

**AMCORP PROPERTIES BERHAD**

(Company No: 6386-K)

(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE  
FIFTY-THIRD ANNUAL GENERAL MEETING HELD ON 30 AUGUST 2019**

<b>NO.</b>	<b>QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP</b>	<b>RESPONSES TO MINORITY SHAREHOLDERS WATCH GROUP</b>
1.	<p>The 20MW hydro power plant in Sungai Liang has commenced its commercial operation in the 4th quarter of 2018. (page 13 of Annual Report)</p> <p>(a) What is the expected profit from this power plant in financial year 2020 (“FY2020”)?</p> <p>(b) What is the expected Internal Rate of Return (“IRR”) from the hydro power plant?</p>	<p>FY2020 will be the first full year of operation for Sungai Liang and the team is ensuring the plant is operating smoothly. The actual generation will largely be dependent on the rainfall in the catchment area and will vary from month-to-month and over the years. Higher generation will be seen in the monsoon periods particularly in the November to January months. In the first quarter of this financial year, the power plant generated 17.8 million kWh of energy and contributed a profit before tax of RM0.5 million. The IRR from the hydro power plant is dependent on among others the feed-in-tariff obtained, government regulations and incentives, interest rate and level of financing obtained. The Group normally targets for an equity IRR of at least 10% before undertaking a project.</p>
2.	<p>The Jorge Juan property project in Spain with an expected Gross Development Value (“GDV”) of EUR19.1 million is expected to complete in FY2020.</p> <p>What is the latest take-up rate of Jorge Juan property project and its contribution to the bottom line?</p>	<p>The construction of the property is targeted to be completed in Q4 FY2020 and we will have a formal launch at that time where the buyers will have the benefit of a furnished show flat. We have sold 2 out of the 7 units thus far. The contribution will only be taken up on completion and is dependent on the sales value to be achieved which is subject to a negotiation process with the interested buyers.</p>

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3.	<p>The Westminster Nanpeidai property project has a balance of 7 units of property to be sold. (page 17 of Annual Report)</p> <p>(a) What is the bottom-line contribution from the property sold?</p> <p>(b) When is the sales revenue expected to be recognised in the Group's Statements of Profit or Loss and Other Comprehensive Income Statement?</p>	<p>The remaining 7 units to be sold has an asking price of JPY2,060 million (equivalent to approximately RM81 million). The contribution will only be recognised upon completion of the sales and is dependent on the sales value negotiated with the buyers. 2 of the units have been sold with 1 completed in June 2019 and the other expected to be completed in September 2019. We are working with its joint venture partners to market the remaining 5 units.</p>
4.	<p>The Group has invested in Grade A certified green office buildings in the eastern suburb of Tampines, Singapore. (page 18 of Annual Report)</p> <p>(a) What is the expected annual rental and gross rental yield from the Tampines commercial properties?</p> <p>(b) What is the latest occupancy rate of these office buildings?</p>	<p>The expected annual rental and gross rental yield of Tampines is approximately S\$14 million and 3.3% respectively. The buildings are currently 90% occupied. The Group has a 20% share in this joint venture.</p>
5.	<p>What is the number of remaining unsold units and value in Holland Park Villas and Burlington Gate respectively?</p>	<p>The Holland Park Villas has 4 remaining unsold units with a value of £37.1 million. There are another 4 units exchanged and reserved with a value of £20.5 million which is expected to be completed in the coming months.</p> <p>The Burlington Gate has 3 remaining units with a value of £27.8 million.</p> <p>The Group's interest in the above joint ventures is 16.7% and 25% respectively.</p>

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<b>NO.</b>	<b>QUESTIONS RAISED BY SHAREHOLDERS/PROXIES</b>	<b>RESPONSES FROM DIRECTORS/MANAGEMENT</b>
1.	What is the difference between the gearing ratio of 34% as stated in the presentation of the Company's operation review and results by the Group Chief Financial Officer earlier at the Meeting and the zero net gearing ratio as stated in the Chairman's Letter to Shareholders?	The gearing ratio of 34% is the gross gearing ratio, which was derived based on the total borrowings divided by shareholders' fund whilst the zero net gearing ratio was derived based on total borrowings after taking into account the cash in hand and divided by the shareholders' fund.
2.	Is there any impact to the property owned by the Company in Hong Kong due to the current extradition bill protests in Hong Kong?	<p>The Company owned a 2 storey retail podium measuring approximately 18,000 square feet gross floor area in Kennedy Town, Hong Kong. The rationale for the Company to purchase the aforesaid property was due to its potential increase of rental yield as the property was previously underlet with low rental yield.</p> <p>Recently, the Company had secured a tenancy agreement with a cinema operator with significant increase of rental yield. It is currently under rent-free period for the cinema operator to conduct its renovation. In addition, the Company had refurbished the vacated space and renewed a tenancy agreement with another existing tenant by increasing its rental rate by 16%. At this moment, the situation in Hong Kong is uncertain, however, the Company is fortunate to have secured the tenants for the aforesaid property.</p>
3.	<p>Noted that there are 3 main divisions in the Group i.e., Overseas Properties, Malaysia Properties and Renewable Energy &amp; Contracting divisions. Under the Renewable Energy &amp; Contracting, there is 20MW hydro power plant at Sungai Liang.</p> <p>Where is Sungai Liang located?</p>	Sungai Liang is located at Raub district, Pahang, Malaysia.

