner with EPF for the Melbourne Square Project as EPF is one the largest investment bodies in Malaysia. The Management is looking very closely on ways for the Group to extract value from the project depending on the finalisation of the project as well as market sentiments. The early signs are promising thus far.

Dato' Chairman informed the Meeting that he did not wish to seek for re-appointment at this Meeting. Thus, Dato' Chairman would retain office until the close of this Meeting.

Tan Sri Ong Leong Huat @ Wong Joo Hwa on behalf of the Board of Directors thanked Dato' Chairman for the years of service and immense contribution to the Group during his tenure as Chairman and Director of the Company.

There being no other business, Dato' Chairman concluded the Meeting and thanked all present for their attendance. The Meeting ended at 12:15 p.m. with a vote of thanks to the Chair.