

Summary of proceedings and salient points raised during the Twenty-Ninth Annual General Meeting of the Company held on 30 April 2019 (“Meeting” or “29th AGM”)

Present : Tan Sri Ong Leong Huat @ Wong Joo Hwa (*Chairman*)
Mr. Ong Ju Yan
Mr. Ong Ju Xing
Dato’ Saiful Bahri bin Zainuddin
Dato’ Thanarajasingam Subramaniam
Mr. Leong Keng Yuen
Ms. Ong Yee Ching

Absent with apology : Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir

Tan Sri Ong Leong Huat @ Wong Joo Hwa (“**Tan Sri Chairman**”) chaired the 29th AGM of the Company. The Chairman called the meeting to order at 10.00 a.m. after confirmation of the requisite quorum being present pursuant to Article 74 of the Company’s Articles of Association.

Tan Sri Chairman informed that the Listing Requirements of Bursa Malaysia Securities Berhad has mandated poll voting for all resolutions set out in the notice of general meetings.

Pursuant to the above and Section 330 of the Companies Act 2016 (“**the Act**”), Tan Sri Chairman exercised his right to direct the vote on all resolutions of this Meeting to be conducted by way of poll. Tan Sri Chairman informed that the Share Registrar, Securities Services (Holdings) Sdn. Bhd., has been appointed to act as the Poll Administrator and Commercial Quest Sdn. Bhd. has been appointed as the Independent Scrutineer to verify the results of the poll voting.

All the resolutions tabled at 29th AGM of the Company held on 30 April 2019 were duly passed by the shareholders, as set out in the Notice of 29th AGM with interested Directors in Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 9 had abstained from voting on the aforesaid resolutions. The shareholders also received the Audited Financial Statements of the Company and of the Group, together with the Reports of the Directors and Auditors thereon, for the financial year ended 31 December 2018. The poll results are annexed herewith as “Annexure A”.

Mr. Ong Ju Yan, the Group Managing Director of the Company presented the financials and business highlights of the Group for the financial year 2018 to all present at the Meeting.

Tan Sri Chairman informed that the Company had received several questions from the Minority Shareholders Watch Group (“**MSWG**”) via its letter dated 16 April 2019 and the Company had responded to the questions. The questions and also corresponding replies from the Company to MSWG were presented by Ms. Ng Lai Ping, the Group Chief Financial Officer to all present at the Meeting, as follows:

Q1 The remaining land at Melbourne Square entails a hotel block with convention facilities, an office tower and two residential towers that will be launched progressively over the next 4 years. What is the expected Gross Development Value (“GDV”) of each component of the development?

A1: The development on the remaining land at Melbourne Square are as follows:
(i) Residential tower with an estimated GDV of AUD720 million;
(ii) Residential tower with an estimated GDV of AUD405 million;

- (iii) Office tower and retail component with an estimated GDV of AUD345 million; and
- (iv) Hotel with convention and meeting facilities and retail with an estimated GDV of AUD440 million.

The balance development above, which will be launched in phases, has a combined estimated GDV of AUD1.9 million.

Q2 Will the Company reconsider its decision to proceed with the listing of the Cable Division on The Stock Exchange of Hong Kong (“HKEX”) as the market sentiment has improved?

- (a) How much is the revenue and profit contribution from the cables plant in Vietnam for FY2017 and FY 2018?
- (b) What is the capex to be incurred for the installation of new machines at the Melaka factory?
- (c) What is the additional increase in production volume from the new machines installed?

A2: On 26 December 2018, the Company has announced the abortion of the Listing of OCC on Hong Kong Stock Exchange. Nevertheless, management continues to be on a look out for other funding options available (not limited to the capital market only) for the expansion of OCC to create value to shareholders.

- (a) Revenue and profit contribution from the cables plant in Vietnam:

RM' million	FY2018	FY2017
Revenue	38.3	32.2
Loss before tax	(0.7)	(1.5)

- (b) The estimated capex to be incurred from the expansion of the Melaka factory includes expansion of building and the installation of new machines is approximately RM20 million. This amount will be incurred in stages over the next 2 to 3 years.
- (c) The production capacity is expected to increase by 20% upon completion of the expansion of the factory.

Q3. The revenue from the external parties for the Construction Division constitutes only 3.9% (FY2018) as compared to 9.8% (FY2017). The Division derives most of its revenue from within the Group (Page 156 & 159 of Annual Report).

- (a) What are the reasons for the lower revenue from the external parties in FY2018?
- (b) What are the measures taken to improve the revenue from the external parties?
- (c) What are the contract works secured from the external parties in FY2018?

A3: (a) The lower revenue from the external parties in FY2018 was mainly due to completion of the external project in FY2018, and a decision by our management to focus on internal projects for the time being. This was done so that we can focus our attention on improving our execution capabilities and the quality of our work. This transformation has produced positive results, as evidenced by the QCLASSIC score of over 80 for the Emira project in Shah Alam.

(b) The division is focusing on improving and enhancing its internal organisation structure and capabilities which includes improving the construction efficiency to deliver projects within time, cost and quality. The division, with outstanding order book solely from projects undertaken by the Group will continue to tender and accept external projects after due assessment of associated risks on the potential external projects.

(c) There was no external project secured in FY2018.

Q4. What is the latest take-up rate of Tower 2 of Ryan & Miho that was launched in the fourth quarter of FY2018?

A4: Tower 2 of Ryan & Miho at Section 13 Petaling Jaya was launched in November 2018 and the take-up rate as at 31 December 2018 was 11%. The latest take-up rate as at 31 March 2019 was 15%.

Q5. Does the Company has any easy home-ownership schemes? A number of property developers have already introduced such schemes to boost the sales of their properties.

If no, why? If yes, please provide the key features of the Company's home ownership scheme.

