

SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTY-SIXTH ANNUAL GENERAL MEETING (“56th AGM”) OF THE COMPANY HELD AT BANQUET HALL, 1ST FLOOR, TPC KUALA LUMPUR (KUALA LUMPUR GOLF & COUNTRY CLUB BERHAD), 10, JALAN 1/70D, OFF JALAN BUKIT KIARA, 60000 KUALA LUMPUR ON WEDNESDAY, 28 FEBRUARY 2018 AT 10.00 A.M.

1. CHAIRMAN

The Executive Chairman, Mr Wen Chiu Chi welcomed all members, corporate representatives, proxies and guests present at the Company’s 56th AGM.

2. QUORUM

The Representative of the Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Executive Chairman called the Meeting to order at 10.00 a.m.

3. NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read. The Executive Chairman then proceeded with the business of the Meeting.

4. SUMMARY OF PROXIES RECEIVED

As part of good governance, the Executive Chairman informed the members that the Company had received in total 68 proxy forms from shareholders for a total of 240,131,811 ordinary shares representing 69.88% of the total number of issued shares of the Company.

Out of those, there were 24 shareholders who had appointed the Executive Chairman as proxy to vote on their behalf and the shares so represented stood at 1,141,600 which represent 0.33% of the total number of issued shares of the Company.

5. RIGHTS OF SHAREHOLDERS

The Executive Chairman further informed the shareholders that they are encouraged to participate, speak and vote in this meeting.

6. OPENING ADDRESS

Before proceeding with the agenda of the Meeting, the Executive Chairman, in his opening remarks placed on record the Board's sincere appreciation to Puan Sri Datin Chook Yew Chong Wen who retired from the Board on 27 December 2017 for her exemplary leadership, un-tiring commitment, service and contributions to the Group over the last 54 years. The Executive Chairman also expressed the Board's appreciation to Mr Michael Lim Hee Kiang, who resigned from the Board on 23 October 2017, for his long service and contributions to the Company.

On behalf of the Board, the Executive Chairman welcomed Madam Marcia Kok Suet Ling to the Board and look forward to her participation and contribution to the Board. The Executive Chairman also offered sincere condolences to the family of Mr Chan Guan Seng, who resigned from the Board on 9 January 2018 and passed away due to health reasons.

The Executive Chairman then briefly updated the shareholders on the overview of the Company's performance and strategies.

7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2017

The Executive Chairman informed the Meeting that the Audited Financial Statements of the Company for the financial year ended ("FYE") 31 October 2017 were meant for discussion only as approval of the shareholders is not required.

The Executive Chairman also informed that the Minority Shareholder Watchdog Group ("MSWG") had on 22 February 2018 written to the Company seeking clarification/information on several points and issues raised pertaining to strategic, financial and corporate governance matters of the Company.

At the invitation of the Executive Chairman, the Chief Operating Officer, Mr Chong Koon San read out the questions received from the MSWG and provided the answers to the questions raised at the Meeting for the benefit of the shareholders and stakeholders. A copy of the slide presentation on the questions raised by the MSWG and answers is attached herein as Appendix A.

The Executive Chairman subsequently invited questions from the floor and took cognizance of the following enquiries, proposals and/or suggestions by shareholders and proxies during the Meeting:-

A. Financial Results/Operations

- (i) The take-up rate for AIRA Residence was slower than expected due to the soft property market sentiment. Nevertheless, the Company is confident with the quality of the said property and expected the said property to be completely sold

(Company No: 5199-X)

Summary of Key Matters discussed at the Fifty-Sixth Annual General Meeting of the Company held on Wednesday, 28 February 2018

