

BERJAYA LAND BERHAD
(Registration No. 199001010193 (201765-A))
(Incorporated in Malaysia)

An Extract of Minutes of the Twenty-Ninth Annual General Meeting (“29th AGM”) of the Company held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 9 December 2019 at 10.00 a.m.

CHAIRMAN

Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim presided as Chairman of the Meeting.

PRESENT

The attendance list was set out in Appendix I attached.

QUORUM

The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING

The Notice of 29th AGM dated 25 October 2019 as contained on Page 276 to Page 280 of the Company’s 2019 Annual Report was taken as read by the Secretary.

POLL VOTING

The Chairman informed that the voting for all the resolutions to be considered at the Meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

The shareholders would be required to complete the poll voting slips after all the resolutions have been duly proposed, seconded and clarified.

Before the Meeting proceeded, the Chairman informed that he would not seek re-election as a Director of the Company. Hence, he would retire as Chairman and Independent Non-Executive Director of the Company upon the conclusion of the 29th AGM.

The Chairman then proceeded with the Item 1 on the Agenda which is to receive and adopt the Company’s audited financial statements for the financial period ended 30 June 2019 together with the Directors’ and Auditors’ Reports thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman further informed that under the provisions of Section 340 subsection 1(a) of the Companies Act 2016, the Company was required to lay before the Meeting the audited financial statements and reports for the financial period ended 30 June 2019. Hence, no resolution would be required on Item 1 of the Agenda in respect of the adoption of audited financial statements, Directors’ and Auditors Reports for the financial period ended 30 June 2019 but members present would be able to ask questions and give comments on the Company’s audited financial statements after the presentation by the Management.

The Chairman then invited Mr Simon Kua, the Engagement Partner of Messrs Ernst & Young (“EY”), the external auditors of the Company, to present the Independent Auditors’ Report on the financial statements for the financial period ended 30 June 2019 to the members present.

The Chairman thanked Mr Simon Kua on his presentation of the Auditors’ Report and then invited Ms Sally Teh Phaik See, the Senior General Manager of the Group Accounts & Budgets Division, to brief the members on the Group’s financial performance for the financial period ended 30 June 2019 which was summarised in a slide presentation.

After the presentation by Ms Sally Teh Phaik See, the Chairman then invited questions from the floor on the audited financial statements for the financial period ended 30 June 2019. Several shareholders and proxies present made comments and sought clarifications on various issues which were duly addressed by the Chief Executive Officer, Mr Syed Ali Shahul Hameed, the Directors and the representative from the Management team. A summary of the comments and questions raised and replies thereto were set out in Appendix II.

After having addressed all the queries raised, the Company’s audited financial statements for the financial period ended 30 June 2019 together with the Directors’ and Auditors’ Reports were duly adopted.

The Chairman informed that he was interested in Resolution 1 in relation to the payment of additional payment of Directors’ Fees amounting to RM26,000.00 to the Non-Executive Directors of the Company for the period from 1 July 2019 to the 29th AGM of the Company to be held in year 2019 and hence, he has to abstain from deliberating and voting on the said resolution. The Chairman then passed the Chair to the Chief Executive Officer, Mr Syed Ali Shahul Hameed (“Mr Syed Ali”) for the purpose of considering Resolution 1 to Resolution 3.

1. ADDITIONAL PAYMENT OF DIRECTORS’ FEES FOR THE PERIOD FROM 1 JULY 2019 TO THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE COMPANY

The motion to approve the payment of additional payment of Directors’ Fees amounting to RM26,000.00 to the Non-Executive Directors of the Company for the period from 1 July 2019 to the 29th AGM of the Company to be held in year 2019 under Resolution 1 was proposed by Mr Teh Kian Lang and seconded by Ms Lee Yin Bin.

