

IOI PROPERTIES GROUP BERHAD
Company Registration No. 201301005964 (1035807-A)
(Incorporated in Malaysia)

Minutes of the Eighth Annual General Meeting (“8th AGM” or the “Meeting”) of IOI Properties Group Berhad (“IOIPG” or the “Company”) held virtually through live streaming from Millennium Ballroom 1, (Level 1), Le Méridien Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Wednesday, 28 October 2020 at 10.00 a.m.

- Present : **The Board of Directors (the “Board”) present at Broadcast Venue**
- Datuk Tan Kim Leong (Chairman of the Company)**
Dato’ Lee Yeow Chor
Datuk Lee Say Tshin Datuk Dr Tan Kim Heung
Ms Lee Yoke Har
- Chief Executive Officer**
- Dato’ Voon Tin Yow**
- Directors joined remotely via Remote Participation and Voting (“RPV”) facilities**
- Tan Sri Dato’ Sri Koh Kin Lip**
Mr Lee Yeow Seng
- Participated via RPV facilities at Lumi AGM Portal : **Shareholders, Corporate Representatives and Proxies**
- As per the attendance summary**
- By invitation : **List of invitees is as per attendance list**
- In attendance : **Mr Chee Ban Tuck (Deputy General Manager, Corporate Finance cum Company Secretary)**
Ms Chang Mei Yee (Company Secretary)

1.0 WELCOME BY THE CHAIRMAN

Datuk Tan Kim Leong (“the Chairman”), being the Chairman of the Meeting, presided over the Meeting and commenced the proceedings of the 8th AGM of the Company.

On behalf of the Board, the Chairman welcomed all shareholders, corporate representatives, proxies and invitees who participated at the 8th AGM which was held virtually through live streaming via Remote Participation and Electronic Voting facilities (“RPV Facilities”). The Chairman informed that the 8th AGM was held in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company’s Constitution. The conduct of this virtual AGM was also in accordance with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia.

The Chairman further informed that in view of the Covid-19 pandemic and with the safety of the shareholders and employees being the primary concern, the Board and Management had considered all available options and decided that the 8th AGM be conducted virtually via RPV Facilities without physical attendance by shareholders. The Chairman thanked them for their visual presence and continuous support to the Company.

The Chairman then briefed the shareholders, corporate representatives and proxies of their right to raise questions by transmitting questions via the chat box provided by the RPV facilities. He informed that for expediency, the Board would deal with the questions raised after all the agenda items had been tabled.

2.0 INTRODUCTION

The Chairman proceeded to introduce the members of the Board, the Chief Executive Officer, the Financial Controller, the Company Secretary and the External Auditors of the Company, Messrs PricewaterhouseCoopers ("PwC") PLT represented by its partners, Mr Patrick Ng and Mr Herbert Chua Guan Heng, all of whom were present at the Broadcast Venue, as well as Lee Yeow Seng, the Vice Executive Chairman, and Tan Sri Koh Kin Lip, the Non-Independent Non-Executive Director who joined the Meeting remotely.

3.0 QUORUM

The Chairman advised that pursuant to Article 65 of the Company's Constitution, the quorum necessary for the transaction of business at a general meeting shall be 2 members present personally or by proxy or by corporate representative entitled to vote. The Company Secretary confirmed the presence of the requisite quorum pursuant to the Company's Constitution. Since the requisite quorum being present, the Chairman called the Meeting to order.

4.0 NOTICE

The notice convening the Meeting had been issued and published within the stipulated time and advertised in the local newspaper, The Star, was taken as read.

5.0 MEETING AND VOTING PROCEDURES

The Chairman informed that in his capacity as a Chairman of the Meeting, he was appointed as proxy by some shareholders and he would vote in accordance with the instructions of the respective shareholders.

The Chairman further informed that in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), all the resolutions to be tabled at the AGM would be voted on by poll.

