

**BCB BERHAD** (Company No. 172003-W)  
(Incorporated In Malaysia)

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE** Twenty-Ninth Annual General Meeting (“29th AGM” or “the Meeting”) of the Company held at Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Ta’zim on Thursday, 7 December 2017 at 10.30 a.m.

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

The Chairman informed that the Audited Financial Statements for the financial year ended 30 June 2017 and the Reports of Directors and Auditors thereon were circulated to all the shareholders of the Company within the statutory period.

The Chairman then proceeded to invite questions from the shareholders and proxies.

Questions raised by Mr. Ong Teik Khoo, a proxy and response of the Board are set out in Appendix II attached hereto.

Upon answering all questions raised, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2017 and the Reports of Directors and Auditors thereon, be received.

For the rest of the items on the Agenda stated below, there were no questions raised by the shareholders. All the resolutions tabled at the Meeting and voted upon by polling were duly passed by the shareholders, with the results of the polling announced accordingly to Bursa Malaysia Securities Berhad on 7 December 2017.

- 2. ORDINARY RESOLUTION 1  
RE-ELECTION OF TAN SRI DATO’ TAN SENG LEONG**
- 3. ORDINARY RESOLUTION 2  
RE-ELECTION OF MS TAN LINDY**
- 4. ORDINARY RESOLUTION 3  
RE-APPOINTMENT OF TAN SRI DATUK SERI ISMAIL BIN YUSOF**
- 5. ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF ENCIK ASH’ARI BIN AYUB**
- 6. ORDINARY RESOLUTION 5  
RE-APPOINTMENT OF AUDITORS**
- 7. ORDINARY RESOLUTION 6  
DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**
- 8. ORDINARY RESOLUTION 7  
DIRECTORS’ FEES AND DIRECTORS’ BENEFITS**
- 9. ORDINARY RESOLUTION 8**

**RETENTION OF INDEPENDENT DIRECTOR, TAN SRI DATUK SERI ISMAIL BIN YUSOF**

- 10. ORDINARY RESOLUTION 9  
RETENTION OF INDEPENDENT DIRECTOR, ENCIK ASH'ARI BIN AYUB**
- 11. ORDINARY RESOLUTION 10  
AUTHORITY TO ISSUE SHARES**
- 12. ORDINARY RESOLUTION 11  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- 13. ORDINARY RESOLUTION 12  
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**
- 14. ANY OTHER BUSINESS**

There were no other matters discussed.

## Appendix II

1. There seems to be a lack of print advertisement on launches/products. We do not believe it is effective to advertise through Facebook for property developers. Take for instance, the recent StarProperty Awards for Jewel of Johore where BCB Medini won the award for Best Commercial Development. Star had a special pullout yesterday but BCB was not featured. BCB did not participate in the advertisement at all. Is it not the right timing to be involved? This brings me to my next question as to what marketing strategy is in place to bring greater awareness to BCB products?

A: We have held numerous interviews with many Medias such as Focus, The Edge, the various Chinese papers etc. We have also engaged marketing agents in China to sell our Elysia Park Residence condominiums. The response has been very good and we are proud to say that we are one of the few developers in Medini currently able to sell its products well.

2. Home Tree – Phase 2 What is the sales to date? There were numerous postponement/delay in launching HT – Phase 2. I remember about 3 years ago, a few of my friends and associates were at the KK sales office. During that time, the plan for Phase 2 Semi-Ds were displayed for pre booking. However, the timing of launch kept being postponed to the extent that although they were interested in HT semi-Ds, 2 of my friends went to book semi-Ds at Paramount Corporation Cyberjaya project, I think Sejati Residences. Q : Do you think that the Marketing Team at KK is effective and are there steps to strengthen the marketing team?

A: The initial layout for phase 2 was for 209 units of 3-storey bungalows to be built. But because of the economic situation whereby it has now become hard to sell bungalows, we had to go back to the drawing board to put in Semi-D houses which are easier to sell. Hence, the new layout now has 99 units of 3-storey bungalows and 166 units of 3-storey Semi-Ds. This is the reason for the 2 years delay in launching phase 2.

On the marketing team, we will definitely take steps to strengthen it.

3. Transformation/Rebranding

The past 7 years , brand building exercise – what were the action taken to do this?

How do you rate the progress todate? What has been achieved thus far?

A: When we went to the Klang Valley 7 years ago, we put up good layouts and designs for our 2 projects to compete with the many more established developers. As a result of our hard work we won numerous property awards over the years. Ie. I-Property, The Star Property, Property Insight etc. The result is we got good sales from both these 2 projects.

4: Page 70 - Inventories : 123 m vs 30 million : Concerto-still have about 100 units, what steps are taken to clear the stock.

A: These units were Bumi units which were recently released to non-Bumis by DBKL. We have been marketing them in the local market as well as to potential investors from China.

5. U Mall – write off of 4 million- what is the nature of the debt and why write off?

A: These are old debts which have been sitting in the books for more than 10 years. Hence, our Auditors have advised us to write them off.

