

TH PLANTATIONS BERHAD
(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

MINUTES OF THE FORTY-SIXTH ANNUAL GENERAL MEETING (“46th AGM” OR “THE MEETING”) OF TH PLANTATIONS BERHAD (“THP” OR “THE COMPANY”) HELD ON A FULLY VIRTUAL BASIS VIA LIVE STREAMING FROM THE BROADCAST VENUE AT DEWAN PERKASA, LEVEL 34, MENARA TH PLATINUM, NO. 9 PERSIARAN KLCC, 50088 KUALA LUMPUR ON MONDAY, 3 AUGUST 2020 AT 10.00 A.M.

PRESENT : **Directors**

1. Tan Sri Abu Talib bin Othman (*Chairman of the Meeting*)
(*Chairman, Non-Independent Non-Executive Director*)
2. Datuk Nik Mohd Hasyudeen bin Yusoff
(*Non-Independent Non-Executive Director*)
3. Encik Mohd Adzahar bin Abdul Wahid
(*Independent Non-Executive Director*)
4. Dato’ Indera Dr. Md Yusop bin Omar
(*Independent Non-Executive Director*)
5. Dato’ Shari bin Haji Osman
(*Independent Non-Executive Director*)
6. Encik Dzul Effendy bin Ahmad Hayan
(*Non-Independent Non-Executive Director*)

- IN ATTENDANCE** :
1. Encik Muzmi bin Mohamed
(*Chief Executive Officer*)(“CEO”)
 2. Puan Aliatun binti Mahmud
(*Company Secretary*)

- BY INVITATION** :
1. Encik Abdullah bin Abu Samah
(*External Auditors, KPMG Desa Megat PLT*)
 2. Mr. Elvin Fernandez
(*Independent Valuers, Khong & Jaafar*)
 3. Encik Muhd Hazly Abdul Karim
(*Independent Valuers, Raine & Horne International Zaki Partners Sdn. Bhd.*)

Shareholders and Proxies

As per the Attendance List

1. WELCOMING ADDRESS

Tan Sri Abu Talib bin Othman ("Tan Sri Chairman"), welcomed the shareholders and proxies of THP to the 46th AGM conducted on a fully virtual basis via live streaming from the Broadcast Venue and in line with Section 327 of the Companies Act, 2016 and Clause 58(1) of the Company's Constitution.

Tan Sri Chairman then introduced the Board Members, CEO, Company Secretary, External Auditors and Independent Valuers who were present at the Broadcast Venue.

2. QUORUM

There being a quorum, Tan Sri Chairman declared the Meeting duly convened.

Based on the registration data given by the Company's Share Registrar as at 10.00 a.m. on 2 August 2020, 248 shareholders and proxies have registered through the Remote Participation and Voting ("RPV") facilities for attendance at the 46th AGM. They represented 653,484,446 ordinary shares, which constituted 73.94% of the total issued shares of the Company.

3. NOTICE OF MEETING

The notice convening the Meeting, which was sent to the shareholders on 30 June 2020, was tabled and taken as read.

Tan Sri Chairman informed the shareholders and proxies present virtually at the Meeting that the voting of all motions at the 46th AGM would be conducted by e-Polling through RPV ("e-Polling") pursuant to paragraph 8.29(A) of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad.

For this purpose, THP had appointed the Company's Share Registrar i.e. the Boardroom Share Registrars Sdn. Bhd. ("Boardroom") as the Poll Administrator and Mega Corporate Services Sdn. Bhd. ("Mega Corporate") as the Independent Scrutineers to verify the results of the e-Polling.

The Meeting was further informed that the e-Polling process would commence upon completion of the deliberation of all resolutions of the 46th AGM. Tan Sri Chairman then invited the Boardroom to explain on the e-Polling process that would take place later.

4. PRESENTATION FROM THE CEO

Tan Sri Chairman then invited the CEO of THP to present the Company's performance in 2019. The salient points of the presentation were as follows:

- i. The total landbank of THP was approximately 100,976 hectares, comprising 39 estates in Malaysia and Indonesia and 6 palm oil mills.

