

KSL HOLDINGS BERHAD (511433-P)
(Incorporated in Malaysia)

MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF KSL HOLDINGS BERHAD HELD AT KSL RESORTS, LEVEL G, INFUSION PRIVATE ROOM, 33, JALAN SELADANG, TAMAN ABAD, 80250 JOHOR BAHRU, JOHOR DARUL TAKZIM ON THURSDAY, 30 MAY 2019 AT 3.30 P.M.

PRESENT

Mr. Ku Hwa Seng (Chairman)
Mr. Khoo Cheng Hai @ Ku Cheng Hai
Mr. Ku Tien Sek
Mr. Lee Chye Tee
Mr. Gow Kow
Mr. Goh Tyau Soon
Mr. Tey Ping Cheng

and as per attendance list

IN ATTENDANCE

Ms. Leong Siew Foong (Company Secretary)

BY INVITATION

Mr. Khor Keng Lieh
Ms. Ang Xiu Wen

19/01 CHAIRMAN

Mr. Ku Hwa Seng took the Chair and welcomed all Members present at the Meeting.

19/02 QUORUM

The requisite quorum being present in accordance with Article 65, the Chairman declared the Meeting duly convened.

19/03 PROXY

The Secretary read out that fifty-three (53) proxy forms with a total of 471,176,866 ordinary shares which equivalent to 45.41% in the capital of the Company were received during the prescribed period. Out of 53 copies of the proxy, 32 shareholders appointed Chairman of the Meeting as their proxy. She read out the details of the voting in accordance with the forms of proxy received.

19/04 NOTICE

The Chairman informed the members present that the Notice convening the Nineteenth Annual General Meeting (“AGM”) had been previously circulated to all members within the prescribed period.

He sought the members' consent to take the Notice convening the Nineteenth AGM as read. There being no objection, the Chairman declared that the Notice convening the Nineteenth AGM dated 29 April 2019 be taken as read. He subsequently informed members of the mechanism of procedures to table and approve all the motions of today's meeting.

19/05 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS THEREON

The Chairman proceeded to the first item of the agenda, which was to receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon.

He informed the members present that the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon had been circulated to all members within the prescribed period, a copy of which was tabled at the Meeting. He then invited questions from the floor.

Questions (Shareholders)	Answers (Board of Directors)
<p>1. Mr. Philip Ting read out the email from Mr Lee Son Sheng dated 17 May 2019 addressed to Mr. Ku Hwa Seng.</p> <p>Referring to the 2018 Cash Flow Statements, is KSL generating enough free cash flow to pay dividends? How about based on the current cash position of the Company? Is KSL has enough cash reserve to pay dividends? Any cash problem if the Company pays 4 cent dividend for the financial year 2018?</p> <p>Referring Chairman Statement 2014 Annual Return which mentioned the Group has adopted a dividend policy of distributing 40% of the Group's annual net profit after tax from operations (excluding any fair value gains) to shareholders in the form of cash dividends or new share issuance under the Dividend Reinvestment Plan scheme. What happen to the said policy now? What happen to the promised dividend policy mentioned in 2014 Annual Return? What are the reasons for not declaring</p>	<p>The Company has uncompleted projects such as Klang Mall which requires surplus cash for completion. Entire project requires around RM400m-RM500m. No dividend for the time being.</p> <p>Dividend policy then is aimed to give higher dividend to shareholders. The dividend policy would be reviewed after the completion of Klang Mall to have a better picture of the cash flow position then.</p> <p>Our remuneration is always based on performance. Our remuneration package is very small compared with other public listed company. When the profit is lower, our remuneration would be reduced.</p> <p>The Company has no plan for privatization at the moment.</p> <p>Klang Mall is expected to complete in 2020-2021. The Board is happy to furnish photos</p>

dividend has been declared for the financial year 2016, 2017 and 2018?

2018 Chairman Statement which stated that the Group's financial position as at end-December 2018 was further strengthened with our retained profit and increased profitability, with shareholders' equity growing to RM2.8m from RM2.6m. in the previous year. Since KSL has very strong financial position, should the Board reward the shareholders with reasonable dividends?

Without a formal dividend policy to give to shareholders, KSL market price has drop to penny stock below RM1. Should the Board considers adopting a new formal dividend policy to give confident to investing public, the Board of Directors and the controlling shareholders, interest is align to minority shareholders? A study has been carried out by this shareholder against other similar players. Same goes for the Directors' duties and responsibilities. This shareholder is happy to note that the Company is well managed under the Ku's three founder Directors. Each and every Ku's Directors is responsible for a certain section of the Group's business as compared with other public listed companies whereby a single CEO running the business. KSL Directors' remuneration is on the high side considering each and every Executive Directors is responsible to a section of the Group's business. Hopefully, next year the remuneration could be reviewed and the savings therefrom could be used to pay dividends to shareholders? What is your opinion?

After reading an article appeared on i-3 Investor forum relating to dividend and remuneration of directors, does the Chairman intend to privatize KSL? In the forum, shareholders said KSL share price is depressed and the Chairman wants to privatize the Company at cost.

to Mr Philip Ting and answer questions on the operation after AGM as the Board do not have the relevant information at the moment.