2. DIRECTORS’ FEES TO EACH NON-EXECUTIVE DIRECTOR FOR THE PERIOD FROM 10 DECEMBER 2019 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The motion to approve the payment of Directors’ Fees of RM7,000.00 per month to each Non-Executive Director of the Company for the period from 10 December 2019 until the next Annual General Meeting of the Company to be held in year 2020 under Resolution 2 was proposed by Ms Lee Yin Bin and seconded by Mr Teh Kian Lang.

3. DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR THE PERIOD FROM 10 DECEMBER 2019 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The motion to approve the payment of Directors' remuneration (excluding Directors' Fees) to the Non-Executive Directors of the Company up to an amount of RM425,100.00 for the period from 10 December 2019 until the next Annual General Meeting of the Company to be held in year 2020 under Resolution 3 was proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Teh Kian Lang.

4. RE-ELECTION OF TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM AS DIRECTOR

Mr Syed Ali informed that Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim ("Tan Sri Razman") who shall retire pursuant to Article 101 of the Company's Articles of Association had given notice that he did not wish to seek re-election as a Director of the Company. Therefore, shareholders' approval for Resolution 4 in relation to the re-election of Tan Sri Razman is no longer required. Hence, Tan Sri Razman shall accordingly retire as a Director of the Company upon the conclusion of the 29th AGM.

Mr Syed Ali then passed the Chair back to the Chairman for the next agenda.

5. RE-ELECTION OF DIRECTORS

- (a) The motion on the proposed re-election of Datuk Robert Yong Kuen Loke as a Director of the Company pursuant to Article 101 of the Company's Articles of Association under Resolution 5, was duly proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Teh Kian Lang.
- (b) The motion on the proposed re-election of Ms Chryseis Tan Sheik Ling as a Director of the Company pursuant to Article 101 of the Company's Articles of Association under Resolution 6, was duly proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Teh Kian Lang.
- (c) The motion on the proposed re-election of Mr Syed Ali Shahul Hameed as a Director of the Company pursuant to Article 106 of the Company's Articles of Association under Resolution 7, was duly proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Lee Yin Bin.

6. RE-APPOINTMENT OF AUDITORS

The motion to move the Resolution 8 in relation to the re-appointment of Messrs Ernst & Young as Auditors of the Company was proposed by Ms Sally Teh Phaik See and seconded by Ms Lee Yin Bin.

7. SPECIAL BUSINESS

7.1 Ordinary Resolution

- Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The motion to move Resolution 9 in relation to the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Lee Yin Bin.

7.2 Ordinary Resolution

- Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Chairman informed the members that the proposed Resolution 10, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman also informed that the following persons who are interested Directors and major shareholders of the Company as well as persons connected with them would abstain from voting on Resolution 10 in respect of their direct and/or indirect shareholdings in the Company, namely:-

- a) Nerine Tan Sheik Ping
- b) Chryseis Tan Sheik Ling
- c) Tan Sri Dato' Seri Vincent Tan Chee Yioun
- d) Berjaya Corporation Berhad

The Chairman further informed that the other Directors of the Company namely, Mr Syed Ali Shahul Hameed, Dato' Ng Sooi Lin and Mr Tan Thiam Chai, are also Directors of certain companies of which Berjaya Corporation Berhad is deemed to have an interest. Although, Mr Syed Ali Shahul Hameed, Dato' Ng Sooi Lin and Mr Tan Thiam Chai are not deemed to be interested, they have however voluntarily abstained from voting on Resolution 10 in respect of their direct and/or indirect shareholdings in the Company.

The motion to move Resolution 10 was proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Lee Yin Bin.

7.3 Ordinary Resolution

- Proposed Renewal of Authority for the Company to Purchase its Own Shares

The motion to move Resolution 11 in relation to the proposed renewal of authority for the Company to purchase its own shares was proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Teh Kian Lang.

7.4 Ordinary Resolution

- Proposed Retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director

The Chairman informed that the Resolution 12 in relation to his proposed retention as an Independent Non-Executive Director of the Company has been withdrawn following his retirement as a Director of the Company upon the conclusion of the 29th AGM.