The Chairman then demanded for a poll to be taken on all the resolutions to be tabled at the Meeting in his capacity as Chairman of the Meeting in accordance with Article 73 of the Company's constitution and Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia.

The Chairman informed that the Company has appointed Boardroom Share Registrars Sdn Bhd, the Share Registrar of the Company to act as Poll Administrator to conduct the poll voting electronically and Boardroom Corporate Services Sdn Bhd ("Boardroom Corporate Services") to act as Independent Scrutineers to validate the votes cast at the Meeting.

Ms Cheryl Leong Lai Lween, the representative from Boardroom Corporate Services was invited to explain to the shareholders on the functions available within the Lumi AGM portal and to conduct a trial run of the online poll voting. Upon completion of the trial run, the Chairman announced the commencement of the voting session to allow shareholders and proxies to cast their votes during the meeting proceedings.

6.0 AUDITED FINANCIAL STATEMENTS AND REPORTS

The Chairman tabled the Audited Financial Statements for the financial year ended 30 June 2020 (“FY2020”) and the Reports of the Directors and Auditors. The Chairman explained that the AFS laid in accordance with Section 340(1) of the Companies Act 2016 were meant for discussion only and did not require the formal approval of shareholders and therefore, it would not be put forward for voting.

The Chairman then referred the shareholders present to the IOIPG Group’s summary financial position and performance highlights for FY2020 set out on pages 26 to 32 of 2020 Annual Report. It was also highlighted that further details of the IOIPG Group Financial and Business Review for property development, property investment and leisure & hospitality were outlined on pages 34 to 45 of the 2020 Annual Report (“AR2020”).

7.0 RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLE 91 OF THE COMPANY’S CONSTITUTION - ORDINARY RESOLUTIONS 1 & 2

The Chairman informed that the second item on the agenda was in relation to the re-election of Dato’ Lee Yeow Chor and Ms Lee Yoke Har as Directors of the Company, who retired by rotation in accordance with Article 91 of the Company’s Constitution and being eligible, had offered themselves for re-election under the following ordinary resolutions:-

- (a) Ordinary Resolution 1 – Dato’ Lee Yeow Chor
- (b) Ordinary Resolution 2 – Lee Yoke Har

The Chairman further informed that both Lee Yoke Har’s and Dato’ Lee Yeow Chor’s profiles were set out on pages 121 and 122 of the AR2020 respectively. Both Directors had undergone performance evaluation and had demonstrated that they remained committed to their role and continue to be effective and valuable members of the Board.

8.0 DIRECTORS’ FEES (INCLUSIVE OF BOARD COMMITTEES’ FEES) – ORDINARY RESOLUTION 3

The Chairman informed the Meeting that next item on the agenda was to seek approval from the shareholders on the Directors’ fees (inclusive of Board Committees’ fees) of RM1,190,000 for the financial year ending 30 June 2021 (“FY2021”), payable quarterly in arrears at the end of each quarter of FY2021. The fee structure was disclosed on page 142 of the AR2020, the basis of which was the same as the last financial year.

9.0 DIRECTORS’ BENEFITS – ORDINARY RESOLUTION 4

The Chairman informed that the next agenda was to seek approval from the shareholders on the Directors’ benefits (other than Directors’ fees) of up to RM350,000 for the period from 28 October 2020 until the next AGM.

10.0 RE-APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION 5

The Chairman informed that the next agenda was to seek approval from the shareholders on the re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2021 and to authorise the Audit Committee to fix their remuneration.

11.0 PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY – ORDINARY RESOLUTION 6

The Chairman informed that the next agenda under the special business was to seek a renewal of the authority granted at the 7th AGM of the Company held on 6 November 2019 to purchase up to ten percent (10%) of the issued share capital (excluding any treasury shares) of the Company, should market conditions and price justify such action. The details of the renewal of the existing share buy-back authority were stated in the Share Buy-Back Statement dated 30 September 2020, which had already been made available to the shareholders.