A5: No, the Group does not have any home-ownership schemes but participated in Home Ownership Campaign organized by Housing and Local Ministry (KPKT) and Real Estate and Housing Developers' Association (REHDA) in March 2019.

We are of the opinion that the home-ownership scheme is not necessary for now as OSK Property Division has the ability to attract potential home buyers as the properties launched by the Group are priced competitively and affordable (taking into consideration the location and size of the unit) and its ability to deliver quality products within time stipulated.

Furthermore, the Group had taken prudential measures to limit our project launches 4 years ago, and focused on proactively selling down our stocks. As a result, we currently have only RM42 million of unsold completed property stocks on our books as of 31 March 2019.

Tan Sri Chairman invited questions in respect of each resolution proposed at the 29th AGM from the floor. A summary of the questions/comments raised and the Company's responses, where relevant, were as follows:

Q1. Will the Company consider to apply the scheme in Australia market for the property development in Malaysia whereby purchaser will only pay the balance purchase consideration upon completion to attract local market?

A1: It is difficult to adopt the Australia Housing Scheme Model in Malaysia due to the different property market in Malaysia and Australia. Property developer in Australia must have strong cash flow position as the developer will only be paid the balance 90% purchase consideration upon completion of the project. However, the property developer in Malaysia are paid progressively based on the stages of completion of the project.

Tan Sri Chairman added that Melbourne was named the world's most liveable city for 7 consecutive years, and in year 2018 it was placed the second. The hotels and offices have high occupancy rate with good demands, while the apartment rental rate increases yearly, with 4%-5% yield.

Q2. What is the estimated unsold completed property development stocks in the Company?

A2: Tan Sri Chairman highlighted that various factors have contributed to the stagnant of the property market situation in Malaysia and rising of inventory levels, such as the ability of the buyers in securing the housing loans. The Group has a relatively low level of unsold completed property development stocks of about RM49.2 million as at 31 December 2018.

Q3. What is the rationale for hospitality industry slowdown and disposal of hotels?

A3: Hospitality segment is a challenging sector due to entry of many new competitions including Airbnb and new hotels etc. Tan Sri Chairman added that it is one of the strategies for the Group to rationalise low yielding assets and redeploy to higher yielding assets or investment that generate cash inflows to the Group.

Q4. Is Integrated Building Systems ("IBS") be adopted for either high-rise building or low-rise building?

A4: One of the subsidiaries of the Group, namely Acotec Sdn Bhd ("**Acotec**") is an Integrated Building System manufacturer and holds the exclusive rights to manufacture Acotec Wall Panels, a hollow core precast wall panel in Malaysia. Acotec is also a pioneer in manufacturing of these wall panels in Malaysia and we supply 30%-40% of our IBS to Singapore. The IBS is widely utilised for both low-rise and high-rise projects in Malaysia, and for high-rise projects in Singapore.

Q5. What is the reason for reduction of proposed dividend from 3.5 sen to 3.0 sen?

A5: In 2017, there were bonus shares issued to shareholders. The total dividend paid for the financial years ended 31 December 2018 and 2017 about the same amount for each year. The reduction on per share is due to the enlarged share capital after the bonus issue in 2017.

Q6. Why are the shares of OSK being traded below Net Tangible Asset?

A6: The responsibility of Board of Directors is to manage the Company well and to maximise shareholders' value by paying decent dividends. The Board has no control over the share price of the Company which is market driven. The Company has been paying dividends consistently with over 5% dividend yield per annum.

There being no other business, Tan Sri Chairman concluded the Meeting and thanked all present for their attendance. The Meeting ended at 11:50 a.m. with a vote of thanks to the Chair.

ANNEXURE A

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 1</u> Declaration of a single-tier final dividend of 3.0 sen per share in respect of the financial year ended 31 December 2018.	1,335,137,256	100.00	0	0.00	Carried
<u>Ordinary Resolution 2</u> Payment of Directors' fees of RM321,972 for the financial year ended 31 December 2018.	1,322,151,459	100.00	0	0.00	Carried
<u>Ordinary Resolution 3</u> Payment of Directors' benefits to the Non-Executive Directors up to an amount of RM100,000 for the period from 1 May 2019 until the next Annual General Meeting of the Company.	1,322,151,459	100.00	0	0.00	Carried
<u>Ordinary Resolution 4</u> Re-election of Mr. Ong Ju Yan who retires by rotation in accordance with Article 102(1) of the Company's Articles of Association.	1,331,766,038	99.75	3,371,218	0.25	Carried
<u>Ordinary Resolution 5</u> Re-election of Dato' Thanarajasingam Subramaniam who retires by rotation in accordance with Article 102(1) of the Company's Articles of Association.	1,334,228,964	99.93	908,292	0.07	Carried
<u>Ordinary Resolution 6</u> Re-election of Mr. Leong Keng Yuen who retires in accordance with Article 109 of the Company's Articles of Association.	1,334,818,648	100.00	0	0.00	Carried

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<p><u>Ordinary Resolution 7</u></p> <p>Re-appointment of Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.</p>	1,335,137,256	100.00	0	0.00	Carried
<p><u>Ordinary Resolution 8</u></p> <p>Authority to Issue Shares.</p>	1,327,350,606	99.42	7,786,650	0.58	Carried
<p><u>Ordinary Resolution 9</u></p> <p>Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.</p>	114,696,198	100.0	0	0.00	Carried
<p><u>Ordinary Resolution 10</u></p> <p>Renewal of Authority for the Company to purchase its own shares.</p>	1,335,137,256	100.00	0	0.00	Carried
<p><u>Special Resolution</u></p> <p>Adoption of New Constitution of the Company.</p>	1,335,137,256	100.00	0	0.00	Carried