

# **United Malacca Berhad**

Registration No. 191001000010 (1319-V)

**Minutes of the 109th Annual General Meeting  
held at Level 1, AMES Hotel, Jalan PKAK 2, Pusat Komersial Ayer Keroh,  
75450 Ayer Keroh, Melaka on Wednesday, 27 September 2023 at 11.30 a.m.**

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<b>DIRECTORS</b>	Datin Paduka Tan Siok Choo - Chairperson Dato Dr. Nik Ramlah Binti Nik Mahmood - Senior Independent Non-Executive 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 - Executive Director Mr. Han Kee Juan - Independent Non-Executive Director Datin Noor Azimah Binti Abd. Rahim - Independent Non-Executive Director
<b>IN ATTENDANCE</b>	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. Edwin Francis - External Auditor En. Mohd Sophiee and team - Boardroom Share Registrars
<b>SHAREHOLDERS</b>	37 members representing 6,861,622 shares and 28 members (by proxies) representing 80,644,388 shares.
<b>CHAIR</b>	The Chairperson, Datin Paduka Tan Siok Choo, chaired the meeting.
<b>CHAIRPERSON'S OPENING ADDRESS</b>	The Chairperson, Datin Paduka Tan Siok Choo, welcomed all members present and introduced them to the new Board member, Datin Noor Azimah Binti Abd. Rahim and the newly appointed Executive Director, Dato' Sri Tee Lip Sin.
<b>QUORUM</b>	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 27,763,265 ordinary shares representing 13.24% 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 2023 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.
- AGENDA 1** **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 AND THE REPORTS OF THE DIRECTORS AND AUDITORS**
- 1.0.0 The Chairperson informed the meeting that according to Section 340(1)(a) of the Companies Act, 2016, the Company must present the Audited Financial Statements and the Reports of Directors and Auditors at an AGM. Therefore, the 1st item on the agenda is the presentation of the financial statements and the accompanying reports for discussion. Therefore, no voting is required.
- 1.1.0 The Chairperson further informed a review of the Group's performance in the financial year ended 30 April 2023 was in the Chairperson's Statement published in the 2023 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.

1.2.0 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 2023.
- CPO pricing from May 2021 to April 2023.
- FFB production and yield.
- Cost of production.
- Palm oil mill performance.
- EBITDA and Net Profit/Loss.
- UMB shares price.
- Solar panels project.
- Occupational safety and health.
- Supply chain mapping and monitoring.
- Corporate social responsibilities.

1.3.0 At the end of his presentation, the CEO introduced the key Management members to the shareholders.

1.4.0 The Chairperson proceeded to inform the meeting the Minority Shareholders Watch Group (MSWG) had raised some questions and invited the CEO to present the Company's replies.

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

(Note: Appendix A lists MSWG's questions and the Company's replies)

1.6.0 The Chairperson then invited questions from the floor on the audited financial statements, which were replied by the CEO as follows:

No.	Questions	CEO's Replies
1.	The FFB yield is only 10.1 tonnes per hectare, although 67% of the palm oil trees in PT Lifere Agro Kapuas (PT LAK) are of prime age. What are the reasons for PT LAK's low FFB yield?	PT LAK has experienced high rainfall in the last three years consecutively. Severe flooding in PT LAK has caused operational harvesting and crop evacuation disruptions. As a result, the crop yield was lower, and OER dropped.

2.	PT LAK's OER was reduced by 2%. What are the reasons for the lower OER?	PT LAK manages the plasma; therefore, there is no distinction in the quality of crops between plasma and inti. Management expects improvements in FY 2024 as the first quarter results show significant FFB production and yield improvement.
3.	When does UMB expect to get a return on its investments in Indonesia?	Based on the current crude palm oil (CPO) price, Management believes PT LAK will generate good results in 2024 if yield improves and current costs are maintained.
4.	Given the older palm oil trees in Malaysian plantations, does Management expect a drop in crop production? What are Management's plans on this issue?	The Company does not expect significant drop in production for Malaysian estates as the Group would carry out the replanting plan accordingly.
5.	Given UMB's share price is trading below its net asset value, does this relate to the outlook on UMB's performance?	Management believes PT LAK will turn around and generate profits in FY2024.

