

ASIAN PAC HOLDINGS BERHAD

(Company No. 129-T)
(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE 99TH ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY HELD AT HIBISCUS 1, LEVEL 3, SWISS-GARDEN RESIDENCES, 117 JALAN PUDU, 55100 KUALA LUMPUR ON WEDNESDAY, 6 SEPTEMBER 2017 AT 11.00 A.M.

The following are the summary of key matters raised by the shareholders and discussed at the 99th AGM of the Company:

1. Directors’ Fees increment

The Company’s Accountant, Ms YY Liew explained that the increase was due to the appointment of an additional Independent Non-Executive Director, Ms Soon Dee Hwee to the Company. Besides, there is also a revision of fee for Non-Executive Directors (“NED”) where the Board had via the recommendation by the Nomination Committee proposed a RM2,000 increment for the Chairman and RM1,000 each for the NED in view of the increasing responsibilities of directors.

2. The outlook prospect of the Group and the impact of the current challenging economic

Tan Sri Chairman stated that Malaysian economy is projected to register growth of 4.5% - 4.6% in 2017. This, together with the continued roll-out of large-scale infrastructure projects such as MRT would support the investment activities going forward. The Group indeed welcomed the current slow down and soft property market scenario otherwise it would cause a worrying bubble in property industry likewise what had happened in overseas.

Tan Sri added the property market would have to endure another challenging year in 2017. Notwithstanding the weak economic indicators and cautious consumer sentiments on the already challenging property market sector, the Group believed that the slowdown would be manageable given the right product, location, pricing and target clientele. Currently, the Group has three (3) active divisions contributing to the Group’s results, namely property development, mall operations and car park operations.

3. Additional Board member

Tan Sri Chairman explained that the additional Board member was the appointment of a woman on Board, which was in line with the recommendation of the Malaysian Code on Corporate Governance. Tan Sri added that the Government is promoting for greater women participation on Board of listed issuers that would comprise at least 30% women directors.

Tan Sri stated that the Company has achieved 33% women directors on Board with the appointment. Tan Sri moved to explain that the newly appointed Independent Non-Executive Director, Ms Soon Dee Hwee is a very well qualified and suitable candidate. Her appointment was recommended by the Nomination Committee after having gone through the Company's nomination process for the appointment of new directors.

4. Retention of Independent NED

The Board took note on a shareholder's suggestion for re-designation of the Independent NED who had served the Board for more than nine (9) years to Non-Independent Director.

5. Risk of rising cost of commodities and materials affecting the gross development value

Dato' Mustapha, the Managing Director of the Company replied that no doubt that the rising cost of commodities and materials pricing, as well as the weaken Ringgit were among those factors that contributed to the increase of development costs in which it will invariably affect the total gross development value of a project.

Amid the difficult economic environment and soft property market condition, the Group is cautious in planning a new project launching. Hence, the Group had considered to defer the launch of "the Zil" in Kota Kinabalu and Damansara Damai projects. He added as of any property developers in the industry, there were three (3) factors which the developers would look into on the development of a project i.e. continue rising costs, secondly, the loan availability and lastly, the product pricing.

6. Utilization of proceeds from rights issue of ICULS

The Director, Ms Tan explained that the utilization of the proceeds from the rights issue of ICULS were as stated in the Abridged Prospectus ("the Prospectus") of the Company dated 28 April 2017, amongst others, acquisition of new land banks, working capital and repayment of the Company's bank borrowings.

At the moment, the funds has yet to be utilized for acquisition of new land banks as the Group is currently actively sourcing for land banks in growth areas at the locations such as Klang Valley, Johor and Penang at the best commercially acceptable prices. She also updated that part of the funds had been utilized to pare down the Company's gearing such as the repayment of RM25 million bank borrowings, CAPEX for the Imago Mall in Kota Kinabalu as well as working capital of the Group.

She assured the members that there was no change in utilization of proceeds as stated in the Prospectus because to do so, the Company would have to seek the approval from the Securities Commission.