



## **YTL Land & Development Berhad**

Company No. 1116-M

**SEVENTY-SIXTH ANNUAL GENERAL MEETING (“AGM”) HELD AT  
MAJESTIC BALLROOM, LEVEL 2, THE MAJESTIC HOTEL KUALA LUMPUR,  
5 JALAN SULTAN HISHAMUDDIN, 50000 KUALA LUMPUR  
ON TUESDAY, 22 NOVEMBER 2016**

### **SUMMARY OF PROCEEDINGS AND KEY MATTERS DISCUSSED**

#### **WELCOME ADDRESS**

On behalf of the Board of Directors of the Company, Dato’ Suleiman Bin Abdul Manan, the Chairman of the Board of Directors, welcomed all the attendees to the AGM.

#### **QUORUM**

There being the requisite quorum, the AGM was called to order at 3.00 p.m.

#### **NOTICE OF MEETING**

The notice convening the AGM as set out in the Annual Report was taken as read with the agreement of the shareholders, corporate representatives and proxies present (collectively, “Members”).

#### **ORDINARY BUSINESS**

##### **Audited Financial Statements and Reports for the financial year ended 30 June 2016**

The Company’s audited financial statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors were tabled for discussion only as they did not require shareholders’ approval pursuant to the provisions of Section 169(1) and Section 169(3) of the Companies Act, 1965. Hence, this matter was not put for voting.

The Managing Director then invited questions from the Members. The salient questions raised are as follows:-

- proposed land revaluation to reflect the actual value;
- performance of the housing development projects and use of land banks of the Company and its subsidiaries (the “Group”);
- proposed dividend pay-out.

The Minority Shareholder Watchdog Group raised several queries, which were also set out in its letter to the Company dated 17 November 2016. The questions raised and answers provided by the Managing Director were as follows:-

**Strategic / financial matters**

1. As stated in the Chairman's Statement, the increase in revenue for FY2016 was attributable to better site progress on the Fennel in the Group's Sentul development and the increase in profit was contributed by its new Dahlia development in Ipoh.

- (a) What is the latest take-up rate for Dahlia project since launch in FY2016?

The Company has achieved a 95% take-up rate for Dahlia project since launch in FY2016.

- (b) What would be the total expected sales value from these two projects in FY2017 and subsequent financial years?

Project	Gross Development Value RM Mil	Expected Revenue	
		FY 2017 RM Mil	FY2018 RM Mil
Fennel	868	200	-
Dahlia	50	15	12

The total gross development value ("GDV") of the Fennel and Dahlia projects is RM868 million and RM50 million, respectively.

For the Fennel project, based on current take-up rates of 89% (2016: 89%) and work progress of 100% (2016: 61%), the expected revenue to be recognised from the project in FY2017 is RM200 million.

For the Dahlia project, the expected revenue to be recognised is RM15 million in FY2017 and RM12 million in FY2018 assuming –

- take up rate of 81% (2016: 39%) and work progress of 40% (2016: 5%) in FY2017; and
- take up rate of 81% (2017: 81%) and work progress of 70% (2017: 40%) in FY2018,

respectively.

2. We noted that there was no revenue contribution from the Singapore operations for both FY2015 and FY2016. As stated in the Chairman's Statement, the Group's luxury freehold development in Singapore, 3 Orchard By-The-Park, is progressing well.

- (a) When would the 3 Orchard By-The-Park project expected to complete and what would be the expected revenue to be recognised in FY2017?

The project is expected to be completed by 2017.

The estimated GDV of the project is about SGD700 million.

The amount of revenue to be recognised in FY2017 will depend on the take-up rate of the project once it is launched.

- (b) Would there be any projects expected to be launched in FY2017 in Singapore?

Whilst the property market in Singapore has seen some recovery, the timing for the launching of the new projects will still be dependent on market conditions in FY2017.

3. The 2017 Malaysia Budget tabled on 21 October 2016 set out a few measures to address the home ownership issue, focus particularly on the affordable segment.

In view that the Budget 2017 is expected to be neutral for the mid and higher end segments of property market, would the Company undertake some rebalancing in terms of focusing on the affordable segment in line with the Malaysia Budget 2017?

The Dahlia project in Ipoh is an affordable housing development.

The Company is planning to launch another affordable housing in Ipoh in the near future.

4. In Note 39 to the Financial Statements, it showed that the debts repayment obligation within the next one (1) year was RM900 million and as explained in Note 39(a), the liquidity risks of the Group and the Company arise primarily from mismatches of the maturities of financial assets and liabilities.

Considering that in FY2016, the total interest expenses of the Group of RM63 million (Note 5 to the Financial Statements) was higher than the EBITDA of RM57 million, negative operating cash flow of RM65 million and the cash and bank balance as at 30 June 2016 of only RM40 million, would the Company be able to fulfil the liabilities fall due in FY2017 without further borrowings?

Out of the total amount of RM900 million, RM200 million consists of a revolving credit line (payable on demand) and RM400 million consists of a term loan which has been refinanced.

