

# United Malacca Berhad

(Company No. 1319-V)

**Minutes of the 104th Annual General Meeting  
held at the United Malacca Berhad Building, 6th Floor, No. 61, Jalan Melaka Raya 8,  
Taman Melaka Raya, Melaka on Friday, 24th August 2018 at 11.00 a.m.**

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## PRESENT

<b>DIRECTORS</b>	Datin Paduka Tan Siok Choo	-	Chairperson
	Tan Sri Dato' Ahmad	-	Senior Independent Non-Executive Director
	Bin Mohd Don	-	Director
	Mr. Tan Jiew Hoe	-	Independent Non-Executive Director
	Mr. Teo Leng	-	Non-Independent Non-Executive Director
	Dato Dr. Nik Ramlah Binti Nik Mahmood	-	Independent Non-Executive Director
	Mr. Ong Keng Siew	-	Independent Non-Executive Director

**SHAREHOLDERS** 52 members (in person) and 16 members (represented by proxies)  
[excluding Directors, CEO and CS]

<b><u>IN ATTENDANCE</u></b>	Mr. Peter Benjamin	-	Chief Executive Officer
	Mr. Er Hock Swee	-	Senior Manager
	Ms. Yong Yoke Hiong	-	Company Secretary
	Ms. Pang Poh Chen	-	Company Secretary
	Mr. Arthur Lee Ah Too	-	Auditor
	Encik Mohd Sophiee and team	-	Share Registrar

**CHAIRMAN** The Chairperson, Datin Paduka Tan Siok Choo chaired the meeting.

**CHAIRMAN'S OPENING ADDRESS** The Chairperson, Datin Paduka Tan Siok Choo, welcomed all members present.

**QUORUM** The Chairperson, having satisfied that a quorum as prescribed by Article 72 of the Company's Articles of Association was present, declared the meeting duly convened.

**PROXIES** The Company Secretary informed the meeting that the Chairperson, Datin Paduka Tan Siok Choo and the Director, Mr. Tan Jiew Hoe have been appointed as proxy to vote on behalf of shareholders in relation to the following number of shares:-

Datin Paduka Tan Siok Choo - 45,304,204 shares  
Mr. Tan Jiew Hoe - 100,645 shares

<b>NOTICE</b>	With the unanimous consent of all members present, the Chairperson declared that the Notice convening the meeting together with the compact disk containing the Group's Audited Financial Statements for the year ended 30th April 2018 and the Reports of the Directors and Auditors thereon be taken as read.
<b>POLL VOTING</b>	The Chairperson informed that in line with the Main Market Listing Requirements by Bursa Malaysia Securities Berhad, all the resolutions put to the meeting would be voted by way of poll. The polling process would be conducted after deliberations of all items on the Agenda of meeting.
<b>AGENDA 1</b>	<b>AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH APRIL 2018 AND THE REPORTS OF THE DIRECTORS AND AUDITORS</b>
1.0.0	The Chairperson informed the meeting that a review of the Group's performance for the financial year ended 30th April 2018 was given in the Chairperson's Statement as published in the 2018 Annual Report. To supplement the information in the Annual Report, the Chairperson invited Management to give a presentation on the Group's performance.
1.1.0	<p>The Chief Executive Officer briefed the meeting via a PowerPoint presentation on the following areas:-</p> <ul style="list-style-type: none"> <li>• Major shareholders as at 31 July 2018.</li> <li>• Location of estates and mills.</li> <li>• Future project.</li> <li>• Planted areas.</li> <li>• Age profile of oil palms (excluding plasma) as at 30th April 2018.</li> <li>• CPO &amp; PK prices from May 2012 to August 2018.</li> <li>• FFB output and yield.</li> <li>• Breakdown of FFB production cost for FY2018 in Malaysia.</li> <li>• Cost of production for FY2017/2018.</li> <li>• Palm oil mill performance.</li> <li>• Total manpower as at 31st July 2018.</li> <li>• Profit (before tax and net of tax) and earnings per share.</li> <li>• Net profit correlation to CPO prices for last 5 financial years.</li> <li>• Performance of UMB share prices for the period from January 2011 to July 2018.</li> <li>• Pictorial images of estates in Peninsular, Sabah and PT Lifere Agro Kapuas (LAK), flooding in estates and dry weather mitigation projects.</li> <li>• Challenges of the palm oil industry</li> <li>• Malaysian Sustainability Palm Oil (MSPO)</li> </ul>

- Operational, safety and health trainings.
- Sustainability and corporate responsibility activities.
- Type of other crops for diversification.