- within a period of 3 to 4 years. The Executive Chairman then encouraged all the investors to visit the AIRA Residence's showroom.
- (ii) The investment properties of the Company are revalued annually by professional firms of valuers. The latest valuation exercise was conducted on 31 October 2017 and the next revaluation exercise would be conducted in October 2018.
 - (iii) The major investment properties of the Company in Australia are located in Perth and Melbourne.
 - (iv) The funds held in Unit Trusts by the Company were the remaining proceeds from the sale of a piece of land amounting to RM450 million in prior years. The proceeds from the sale of land were initially utilised for payment of final dividend approved at the Annual General Meeting held in 2016 and 2017 as well as funding working capital for development of projects. The balance of funds held in unit trusts at end of 2017 was approximately RM80 million. Moving forward, these funds were expected to decrease substantially as the same would be utilised for the dividend payment for the FYE 31 October 2017.
 - (v) The investments in hedge funds held by the Company were basically invested in fixed income instruments and cash placements. The Company had collected approximately 5.27% return last year.
 - (vi) The Company's bank borrowings of AUD70 million (equivalent to approximately RM200 million in total) was to finance the Company's investment in Claremont Quarter in Australia.

B. Outlook of the Company

- (i) The Company had explored several investment opportunities in Australia for expansion, which includes acquisition of shopping centre and/or land, storage facilities and investment holding. However, none of the opportunities had been concluded.
- (ii) The Company will actively explore investment opportunities on Australia's landbank.
- (iii) With regards to the development of Wisma Damansara site which has been suspended, Management was in the midst of checking with the Kuala Lumpur City Hall in respect of the issue on blanket restriction on development of residential apartments above RM1.0 million and had yet to receive their reply.
- (iv) In response to a shareholder's suggestion, the Company would explore the feasibility of retirement home, where appropriate.
- (v) In response to a shareholder's enquiry directed to an Independent Director of the Company on the lesser dividend declared by the Company for the FYE 31 October 2017 as compared to preceding year, Mr Ong Liang Win commented that a special single tier dividend was paid in the preceding year due to an extraordinary gain recorded for the FYE 31 October 2016. Nevertheless, there were no special gains reported for the FYE 31 October 2017 which could justify additional special single-tier exempt dividend to be paid. In addition, the Company needs to retain its existing funds for expansion and future development as well as for acquisitions of land/properties.
- (vi) The business growth and performance of the Company is mainly derived from high-end property development, and the upgrading and renovation of existing properties. Moving forward, the Company would diversify its portfolio of investments in Australia.

(Company No: 5199-X)

Summary of Key Matters discussed at the Fifty-Sixth Annual General Meeting of the Company held on Wednesday, 28 February 2018

- (vii) The performance of the Company for the FYE 31 October 2018 was expected to be affected by foreign exchange rate; however the level of operations should remain similar to the FYE 31 October 2017.
- (viii) The Management had engaged several reputable consultants for the re-development of the Wisma Damansara site with green concept.
- (ix) The Project Director of AIRA Residence, Mr Brian, had made considerable efforts to develop the project into a premium product of international standard.

C. Proposals/Suggestions

- (i) The Board noted the suggestion from MSWG that the gratuity payment to directors shall be considered as benefits payable and subject to shareholders' approval.
- (ii) The Board noted MSWG's suggestion on the succession planning in the Board and the need to fill up the vacancy of Remuneration Committee Chairman.
- (iii) In response to a shareholder's proposal for green approach for the re-development of Wisma Damansara site to maximise the intrinsic value, the Company had engaged a renown Singapore-based architectural practice, WOHA to undertake the architectural concept and design.
- (iv) The Board would not focus on Real Estate Investment Trust segment for the time being as it is not expected to add value to the Company.

After having addressed all the questions/issues raised, it was recorded that the Audited Financial Statements of the Company had been duly tabled and received by the Shareholders.

8. POLL PROCEDURE

Pursuant to the Articles of Association of the Company, the Executive Chairman demanded for a poll to be taken on all the resolutions set forth in the Notice of the 56th AGM.

After the briefing of the polling procedure, the Executive Chairman then proceeded with the resolutions set out in the Agenda.

