



激成 ( 馬來西亞 ) 有限公司

**KECK SENG (MALAYSIA) BERHAD**

( Company No. : 8157-D ) ( GST No. : 000284426240 )

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**SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTIETH ANNUAL GENERAL MEETING (“50<sup>TH</sup> AGM”)**

**BROADCAST VENUE** : CONFERENCE ROOM, SUITE 15-01, 15TH FLOOR, MENARA KECK SENG, 203 JALAN BUKIT BINTANG, 55100 KUALA LUMPUR, MALAYSIA

**DATE** : THURSDAY, 27 AUGUST 2020

**TIME** : 10.00 A.M.

**CHAIRMAN**

Mr Too Hing Yeap @ Too Heng Yip (“**Mr Too**”) welcomed all participants to the 50<sup>th</sup> AGM of the Company. He advised that in view of the travel restrictions due to the Covid-19 pandemic, the Chairman of the Board, Mr Ho Kim Swee @ Ho Kian Guan (“**Mr Ho**”) was unable to travel from Singapore and be physically present at the Broadcast Venue in Malaysia. Mr Ho was joining the Meeting remotely via video-conference.

Given that the Board Chairman was not present in person at the Broadcast Venue, Mr Too had been appointed by the Board to preside as the Chairman of the 50<sup>th</sup> AGM. He then introduced the members of the Board, the Group Accountant, the Company Secretary and the External Auditors.

**NOTICE**

There being no objections, the Notice of the 50<sup>th</sup> AGM dated 29 July 2020 (“**the Notice**”), having been circulated within the prescribed period, was taken as read.

**QUORUM**

Mr Too advised that for a fully virtual general meeting, the quorum would be determined by the number of members who logged-in at the commencement of the meeting.

There being a quorum, Mr Too called the Meeting to order at 10.00 a.m.

**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

Mr Too informed the Meeting that the Audited Financial Statements were meant for discussion only as the Companies Act 2016 does not require a formal approval of shareholders and hence, it would not be put to a vote.

There being no objections, Mr Too declared that the Audited Financial Statements of the Company together with the Reports of the Directors and Auditors thereon were duly received by the shareholders.

**QUESTION AND ANSWER SESSION**

The following questions and answers were dealt with during the 50<sup>th</sup> AGM. Some of the questions have been moderated for brevity and clarity.

**Q1) A shareholder enquired on the reason for not recommending dividend for the financial year ended 31 December 2019 (“FY 2019”).**

A1) Mr Chan Lui Ming (“Ivan”), the Executive Director of the Company informed that the Board has decided to maintain a prudent dividend payout as to conserve cash in view of the unprecedented Covid-19 pandemic. The Board will consider to reward the shareholders with dividend should business conditions improve.

**Q2) A shareholder enquired on the rationale of increasing the payment of Directors’ fees and benefits for FY 2019.**

A2) Ivan responded that the increment in Directors’ fees and benefits is part of a 5-year review. The Directors’ fees and benefits remain unchanged in the past 6 years. The review was conducted with the assistance of an independent market study. In addition, the Executive Directors of the Company have voluntarily offered to suspend their salaries since the onset of Covid-19 pandemic in April 2020.

**Q3) (i) KSM is one of the listed companies on Bursa Malaysia Securities Berhad which is financially sound and strong in performance. KSM holds close to RM800.0 million of cash and many pieces of land that were not re-evaluated, especially those located in Johor, Malaysia which have high market value. Does KSM have any plans to re-evaluate the land as to reflect its genuine share price? Some analyst reported that the shares of KSM actually worth RM20 per share, does the Board agree with this statement? If disagree, why is that so?**

**(ii) Can the Board provide a reasonable assurance/remedy plan that the share price of the Company be improved in the coming years.**

A3) (i) The recognition of the assets of KSM were in compliance with the applicable accounting policies and standards. The Board has no comment on the Company’s share price as it is dictated by market sentiment. As for the analyst reports (which indicated a higher value), the Board could not comment on the basis how they value KSM’s shares.

