

SUMMARY OF PROCEEDINGS AND SALIENT POINTS RAISED DURING THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 19 APRIL 2016 (“26TH AGM”)

DatoqNik Mohamed Din bin Datuk Nik Yusoff (the Chairman) chaired the 26th AGM of the Company. The Chairman called the meeting to order at 2.30 pm after confirmation of the requisite quorum being present pursuant to Article 74 of the Company’s Articles of Association.

All the resolutions tabled at 26th AGM of the Company held on 19 April 2016 were duly passed by the shareholders, including the re-election and re-appointment of Directors as set out in the Notice of 26th 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 2015.

The shareholders and the Minority Shareholder Watchdog Group (MSWG) raised questions during the 26th 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 Chairman Statement, it was stated that the Property Division will launch several projects across Peninsular Malaysia with Gross Development Value (“GDV”) of over RM1 billion. Could the Board provide the GDV for some of these projects?

A1 The new launches were as follows:

Name of Project	Location	Gross Development Value (GDV) (RM mil)
Windmill Upon Hills	Genting Permai	352
Luminari	Butterworth	227
Timur Bay	Kuantan	320
Bandar Puteri Jaya	Sungai Petani	165
		1,064

Q2 MSWG noted that Cheras will see the launch of Phase Three following the strong take-up rates of Phase One and Phase Two.

- (i) What were the take-up rates for Phase One and Phase Two?
- (ii) What would be the expected take-up rate for Phase Three, which comprise of serviced apartments on top of a retail complex?
- (iii) What is the total GDV for the projects in Section 13?

- A2
- (i) The take-up rate for Phase One and Phase Two were 94% and 96% respectively.
 - (ii) As at 13 April 2016, Phase Three has not been launched yet. The Company expect to launch it in the 2nd half of 2016 or 2017, depending on market conditions.
 - (iii) The total GDV for the projects in Section 13 was estimated at RM843 million.

Q3 Atria shopping gallery has an occupancy rate of 87% as at 31 January 2016. Is the Board expecting the shopping gallery to maintain the occupancy level for Financial Year 2016?

- A3 For Financial Year 2016, the Board is expecting this level of occupancy to be maintained. Nevertheless, the Management would continue to secure more tenants to improve the occupancy.

Q4 Olympic Cable Company Sdn Bhd (“OCC”)’s business declined due to a challenging market. In the Chairman Statement, it was stated that the company will diversify from conventional power cables to manufacturing of oil and gas cables in the middle of 2016. How would the current challenges faced by the oil and gas industry be expected to affect the business of manufacturing of oil and gas cables?

A4 The present slowdown in oil and gas would affect the demand in this sector. OCC is developing this new range of products and it would take about a year to reach optimum capacity. The sales volume from this sector is expected to constitute up to 10% of plant output. The Management hopes that in the longer run, OCC would have a more diversified range of products.

Q5 According to the Chairman Statement, the Hotel Division underperformed in 2015 due to decline in room occupancy as a result of headwinds faced by the tourism industry in Malaysia.

- (i) **What was the average occupancy rate of the hotels?**
- (ii) **What are the measures taken to improve the performance of hotel division?**

A5 (i) The total average occupancy rate for all hotels was approximately 55% and the breakdown of occupancy rate of the following hotels was as follows:-

Name of Hotels	Location	Occupancy Rate
Swiss-Garden Hotel & Residences	Kuala Lumpur	60%
Swiss-Inn	Kuala Lumpur	48%
Swiss-Inn	Sungai Petani	55%
Swiss-Garden Resort	Damai Laut	47%
Swiss-Garden Resort	Kuantan	55%
Garden Lodge	Sydney	79%

(ii) The Hotel Division, in view of the slowdown in foreign arrivals, adopted a strategic shift to focus effort in tapping the domestic markets. The Management has taken various steps to improve the performance of Hotel Division, amongst other, as follows:

- worked with financial institutions for special alliance promotions targeted at credit card members;
- participated aggressively in the local MATTA Travel Fair;
- organised roadshows in the Central, Northern, Southern and Eastern corridors of the Peninsular Malaysia to solicit for business; and
- generated awareness amongst the Government Divisions as well as to the Government Linked Companies.

Aside from the key examples above, the Management would take steps to improve the performance on other key feeder segments or geographical markets at the appropriate time.

Q6 What is the status update for the land next to Plaza OSK?

A6 We have obtained the Delivery Order for the proposed development of OSK Tower. In view of the current market condition, the Company would re-visit the development when the time is right.

There being no other business, the Chairman concluded the 26th AGM and thanked all present for their attendance. The meeting ended at 4:00 pm, with a vote of thanks to the Chair.