12.0 ANY OTHER BUSINESS

The Chairman informed that no notice had been received from the shareholders to transact any other business at the Meeting.

13.0 QUESTIONS AND ANSWERS (“Q&A”) SESSION

Having tabled all the items on the agenda for consideration, the Chairman announced the opening of the Q&A session. He informed that the Company had received a letter from the Minority Shareholders Watch Group (“MSWG”) prior to the 8th AGM. For the benefits of the shareholders, the Chairman invited Ms Michelle Shen Yan Chao, the Financial Controller to present the questions posted by MSWG, along with the Company’s responses, as follows:-

Strategic and Financial Matters

Q1. GLM Emerald Industrial Park (Jasin) Sdn Bhd, (“GLMEIP”), a 32% associate of the Group reported a much higher profit and total comprehensive income of RM 61.3 million as compared to its revenue of RM 14.1 million in FY 2020. The profit and total comprehensive income and revenue for FY 2019 was RM6.3 million and RM 13.5 million respectively. (Page 238 of the Annual Report).

(a) What is the reason GLMEP’s profit is 4 times higher than its revenue in FY 2020?

Response from the Company

The higher profit and total comprehensive income against revenue for FY2020 was due to the recognition of one-off profit from disposal of land held for property development amounting to RM79.4 million (after tax amount was RM 60.34 million) as other income.

Q2. The Group's joint venture company, Scottsdale Properties Pte. Ltd ("SPPL") recorded a much higher revenue of RM1,597 million in FY 2020 as compared to RM1,504 million in FY 2018, an increase of RM93 million. However, SPPL's profit was lower at RM172 million in FY 2020 as compared to RM247 million in FY 2019. (page 242 of Annual Report).

- (a) What is the reason for the SPPL's lower profit despite the higher revenue in FY 2020 as compared to FY 2019??**

Response from the Company

The lower profit by SPPL for FY20 was mainly contributed by the recognition of a fair value loss of RM21.48 million from South Beach Office Tower and retails, against a fair value gain of RM60.20 million recorded in FY19. The adjustment was mainly due to the major changes and disruption to economic activities impacted by COVID 19 pandemic.

Q3. The Group has written down the development costs of RM24.8 million in FY 2020 as compared to a nil amount in FY 2019. (page 249 of Annual Report)

- (a) What is the reason for the write down of the development costs?**
(b) To which property projects do the write down of the development costs relate to?
(c) Is there a likelihood that the written down development costs can be written back in the future? If not, why?

Response from the Company

The property development costs written down of RM24.8 million was in relation to our development project in IOI Palm International Parkhouse, in Xiamen. The development project had been written down to its estimated net realisable value. The written down amount will be reversed, when there is clear evidence of increase in net realisable value due to change of economic circumstances.

Q4. The Group paid RM2.774 million as a deposit for new land acquisition. (page 251 of Annual Report)

- (a) Where is the location of the land and what is the land size?**

Response from the Company

The deposit paid for the new land acquisition of RM2.774 million was for a parcel of commercial land measuring approximately 7.1 acres in Puchong Jaya. The land is earmarked for mixed development.

- (b) What is the purchase consideration of the land?**

Response from the Company

The purchase consideration of the land comprised both the sharing of sales proceeds and provisions of Park and Ride facilities.

- (c) When is the Group expected to complete the purchase of the land as the deposit paid has been shown in FY 2019 as well?

Response from the Company

The completion of the land is pending series of authorities' approval on the development plan.

- Q5. The Group recorded fair value loss on investment properties and impairment loss on investment properties amounting to RM54.4 million and RM50.4 million respectively in FY 2020. (page 293 of the Annual Report). The fair value loss on investment properties is in respect of freehold land and buildings while the impairment loss on investment properties is in respect on leasehold land and buildings (page 229 of Annual Report)**

- (a) To which investment properties do the fair value loss and impairment loss relate to?

