

United Malacca Berhad

Registration No. 191001000010 (1319-V)

Minutes of the 108th Annual General Meeting held at Level 1, AMES Hotel, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka on Wednesday, 28 September 2022 at 11.00 a.m.

DIRECTORS	Datin Paduka Tan Siok Choo - Chairperson Dato Dr. Nik Ramlah Binti - Senior Independent Non-Executive Nik Mahmood Director Mr. Tan Jiew Hoe - Non-Independent Non-Executive Director Mr. Teo Leng - Non-Independent Non-Executive Director Mr. Ong Keng Siew - Independent Non-Executive Director Mr. Tee Cheng Hua - Non-Independent Non-Executive Director Dato' Sri Tee Lip Sin - Non-Independent Non-Executive Director Mr. Han Kee Juan - Independent Non-Executive Director
IN ATTENDANCE	Mr. Young Lee Chern - Chief Executive Officer Mr. Er Hock Swee - Chief Financial Officer Ms. Yong Yoke Hiong - Company Secretary Ms. Pang Poh Chen - Company Secretary Mr. Asokumaran Seeramalu - External Auditor En. Mohd Sophiee and team - Boardroom Share Registrars
SHAREHOLDERS	24 members representing 7,945,522 shares and 66 members (by proxies) representing 86,682,732 shares.
CHAIR	The Chairperson, Datin Paduka Tan Siok Choo, chaired the meeting.
CHAIRPERSON'S OPENING ADDRESS	The Chairperson, Datin Paduka Tan Siok Choo, welcomed all members present.
QUORUM	The Chairperson declared the meeting duly convened after the required quorum as per Clause 83 of the Company's Constitution was confirmed.
PROXIES	The Company Secretary informed the meeting that the Chairperson, Datin Paduka Tan Siok Choo, had been appointed as proxy to vote on behalf of shareholders who hold 38,292,787 ordinary shares representing 18.26% of the Company's issued shares.

NOTICE

The Chairperson announced the Notice convening the meeting and the Group's Audited Financial Statements for the year ended 30 April 2022 together with the Reports of the Directors and Auditors, be taken as read.

POLL VOTING

The Chairperson informed the meeting that all the resolutions would be voted by poll following the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Chairperson further informed that Boardroom Share Registrars Sdn. Bhd. and Boardroom Corporate Services Sdn. Bhd. has been appointed as the Poll Administrator and the Independent Scrutineer, respectively.

The Chairperson invited Boardroom Share Registrars to brief the meeting on the e-polling procedures and to give a demonstration on how to vote using a handheld electronic device.

**MEETING
PROCEEDINGS**

The Chairperson informed a review of the Group's performance in the financial year ended 30 April 2022 was in the Chairperson's Statement published in the 2022 Annual Report. To supplement the information in the Annual Report, the Chairperson invited the Chief Executive Officer (CEO), Mr. Young Lee Chern, to give a presentation on the Group's performance.

Based on the presentation slides, the CEO briefed the meeting on the following:-

- Location of UMB estates and mills.
- Planted areas.
- Age profile of oil palms as at 30th April 2022.
- CPO pricing from May 2020 to April 2022.
- FFB production and yield.
- Cost of production.
- Palm oil mill performance.
- EBITDA and Net Profit/Loss.
- UMB shares price.
- Vaccination programme (Sabah & Indonesia).
- Ethical recruitment.
- Supply chain mapping and monitoring.
- Corporate social responsibilities.
- Mechanisation in the field.

After the presentation, the CEO introduced the key Senior Management members to the shareholders.

Before inviting questions from the floor on the audited financial statements, the Chairperson informed the meeting the Minority Shareholders Watch Group (MSWG) had raised questions and invited the CEO to present the Company's replies.

The CEO read out the replies to MSWG questions displayed via a PowerPoint presentation to benefit the shareholders at the meeting.

(Note: Appendix A lists MSWG's questions and CEO Young Lee Chern's replies)

AGENDA 1

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS

1.0.0

With no questions raised, the Chairperson declared that the Audited Financial Statements for the financial year ended 30th April 2022 together with the Reports of the Directors and Auditors, were duly laid and received at this meeting.

