

**Summary of proceedings and salient points raised during the 30th Annual General Meeting of the Company held electronically in its entirety via Remote Participation and Voting at the Broadcast Venue at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan on 12 June 2020 (“Meeting” or “30th AGM”)**

**Directors Present at Broadcast Venue** : Tan Sri Ong Leong Huat @ Wong Joo Hwa (*Chairman*)  
Mr. Ong Ju Yan  
Mr. Ong Ju Xing  
Dato’ Saiful Bahri bin Zainuddin  
Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir

**Directors who Participated Remotely** : Dato’ Thanarajasingam Subramaniam  
Mr. Leong Keng Yuen  
Ms. Ong Yee Ching

Tan Sri Ong Leong Huat @ Wong Joo Hwa (“**Tan Sri Chairman**”) chaired the 30th AGM of the Company. The Chairman called the meeting to order at 10:00 a.m. after confirmation of there being requisite quorum pursuant to Clause 76 of the Company’s Constitution.

Tan Sri Chairman informed that the Main Market Listing Requirements of Bursa Malaysia Securities Berhad has mandated poll voting for all resolutions set out in the notice of general meetings.

Pursuant to the above and Section 330 of the Companies Act 2016 (“**the Act**”), Tan Sri Chairman exercised his right to direct the vote on all resolutions of this Meeting to be conducted by way of poll. Tan Sri Chairman informed that SS E Solutions Sdn. Bhd. was appointed as the Poll Administrator whilst Commercial Quest Sdn. Bhd. was appointed as the Independent Scrutineer to verify the results of the poll voting.

All the resolutions tabled at 30th AGM of the Company held on 12 June 2020 were duly passed by the shareholders, as set out in the Notice of 30th AGM with interested Directors in Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 9 abstained from voting on the aforesaid resolutions. 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 (“**FY**”) 31 December 2019 (“**FY2019**”). The poll results are annexed herewith as “**Appendix A**”.

Mr. Ong Ju Yan, the Group Managing Director of the Company presented the Risk Management and Business Continuity Plans in addressing COVID-19 pandemic, Movement Control Order, performance highlights of the Group for the FY2019 as well as the current Business Update to all participants at the Meeting.

Tan Sri Chairman informed that the Company had received several questions from the Minority Shareholders Watch Group (“**MSWG**”) via its letter dated 27 May 2020 and the Company had responded to the questions. The questions and corresponding replies from the Company to MSWG were presented by Ms. Ng Lai Ping, the Group Chief Financial Officer, to all participants at the Meeting, as follows:

**Q1. Iringan Bayu's Pastura 2A and 2B; and Astera in Seremban have achieved healthy take-up rates of 99%, 89% and 97% respectively since they were launched in FY2018. Iringan Bayu is a 770-acre township property development in Seremban. (page 15 of Annual Report)**

- (a) What is the Gross Development Value ("GDV") of the entire Iringan Bayu Township?**
- (b) When does the Company expect to fully develop the entire Iringan Bayu Township?**
- (c) What is the remaining land (in acres) in Iringan Bayu that has yet to be developed, as at 31 Dec 2019?**

A1: Iringan Bayu is the Group's second township in Seremban after Bandar Puteri Jaya in Sungai Petani, Kedah.

- (a) The GDV of the entire Iringan Bayu Township is estimated at RM2.4 billion.
- (b) The entire development of Iringan Bayu Township is planned to take about 10 years, subject to market demand and products to be delivered.
- (c) As at 31 December 2019, the remaining land area in Iringan Bayu that has yet to be developed stood at 448 acres.

**Q2. The Company signed a Branding and Management Agreement ("BAMA") with Hilton Worldwide on 26 June 2019 to operate and manage the Swiss-Garden Beach Resort Damai Laut under the DoubleTree by Hilton brand. (page 3 of Annual Report)**

- (a) Please provide the reason why DoubleTree Hilton was selected as the new operator for Swiss-Garden Resort Damai Laut?**
- (b) What is the duration of the BAMA with Hilton Worldwide?**

A2: The 295-room Swiss Garden Hotel Damai Laut will be named as DoubleTree by Hilton Damai Laut Resort upon completion of the renovation and rebranding exercise.

- (a) The Management ran a pitching process with 4 international hotel brands in early 2019. Hilton was selected for its strong value proposition. Hilton Worldwide is one of the fastest growing hospitality companies in the world and manages more than 900,000 rooms across 113 countries. Apart from local tourists, Damai Laut will also be able to tap on over 85 million Hilton Honors Members for international guests. The Group has also partnered Hilton in our Melbourne Square project ("**MSQ**").
- (b) The BAMA is for a duration of 15 years from the date of agreement (26 June 2019), with an option for the parties to mutually agree to extend the operating term for another 10 years.

