

## **MCT BERHAD (Company No. 881786-X)**

### **Summary of Key Matters Discussed at Ninth Annual General Meeting held on Wednesday, 28 November 2018, at 10.30 a.m.**

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MCT Berhad ("**the Company**") recently held its Ninth Annual General Meeting ("**9th AGM**") on 28 November 2018 at Sheraton PJ Hotel.

The Chairman informed the Meeting that voting on all the resolutions set out in the notice of the 9th AGM shall be carried out by poll and voting on the resolutions tabled at the Meeting was conducted upon completion of deliberation of each of the resolutions via the real time electronic voting system using mobile devices. Symphony Share Registrars Sdn. Bhd. was the poll administrator for the electronic voting process, and Symphony Corporatehouse Sdn. Bhd. acted as scrutineer to validate the votes cast.

#### **QUESTIONS RAISED BY SHAREHOLDERS**

Mr. Hon Kah Sin ("**Mr. Hon**"), a shareholder expressed his appreciation to the board of directors of the Company ("**Board**") and the Management for their efforts in steering the Company to achieve better financial results during the financial year ended 30 June 2018 ("**FY 2018**"). He also pointed out that it was good news for the shareholders as the Company is about to launch a few new projects in 2019 after Ayala Land Inc., a listed company in the Philippines had increased their stake in the Company.

He then raised the following questions to the Board:-

##### Question 1:

Based on the financial highlights on page 15 of the annual report, the Company recorded lower revenue while total expenses of the Company had increased. What are the reasons behind the increase in expenses?

Response by the CEO: Revenue was lower for FY 2018 because most of our projects were nearing completion for 2018 and we were focused on completing these projects in FY 2018. Also, we ran out of inventory in FY 2018 as we had only one new launch and we recorded improved sales in FY 2017. We expect to launch more new projects and acquire more landbank in 2019.

As for the increased in total expenses, the CEO clarified that the increase was mainly contributed by the Liquidated Ascertained Damages ("**LAD**") due to late deliveries of some projects.

##### Question 2:

The unbilled sales at the end of FY 2018 stood at RM1.4 billion. What were the unbilled sales for the corresponding period?

Response by the CEO: The unbilled sales at the end of FY 2017 was RM1.6 billion and has since declined to RM1.1 billion currently following the completion of a number of projects in 2018. In order to replenish the Company's unbilled sales, the Company is targeting to launch new projects from its existing landbank in 2019.

##### Question 3:

Would the Company consider declaring dividend? Since most of the cash in the Company would be reinvested into buying land and completing projects, would the Company consider to declare dividends in the form of shares?

Response by the CEO: The Company is cognisant that shareholders are looking for dividend and the Company is actively looking at how it can declare some dividends to rewards shareholders.

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Mr. Ng Kok Kiong ("**Mr. Ng**"), a proxy suggested that the Company should do a presentation on the financial performance of the Company at the subsequent annual general meeting of the Company so that the shareholders and stakeholders are aware and convinced of the performance and products of the Company. The Company should also take the opportunity to showcase its products to the shareholders. He further added that the Company should reduce the delay of projects delivery as it will affect the Company's reputation.

He then put forward the following questions to the Board:

#### Question 1:

What is the reason for poor directors' attendance at the Board of Directors' Meeting ("**BODM**")? We should perhaps look into decreasing the directors' fee.

Response by the CEO: The Board members representing Ayala Land Inc. were unable to attend two BODM that were held to discuss matters relating to the mandatory general offer by Ayala Land Inc. as they were deemed to be interested parties.

Mr. Ng noted the explanation and suggested for Management to include a disclaimer in the annual report to explain the absenteeism so that it will be clearer to the shareholders.

#### Question 2:

For the new launches, what would be the Gross Development Value (GDV) and what is the targeted sales amount?

Response by the CEO: During FY 2018, the Company sold about RM700.0 million in GDV. For FY 2019, the Company projects to sell about RM1.0 billion worth of properties. The Company is confident that it will continue to sell its products and at the same time acquire more new landbank to further grow the Company.

#### Question 3:

What is the update to the incident relating to the relocation of the temple in USJ?

Response by the CEO: One City Development Sdn. Bhd. ("**OCD**") has the right to the land pursuant to the consent judgement and has the rights to relocate the temple.

However, the unfortunate incidents that happened were criminal in nature and has since become a matter under police investigation. As such, it would not be appropriate to discuss the matter during today's Meeting.

Mr. Ng noted the clarification provided by the CEO and mentioned that the Company should provide immediate statement on the action plan to the incident so that the shareholders and stakeholders can have a better understanding. He added that even though the Company has a right to the land, the public made it seemed like it was not and that affected the public's perception towards the Company. He also enquired whether there is insurance coverage for the damages to the building of the Company.

The CEO took note of the concerns raised by Mr. Ng and informed that the Management is working hard to address the matter. He mentioned that MCT Tower was damaged but the Company no longer owns MCT Tower and was only a tenant.