9. VOTING RESULTS

All the following resolutions tabled at the 56th AGM of the Company were duly passed by the shareholders of the Company:-

Ordinary Business

Resolution	Agenda
Ordinary Resolution 1	Declaration of final single-tier exempt dividend of 12.0 sen per Ordinary Share for the FYE 31 October 2017
Ordinary Resolution 2	Approval on the increase of Directors' Fees for the FYE 31 October 2017
Ordinary Resolution 3	Approval on the benefits payable to the Independent Non-Executive Directors from 1 November 2017 until the next AGM of the Company and the payment thereof
Ordinary Resolution 4	Re-election of Mr Wen Chiu Chi as Director
Ordinary Resolution 5	Re-election of Madam Marcia Kok Suet Ling as Director
Ordinary Resolution 6	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration

Special Business

Resolution	Agenda
Ordinary Resolution 7	Authority for Dato' Zaibedah Binti Ahmad to continue in office as Independent Non-Executive Director
Ordinary Resolution 8	Authority for Mr Ong Liang Win to continue in office as Independent Non-Executive Director
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

10. CLOSURE

There being no other business to be transacted, the Meeting terminated at 12.25 p.m. with a vote of thanks extended to the Executive Chairman of the Meeting.

*****[End]*****



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56TH ANNUAL GENERAL MEETING

28 FEBRUARY 2018



Questions from the Minority Shareholder Watchdog Group (MSWG) via letter dated 22 February 2018



Questions from the Minority Shareholder Watchdog Group

Strategic and Financial Matters

- 1) As stated under the Taman Tunku Apartments Project in the Management, Discussion and Analysis on page 13 of the Annual Report, what would be the expected cost of refurbishment of these Apartments and the expected increase in the rental yield arising from the refurbishment?
- 2) It was mentioned on page 15 of the Annual Report that Phase 4 of Permata Heights has a total of 60 property units, comprising 36 units of semi-detached houses and 24 units of bungalows .
 - (i) What is the expected Gross Development Value ("GDV") of Phase 4?
 - (ii) What would be the expected selling price of each semi-detached and bungalow unit?
- 3) We noted that the Company has decided to sell the three parcels of freehold land identified as Phase 6 of Bukit Permata.
 - (i) What is the reason for the Company to sell the 3 parcels of land?
 - (ii) Why is the transaction not completed as at end of 2017?
 - (iii) What would be the financial impact to the Group's earnings?
- 4) What is the latest take-up rate for the AIRA Residence and what is the expected marketing expenses for FY2018?
- 5) Please explain why the investment properties in Malaysia were valued on open market comparison method while the investment properties in Australia were valued on capitalisation method.

Questions from the Minority Shareholder Watchdog Group

Corporate Governance Matters

- 1) We noted that Mr. Wen Chul Chi was appointed as the Executive Chairman with effect from 27 December 2017 and had relinquished his position as Managing Director/Chief Executive Officer as stated on page 24 of the Annual Report. We also note that there is no CEO appointed to-date.

Will the Company comply with Practice 1.3 of the MCCG 2017 which requires the positions of Chairman and CEO to be held by different individuals?

- 2) Two Independent Directors, Dato' Zaibedah Binti Ahmad and Mr. Ong Liang Win, have served on the Board for 16.7 years and 16.3 years respectively.

Practice 4.2 of the MCCG 2017 requires the Board to seek annual shareholders' approval through a two-tier voting process if the Board continues to retain an Independent Director after the twelfth year.

When would the Board implement the two-tier voting for Dato' Zaibedah and Mr. Ong to continue as Independent Directors of the Company? If the Constitution of the Company needs to be changed in order to implement the two-tier voting, when is the Constitution expected to be changed?

- 3) The Remuneration Committee had recommended a gratuity payment amounting to RM240,000 to Mr. Michael Lim Hee Kiang, a former Independent Non-Executive Director ("INED") of the Company as reported on page 29 of the Annual Report.

(i) Please provide the total fees and other emoluments paid to Mr. Michael Lim Hee Kiang for the three years immediately preceding his resignation.

(ii) Why no approval was sought for the gratuity payment to Mr. Michael Lim Hee Kiang at a general meeting? Section 7.24 of Chapter 7 of the Bursa Main Market Listing Requirements states that the fees of directors, and any benefits payable to directors shall be subject to annual shareholder approval at a general meeting. Please explain.