1.7.0

With no further questions raised, the Chairperson declared that the Audited Financial Statements for the financial year ended 30 April 2023, together with the Reports of the Directors and Auditors, 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 2023**

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.

- 2.1.0 At this meeting, the Board sought shareholders' approval to pay Directors' fees to the Directors of the Company and its subsidiaries, amounting to RM837,800 for the financial year ended 30 April 2023.
- 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 RM837,800 for the financial year ended 30 April 2023."
- 2.3.0 The said motion was proposed by Ms. Lam Mun Sum and seconded by Ms. Lai Ming Enn.
- 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 majority votes totalling 85,897,588 received in favour and 100 votes against 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 2023**

- 3.0.0 The Chairperson informed the meeting Resolution 2 sought shareholders' approval to pay remuneration (excluding Directors' fees) totalling RM401,667 to the Directors of the Company for the financial year ended 30 April 2023 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 RM401,667 to the Directors of the Company for the financial year ended 30 April 2023."
- 3.2.0 The said motion was proposed by Ms. Seow Woon Li and seconded by Ms. Cindy Wong Ai Leen.
- 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 85,821,163 votes in favour and 85,150 votes against Resolution 2.

#### **AGENDA 4**

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

4.0.0 **Re-election of Mr. Ong Keng Siew as Independent Director of the Company.**

4.0.1 The Chairperson informed the meeting Resolution 3 related to the re-election of Mr. Ong Keng Siew as an independent Director of the Company. Mr. Ong Keng Siew, 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. Ong Keng Siew, the independent Director retiring by rotation in accordance with Clause 130 of the Company's Constitution, be re-elected an independent Director of the Company.”

4.0.3 The said motion was proposed by Mr. Chia Keng Hong and seconded by En. Abdul Razak Bin Md. Aris.

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 89,805,660 votes in favour and 100 votes against Resolution 3.

4.1.0 **Re-election of Mr. Tee Cheng Hua as Non-independent Director of the Company.**

4.1.1 The Chairperson informed the meeting Resolution 4 related to the re-election of Mr. Tee Cheng Hua as non-independent Director of the Company. Mr. Tee Cheng Hua, being eligible, has offered himself for re-election.

4.1.2 The Chairperson read out Resolution 4 as follows:

“That Mr. Tee Cheng Hua, 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.”

- 4.1.3 The said motion was proposed by Ms. Lam Mun Sum and seconded by Ms. Seetha a/p Bankkaree.
- 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 89,799,610 votes in favour and 6,900 votes against Resolution 4.

## **AGENDA 5**

### **ELECTION OF DATIN NOOR AZIMAH BINTI ABD. RAHIM AS DIRECTOR OF THE COMPANY**

- 5.0.0 The Chairperson informed the meeting Resolution 5 related to the election of Datin Noor Azimah Binti Abd. Rahim as an independent Director of the Company. Datin Noor Azimah Binti Abd. Rahim, being eligible, has offered herself for election.
- 5.1.0 The Chairperson read out Resolution 5 as follows:  
  
“That Datin Noor Azimah Binti Abd. Rahim, the independent Director retiring in accordance with Clause 135 of the Company’s Constitution, be elected an independent Director of the Company.”
- 5.2.0 The said motion was proposed by Mr. Lim Jit Thong and seconded by Ms. Lai Ming Enn.
- 5.3.0 The said Resolution was put to vote by way of poll.
- 5.4.0 The Chairperson declared the resolution carried by majority 89,727,410 votes in favour and 79,000 votes against Resolution 5.

## **AGENDA 6**

### **APPOINTMENT OF NEW AUDITORS**

- 6.0.0 The Chairperson proceeded to read out Resolution 6 for shareholders’ consideration:-  
  
“That Messrs Crowe Malaysia PLT be appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Ernst & Young PLT, at a remuneration to be determined by the Directors and to hold office until the conclusion of the next Annual General Meeting.
- 6.1.0 The said motion was proposed by Ms. Tan Hui Chin and seconded by Mr. Lim Jit Thong.

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

6.3.0 With unanimous votes totalling 89,809,020 received in favour of Resolution 6, the Chairperson declared the resolution carried.

