

**SUMMARY OF KEY MATTERS DISCUSSED AT THE SEVENTEENTH ANNUAL GENERAL MEETING (“17<sup>TH</sup> AGM”) OF THE COMPANY DULY CONVENED AND HELD AT PLATINUM BALLROOM, NOVOTEL KUALA LUMPUR CITY CENTRE, NO. 2, JALAN KIA PENG, 50450 KUALA LUMPUR ON FRIDAY, 27 OCTOBER 2017 AT 3.00 P.M.**

Madam Chua Elsie (“the Executive Chairman”) chaired the 17<sup>th</sup> AGM of the Company. The Executive Chairman called the meeting to order at 3.00 p.m. and the Secretary confirmed the presence of a requisite quorum for the meeting.

The Executive Chairman tabled the Company’s Audited Financial Statements (“AFS”) and the Reports of the Directors and Auditors for the financial year ended 30 June 2017 (“FYE 2017”).

The Executive Chairman declared that the AFS together with the Reports of the Directors and Auditors for the FYE 2017 as received and duly tabled at the 17<sup>th</sup> AGM in accordance with Section 340(1)(a) of the Companies Act 2016 (“CA 2016”). The Executive Chairman explained that the AFS for FYE 2017 were for discussion only, as they did not require shareholders’ approval. Hence, the AFS would not be put forward for voting.

The Executive Chairman then provided a brief summary of the financial performance of the Company and the Group for the FYE 2017.

Next, the Executive Chairman informed that Minority Shareholder Watchdog Group (“MSWG”) had in its letter dated 16 October 2017 requested the Company to furnish information and clarification on the AFS for FYE 2017. On behalf of the Board of Directors, the Executive Chairman thanked MSWG for giving the Company notice of its questions to enable the Board to reply to the said letter.

For the information of the members present, the following questions from MSWG and the corresponding replies were read out:-

**Question 1**

It was stated in the Chairman’s Statement that the Group looks forward to improving contributions from the hospitality division as substantial upgrading and refurbishment works will be carried out at Novotel KLCC and Bangsar Residences.

- (i) How much would be incurred in the refurbishment works for Novotel KLCC and Bangsar Residences?
- (ii) What would be the duration of the refurbishment works and the expected date of completion?
- (iii) Would the refurbishment works be expected to affect the occupancy of these properties?

**Answers:**

- (i) The cost of refurbishment works for Novotel KLCC and Bangsar Residences is estimated to be a combined RM40 million.
- (ii) Refurbishment works for Novotel KLCC is expected to complete in 2<sup>nd</sup> half of FYE 2019 whereas for Bangsar Residences completion is in 1<sup>st</sup> half of FYE 2019.
- (iii) Business and operations at both hotels will continue as usual during refurbishment although we expect occupancy may be affected up to 30%.

**Question 2**

As stated in the Management Discussion and Analysis, the Group’s hotel operations contributed a revenue of RM4.1 million due to improved occupancy from Oakwood KL which had re-opened for business in November 2016.

What was the average occupancy rate of Oakwood KL as at 30 June 2017?

**Answer:**

Oakwood KL was officially opened in November 2016. The hotel achieved breakeven, after three months in February 2017. The occupancy for FYE 2017 averaged 30% and peaked at 39% in the last quarter of FYE 2017.

**Question 3**

Revenue from property development segment rose by 1.2% to RM156.9 million in FYE 2017.

- (i) What was the average take up rate for the properties launched during the financial year?
- (ii) How much is the total unbilled sales as at 30 June 2017?

**Answers:**

- (i) The average take up rate for properties launched during the financial year is about 80%.
- (ii) The unbilled sales as at 30 June 2017 is approximately RM72 million.

**Question 4**

We noted that the management was cautious in the glut supply of condominium apartments in Johor and its subsidiary, Plenitude Tebrau Sdn Bhd had instead launched 234 units of double storey terrace houses during the financial year under review.