7.5 Ordinary Resolution

- Proposed Retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director

The motion to move Resolution 13 in relation to the proposed retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director of the Company was proposed by Mr Lim Tan Yeow Kuan and seconded by Mr Yee Aun Tong.

7.6 Special Resolution

- Proposed Adoption of a new Constitution

The Chairman informed that the Special Resolution is in relation to the proposed adoption of a new Constitution to replace the whole of the existing Memorandum and Articles of Association of the Company. The proposed adoption is to streamline it with the provision of the Companies Act 2016, which came into effect on 31 January 2017 and the relevant amendments made to Bursa Malaysia Securities Berhad's Main Market Listing Requirements to provide better clarity and consistency throughout the new Constitution and to enhance the administrative efficiency of the Company.

The motion to move Special Resolution in relation to the proposed adoption of a new Constitution was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Lee Yin Bin.

As there were no other resolutions to be considered, the Chairman then invited the representative from Berjaya Registration Services Sdn Bhd, Encik Halim Md Amin to explain to the members the procedures on the conduct of poll voting in a video presentation which was displayed at the Meeting.

The Chairman then declared that the Meeting be adjourned for the Share Registrar and the Scrutineers to count and tabulate the poll results respectively.

Announcement of Poll Results

After the votes had been counted and verified by the Independent Scrutineers, Messrs LT Lim & Associates ("LT Lim"), the Chairman called the Meeting to order at 12.45 p.m. and the representative from LT Lim, Mr Han Meng Chew reported the results of the poll, which was also displayed on a slide presentation for those present at the Meeting, as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Additional payment of Directors' fees for the period from 1 July 2019 to the Twenty-Ninth Annual General Meeting of the Company	4,222,374,141	99.75	10,515,127	0.25
2.	Payment of Directors' fee to each Non-Executive Director for the period from 10 December 2019 until the next Annual General Meeting of the Company	4,222,671,145	99.76	10,218,123	0.24
3.	Payment of Directors' remuneration (excluding Directors' fees) for the period from 10 December 2019 until the next Annual General Meeting of the Company	4,216,649,445	99.62	16,239,823	0.38
4.	Re-election of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as Director (Withdrawn)	N/A	N/A	N/A	N/A

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
5.	Re-election of Robert Yong Kuen Loke as Director	4,224,328,352	99.81	8,180,108	0.19
6.	Re-election of Chryseis Tan Sheik Ling as Director	4,219,743,660	99.81	8,125,608	0.19
7.	Re-election of Syed Ali Shahul Hameed as Director	4,218,725,960	99.67	14,163,308	0.33
8.	Re-appointment of Messrs Ernst & Young as Auditors	4,224,943,368	99.81	8,103,400	0.19
9.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	4,218,282,868	99.65	14,765,900	0.35
10.	Renewal of and to seek Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	43,350,988	74.64	14,732,200	25.36
11.	Renewal of authority for the Company to purchase its own shares	4,224,206,368	99.79	8,833,900	0.21
12.	Retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director (Withdrawn)	N/A	N/A	N/A	N/A
13.	Retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director	4,224,506,252	99.81	8,180,008	0.19
14.	Adoption of a new Constitution	4,224,931,660	99.81	8,112,508	0.19

The Chairman then declared that all the resolutions, that is, Resolutions 1, 2, 3, 5 to 11, Resolution 13 and the Special Resolution were carried as follows except for Resolution 4 and Resolution 12 which have been withdrawn:-

- (1) "THAT the additional payment of Directors' Fees amounting to RM26,000.00 to the Non-Executive Directors of the Company for the period from 1 July 2019 to the Twenty-Ninth Annual General Meeting of the Company to be held in 2019 be and is hereby approved."
- (2) "THAT the payment of Directors' Fees of RM7,000.00 per month to each Non-Executive Director of the Company for the period from 10 December 2019 until the next Annual General Meeting of the Company to be held in 2020 be and is hereby approved."