Our view is that the Company should adequately remunerate an INED by way of fees and emoluments instead of paying a gratuity to him at the end of his tenure.

Question & Answer

Strategic and Financial Matters

Question 1:

As stated under the Taman Tunku Apartments Project in the Management Discussion and Analysis on page 13 of the Annual Report, what would be the expected cost of refurbishment of these Apartments and the expected increase in the rental yield arising from the refurbishment?

Our response:

The Taman Tunku Apartments had been well patronized but due to its aging condition, a refurbishment exercise is required to update and modernize the apartments and to create new F&B retail space on the ground floors.

The refurbishment exercise is expected to cost RM25 million over a 2.5-year period. Upon completion, the property will generate an estimated additional net rental income of RM2.8 million per annum over the present net rental income of RM2.0 million per annum.

Question & Answer

Question 2:

It was mentioned on page 15 of the Annual Report that Phase 4 of Permata Heights has a total of 60 property units, comprising 36 units of semi-detached houses and 24 units of bungalows.

- (i) What is the expected Gross Development Value (“GDV”) of Phase 4?*
- (ii) What would be the expected selling price of each semi-detached and bungalow unit?*

Our response:

Phase 4 is planned to be launched in the second quarter of 2018.

- (i) The total GDV is estimated at RM105 million.
- (ii) The selling price of semi-detached units ranges from RM1.5 million to RM1.8 million while for bungalow units, the price range is RM1.7 million to RM2.0 million.

Question & Answer

Question 3:

We noted that the Company has decided to sell the three parcels of freehold land identified as Phase 6 of Bukit Permata.

- (i) What is the reason for the Company to sell the 3 parcels of land?*
- (ii) Why is the transaction not completed as at end of 2017?*
- (iii) What would be the financial impact to the Group's earnings?*

Our response:

The 3 parcels with land sizes totaling 56,461 sq ft. or 1.29 acres were sold for RM4.86 million (or an average of RM86.14 per sq. ft.), and comprise the following:

- (1) Land with approved development order (DO) for 22 residential lots which were intended to be developed in the future. Land size 1.03 acres
- (2) Bungalow land with structural frame. Land size 6,355 sq ft. which adjoins parcel (1).
- (3) Vacant bungalow land 5,242 sq. ft.

The 3 parcels of land are of low value and the sale would relieve the Company's resources, including management efforts, on their development. The sale transactions occurred in 2017 and their completion are pending the fulfilment of conditions precedents related to authority approvals. The potential profit from these 3 parcels is estimated at RM1.8m

Question & Answer

Question 4:

What is the latest take-up rate for the AIRA Residence and what is the expected marketing expenses for FY2018?

Our response:

Sales is progressing and achievement is within our expectations considering the soft property market conditions. Our target is to achieve 100% sales of the units over the construction period of 4 years.

Marketing efforts has been intensified in FY2018 for a wider market coverage and would include events and broader media advertising. We have an estimated RM3.0 million budget for marketing expenses in FY2018.

Question & Answer

Question 5:

Please explain why the investment properties in Malaysia were valued on open market comparison method while the investment properties in Australia were valued on capitalization method.

Our response:

It is the industry practices in Malaysia and Australia to value investment properties based on the comparison method and the capitalization method respectively.

Question & Answer

Corporate Governance Matter:

Question 1:

We noted that Mr. Wen Chiu Chi was appointed as the Executive Chairman with effect from 27 December 2017 and had relinquished his position as Managing Director/Chief Executive Officer as stated in page 24 of the Annual Report. We also note that there is no CEO appointed to date.

Will the Company comply with Practice 1.3 of the MCG 2017 which requires the positions of Chairman and CEO to be held by different individuals?

Our response:

There is no compulsory requirement in the M&A of the Company to have a Managing Director or CEO. The Company does not believe in having a big Board to be effective and is of the view that the current composition of the Board is sufficient.

The composition of the Board is such that the authority of the Executive Chairman is counter-balanced by three independent non-executive directors.

Question & Answer

Question 2:

Two Independent Directors, Dato' Zaibedah Binti Ahmad and Mr. Ong Liang Win, have served the Board for 16.7 years and 16.3 years respectively.