Based on existing projects and expected outlook, the Board is comfortable with the Group's financial profile.

### **Corporate governance**

1. We noted that the non-executive directors of the Company were paid salaries besides the fees as disclosed in Note 8 to the Financial Statements.

As explained by the Board at the Company's 75th AGM in 2015, salaries were paid to attract and retain good directors. We acknowledged that fair remuneration is critical to attract, retain and motivate directors. However, considering the role and responsibilities of non-executive directors and their relationship with the Company, they should not be rewarded with salaries but to be paid a fee which commensurate with their services.

The Board is still of the view that salaries are a necessary and appropriate method of attracting, retaining and compensating non-executive directors.

However, we will take this recommendation under advisement and review again whether the Company would be better served by providing fees to the non-executive directors.

2. We noted that the Board had put up all three (3) of its Independent Directors, who have served for more than 9 years, to be retained as Independent Directors.

We would like the Board to clarify whether it has in place a proper succession planning for the Independent Directors. Perhaps the Board ought to take this opportunity to evaluate the current mix of the Board composition, effectiveness and experience, including term limits on an annual basis to ensure smooth transition of the directors on the Board.

The Nominating Committee (“NC”) of the Board does carry out an annual assessment of the effectiveness of the Board as a whole, the Board Committees and individual Directors.

The evaluation of the Board covers key areas including:-

- Composition and degree of independence;
- Mix of expertise, experience and skills;
- Quality of decision making.

Assessment of the individual Directors covers areas including:-

- Calibre, character/personality;
- Conduct, integrity, knowledge, experience;
- Time commitment, competency;
- Participation in board decisions.

The NC is also responsible for considering and recommending candidates for directorship when the need arises (to fill a vacancy or to close any skills, competencies or diversity gap that has been identified).

Therefore, it is the Board’s view that there is a robust process in place to ensure the effectiveness of the Board, including procedures to address succession and independence issues.

With that, the Chairman concluded the question and answer session for agenda 1 and declared that the Audited Financial Statements were duly laid before the Members in accordance with the requirements of the Companies Act, 1965.

No questions were raised on Resolutions 1 to 13 which were duly proposed and seconded by the Members and put aside by the Chairman for voting by poll upon completion of the remaining business of the AGM.

The poll results were as follows:-

#### **RESOLUTION 1**

- Re-election of Dato’ Yeoh Seok Hong who retired pursuant to Article 84 of the Company’s Articles of Association

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
630,245,067	98.87276	7,185,400	1.12724	Carried

**RESOLUTION 2**

- Re-election of Dato' Sri Michael Yeoh Sock Siong who retired pursuant to Article 84 of the Company's Articles of Association

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
630,245,067	98.87276	7,185,400	1.12724	Carried

**RESOLUTION 3**

- Re-appointment of Dato' Suleiman Bin Abdul Manan who retired pursuant to Section 129(6) of the Companies Act, 1965

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
630,122,067	98.85346	7,308,400	1.14654	Carried

**RESOLUTION 4**

- Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman who retired pursuant to Section 129(6) of the Companies Act, 1965

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,408,867	99.99663	21,500	0.00337	Carried

**RESOLUTION 5**

- Re-appointment of Eu Peng Meng @ Leslie Eu who retired pursuant to Section 129(6) of the Companies Act, 1965

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,428,867	99.99975	1,600	0.00025	Carried

**RESOLUTION 6**

- Approval of the payment of Directors' fees amounting to RM560,000 for the financial year ended 30 June 2016

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,406,767	99.99663	21,500	0.00337	Carried

**RESOLUTION 7**

- Re-appointment of Ernst & Young as Auditors of the Company and authorisation for the Directors to fix their remuneration

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,426,767	99.99976	1,500	0.00024	Carried

**SPECIAL BUSINESS:-****RESOLUTION 8**

- Approval for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman to continue in office as Independent Non-Executive Director

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,408,867	99.99663	21,500	0.00337	Carried

**RESOLUTION 9**

- Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,428,867	99.99975	1,600	0.00025	Carried

**RESOLUTION 10**

- Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,428,867	99.99998	100	0.00002	Carried

**RESOLUTION 11**

- Authorisation for the Directors to allot shares pursuant to Section 132D of the Companies Act, 1965

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,408,167	99.99686	20,000	0.00314	Carried

**RESOLUTION 12**

- Renewal of Share Buy-Back Authority

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
637,428,267	100.00000	0	0.00000	Carried

**RESOLUTION 13**

- Renewal of Shareholder Mandate for Existing Recurrent Related Party Transactions and New Shareholder Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

Vote in Favour		Vote Against		Results
No. of Shares	%	No. of Shares	%	
27,202,679	99.62133	103,400	0.37867	Carried

**CLOSE OF MEETING**

As there was no further business to be transacted, the Chairman thanked Members for their attendance and support.

The AGM was declared closed at 3.55 p.m. with a vote of thanks to the Chairman as proposed by a Member.