- (3) “THAT the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM425,100.00 for the period from 10 December 2019 until the next Annual General Meeting of the Company to be held in 2020 be and is hereby approved.”
- (4) “THAT Datuk Robert Yong Kuen Loke, being the Director retiring pursuant to Article 101 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- (5) “THAT Ms Chryseis Tan Sheik Ling, being the Director retiring pursuant to Article 101 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- (6) “THAT Mr Syed Ali Shahul Hameed, being the Director retiring pursuant to Article 106 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- (7) “THAT Messrs Ernst & Young be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”
- (8) “THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company’s Constitution and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”
- (9) “THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 25 October 2019 (“Proposed Mandate”) which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

- (10) “THAT, subject always to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“B-Land Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the B-Land Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any B-Land Shares so purchased by the Company in the following manner:-

- (a) cancel all the B-Land Shares so purchased; or
 - (b) retain all the B-Land Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
 - (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
 - (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”
- (11) “THAT Datuk Robert Yong Kuen Loke be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years.”
- (12) “THAT the proposed new Constitution as set out in Appendix II of Part C of the Circular to Shareholders dated 25 October 2019 be and is hereby approved and adopted as the Constitution of the Company to replace the whole of the existing Memorandum and Articles of Association of the Company with immediate effect AND THAT the Board of Directors and/or Secretary of the Company be and are hereby authorised to do all acts and things in any manner as they may deem necessary and/or expedient in order to give full effect to the aforesaid with full powers to assent to any conditions, modifications and/or amendments as may be required or permitted by any relevant authorities.”

8. CONCLUSION

There being no other business to be transacted, the Chairman closed the meeting at 12.50 p.m. and thanked the members for their presence at the meeting.

Confirmed,

CHAIRMAN

Dated: 9 December 2019

Appendix I

**ATTENDANCE LIST FOR ANNUAL GENERAL MEETING OF
 BERJAYA LAND BERHAD HELD ON 9 DECEMBER 2019**

Directors

1)	Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Md Hashim	- Chairman/Independent Non-Executive Director
2)	Syed Ali Shahul Hameed	- Chief Executive Officer
3)	Tan Thiam Chai	- Non-Independent Executive Director
4)	Nerine Tan Sheik Ping	- Non-Independent Executive Director
5)	Chryseis Tan Sheik Ling	- Non-Independent Executive Director
6)	Datuk Robert Yong Kuen Loke	- Independent Non-Executive Director
7)	Datuk Kee Mustafa	- Independent Non-Executive Director
8)	John V Pridjian	- Independent Non-Executive Director

In Attendance

1)	Tham Lai Heng Michelle	} Company Secretaries
2)	Teo Soh Fung	

Management Team and By Invitation

1)	Ernest Lau Lub Ding	} Representatives from Group Accounts and Budgets, Berjaya Corporation Berhad
2)	Sally Teh Phaik See	
3)	Jennifer Low Mae Leng	
4)	Hen Jong Ren	
5)	Derek Chin Chee Sing	- Representative from Group Legal
6)	Yau Su Peng	- Representative from Informatics Education Ltd
7)	Wong Ee-Coln	- Representative from Berjaya Philippines Inc.
8)	Ching Chun Keat	- Representative from ILTS
9)	Khor Poh Waa	- Representative from Berjaya Vacation Timeshare, Club and Recreation

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Management Team and By Invitation

10)	Foo Toon Kee	- Representative from Berjaya Hotels and Resorts
11)	Peter Wong Tuck Peng	- Representative from Taaras Spa Sdn Bhd
12) 13)	Tan Tee Ming Lee Oi Fun	} Representatives from Group Property Marketing, Berjaya Corporation Berhad
14) 15)	Lim Poh Geok Toh Jen Shen	} Representatives from Group Investment
16)	Ahmad Afiq Jamil	- Representative from Property Project
17) 18) 19) 20) 21)	Simon Kua Elina Chan Teh Swee Boon Wong Siew May Brenda Leong	} Representatives from Messrs Ernst & Young
22)	Loo Siew Kuen	- Representative from the office of Chief Executive Officer
23)	Han Meng Chew	- Representative from Messrs LT Lim & Associates
24)	Halim Md Amin	- Representative from Berjaya Registration Services Sdn Bhd