Practice 4.2 of the MCCG 2017 requires the Board to seek annual shareholders' approval through a two-tier voting process if the Board continues to retain an independent director after the twelfth year.

When would the Board implement the two-tier voting for Dato' Zaibedah and Mr. Ong to continue as Independent Directors of the Company? If the Constitution of the Company needs to be changed in order to implement the two-tier voting, when is the Constitution expected to be changed?

Our response:

Dato' Zaibedah and Mr Ong will not be seeking re-election at the next AGM. These two directors have been retained in office to facilitate a smooth transition for the new directors.

The Company will comply with two-tier voting guideline as provided under the MCCG 2017 and amend its Constitution at the next AGM.

Question & Answer

Question 3:

The Remuneration Committee had recommended a gratuity payment amounting to RM240,000 to Mr. Michael Lim Hee Kiang, a former Independent Non-Executive Director (“INED”) of the Company as reported on page 29 of the Annual Report.

- (i) Please provide the total fees and other remuneration paid to Mr. Michael Lim Hee Kiang for the three years immediately preceding his resignation.*
- (ii) Why no approval was sought for the gratuity payment to Mr. Michael Lim Hee Kiang at a general meeting? Section 7.24 of Chapter 7 of the Bursa Main Market Listing Requirements states that the fees of directors, and any benefits payable to directors shall be subject to annual shareholder approval at a general meeting. Please explain.*

Our view is that the Company should adequately remunerate an INED by way of fees and emoluments instead of paying a gratuity to him at the end of his tenure.

Question & Answer

Our response:

The details of Mr. Michael Lim Hee Kiang's remuneration over the three financial years immediately preceding his resignation on 23 October 2017 as follows:

Mr. Michael Lim <u>Hee Kiang</u>	Fees RM	Meeting Allowances		Training Allowance RM	Total RM
		Board RM	AGM RM		
FY 2016	62,000	13,000	1,000	7,000	83,000
FY 2015	62,000	13,000	1,000	7,000	83,000
FY 2014	57,000	13,000	1,000	7,000	78,000
Total	181,000	39,000	3,000	21,000	244,000

The shareholders' approval for the gratuity payment to Mr. Michael Lim Hee Kiang is not required pursuant to Section 227(5)(d) of the Companies 2016 as the amount of gratuity does not exceed the total remuneration paid to Mr. Michael Lim in the three years immediately preceding his resignation.

With regards to the requirement to obtain annual shareholders' approval for Directors' fees and any benefits payable to Directors under Paragraph 7.24 of Chapter 7 of Main Market Listing Requirements of Bursa Malaysia Securities, the Board had deliberated that the gratuity payment to Mr. Michael Lim was not considered as a benefit payable to a director.

Therefore, upon the recommendation from Remuneration Committee, the Board had on 27 December 2017 approved the gratuity payment of RM240,000 to Mr. Michael Lim in recognition and appreciation of his contribution to the Company as well as his long and dedicated services to the Company

Thank You

**BOARD OF DIRECTORS
– Directors' Benefits
1 Nov 2017 – 28 Feb 2019
(2019 AGM)**

DIRECTORS' BENEFITS

	Meeting Allowance >>>>>>>>>			Training	
NON-EXECUTIVE DIRECTORS	Board	AGM	EGM	Allowance	Total
	RM	RM	RM	RM	RM
FY 2018 (1.11.17 until 2019 AGM 28.2.19)					
NON-EXECUTIVE DIRECTORS					
Dato' Zaibedah bt Ahmad	23,400	2,000	1,000	10,500	36,900
Ong Liang Win	23,400	2,000	1,000	10,500	36,900
Marcia Kok Suet Ling (27.12.17)	18,200	2,000	1,000	10,500	31,700
	65,000	6,000	3,000	31,500	105,500
Steve Scudamore (1.3.18)	41,600	3,200	3,200	33,600	81,600
New director - M'sian (1.3.18)	13,000	1,000	1,000	10,500	25,500
Total	119,600	10,200	7,200	75,600	212,600

End