- (i) What was the take-up rate for the houses that was launched during the year?
- (ii) What are the Group's other developments in Johor?

**Answers:**

- (i) The take up rate for Plenitude Tebrau's Clarinet double storey terrace houses averaged about 75% according to the different releases of various phases as at 30 June 2017.
- (ii) Plenitude Tebrau's next launch in FYE 2018 is Phase 19 & 20 Parcel 2 cluster homes. We will consider the launching of the Mandolin Residences once the demand for condominiums picks up in Johor Bahru.

Subsequent to the above, the Executive Chairman opened the floor for questions on the AFS of the Company for FYE 2017.

The following were queries raised by shareholders and the responses made by the Board members:-

- (a) **Mr. Ding Diong Sing (Shareholder)**

**Questions:**

- (i) What is the actual value of the Company? When can the Board carry out revaluation of its assets to protect the interests of the shareholders.
- (ii) What is the expected return from the refurbishment of Oakwood KL?

**Reply by Board of Directors and Management**

- (i) The Company is not required to carry out revaluation of its assets and has complied with the requirements of the financial and accounting standards. If revaluation is required under any corporate exercise, the Company will comply with the requirement.
- (ii) Oakwood KL is expected to recover its investment in 10 years with enhanced value.

(b) **Mr. Ng Sho See (Corporate Representative)**

**Questions:**

- (i) Are there any plans to develop the piece of land at Taman Desa Tebrau? What is the tax implication if the land is not developed?
- (ii) The Company has many dormant subsidiaries.

**Reply by Board of Directors and Management**

- (i) The Company targets to develop 250 acres of mixed development in the next six months. If the Company sells this piece of land now, it will have to pay real property gains tax.
- (ii) The Company plans to close down the dormant subsidiaries.

(c) **Mr. Len Nyok Chong (Shareholder)**

**Questions:**

- (i) For future presentations, Mr. Len requested the Board to give a brief outlook of the coming year's activities. He commented that the Management has not given much attention to spur growth at Taman Putra Prima, Puchong.
- (ii) What is the breakdown of the RM1 billion reserves?
- (iii) Can higher dividends be declared or bonus shares be issued?

**Reply by Board of Directors and Management**

- (i) Mr. Len's comments were noted.
- (ii) The reserves of RM1 billion consists of non-distributable reserves of RM14 million and distributable retained earnings of RM993.3 million.
- (ii) The Company may within 24 months from 31 January 2017 utilise the credit in the share premium account under specific circumstances provided in the CA 2016.

(d) **Mr. Shak Kum Choy (Shareholder)**

**Question:**

Will tourism tax affect the hotels' earnings?

**Reply by Board of Directors and Management**

The average hotel occupancy rate is 68%. Tourism tax applies to foreign tourists and the tax is already packaged in the price quoted to travel agents. Malaysians are exempted from paying the tourism tax. The impact on guest arrivals has yet to be assessed.

(e) **Mr. Low Chee Teng (Shareholder)**

**Questions:**

- (i) Why did the Company reduce its investment in fixed income trust fund and shifted its investment to fixed deposits?
- (ii) Explain the unrealised loss on foreign exchange?

**Reply by Board of Directors and Management**

- (i) The Company transferred its investment from fixed income trust fund to fixed deposits because with effect from 1 January 2017, income from non-wholesale trust funds are no longer tax exempted and fixed deposits gave a higher return.

- (ii) Unrealised loss on foreign exchange arose from foreign subsidiaries and the depreciation of the ringgit.

With that, the Executive Chairman concluded the questions and answers session for Agenda 1.

There were no questions raised for Agenda items 2 to 7. All the resolutions tabled at the 17<sup>th</sup> AGM of the Company and voted upon by poll were duly passed by the shareholders.

There being no other business, the Meeting terminated at 4.40 p.m. with a vote of thanks to the Chairman.