(ii) The Board will manage the business in a best-effort basis and endeavour to provide stewardship to the Group in a responsible and prudent manner.

**Q4) Shareholders enquired on the following:-**

**(i) Page 143 of the Annual Report - Investment in A2I Holdings S.A R.L (“A2I”), an investment holding company. The Directors’ report stated that the Group’s intention is to hold the investment for long term contractual cash flow return. Please explain the meaning of “contractual cash flow return”, also the return for FY 2019 and expected returns from FY 2020 onwards.**

**(ii) Under Note 20 - Investment Securities, apart from the investments in Shangri-La Asia Ltd and Parkway Life REIT, what are the other major investments of the Company in listed companies in Hong Kong, Malaysia and Singapore?**

A4) (i) Ivan responded that the Company has invested in A2I through Brosna Ltd, a wholly-owned subsidiary of the Company in 2018. A2I is a special purpose

vehicle set up for the investment in AccorInvest Group S.A. (“**Accorinvest**”), a world leader in hotel real estate with more than 800 hotels in Europe. There was a contractual return from A2I based on the Subscription Agreement entered into by the Company in 2017. KSM obtained a good return from A2I in FY 2019. However, Management foresees that there would not be any return from A2I in FY 2020 due to the Covid-19 pandemic. The financial performance of Accorinvest is very much dependent on the pace of recovery of the hotels held by them.

- (ii) Mr Reuson Seet, the Group Accountant of the Company informed that the top 5 investments of the Company are Chin Teck Plantations Berhad, Genting Berhad, DBS Group Holdings Ltd, OCBC Ltd and PPB Group Berhad.

**Q5) The plantation land under Bukit Chantek, Tong Hing, Tanjong Langsat and Lim & Lim are ready for development due to their proximity to Johor Bahru City Centre, Malaysia.**

**Will the Board consider converting these plantation estates into property development? If yes, which plantation estate is most ideal for such purpose?**

- A5) Mr Ho Chung Kain (“**Chung Kain**”), the General Manager of the Company informed that Management is in the midst of conducting a feasibility study, including the best conversion option. Management will also consider the market sentiment and the implications of the Covid-19 pandemic before embark into new property development projects.

**Q6) Based on the current property development at Bandar Baru Kangkar Pulai (“BBKP”) and Tanjong Puteri Resort (“TPR”), how much longer will the existing land bank last?**

- A6) Chung Kain informed that the remaining land bank of the Group in BBKP will last for 7 to 8 years whilst TPR will last for 10 to 12 years. He added that the Group is having a 25-acre commercial precinct known as TD Central in Taman Daya. Loon Sing Restaurant is currently in operation whilst Maslee Distribution Centre Sdn. Bhd. will commence business operation end of 2020. Furthermore, there was another 12-acre plot of land which was reserved for the development of an apartment comprising 1,200 housing units. However, the proposed development is currently on hold.

**Q7) A shareholder enquired on the occupancy rate of the Group’s hotels in overseas.**

- A7) Ivan responded that the Group owns 3 hotels in North America namely, DoubleTree by Hilton Alana – Waikiki Beach, Springhill Suites New York and Delta Hotels by Marriott Toronto Airport & Conference Centre. These hotels are currently closed due to the outbreak of Covid-19. In consequence, the Board is conservative on the cash flow of the Group. Management is monitoring the status of the pandemic in the respective regions. It is currently unknown when operations are to resume.

The following question was not addressed during the 50<sup>TH</sup> AGM due to time constraints:-

**Q1) With the massive development in Pengerang near Pasir Gudang, is KSM able to capitalise the opportunities available?**

- A1) We are studying all possible opportunities including residential, commercial and industrial options with possible synergy to nearby developments.

**POLL RESULTS**

All the resolutions as set out in the Notice were put to vote by way of poll. Mr Too announced the results of the poll for each of the resolutions and declared that all the resolutions set out therein were duly passed by the shareholders of the Company.

**CONCLUSION**

The Meeting concluded at 11.05 a.m. with a vote of thanks to the Chair.