SUMMARY OF KEY MATTERS DISCUSSED AT THE 29TH AGM

1) Mr Teh Kian Lang, a shareholder, enquired on the following:-

- (a) Berjaya Jeju Resort Limited (“BJR”), a 72.6% subsidiary of the Company, had initiated legal proceedings against Jeju Free International City Development Center (“JDC”) to recover the costs of about RM500.0 million. Please explain the claim from this lawsuit.
- (b) Please provide the status update on the Selangor Turf Club (“STC”) proceedings.

Mr Tan Thiam Chai (“Mr Tan”) responded to the above as follows:-

- (a) JDC Lawsuit was initiated to claim for project costs and compensation for damages incurred by BJR on the aborted proposed mixed development of an international themed village known as “Jeju Airst City” in Jeju Island, Republic of Korea. The Management is currently waiting for the final judgement, which is expected to be delivered sometime in January 2020. The Board anticipates that JDC would negotiate on the settlement amount. If the Management is not satisfied with the settlement amount as offered by JDC, BJR would pursue by taking the case to the arbitration centre in Washington ie. International Centre for Settlement of Investment Disputes which could put pressure on the Korean government to expedite the conclusion of JDC Lawsuit for the compensation sum amounting to USD350.0 million.
- (b) The Shah Alam High Court had decided on the judicial review in favour of Berjaya Tagar Sdn Bhd for the STC proposals. Following that, the Selangor State Government and other Applicants had filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court. The Management hopes that the hearing date can be fixed by the Court of Appeal in a couple of months. The Board is determined to resolve the issue on the court case expeditiously and moved on with the Project.

2) Mr Chee Sai Mun, a shareholder, enquired on the following:-

- (a) What is the exposure if the outcome of the arbitration case of Berjaya (China) Great Mall Co. Ltd (“GMOC”) did not rule in favour of the Group? What is the impairment for GMOC?
- (b) What is the impairment of RM433,926,000.00 as stated in the Statements of Comprehensive Income?
- (c) Reasons and background for Berjaya Philippines Inc. to dilute its shareholding in Philippine Gaming Management Corporation (“PGMC”) from 79.99% to 39.99%.

Mr Tan responded to the above as follows:-

- (a) As disclosed in the Annual Report, GMOC has initiated arbitration proceedings at Hong Kong International Arbitration Centre (“HKIAC”) to seek the recovery of the balance cash consideration for the disposal of project by GMOC and accrued late payment interests as well as other reliefs from Beijing SkyOcean International Holdings Limited (“Beijing SkyOcean”) and the guarantors who are SkyOcean Holdings Group Limited and Mr Zhou Zheng. The Group had made certain provision for impairment loss for time delay in collection on the balance sale proceeds of Great Mall project which resulted in a net amount of about RM507.0 million recorded as receivable as at 30 June 2019.

In addition, during the financial period ended 30 June 2019, GMOC has made a provision for additional impairment to account for the time value of money for the further delay in GMOC arbitration proceedings.

The Board believed that it is highly probable that GMOC will prevail in its lawsuit against Beijing SkyOcean before the HKIAC and GMOC is expected to succeed in recovering the claimed compensation from Beijing SkyOcean. Hence, there is a likelihood of reversal of impairment in the next financial year.