AGENDA 2

APPROVAL OF PAYMENT OF DIRECTORS' FEES OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2.0.0

The Chairperson informed shareholders that according to Section 230(1) of the Companies Act, 2016, directors' fees, and any benefits payable to the directors of a listed company and its subsidiaries must be approved at a general meeting. Given the increased Directors' responsibilities in supporting UMB Group's business plan, the Board proposed increasing the quantum of fees paid annually to the Non-Executive Chairperson from RM100,000 to RM120,000. For the Non-Executive Directors, the Board proposed increasing their annual fees from RM60,000 to RM70,000. The last increase in the fees for Non-Executive Directors and the Chairperson was in FY2017.

2.1.0

At this meeting, the Board sought shareholders' approval to pay Directors' fees to the Non-Executive Chairperson and Non-Executive Directors of the Company and its subsidiaries, amounting to RM873,777 for the financial year ended 30 April 2022.

2.2.0

The Chairperson put forward the motion under Resolution 1 which read "That approval be given for the payment of Directors' fees of the Company and its subsidiaries amounting to RM873,777 for the financial year ended 30 April 2022."

- 2.3.0 The said motion was proposed by Mr. Gan Kee Chor and seconded by En. Abdul Razak Bin Md Aris.
- 2.4.0 The said resolution was put to vote by way of poll. The meeting placed on record the Chairperson abstained from voting in respect of her shareholdings.
- 2.5.0 With unanimous votes totalling 90,629,732 received in favour of Resolution 1, the Chairperson declared the resolution carried.

AGENDA 3

APPROVAL FOR PAYMENT OF DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR FINANCIAL YEAR ENDED 30 APRIL 2022

- 3.0.0 The Chairperson informed the meeting Resolution 2 sought shareholders' approval to pay remuneration (excluding Directors' fees) totalling RM451,000 to the Directors of the Company for the financial year ended 30 April 2022 based on the existing structure and level of fees for Board Committees, meeting allowances, and other benefits.
- 3.1.0 The Chairperson read out Resolution 2 as follows:-

"That approval be given for the payment of Directors' remuneration (excluding Directors' fees) totalling RM451,000 to Non-Executive Chairperson and Non-Executive Directors for the financial year ended 30 April 2022."
- 3.2.0 The said motion was proposed by Ms. Tan Hui Chin and seconded by Ms. Seetha A/P Bankkaree.
- 3.3.0 The said resolution was put to vote by way of poll.
- 3.4.0 The Chairperson declared the resolution carried by a majority of 90,632,232 votes in favour and 7,500 votes against Resolution 2.

AGENDA 4

RE-ELECTION OF DIRECTOR WHO RETIRE BY ROTATION IN ACCORDANCE WITH CLAUSE 130 OF THE COMPANY'S CONSTITUTION

- 4.0.0 **Re-election of Mr. Teo Leng as non-independent Director of the Company.**
- 4.0.1 The Chairperson informed the meeting Resolution 3 related to the re-election of Mr. Teo Leng as non-independent Director of the Company. Mr. Teo Leng, being eligible has offered himself for re-election.

4.0.2 The meeting considered the motion for Resolution 3 which read as follows:-

“That Mr. Teo Leng, the non-independent Director retiring by rotation in accordance with Clause 130 of the Company’s Constitution be re-elected as non-independent Director of the Company.”

4.0.3 The said motion was proposed by Ms. Lai Ming Enn and seconded by Ms. Tee Chian Yee.

4.0.4 The said resolution was put to vote by way of poll.

4.0.5 The Chairperson declared the resolution carried by a majority 94,397,829 votes in favour and 142,100 votes against Resolution 3.

4.1.0 **Re-election of Dato Dr. Nik Ramlah Binti Nik Mahmood as an independent Director of the Company.**

4.1.1 The Chairperson informed the meeting Resolution 4 related to the re-election of Dato Dr. Nik Ramlah Binti Nik Mahmood as an independent Director of the Company. Dato Dr. Nik Ramlah Binti Nik Mahmood, being eligible, has offered herself for re-election.

4.1.2 The Chairperson read out Resolution 4 as follows:-

“That Dato Dr. Nik Ramlah Binti Nik Mahmood, the independent Director retiring by rotation in accordance with Clause 130 of the Company’s Constitution be re-elected as an independent Director of the Company.”

4.1.3 The said motion was proposed by En. Abdul Razak Bin Md Aris and seconded by Ms. Lai Ming Enn.

4.1.4 The said Resolution was put to vote by way of poll.

4.1.5 The Chairperson declared the resolution carried by a majority 94,526,129 votes in favour and 13,800 votes against Resolution 4.