1.2.0

Before inviting questions from the floor on the audited financial statements, the Chairperson informed the meeting that the Minority Shareholders Watchdog Group (MSWG) had raised questions with regards to the following matters:-

- (1) The Group's labour productivity in terms of land-labour ratio and the extent to which mechanization could help to improve the ratio going forward.
- (2) The other functions that could be mechanized to reduce reliance on labour.
- (3) The estimated impact on labour cost of the Group for every increase of RM100 per month in view of the soon-to-be announced new minimum wage.
- (4) The financial impact on the bottom-line of the Group in FY2019 in view of the new Malaysian Financial Reporting Standards which require the amortization of biological assets.
- (5) In relation to the Conditional Sales and Purchase Agreement (CSPA) announced by the Company on 17 October 2017 for the acquisition of 60% effective equity interest in PT Wana Rindang Lestari (WRL):-
  - The status of the due diligence exercise on WRL and findings of concern highlighted to the Board and Management.
  - The status of the fulfilment of conditions and whether the Long-Stop Date would be extended beyond 15 August 2018.
  - The right of the Company under the CSPA in the event of any omission or non-disclosure of material information.
  - The Company's entitlement to board representation in WRL
  - The maximum gearing ratio which would be acceptable and comfortable for the Company in deciding the amount to borrow for the proposed acquisition.
- (6) The adoption of Practice 6.1 of the MCCG which recommended the formalization of policies and procedures governing the remuneration of Directors and Senior Management.
- (7) The inclusion of all key matters raised by other shareholders in the AGM in the report published on the Company's website.

1.3.0

The replies to MSWG were presented by the Chief Executive Officer via a PowerPoint presentation for the benefit of the shareholders present at the meeting.

1.4.0

The shareholders further sought clarifications/information on the following matters:-

- (1) The purpose of the prepayments for capital expenditure

totalling RM11.214 million under the item “Other Receivables”.

- (2) The profit contribution from milling activities.
- (3) The expected percentage of planted areas of the Group following the new acquisition in Sulawesi.
- (4) The plans for stevia, i.e. whether own processing or exporting.
- (5) The potential for dividends in view of venture into less price volatile crops.
- (6) The Company’s profitability in comparison to other plantation companies.
- (7) The reason for the Chief Executive Officer not being a director on UMB Board.
- (8) The details of fees under the item “Other Services” to Ernst & Young.

1.5.0 All shareholders’ queries were explained by the Chairperson and Management.

1.6.0 The meeting also noted the suggestion of a shareholder to adopt a dividend policy which would maintain consistency in the rate of dividend declared. The Chairperson thanked the shareholder for his advice.

1.7.0 With no other questions raised, the Chairperson declared that the Audited Financial Statements for the financial year ended 30th April 2018 together with the Reports of the Directors and Auditors thereon were tabled and received in the meeting.

**AGENDA 2 APPROVAL OF PAYMENT OF DIRECTORS’ FEES OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018**

2.1.0 The Chairperson explained to the shareholders that the Companies Act 2016, under Section 230(1) provides amongst others, the fees of directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. At this meeting, the Board would seek shareholders’ approval for the payment of Directors’ fees to the Non-Executive Chairperson and Non-Executive Directors of the Company and its subsidiaries in respect of the financial year ended 30 April 2018.

2.2.0 One shareholder has commented that the percentage increase in Director’s fee for the Chairperson was 25% while the percentage increase of fees for other Directors was 50%. The Chairperson took note of the shareholder’s comment.

2.3.0 The Chairperson then put forward the motion under Resolution 1 which read as “That approval be hereby given to the Company to pay Directors’ fees of the Company and its subsidiaries amounting to RM610,000 for the financial year ended 30 April 2018.”

2.4.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**AGENDA 3 APPROVAL FOR PAYMENT OF DIRECTORS’ REMUNERATION (EXCLUDING DIRECTORS’ FEES) FOR THE PERIOD FROM 1 MAY 2018 TO 24 AUGUST 2018**

3.0.0 The Chairperson informed the meeting, at the last 103rd Annual General Meeting, the Company sought shareholders’ approval to pay the Directors’ remuneration up to an aggregate amount of RM420,000 from 1 May 2017 until the next Annual General Meeting. For the period from 1 May 2017 to 30 April 2018, the Company paid Directors their remuneration (excluding Directors’ fees) totalling RM396,973. Directors’ remuneration for the period from 1 May 2018 to 24 August 2018 would be RM113,500. The approved aggregate sum of RM420,000 would be insufficient to pay the said sum of RM113,500 due to the increase in the Board Committees’ fees as well as an enlarged Board size.

3.1.0 The Chairperson then put forward the motion under Resolution 2 which read as “That approval be hereby given to the Company to pay the additional Directors’ remuneration (excluding Directors’ fees) totalling RM90,473 to Non-Executive Chairperson and Non-Executive Directors for the period from 1 May 2018 to 24 August 2018.”

3.2.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**AGENDA 4 RE-ELECTION OF MR. TAN JIEW HOE AS DIRECTOR OF THE COMPANY**

4.0.0 The Chairperson informed the meeting that the motion set out as Resolution No. 3 related to the re-election of Mr. Tan Jiew Hoe as Director of the Company. Mr. Tan Jiew Hoe, being eligible has offered himself for re-election.

4.1.0 The meeting considered the motion for Resolution No. 3 which read as follows:-

“That Mr. Tan Jiew Hoe, the Director retiring by rotation in accordance with Article 118 of the Company’s Articles of Association be hereby re-elected a Director of the Company.”