- (b) The impairment of RM433,926,000.00 as stated in the Statements of Comprehensive Income for the period ended 30 June 2019 comprised the impairment of gaming rights for Sports Toto Malaysia Sdn Bhd.
- (c) The Group via Berjaya Sports Toto Berhad recorded a RM76.0 million impairment of goodwill on the lottery equipment lease agreement (“ELA”) in The Philippines. The ELA had expired on 22 August 2019 and PGMC had submitted its bid proposal for its extension of ELA. During the opening of the submitted bids for the leasing of PCSO lottery system, only PGMC was declared eligible. However, PGMC was subsequently informed that it failed to meet the required qualifications. In order for PGMC, being a foreign-owned operator of the leasing of online lottery in the Philippines, to fully comply with all of the bidding requirements for the second round of bidding, Berjaya Philippines Inc. would have to divest and dilute its investment in PGMC to 40%. Currently, PCSO has agreed to extend the ELA up to 22 August 2020 on a month-to-month basis pending the second round of the bidding process.

3) Muniandy A/L Karishnan, a shareholder enquired on the following:-

- (a) The Company had continued to make losses. Please advise the plan to reduce loss and improves its profitability and whether the Company is still considered viable?
- (b) Please provide the status update of the legal case involving GMOC.
- (c) Streamlining the segments of the business of the Company.

Mr Tan responded to the above as follows:-

- (a) Certain hotels of the Group recorded losses especially in Tioman Island. Berjaya Tioman Resort has the potential to improve its financial performance once the accessibility to the island issue has been resolved. The Management is exploring alternative modes of transportation to Berjaya Tioman Resort. The Group’s hotel in Penang has shown signs of turnaround. The Group’s hotels in Bukit Bintang and Langkawi are also performing well. A turboprop aircraft will be operating sometime next year to fly from Subang Airport to Redang Island so as to shuttle tourists to Berjaya Redang Resort.
- (b) GMOC trial would be fixed from 16 December 2019 and the arbitrators will take about 3 to 4 months to render their decision. If the award is made in favour of the Group, GMOC will be applying to Beijing court for recognition and enforcement of the award.

- (c) Gaming and hotel segments represent the Group's core activities. These two segments contribute a significant amount of cash inflows to the Group. The significant portion was mainly attributed to revenue generated from Sports Toto Malaysia Sdn Bhd. The Four Seasons Hotel in Japan is performing well and its market value is about USD500.0 million.

4) Mr Tan Kiat Voon, a shareholder enquired on the following:-

- (a) After the initial public offering of the Company, the Group had not performed well from a financial standpoint. The Company is also involved in many on-going court cases. The last distribution of dividend was made in year 2014. Though the Company has reported profit in the financial year 2019 but no dividend is declared to the shareholders. Please explain.

Mr Tan Thiam Chai responded to the above as follows:-

- (a) Currently, the cash flows of the Company is tied up with the two (2) major on-going court cases involving JDC and GMOC and therefore, at this juncture, the Company would not be considering any declaration of dividend to shareholders. It was least expected that JDC, the joint venture partner of BJR did not follow properly the expropriation process in respect of certain parcels within the project land, which had resulted in BJR having to abort the project and subsequently instituted the legal lawsuit to claim compensation against JDC.

5) Ms Thia Yee Eng, a shareholder enquired on the following:-

- (a) We learnt that the major shareholder of the Company had been buying shares in the open market as reflected in the announcements made by the Company during the period from October – December 2019. This has sent a very strong message to the market that the major shareholders was interested in the stock market performance of the Company, and causing other investors to buy shares with the hope of further share appreciation and thus receiving dividends.

The public shareholding spread of the Company was less than 15%. In the Circular to Shareholders, the Company sought shareholders' mandate for Proposed Renewal of Share Buy-Back Authority but at the same time, it also stated that the Board was mindful of the requirement to have an approved minimum public shareholding spread of 15%. Given the Proposed Renewal of Share Buy-Back Authority it would further decrease the public shareholding spread. Thus, it shows that the Board did not take the necessary precautionary measures in exercising its share buyback.

- (b) Why the Company is paying additional directors' fees amounting to RM26,000.00 to the Non-Executive Directors of the Company for the period from 1 July 2019 to the 29th AGM of the Company?