**Q3. The Capital Financing Division recorded a revenue of RM70.1 million and a Profit Before Tax (“PBT”) of RM34.4 million in FY2019 compared with revenue of RM60.9 million and a PBT of RM26.9 million in FY2018. (page 20 of Annual Report)**

- (a) What is the impact of lower Overnight Policy Rate (“OPR”) on the Division’s PBT in FY2020?**
- (b) Please explain the impact of the Covid-19 pandemic on the Division’s delinquent borrowers. Has the Company extended any financial relief, like the deferment of loan repayment period to the borrowers, so that they can ride through this difficult period?**
- (c) What measures have the Company taken to enable the Division to operate in the ‘new normal’ environment?**
- (d) What are the Non-Performing Loan (“NPL”) ratios for the Division for both FYs 2019 and 2018?**

**A3: The Capital Financing Division is one of the key businesses under the Financial Services Segment which provides short-term financing for corporates and individuals.**

- (a) The OPR cuts benefited this Division as it reduced the Division’s overall cost of funds.**
- (b) We are monitoring the status of our borrowers closely. At this juncture, there were no delinquent borrowers and all security cover on the loans remained intact. Nevertheless, we do receive requests for restructuring of some loan repayments. All requests were considered and assessed carefully before approvals were granted.**
- (c) The Division uses suitable technologies such as online e-conferencing for internal and external meetings with clients for financing proposals and other matters. Meanwhile, the Division continues to monitor the loan portfolio and asset quality of the financing portfolio, and remains vigilant in the lending policy and maintains a prudent risk appetite.**
- (d) The NPL ratio for FY2019 stood at a manageable level of 1.7% (FY2018: 0%). Despite classification in NPL, there was no impairment loss recognised as the collateral value exceeded the outstanding loan.**

**Q4. The Group’s overseas property project, MSQ is in Southbank, Melbourne, Australia.**

- (a) Does the Group have any plan to expand property development to other countries?**
- (b) Please provide the reason for any planned expansion into other countries and also the reason if there is no such planned expansion?**

**A4: (a) MSQ is a mixed-development, representing the Group’s first foray into overseas property development. As at 2 June 2020 (the date of our letter of reply to MSWG), we have launched Phase 1 of the total 5 phases of MSQ. The balance land not developed is about 2.5 acres with estimated GDV of AUD1.9 billion (approximately RM5.2 billion). The Group will remain focused in Australia (apart from Malaysia) and there are no plans to venture into other countries at this point in time.**

(b) As mentioned in the foregoing, the Group will remain focused to complete the development in Melbourne. The remaining phases of MSQ entail a hotel, an office block and 2 residential blocks which will keep the Group busy for the next 5 to 8 years.

**Q5. A subsidiary company of the Group has entered into a Sale and Purchase Agreement with Sunhouse Group., JSC (“Sunhouse”) for the disposal of 100% Contributed Charter Capital of VND122.9 billion and all ownership rights and titles in OVI Cables (Vietnam) Co., Ltd. (“OVI”) to Sunhouse for a total cash consideration of VND75.0 billion. (Page 236 of Annual Report)**

**(a) What is the reason for the disposal? (the Group has earlier wanted to list the cable business on the HKSE but this was aborted last year)**

**(b) What is the financial impact of the disposal to the Group’s result in FY2020?**

A5: On 31 December 2019, Olympic Cable Company Sdn. Bhd. entered into a Sale and Purchase Agreement with Sunhouse to dispose its interest in OVI for total cash consideration of VND75,022 million (approximately RM13.30 million).

The proposed disposal is expected to be completed by 30 June 2020, subject to the fulfilment of conditions precedent.

(a) OVI is a relatively small player as compared to the large number of cable manufacturers in Vietnam. As a result of its size and market competitiveness, OVI has suffered continuous losses for many years. The proposed disposal allows the Group to invest the disposal proceeds for the expansion of our Malaysia operations.

(b) The proposed disposal of OVI is expected to generate an estimated gain of approximately RM7.6 million (based on the exchange rate of VND5,647 for RM1).

Tan Sri Chairman asked for questions in respect of each resolution proposed at the 30th AGM from the live streaming participants. A summary of the questions/comments raised and the Company’s responses, where relevant, were as follows:

**Q1. Does COVID-19 pandemic so far, or expected to have any impact to the MSQ or its handover process?**

A1: The take up rate for Phase 1 MSQ was about 77%. The sales progress has slowed down due to outbreak of COVID-19. However, construction progress was still on schedule.

**Q2. Phase 2 of MSQ consists of Hotel Tower and Office Tower. Does the company intend to hold the properties to generate recurring income, or to sell it? If it is for sale, what is the current take up rate?**

A2: The Company has yet to make a decision on whether to hold or sell Phase 2 of the project at this juncture. The Company will work with the joint venture partner, Employees Provident Fund, to monitor closely the market situation before making any decision.

**Q3. The Investment Properties recorded a carrying value of RM464.0 million which generated a PBT of RM6.0 million, representing 1.3% return on assets. Why is the return low despite the high occupancy rate recorded?**

A3: The Management had decided to focus on occupancy rate with the aim of achieving a better yield. Current occupancy rate was about 96%.

Return on investment of shopping mall operators is generally low due to oversupply of malls which had created competition in terms of rental rates.