4.2.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**AGENDA 5 RE-APPOINTMENT OF AUDITORS**

5.1.0 The meeting proceed to consider the motion set out as Resolution 4 which read as follows:-

“That Messrs Ernst & Young be and are hereby re-appointed as Auditors of the Company at a remuneration to be determined by the Directors and to hold office until the conclusion of the next Annual General Meeting.

5.2.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**AGENDA 6 APPROVAL FOR MR. TAN JIEW HOE TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

6.0.0 The Chairperson informed the meeting that Resolution No. 5 and 6 (under Special Business) were to seek shareholders’ approval for Mr. Tan Jiew Hoe and Tan Sri Dato’ Ahmad Bin Mohd Don to continue in office as Independent Non-Executive Directors of the Company.

6.1.0 The Chairperson explained that the Malaysian Code on Corporate Governance recommended the tenure for an Independent Director should not be more than 9 years. However, the Board may seek shareholders’ approval to retain an Independent Director who has served more than 9 years, subject to an assessment by the Nomination and Remuneration Committee.

6.2.0 The Nomination and Remuneration Committee had conducted an annual performance evaluation and assessment of Tan Sri Dato’ Ahmad Bin Mohd Don and Mr. Tan Jiew Hoe which has been endorsed by the Board. The Board recommended both Directors to continue act as Independent Non-Executive Director on the grounds

that:-

- They have unique expertise and experience in banking and botany respectively.
- They would be able to bring independent and objective judgement to the Board deliberations; and
- Their position on the Board has not been compromised by their familiarity and long relationship with other Board members.

6.3.0 The meeting noted the comment of one shareholder that Securities Commission Malaysia should review the requirement to cap the tenure for an Independent Director.

6.4.0 The meeting then proceeded to consider the motion for as Resolution No. 5 which read as follows:-

“THAT approval be and is hereby given to Mr. Tan Jiew Hoe who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue act as an Independent Non-Executive Director of the Company.”

6.5.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**AGENDA 7 APPROVAL FOR TAN SRI DATO’ AHMAD BIN MOHD DON TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

7.0.0 The meeting proceeded to consider the motion for Resolution 6 which read as follows:-

“THAT approval be and is hereby given to Tan Sri Dato’ Ahmad Bin Mohd Don who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue act as an Independent Non-Executive Director of the Company.”

7.1.0 The Chairperson informed the meeting that the said motion would be put to vote by way of poll after the remaining items on the Agenda have been dealt with.

**CONDUCT OF POLL VOTING** Given that no notice has been received for other business, the Chairperson announced that the meeting would proceed to the polling process. The Chairperson instructed that the registration for the meeting be closed.

The Chairperson informed the meeting that Symphony Share Registrars Sdn. Bhd. and Symphony Corporatehouse Sdn. Bhd. have been appointed to act as the Poll Administrator and the Independent Scrutineer respectively.

The Chairperson then invited the Poll Administrator and the Independent Scrutineer to take over the proceedings for poll voting.

The Poll Administrator briefed the meeting on the polling procedures prior to the casting of votes by shareholders and proxies.

**DECLARATION  
OF POLL  
RESULTS**

Based on the Independent Scrutineer's Report for the poll conducted, the Chairperson declared the results of the poll for the motions put to poll as follows:-

Ordinary Resolutions	In Favour		Against	
	No. of shares	%	No. of shares	%
<p><b>Resolution 1</b> Approval for payment of Directors' fees for the financial year ended 30 April 2018.</p> <p><b>This motion was declared carried.</b></p>	65,073,879	100.00	0	0.00
<p><b>Resolution 2</b> Approval for payment of Directors' remuneration (excluding Directors' fees) for the period from 1 May 2018 to 24 August 2018.</p> <p><b>This motion was declared carried.</b></p>	65,073,879	100.00	0	0.00
<p><b>Resolution 3</b> Re-election of Mr. Tan Jiew Hoe, a Director retiring by rotation in accordance with Article 118 of the Company's Articles of Association.</p> <p><b>This motion was declared carried.</b></p>	69,154,426	99.9998	150	0.0002



Ordinary Resolutions	In Favour		Against	
	No. of shares	%	No. of shares	%
<b>Resolution 4</b> Re-appointment and fixing of Auditors' remuneration.  <b>This motion was declared carried.</b>	69,255,221	100.00	0	0.00
<b>Resolution 5</b> Approval for Mr. Tan Jiew Hoe to continue in office as Independent Non-Executive Director  <b>This motion was declared carried.</b>	55,840,176	80.7469	13,314,400	19.2531
<b>Resolution 6</b> Approval for Tan Sri Dato' Ahmad Bin Mohd Don to continue in office as Independent Non-Executive Director  <b>This motion was declared carried.</b>	69,137,821	99.9900	6,900	0.0100

## CONCLUSION

There being no other business, the Chairperson called the meeting to a close. The meeting ended at 12.45 p.m. with a vote of thanks to the Chair.

Confirmed Correct

Date: 26 September 2018

Sgd.  
Datin Paduka Tan Siok Choo  
Chairperson