6. Page 85 Note 22- why finance costs for short term borrowings drop by 6m? -Property sales have slowed, lower cash inflow, and higher unsold properties, yet borrowing costs is lower?

A: We capitalized most of our short term finance cost into our Property Development Expenditure account.

7. Page 31 – How do you get a loss at company level of 14 million this year - first time since the past 5 years.

A: Sales at the Company level fell. Overheads such as manpower and finance cost have increased as well.

8. Page 62 - I am referring to BCB Development which is developing Home Tree and BCB Heights which is developing Elysia Medini . They are 30% and 40% owned by Non Controlling Interests (NCI) respectively. Q : What is the paid up of each company? How do the NCIs contribute for their respective shares? In the case of BCB Heights, how did the NCI contribute to the loss of 5.8 million?

A: Paid-up capital of BCB Development Sdn Bhd is RM1.0mil whereas BCB Heights Sdn Bhd is RM10.0mil. The NCIs contribute to the respective companies via cash advances if need be.

9. How does the Company show its recognition for minority shareholders' loyalty and support?

A: It is always the intention of the Company to reward its shareholders with dividends. However we have to take into account the level of indebtedness, capital expenditure plan and cash flow of the group.

We have also done a share split exercise more than a year back to reward shareholders.

10. Are there any plans to reward shareholders via bonus issue of shares or bonus issue of warrants or dividend

A: As mentioned above. We will consider bonus issue only when the time is right and the market improves.

11. In the AR- page 25 Statement on Corporate Governance : Quote : “BCB’s policy is to build and maintain a sustainable business based on delivering value to its shareholders” Unquote - To minority shareholders, VALUE is improvement in the share price of the company over the years together with the accumulation of dividends throughout the period. Measurement of VALUE is calculated by monitoring the Market Capitalization of BCB, which is by taking the number of issued shares multiply by the market price.

The Market Capitalization of BCB as at the Annual Report for FY 2014/2015/2016 and 2017 are as follows : 2014 : 239m ; 2015 : 219m ; 2016 : 198m and this year 2017 : 188m. The value of BCB have not grown over the past 4 years. In fact, it has stagnated and even decline as at this year.

As far as the controlling shareholders are concerned, no offence meant here, as executive directors , you are paid a salary and bonus whereas minority shareholders get nothing, worse when the value of the company continue to drop over the past 4 years.

Q : Against this back drop of stagnating value, How do you define value to your shareholders ? And how do you deliver value to your shareholders.

A: The share price of the Company is totally out of our control. It is determined by market forces. Nevertheless, the Net Asset backing per share is RM1.12. Hence, the fundamentals are intact.

We have been meeting up with potential funds investors recently to create awareness for the company shares.

12. BCB stock market performance

Are the controlling shareholders interested at all on the stock market performance of BCB Berhad on Bursa?

Why I asked this question is because there are hardly any participation of buying or queueing to buy any quantity of BCB on the market daily. If we were not to queue in any buying, there will be zero buying for the shares. It is frustrating to see that the major shareholders show no interest on the stock performance of BCB. Major shareholders should not just focus on the marketing side of the company, they should pay equal attention to the stock market performance of the company as well.

The major shareholders should buy and made the necessary announcements. This will send a very strong message to the market that the major shareholders view the stock as undervalued.

A: As mentioned just now the share price of the company is out of our control and is determined by market forces. The share price is hovering at around RM0.47 while the Net Asset backing per share is around RM1.12. It is clearly under-valued.

Nevertheless, we have held some meetings with some institutional investors to create awareness for the company shares.

We have also from time to time done limited amount of share buy-backs.

13. Treasury Shares of 12 million– what plan do you have for this? This is equivalent to about 1.5 sen of dividend. You can issue dividend in specie by distributing treasury shares. It does not affect your cash flow if your reasoning for not giving dividend is to conserve cash.

A: When the time is right we will consider distributing them as dividend in specie.

#### 14. Plans/Vision/Potential of Company

What is the likely positive news for the company in the next 12-18 months?

A: We are going to roll out a few new phases in Johor as well as in Kota Kemuning in the next few months.

#### 15. Audit Committee

In the Committee's opinion, what was the most serious audit matters brought up by the internal auditors?

A: So far there have been none.

16. Gearing ratio – which bank have most stringent policy and are we at the threshold of borrowing limit/cap? Does the Board view that this 50% level should not be breached in order to have a healthy/comfortable gearing level? If not, what is the gearing ratio that is acceptable?

A: The Group gearing ratio is close to 1. However our banks continue to be supportive of us and they have no problem extending credit to us on a project-by-project basis. About half of the Group's bank borrowings are attributed to our Elysia Park Residence project in Medini, Johor - where we have to build a 10-storey car park costing more than RM100mil (mainly under bank financing) before we can build the 3 tower blocks and start billing purchasers. Only after billings are done will bank redemption kick-in to reduce the bank loans.