The average occupancy rate of KSL Mall and hotel room is approximately 90%- 95% and 60% - 70% respectively.

The initial opening ceremony of Midvalley Southkey sure affects KSL Mall. The Board is confident that the crowd would come back to KSL Mall soon.

<p>Mr Philip Ting further enquired on the progress of the Klang Mall? When is the opening ceremony? Management is requested to put up the photos or video of its progress onto the Company's website.</p> <p>What is the occupancy rate of KSL Mall and the hotel room?</p> <p>Has the recent opening of Midvalley Southkey impacted KSL Mall?</p> <p>What is GDV of each completed project in 2019 - 2020?</p>	
<p>2. Mr. Loh Seng Hock (shareholder)</p> <p>Referring to page 94 of 2018 Annual Report which showed RM24m used to buy the Company's shares during the financial year. Instead of using the cash to support the Company's shares, the Board could use the same amount to pay dividend to shareholders which work out to be around 2.4 cent which would support the share price to RM1. It would be a win-win situation rather than use it to buy back the shares. This would show the Company is healthy. Investors want to see the dividend yield to them. This is more practical.</p>	<p>The Board noted the shareholders' concern over the existing current share price. The Board needs to balance the share price and dividend payment to shareholders. The Board would discuss on it before making an informed decision.</p>
<p>3. Mr. Tan Cheng Kim (shareholder)</p> <p>From his observation as a shareholder in today's meeting, he understood that there is no dividend paid for the past financial years. Dividend policy needs to be reviewed if it is no longer applicable. If the Board needs to conserve cash, how come Directors' remuneration increasing substantially every year?</p> <p>Everyone in a public listed company should share some responsibilities not only</p>	<p>As mentioned earlier, our remuneration is based on performance.</p> <p>We would look into this matter.</p>

<p>shareholders who forego dividend for the past three years. If the Board cannot make any sacrifice, then the Company should be taken private.</p> <p>If the Company is facing financial problem, the Board should consider some other alternatives such as private placement to raise cash. As a major shareholder, you might have contributed a lot to the Company. We as a minority shareholder have also make sacrifices by holding on to the Company's shares. We are seeking for equilibrium in respect of each party's contribution to the Company.</p>	
<p>4. Mr. Gan Kok Seng (proxy)</p> <p>Who decide on Directors' remuneration? He studies from 2018 Annual Report, the Directors' remuneration of the Group is about RM45m includes directors in the subsidiaries. The average Directors' remuneration for a property company is about RM3m which works out around 15 times than the average. Moreover, only 30 public listed companies amongst the total public listed companies in Bursa Securities Malaysia Berhad are paying more than RM10m to its Directors. KSL has 3 Directors receiving more than RM10m directors' remuneration each. Is this normal?</p> <p>About 700 staff in KSL received benefits-in-kinds totaling RM30m whilst KSL Directors are taking RM45m as their remuneration which literally means 200 times than the staff.</p> <p>The Company have cash to pay Directors remuneration has to pay tax. However the Company does not have cash to pay tax on dividends.</p>	<p>We would look into this matter.</p>
<p>5. Mr Loo See Seng, a proxy</p>	

<p>We are a long term shareholder since KSL was listed. We understand your position as a public listed company. As the Company progress, you spell out the dividend policy to retain the long term shareholders by giving them dividend which is important to us.</p> <p>We studied KSL Directors' fee against MKH Berhad. MKH Berhad is a family owned company pays 20% of its profits to its Directors which is the same as KSL as Directors' fee. However, MKH still pays dividend to its shareholders to retain its long term shareholders. We need to justify to our board to maintain our investment in KSL.</p> <p>We also looked into property sales and we require information on the breakdown of sales achieved this year, the future sales, the inventories, sales strategies, breakdown of capital expenditure of RM400m and other operating information</p>	<p>Sales are bad due to weak economy.</p> <p>The take up rate of property is low. Most of our projects are completed leaving only some remaining incomplete projects. Management is still planning on new launches. We are quite cautious with new launches due to uncertainty in economy.</p> <p>Capital expenditure of RM400m referred to purchase 2 pieces of land, namely in Tebrau and Pulai Spring. These two are at planning stage pending for authorities' approval.</p> <p>As for the details of other operational information, the Board is happy to reply via email after this Annual General Meeting as there is no relevant information available at the moment.</p>
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As there were no further questions raised, the Chairman proceeded to the next item of the agenda of the meeting.

19/06 DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

The Chairman proceeded to table to members the third item of the agenda, to approve the payment of Directors' fees of RM90,000/- and Benefits of RM14,000/- for the financial year ending 31 December 2019.

Mr. Ngo Seh Tee proposed and Mr. Kong Siak Kim seconded the motion. As there was no question raised, the Chairman put the Resolution 1 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/07 RE-ELECTION OF DIRECTORS

In accordance with Article 93 of the Company's Articles of Association, the following Directors shall retire from the Board at this Meeting and being eligible, have offered themselves for re-election to the Board: -

1. Mr. Ku Hwa Seng (Resolution 2)
2. Mr. Goh Tyau Soon (Resolution 3)
3. Mr. Tey Ping Cheng (Resolution 4)

On the proposal of Ms. Chan Ai Lin and Mr. Chee Too Nam @ Chin Too Nam seconded, the Chairman put Resolution 2 to be voted by way of poll after the discussions on all the agendas of this meeting.