Response from the Company

The fair value loss on investment properties of RM54.4 million is mainly attributable to the office building in IOI Resort City. As for the impairment loss of RM50.4 million is attributable to Central Boulevard in Singapore.

- Q6. The Group's overseas property projects are located in Xiamen and Singapore.**

- (a) Does the Group have any plan to expand the China property project to other major cities of the People's Republic of China? If yes, why?

Response from the Company

The Group takes a long-term view on our overseas operations and may consider expanding to other cities in the People's Republic of China if it provides the Group the opportunity to enhance shareholders' value. It will also allow the Group to apply its experiences and expertise from managing the Xiamen operations.

- (b) Does the Group intend to expand to other Asean countries? If yes, please provide the name of the country and why?

Response from the Company

Except for Singapore where we already have our presence, the Group do not have any intention to expand to other Asean countries for the moment. However, if opportunity arises in the future, the management will ensure that the necessary feasibility study will be taken, as undertaking development in differing countries allows the Group to capitalise on the advantages of geographical diversification.

The Meeting then proceeded to the questions submitted by the shareholders and proxies via the RPV facilities. The Chairman invited the Chief Executive Officer to address the questions raised and the responses were summarised as follows:-

Q1. What is your sales target for FY21?

Response from the Company

The Group has set a sales target of RM2 billion for FY21, out of which 75% from Malaysian operations and 25% from PRC operations. However due to the current resurgence of the pandemic, the ongoing trade dispute and concerns of a recession stemming from the economic slow down, have resulted in economic uncertainties. The Board and management are currently reassessing this target.

Q2. The inventory of completed development properties (Note 25 of the Annual Report) has risen to over 2.2 billion. What is the Company's plan to sell off these unsold properties?

Response from the Company

The Group has recently increased our marketing budget and implemented more aggressive sale packages to sell off our stocks. Other ongoing efforts include extending our sales fleet by appointing real estate agents and renting out unsold stocks under "Rent to Own" packages where units are rented out first whilst incentivising these tenants to convert their rental into part purchase price to increase our chance of securing future sales. Other measures include intensifying digital marketing and offering "Easy To Own" and innovative financing packages to reduce upfront cost.

Q3. What is the current occupancy of the Company's retail investment properties? What is the current occupancy of the office properties? What has been the decline in occupancy due to the covid 19 pandemic

Response from the Company

For FY2020, the Group's property investment segment registered higher average occupancy rate of 63% (2019: 60%). The retails sub-segment has slightly improved from 92% to 93% in FY2020, mainly due to higher occupancy from IOI Puchong Mall post-refurbishment in FY2019. As for offices sub-segment, the occupancy rate has improved from 36% to 41% in FY2020, mainly due to commencement of phase 1 Daehan Rehabilitation Centre tenancy in September 2019. Post MCO, there have been a few pre-matured terminations, however this number is marginal and there have been replacements. The retail investment properties have also been experiencing gradual higher footfall as we move from MCO to CMCO/RMCO.

Q4. For property development division, what are the typical margins for China? How do they compare to margins for Malaysian developments?

Response from the Company

Referring to Note 43 (page 296) of the Annual report, the operating margin from China operations for FY20 was approximately 62%. The after-tax profit margin from China operations do not differ significantly from our Malaysian operations as even though the operating profit margin are relatively higher, it is subjected to higher tax.

Q5. Are there any new hotels being developed? If so, where are the hotels and when will they be completed?

Response from the Company

The Group has 2 ongoing hotels being developed which are Sheraton Grand Hotel in Xiamen, PRC and Moxy Hotel in IOI Resort City. The completion of Sheraton Grand Hotel is expected for 2023, whereas the construction of Moxy Hotel has been deferred indefinitely for the moment.

Q6. What is the current amount of unbilled sales?