Mr Tan responded to the above as follows:-

- (a) The Board took note of the comments.
- (b) The Company has changed its financial year end from 30 April 2019 to 30 June 2019 to coincide with the financial year end of the ultimate holding company, Berjaya Corporation Berhad. As such, the Company is seeking shareholders' approval at the 29th AGM for the proposed payment of additional 2 months Directors' Fees to the Non-Executive Directors of the Company to meet the 2 months gap between previous approval and the new financial year end.

- 6) Mr Chuah Seong Aun, a shareholder enquired on the following:-
- (a) The actions to be taken by the Board to push the share price of the Company.
 - (b) Does the Company have any intention to carry out a privatisation plan? How to address the issue of public shareholding spread and the outlook of the Company?

Responses from Mr Syed Ali Shahul Hameed (“Mr Syed Ali”) and Mr Tan on the above were as follows:-

- (a) Mr Syed Ali informed that the Management is working hard to iron out all the possible issues to ensure that the underlying business is well taken care of, which will hopefully be reflected in its share price, moving forward.
- (b) Mr Tan informed that the Company was not planning for privatisation. Mr Tan explained that the personal intention of the major shareholder in dealing in the Company’s shares was to regulate the share price of the Company as the major shareholder had personally viewed that the share price was undervalued. However, a private reprimand was imposed on the Company by Bursa Malaysia Securities Berhad and had directed the Company to rectify the shortfall of its approved minimum public shareholding spread requirement of 15%. Following the share placement by Berjaya Corporation Berhad’s group, the Company has complied with the approved minimum of public shareholding spread requirement.

Mr Tan explained that the business outlook of the Company is satisfactory but nonetheless the cash flows of the Company is tied up with two major lawsuits ie. JDC and GMOC, as mentioned earlier. The Management duly noted on the concerns of the shareholders and the Board of Directors would look into the possibilities of recommending a dividend payout to the shareholders once the Company is able to claim compensation to recover its investment in the said projects.

- 7) Mr Chee Sai Mun, a shareholder enquired on the following:-
- (a) The hotels and property investment is under-performing and had contributed huge losses for the Group. The Company should consider selling off to cut losses.
 - (b) As reported in the Company’s Annual Report 2019, property development business segment was not performing well and had recorded a pre-tax loss of RM34.8 million for the financial period ended 30 June 2019. Please explain.
 - (c) The impact from the implementation of MFRS 15 (Revenue from Contracts with Customers) for the property development business segment.
 - (d) The performance of the hotel segment.

Mr Tan responded to the above as follows:-

- (a) The Company will consider divesting its investment in the hotel business at the appropriate time and in connection therewith, the Management will also look into disposing of the non performing hotels.

- (b) The losses in property development business segment was the effects of the adoption of MFRS 15. Under MFRS 15, it only allows revenue to be recognised when the performance obligation is achieved. The effects of MFRS 15 arose mainly due to the changes to the timing of revenue recognition for the foreign property development activities of the Group and the delay in launching the Bukit Jalil projects.
- (c) The MFRS 15 impacted a subsidiary company in Vietnam. Vietnam is using completion basis in the accounting treatment for property projects. The subsidiary can only recognise the revenue upon completion of the project and the expenditure would be capitalised. Hence, no revenue was recognised in the financial statements for the financial period ended 30 June 2019. The Company is expected to recognise a profit of about RM20.0 million in next financial year upon completion of the Vietnam project.
- (d) Hotel segment registered a profit of RM9.6 million for the period ended 30 June 2019. The fire incident had disrupted the operations in Berjaya Tioman Resort and contributed to the decline in earnings. The estimated loss is about RM9.0 million.

8) Mr Yee Aun Tong, a shareholder enquired on the following:-

- (a) Mr Syed Ali holds a Bachelor of Engineering degree from Institute of Road & Transport Technology. What is Mr Syed Ali's contribution as the Chief Executive Officer of the Company? What is his plan to enhance the value of the Company?
- (b) The status of Berjaya Lottery Vietnam Limited's ("Berjaya Lottery Vietnam") project in Vietnam.