**CONCLUSION** There being no other business, the Chairperson called the meeting to a close. The meeting ended at 12.20 p.m. with a vote of thanks to the Chair.

Confirmed Correct

Date: 25 October 2023

Sgd.  
Datin Paduka Tan Siok Choo  
Chairperson

## Minority Shareholders Watch Group raised during UMB's Annual General Meeting on 27 September 2023

### Question 1

The average oil extraction rates for the Malaysian operation had been above 19% and closer to 20% for the last 5 years, except for FY2023 in which it dropped below 19% (page 20 of Annual Report 2023). What are the factors that contributed to the decline in the oil extraction rate?

### **Answer:**

The factors that contributed to the lower oil extraction rate are:

- i) Older oil palms in the mature area, especially in Meridian estates, where the average age for the mature area was 21 years as at 30 April 2023.
- ii) The mills in Malaysia processed 60,474 or 54% more external crops in the financial year ended 30 April 2023. Total external FFB processed in FY 2022/23 amounted to 172,705 MT (2022: 112,231 MT).
- iii) Shortage of workers, which resulted in extended harvesting intervals and poor harvesting standards.

UMB's lower oil extraction rate was in line with the lower OER trend of other public listed companies listed below:

No.	Name of company	Current year	Preceding year	Variance
		OER (%)	OER (%)	OER (%)
1	NPC Resources Berhad	20.51	21.32	(0.81)
2	Genting Plantations Berhad	21.10	21.80	(0.70)
3	Boustead Plantations Berhad	20.60	21.20	(0.60)
4	Sime Darby Plantation Berhad	21.10	21.59	(0.49)
5	IOI Corporation Berhad	20.92	21.39	(0.47)
6	Kuala Lumpur Kepong Berhad	21.33	21.75	(0.42)
7	Far East Holdings Berhad ^	18.79	19.00	(0.21)
8	Negri Sembilan Oil Palms Berhad ^	17.98	18.13	(0.15)

Note:

The above data is extracted from the annual report of the respective companies.

^ The estates of these companies are close to UMB's Pahang and Negeri Sembilan estates.

## **Question 2**

To reduce its 100% reliance on a single crop in Malaysia and Indonesia, the Group has further expanded trial planting of new crops such as pepper and pineapples, aside from stevia which was started in the previous financial year.

- a) While we understand the Company's intention to mitigate the concentration risk, do new crops such as pepper, pineapples and stevia, in the long run, offer economic value per hectare of land similar to that of oil palm? Please elaborate on the reasons for the selection of these crops.
- b) What are the labour requirements for plantation of these crops compared to oil palm?

### **Answer:**

The reasons for the selection of crops for trial planting are as follows:

- i) Higher economic value per hectare of land than oil palm planting.
- ii) Availability of agronomic and technical support for growing the selected crops, eg. technical support provided by the Malaysian Pepper Board.
- iii) Crops with longer shelf life and are marketable.
- iv) Potential for mechanisation.

The labour requirement for planting pepper, pineapple and stevia through the conventional method will be 2 to 3 times higher than oil palm planting. However, there is potential to grow some of these crops through mechanisation on a large scale either on flat or undulating terrain.

## **Question 3**

At the AGM last year, the Board expected the workforce to normalise by 3QFY2023. Has the labour shortage issue been resolved?

### **Answer:**

The labour shortage issue was fully resolved in Q4 FY 2023.

## **Question 4**

In FY 2024, the Group's capital expenditure will continue to be substantial. These include replanting costs in Malaysia, new planting in Kalimantan, Indonesia, upgrading workers' housing and constructing better access roads. (Page 43 of Annual Report 2023)

- a) What is the amount of capital expenditure allocated for FY2024?
- b) Of the budgeted amount above, how much is allocated for new planting and replanting?
- c) What are the estimated new planting and replanting costs?

**Answer:**

- a) The amount of capital expenditure (including new planting and replanting) allocated for FY 2024 amounted to RM58 mil.
- b) The new planting and replanting allocation for FY 2024 amounted to RM12 mil.
- c) The estimated cost to maturity for new planting and replanting ranges from RM20,000 to 25,000 per hectare.