Response from the Company

Referring to page 254 of the annual report, the unbilled sales for the FY20 was RM735.86 million.

As there were no other questions raised, the Chairman thanked the shareholders and declared the Q&A session closed.

14.0 POLL VOTING

The Chairman informed that additional 5 minutes would be allocated for all resolutions to be voted on by poll and another approximately 5 minutes for the Poll Administrator to conduct the poll vote count and to have the results verified by the Independent Scrutineers. The Chairman reminded shareholders and proxies to cast their votes.

15.0 DECLARATION OF POLL RESULTS

The Chairman called the Meeting to order for the declaration of poll results. The Chairman invited the Company Secretary to read out the poll results for each ordinary resolution, as follows:-

Ordinary Resolution 1	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-election of Dato' Lee Yeow Chor	4,968,160,857	99.619599	18,971,086	0.380401	4,987,131,943

IOI Properties Group Berhad (201301005964 (1035807-A))
Minutes of the Eighth Annual General Meeting held on 28 October 2020

Ordinary Resolution 2	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-election of Lee Yoke Har	4,987,826,159	99.998322	83,684	0.001678	4,987,909,843
Ordinary Resolution 3	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Directors' fees for the financial year ending 30 June 2021	4,987,719,269	99.997146	142,374	0.002854	4,987,861,643
Ordinary Resolution 4	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Directors' benefits for the period from 28 October 2020 until the next AGM	4,987,703,165	99.996869	156,78	0.003131	4,987,859,343
Ordinary Resolution 5	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-appointment of Messrs PwC as Auditors	4,986,760,743	99.976962	1,149,100	0.023038	4,987,909,843
Ordinary Resolution 6	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Proposed Renewal of Existing Share Buy-Back Authority	4,987,799,949	99.998743	62,694	0.001257	4,987,862,643

The Chairman declared that based on the poll results, all the following 6 ordinary resolutions tabled at the Meeting were duly carried:-

Ordinary Resolution 1

“THAT Dato’ Lee Yeow Chor, the Director retiring by rotation pursuant to Article 91 of the Company’s Constitution and being eligible for reelection, be hereby re-elected as a Director of the Company.”

Ordinary Resolution 2

“THAT Lee Yoke Har, the Director retiring by rotation pursuant to Article 91 of the Company’s Constitution and being eligible for re-election, be hereby re-elected as a Director of the Company.”

Ordinary Resolution 3

“THAT the payment of Directors’ fees (inclusive of Board Committees’ fees) of RM1,190,000 for the financial year ending 30 June 2021 payable quarterly in arrears after much of completed service of the Directors during the financial year be hereby approved.”

Ordinary Resolution 4

“THAT the payment of Directors’ benefits (other than Directors’ fees) of up to RM350,000 for the period from 28 October 2020 until the next Annual General Meeting be hereby approved.”

Ordinary Resolution 5

“THAT Messrs PricewaterhouseCoopers PLT, the retiring Auditors be hereby re-appointed Auditors of the Company at a remuneration to be fixed by the Audit Committee and to hold office until the conclusion of the next Annual General Meeting.”

Ordinary Resolution 6

“THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be hereby given to the Company to utilise up to the aggregate of the Company’s latest audited retained earnings, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company at the time of purchase (“Proposed Purchase”);

THAT at the discretion of the Directors of the Company, the shares of the Company to be purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on Bursa Securities;

THAT the Directors of the Company be hereby empowered generally to do all acts and things to give effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities and/or do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company;

IOI Properties Group Berhad (201301005964 (1035807-A))
Minutes of the Eighth Annual General Meeting held on 28 October 2020

AND THAT such authority shall commence immediately upon passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.”

16.0 CLOSURE

The Chairman concluded the Meeting and thanked all present. The Chairman declared the Meeting closed at 11.30 a.m.

Confirmed,

Datuk Tan Kim Leong
Chairman

Date: 30 November 2020