Atria Mall has shifted its tenant mix to a more food and beverages (“**F&B**”) focus, which is performing better than other retail outlets due to competition from e-commerce for retail outlets. F&B tenants comprise of approximately 45% of the current tenant mix in Atria Mall.

**Q4. Does capital financing rely solely on internal funds?**

A4: The source of fund for Capital Financing business is derived from a mixture of internally generated funds and external funding.

**Q5. What is the Gross Impaired Ratio of these loans? According to Note 14 on page 215 of the Annual Report, the allowances made are only RM162,000.00, does it mean the loans have a very low impairment rate?**

A5: The impairment rate was low and the non-performing loan ratio for FY2019 stood at a manageable level of 1.7%.

**Q6. Does management expect bad loans to spike due to COVID-19 pandemic?**

A6: There were no delinquent borrowers so far arising from the COVID-19 pandemic and all security cover on the loans remained intact. Nevertheless, there were some requests for moratorium of loan interest servicing and principal repayment. All requests were considered and assessed carefully before approvals were granted. We do not expect any major impairment loss as the portfolio is carefully managed, and we always ensure that our collateral value provides a sufficient buffer for the loans we extend to customers.

**Q7. Page 20 of the Annual Report showed Capital Financing Division accomplished PBT of RM34.4 million in FY2019 whereas Note 3 on page 149 of the Annual Report showed only RM2.9 million, what is the reason of such discrepancy?**

A7: The PBT of Financial Services Segment of RM2.9 million stated in Note 3 on Page 149 was inclusive of both Capital Financing Division and Investment Holdings Division at the Group level. Page 20 of the Annual Report reflected the PBT of RM34.4 million of Capital Financing Division in FY2019. The Investment Holdings Division carries the debt incurred for the corporate exercise of merging PJ Development Holdings Berhad and OSK Property Holdings Berhad, and the interest costs are captured here.

**Q8. Please explain why there is no e-voucher given to participants of virtual Annual General Meeting (“AGM”)?**

A8: The Company’s primary focus on delivering shareholder value is through delivering good business performance. Currently we are also focusing on saving costs in view of the COVID-19 pandemic. However, the Management took note on the e-voucher suggestion.

**Q9. How much is the cost saving for virtual AGM compared to physical AGM?**

A9: Virtual AGM is slightly more cost effective as compared to physical AGM because the Company is using its own premise as the broadcast venue whereby no rental payment is required.

**Q10. The outcome for 2020 is challenging. What is the outlook of dividend for this year?**

A10: The Company has been paying dividend regularly and barring any unforeseen circumstances, the Company is confident to continue paying dividend to the shareholders.

There being no other business, Tan Sri Chairman concluded the Meeting and thanked all present for their attendance. The Meeting ended at 12:00 noon with a vote of thanks to the Chair.

## **APPENDIX A**

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<b><u>Ordinary Resolution 1</u></b>  Declaration of a single-tier final dividend of 3.0 sen per share in respect of the financial year ended 31 December 2019.	1,371,422,053	100.0000	0	0.0000	Carried
<b><u>Ordinary Resolution 2</u></b>  Payment of Directors' fees of RM280,000.00 for the financial year ended 31 December 2019.	1,358,457,770	99.9781	297,094	0.0219	Carried
<b><u>Ordinary Resolution 3</u></b>  Payment of Directors' benefits up to an amount of RM120,000.00 to the Non-Executive Directors of the Company for the period from 13 June 2020 until the next Annual General Meeting of the Company.	1,358,479,691	99.9798	275,094	0.0219	Carried
<b><u>Ordinary Resolution 4</u></b>  Re-election of Tan Sri Ong Leong Huat @ Wong Joo Hwa who retires by rotation in accordance with Clause 99 of the Company's Constitution.	1,363,883,021	99.4503	7,539,032	0.5497	Carried
<b><u>Ordinary Resolution 5</u></b>  Re-election of Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir who retires by rotation in accordance with Clause 99 of the Company's Constitution.	1,370,039,547	99.9793	283,631	0.0207	Carried

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<p><b><u>Ordinary Resolution 6</u></b></p> <p>Re-election of Ms. Ong Yee Ching who retires by rotation in accordance with Clause 99 of the Company's Constitution.</p>	1,359,689,672	99.2240	10,633,506	0.7760	Carried
<p><b><u>Ordinary Resolution 7</u></b></p> <p>Re-appointment of Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.</p>	1,371,399,399	99.9983	22,654	0.0017	Carried
<p><b><u>Ordinary Resolution 8</u></b></p> <p>Authority to Issue Shares.</p>	1,363,546,865	99.4258	7,875,188	0.5742	Carried
<p><b><u>Ordinary Resolution 9</u></b></p> <p>Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.</p>	165,560,809	99.1642	1,395,363	0.8358	Carried
<p><b><u>Ordinary Resolution 10</u></b></p> <p>Renewal of Authority for the Company to purchase its own shares.</p>	1,369,342,605	99.8484	2,079,354	0.1516	Carried