Responses from Mr Syed Ali and Mr Tan on the above were as follows:-

- (a) Mr Syed Ali responded that he has more than 20 years of experience in property development with primary focus on renovation, design and enhancement of buildings. He cited that his expertise will be able to add value to the business of the Company on cost management especially on construction projects and to save development cost by 8% to 10%. He would also focus on project planning such as the new development project in Vietnam. The Management will put its best effort on developing shoplots and residences in Vietnam as well as new project planning.
- (b) Mr Tan informed that Berjaya Lottery Vietnam is a 20% owned associated company of Berjaya Sports Toto Berhad. He added that Berjaya Lottery Vietnam is providing computerised lottery games in Vietnam in return for a fee. The Management had been following up closely with the local authorities in order to speed up the implementation process for a better return of fees.

9) Mr Chuah Seong Aun, a shareholder enquired on the status of Myanmar project.

Mr Tan responded that the Management is studying a new project in Myanmar. The Management is very cautious with the new project in Myanmar due to its political situation. Mr Tan informed that Mr Syed Ali will visit the site to review the landbank in the next couple of days.

- 10) Mr Goh Hock Chai, a shareholder enquired whether any comment received from Minority Shareholders Watch Group (“MSWG”) by the Company.

Mr Tan responded that as at todate, the Company did not receive any enquiry from the MSWG for this 29th AGM of the Company.

- 11) Mr Yee Aun Tong, a shareholder requested that each Board members to outline their contributions during the past twelve (12) months and also to share with the shareholders on the moving forward plan in 2020 to improve the performance of the Company.

Ms Chryseis Tan Sheik Ling responded that she is responsible for the property marketing activities in Kyoto and she will be focusing on Four Seasons Resort Okinawa, Japan project, moving forward.

Ms Nerine Tan Sheik Ping responded that she is responsible for Berjaya Sports Toto Berhad’s group, a company where Berjaya Land Berhad had been receiving a significant amount of dividends. She cited that she also help out at property sales department of Berjaya Land Berhad.

Mr Tan responded that in addition to his role as an Executive Director of the Company, as a retired Chief Financial Officer of Berjaya Corporation Berhad, he is responsible to advise the major shareholder of the Company in regards to the long outstanding legal lawsuits on JDC and STC for ensuring a smooth handover of responsibilities to his successor.

Mr Syed Ali informed that he is a Chief Executive Officer of the Company, taking care of property development division. He will also look into turning around the Group’s land bank in Malaysia as well as overseas.

Mr John V Pridjian responded that his responsibilities, among others, are monitoring the cash flow management and also the financial position of the Company. He would also contribute his opinion and advice to the Management on all litigation issues.

Datuk Robert Yong Kuen Loke (“Datuk Robert Yong”) responded that he was acting as an Executive Director of the Company for many years. Although currently, he is an Independent Non-Executive Director of the Company and is not responsible for the day-to-day management of the Company, however, he has governance responsibilities for protecting the shareholders’ interests. Datuk Robert Yong further informed that the Board of Directors had considered and discussed the dividend payment at the Board of Directors’ Meeting as a return to shareholders when the Company makes profit. However, after some deliberations and having considered the cash flow position of the Company in which a significant amount of cash had been tied up in two (2) major lawsuits ie. GMOC and JDC, the Board had to defer the distribution of dividend to the shareholders. He stressed that the Board of Directors is fully aware of the request of the shareholders for the dividend payment and urged the shareholders to give the Management adequate time as the Management is working hard to strike a balance between improving the Company’s cash flow position and paying out dividends. He believed that once the litigation cases have positive outcome, the Company should be able to distribute the dividends to the shareholders.

In replying to a suggestion on assets disposal to generate cash inflow for the Company, Datuk Robert Yong said the Board must ensure that the asset disposal is of best value to the Company.

Datuk Kee Mustafa responded that he is an Independent Non-Executive Director of the Company. The Directors have listened very carefully to the shareholders concerns.