On the proposal of Mr. Philip Ting and Mr. Yong Chin Suan seconded, the Chairman put Resolution 3 to be voted by way of poll after the discussions on all the agendas of this meeting.

On the proposal of Mr. Teh Kim Piah and Ms. Chan Thing Yee seconded, the Chairman put Resolution 4 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/08 RE-APPOINTMENT OF AUDITORS

The Chairman informed the members present that the retiring auditors, Messrs. Ecovis AHL PLT have indicated their willingness to continue in office.

With a proposal from Mr. Eng Tze Lok and duly seconded by Mr. Puan Pow Lin, the Chairman put Resolution 5 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/09 AUTHORITY TO ALLOT SHARES

The Chairman proceeded to the special business pertaining to the authority to the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 subject to the Constitution of the Company and approvals from the Bursa Malaysia Securities Berhad and other regulatory bodies.

With a proposal from Ms. Ngo Seh Tee and duly seconded by Mr. Teh Kim Piah, the Chairman put Resolution 6 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/10 RENEWAL OF PROPOSED SHARES BUY-BACK

The Chairman proceeded to Resolution 7 pertaining to the renewal of proposed purchase its own shares by the Company of up to ten percent (10%) of its total number of issued shares.

With a proposal from Mr. Chua Leei Woe and duly seconded by Mr Chee Too Nam @ Chin Too Nam, the Chairman put Resolution 7 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/11 CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

The Chairman informed the Members present that the Resolutions 8, 9 & 10 were tabled in compliance with the Malaysian Code on Corporate Governance as Mr. Gow Kow, Mr. Goh Tyau Soon and Mr. Tey Ping Cheng have served the Company for more than 9 years. Justification to retain their service had been included in the Annual Report 2018 and the relevant procedure had been adhered to accordingly.

Questions (Shareholders)	Answers (Board of Directors)
Mr Wong Kin Wing, a proxy	
Since the Company adopts 2 tier voting for Resolutions 8, 9 and 10 to retain Independent Directors beyond 12 years, who is classified as Tier 1? Are the Ku brothers are classified as Tier 1? Did you get legal opinion on this?	Premiere Sector Sdn. Bhd. is classified as Tier 1. Ku brothers classified as Tier 2. We have the legal opinion on this matter.

With the proposal from Mr. Philip Ting, which was seconded by Ms. Chan Ai Lin, the Chairman put Resolution 8 to be voted by way of poll after the discussions on all the agendas of this meeting.

With the proposal from Ms. Chan Ai Lin, which was seconded by Mr. Kong Siak Kim, the Chairman put Resolution 9 to be voted by way of poll after the discussions on all the agendas of this meeting.

With the proposal from Mr. Kong Siak Kim, which was seconded by Ms. Ngo Seh Tee, the Chairman put Resolution 10 to be voted by way of poll after the discussions on all the agendas of this meeting.

19/12 ALLOT AND ISSUE NEW ORDINARY SHARES

The Chairman proceeded to Resolution 11 pertaining to the renewal of authority to allot and issue new ordinary shares of the Company in relation to the Dividend Reinvestment Plan.

With a proposal from Mr. Quah Sai Chuan and duly seconded by Ms. Yang Sook Chuin, the Chairman put Resolution 11 to be voted by way of poll after the discussions on all the agendas of this meeting.

With that, the Chairman subsequently invited members to polling station to begin the polling. He informed all members present that the polling would be conducted and NeedsBridge Advisory Sdn Bhd was appointed as Scrutineers.

After the poll count has been conducted, the meeting resumed where the results of polling were handed to the Chairman. The following results of the polling were read:-

Resolution No.	FOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of shares	%
1.	623,795,155	99.27	4,564,960	0.73	64,316,404	9.29
2.	623,995,009	99.31	4,365,106	0.69	64,316,404	9.29
3.	619,125,849	89.38	73,550,670	10.62	0	0
4.	619,725,049	89.47	72,951,470	10.53	0	0

5.	628,340,615	99.99	19,500	0.003	64,316,404	9.29
6.	688,006,559	99.33	4,669,960	0.67	0	0
7.	692,051,119	99.99	18,500	0.003	606,900	0.09
8. First tier	323,546,642	100	0	0	0	0
8. Second Tier	301,055,167	81.56	68,074,710	18.44	0	0
9. First Tier	323,546,642	100	0	0	0	0
9. Second Tier	300,456,067	81.40	68,673,810	18.60	0	0
10. First Tier	323,546,642	100	0	0	0	0
10. Second Tier	296,509,807	80.33	72,620,070	19.67	0	0
11.	692,658,019	99.99	18,500	0.003	0	0

The Chairman declared all Resolutions set out in today's meeting carried.

19/13 TERMINATION

There being no further business, the Meeting terminated at 5.20 p.m. with a vote of thanks to the Chair.

Confirmed as correct records,

Chairman