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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSES FROM DIRECTORS/MANAGEMENT												
4.	Is there any implication to the projects of the Group in United Kingdom (“UK”) due to the Brexit issue?	<p>29% of the total assets of the Group are invested in UK. Based on Knight Frank Wealth Report 2019, the top 5 countries in terms of wealth, investment and lifestyle were as follows:</p> <table border="1" data-bbox="1136 508 1955 719"> <thead> <tr> <th>Ranking</th> <th>Countries</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>London, UK</td> </tr> <tr> <td>2</td> <td>New York, United States of America</td> </tr> <tr> <td>3</td> <td>Hong Kong</td> </tr> <tr> <td>4</td> <td>Singapore</td> </tr> <tr> <td>5</td> <td>Los Angeles, United States of America</td> </tr> </tbody> </table> <p>In addition, Tokyo and Shanghai are expected to be ranked as second and fifth of the most resilient cities for the next 10 years. The Board of Directors is diligent on reviewing and analysing all the latest reports and data in order to ensure that all the projects of the Group are performing well and follow-up closely on the latest development of the Brexit issue.</p>	Ranking	Countries	1	London, UK	2	New York, United States of America	3	Hong Kong	4	Singapore	5	Los Angeles, United States of America
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5.	Based on the segmental report on page 160 of the Annual Report 2019, the overseas projects contributions are higher than Malaysia. Hence, which country is the most profitable to the Group?	<p>Based on the segmental report in the Annual Report 2019, overseas properties contributed profit of RM14.4 million to the Group whilst the share of results of joint venture projects amounted to RM30.9 million for the financial year ended 31 March 2019. The main contributions of the overseas properties to the Group are the 2 existing projects in the UK namely, Holland Park Villas and Burlington Gate.</p> <p>The other countries that the Group had invested in the last 2 years i.e., Hong Kong, Shanghai and Singapore have yet to contribute to the bottom line results of the Group. The value of the property would usually increase proportionally with the increase of rental rate of the said property, such as the Company’s property in Hong Kong as mentioned earlier, but the Group could only recognise the profit upon disposal of the properties. In summary, UK remains the most contribution to the profit of the Group for the last 2 years.</p>												

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6.	Will UK remains as the major contribution to the Group's profit for FY 2020 and what about Malaysia?	<p>Currently, there are remaining 4 and 3 unsold units in Holland Park Villas and Burlington Gate in UK respectively, and the unsold units shall contribute to the profit of the Group upon completion of the disposal. Thus, UK would remain the major contribution to the Group's profit for FY 2020.</p> <p>In addition, the Company also expects The Westminster Nanpeidai project and Court Annex Roppongi project in Tokyo would contribute to the profit of the Group for FY 2020.</p> <p>The current on-going property projects in Malaysia are mainly Kayangan Heights project in Shah Alam and Sibujaya township development project in Sibujaya, Sarawak. Sibujaya project has constantly contributed to the profit of the Group.</p>
7.	How long has been BDO PLT served as the Company's External Auditors? Does the Company consider appointing another firm as an External Auditors of the Company?	<p>BDO PLT has served as the Company's External Auditors since September 2011. The Board understand that shareholders are concerned about conflict of interest if same Auditors have been serving too long in the same company. Malaysian Institute of Accountants ("MIA") has the same concern and required that the audit engagement partner has to be rotated every 7 years to avoid any potential conflict of interests.</p> <p>There will be familiarity and cost disadvantages to the Company in changing the engagement of the External Auditors too regularly. Mr. Law Kian Huat had served as the audit engagement partner of the Company since the year 2017.</p> <p>The Board constantly ensure that the engagement of the External Auditors of the Company complied with the relevant laws and regulations imposed by Bursa Malaysia Securities Berhad and the MIA.</p>

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		<p>In addition, BDO PLT is a registered firm under the Audit Oversight Board (“AOB”) established under Part IIIA of the Securities Commission Act Malaysia 1993. Hence, BDO PLT is qualified to conduct audit related works on public listed companies and it is under yearly inspection by the AOB. Based on the latest requirements of the Securities Commission Malaysia and the MIA, the audit engagement partner is required to rotate every 7 years and 5 years cooling-off period before being appointed as the audit engagement partner again. Hence, Mr. Law, being the audit engagement partner of the Company has complied with the aforesaid requirements imposed by the relevant authorities as he only served as the audit engagement partner of the Company for a consecutive 3 years.</p> <p>The Board is not against the possibility of changing the External Auditors of the Company in the future as the Company had in the past, changed the External Auditors of the Company. However, the Board proposed that BDO PLT be re-appointed as the External Auditors of the Company for the ensuing year to the shareholders of the Company for approval at this Meeting.</p>
8.	A shareholder commented that the Company should aggressively buy back its owned shares since the Company’s shares are currently undervalued and the Company has excessive cash in hand.	The Company had been constantly purchasing its own shares. With sufficient cash in hand, apart from utilise it on share buyback, the Company, being a profitable company, also intends to declare and pay dividends to its shareholders consistently, expanding its core businesses into 6 global cities and acquiring new businesses, when there are good opportunities. One of the example is that the Company has commenced its owned renewable energy business which is a new segment to the Company and the Management at that time and it had and will continue to generate sustainability income to the Group.