AGENDA 5

RE-APPOINTMENT OF AUDITORS

5.0.0 The Chairperson proceeded to read out Resolution 5 for shareholders’ consideration:-

“That Messrs Ernst & Young PLT be 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.

- 5.1.0 The said motion was proposed by Ms. Seetha A/P Bankkaree and seconded by Ms. Lam Mun Sum.
- 5.2.0 The said Resolution was put to vote by way of poll.
- 5.3.0 The Chairperson declared the resolution carried by a majority 94,522,529 votes in favour and 7,400 votes against Resolution 5.

CONCLUSION

There being no other business, the Chairperson called the meeting to a close. The meeting ended at 11.30 a.m. with a vote of thanks to the Chair.

Confirmed Correct

Date: 21 October 2022

Sgd.
Datin Paduka Tan Siok Choo
Chairperson

Minority Shareholders Watch Group in relation to UMB's Annual General Meeting on 28 September 2022

Operational & Financial matters

- Q1. The continuing shortage of foreign labour, particularly from Indonesia, shows little sign of being resolved. Despite stepping up mechanisation in all estates in this country, UMB still lacks 240 workers – most crucially harvesters.

To-date, to what extent has the Group's labour shortage issue normalised? How far off is the Group from addressing its labour needs?

Answer 1:

Since the Movement Control Order until to-date, UMB has recruited 72% of the foreign workers required while another 28% was in the progress. It is expected to be normalised by 3rd quarter of financial year 2022/2023.

- Q2. During FY2022, UMB repaid RM8.7 million of revolving credit and a part-payment of a RM5.9 million term loan for PT Lifere Agro Kapuas mill. As of 30 April 2022, the Group's outstanding bank borrowings totaled RM117.4 million (FY2021: RM124.8 million) of which RM65.2 million revolving credits are in USD.
- (a) Given that 55.5% of the Group's bank borrowings are in USD currency, to what extent will the strengthening of the USD and the US Federal Reserve's aggressive interest rates hikes impact the Group's interest expenses, going forward?

Answer 2(a):

Currently, the Group's bank borrowings in USD currency is Revolving Credit (RC) of USD15 million at the interest rate of 4.30% and exchange rate of USD1 = RM4.50.

If the US Federal Reserve interest rate increases by 0.5%, the USD15 million RC interest expenses will increase by RM338k per annum.

If the USD exchange rate strengthens by RM0.10, the USD15 million RC interest expenses will increase by RM65k per annum.

- (b) Are there plans to lower the Group's bank borrowings exposure in USD currency?

Answer 2(b):

Currently, there is no plan to lower the Group's bank borrowings exposure in USD in immediate term due to:

- (i) The cost of borrowing for USD bank borrowing is still relatively lower than the loan in local currency.*
- (ii) Ringgit Malaysia is estimated to be strengthened by end of 2022.*

In addition, there is a natural hedge on the CPO prices as the International CPO prices are priced in USD; a stronger USD exchange rate will boost the CPO price in Ringgit terms.

Besides, palm oil is an essential food item, demand for palm oil will continue to remain robust.

Q3. In FY2023, the Group's capital expenditure, including replanting expenditure in Malaysia, new planting expenditure in Kalimantan, Indonesia, upgrading of workers' housing and construction of improved access road will be substantial.

(a) What is the estimated capital expenditure to be incurred for:-

(i) Replanting in Malaysia

Answer 3(a)(i):

RM5.1 million (411 ha)

(ii) New planting in Indonesia

Answer 3(a)(ii):

RM9.0 million (1,017 ha)

(iii) Upgrading of workers' housing

Answer 3(a)(iii):

RM24.7 million (mainly Sabah and Kalimantan, Indonesia estates)

(iv) Construction of improved access roads for financial year ending 2023.

Answer 3(a)(iv):

RM10.5 million (mainly Sabah and Kalimantan, Indonesia estates)

(b) How many hectares does the Group target to plant in its Kalimantan estate for financial year ending 2023?

Answer 3(b):

The Group targets to plant 1,017 ha of new planting in its Kalimantan estate for FY2023, subject to the availability of land and weather conditions.

(c) How many of the Group's estates will require upgrading of workers' housing?

Answer 3(c):

9 estates in Sabah and 5 estates in Kalimantan, Indonesia

What is the Group's target timeframe to complete all the necessary upgrading of workers' housing?

Answer 3(c):

The Group estimates the upgrading of workers' housing can be completed within 3 years.