Out of 100,976 hectares, only 60% of the areas were planted and generating revenue to the THP Group whilst the balance 40% were not productive areas consisting of immature rubber plantations in Sabah, disputed lands in Sarawak and Indonesia and unplanted land due to non-compliance of the MSPO.

- ii. Despite the financial challenges and limited resources, the Company's FFB production, FFB processed and CPO and PK production in 2019 improved as compared to 2018 due to the increase in matured areas.
- iii. THP registered a lower revenue of RM493.65 million in 2019 as compared to 2018 of RM519.32 million. The Company reported a loss before tax of RM245.00 million as compared to a higher loss before tax of RM678.11 million in 2018.
- iv. Main factors contributing to THP's performance in the financial year 2019 were as follows:
 - a. Lower commodity prices;
 - b. Lower operating costs;
 - c. Lower impairment costs; and
 - b. High borrowings and finance costs.
- v. Lower commodity prices in 2019 continued to adversely affect the financial position of THP which had already deteriorated since 2015. THP had acquired assets which had not performed as previously projected. The low yield registered by these non-performing assets had not generated sufficient revenue to service the high loans taken to finance the acquisitions. In 2019, the Company's borrowing stood at RM1.27 billion.

Due to the difficulties in fulfilling all the financial obligations and to provide the necessary resources for operational requirements, THP, on 2019 had embarked on a strategic recovery plan ("SRP") to stabilize and strengthen THP's operations and finances. The SRP were as follows:

SRP	Objectives	Strategies
Rationalisation of Assets	<u>Divestment</u> To consolidate and manage balance sheet	To divest 14 THP's subsidiaries
	<u>Reduce borrowing</u> To de-gear and improve liquidity	Part of the proceeds from divestment would be utilized to pare down debt
Transformation Plan	<u>Operational efficiency</u> To further improve yield and profitability	<ul style="list-style-type: none"> To focus on back-to-basic by aiming to reduce cost and increase the yield with smaller landbank but yet more efficient. Part of the proceeds from divestment would be utilized to provide required resources.

- vi. The progress of the THP's Rationalisation of Assets was as announced by the Company previously.
- vii. Tan Sri Chairman thanked the CEO on the informative presentation reflecting the current performance of the Company.

5. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS THEREON

Tan Sri Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2019 together with Reports of Directors and Auditors ("AFS 2019") were meant for discussion purpose only, as the provision of Section 340(1)(a) of the Companies Act, 2016 ("the Act") did not require shareholders' approval for the AFS 2019. Hence, no resolution was required to be put to the shareholders for voting.

However, the Board would be pleased to answer all questions in relation to the AFS 2019. Tan Sri Chairman then opened the Questions and Answers ("Q&A") session and invited shareholders to submit questions on the AFS 2019 as well as on the presentation by the CEO for the Board and/or the CEO to response.

In summary, the questions/comments raised by the shareholders and proxies and the responses provided by the CEO were as follows:

- Q1 : In view of the pandemic COVID-19 and since the Company had been badly affected by the MCO, in which earnings were expected to be depressed, would the Board consider to lay-off staff and/or cut salaries?
- A1 : *All THP's estates had been operated smoothly during the MCO and the Company had no plans to lay-off and/or cut salaries of the employees at the moment.*
- Q2 : What would be the effect of COVID-19 on the Company's profitability?
- A2 : *The completion of THP's rationalization plan would be delayed as the result of the COVID-19 outbreak. Despite that, the THP Group had experienced minimal disruption in operations. The oil palm prices for 2020 would be expected to be influenced by the impact of the pandemic on the world edible oil markets, global economic conditions and the implementation of biodiesel mandates in Malaysia and Indonesia.*

Q3 : What would be THP's action plan moving forward to mitigate the impact of the COVID-19 pandemic?

A3 : *THP would continue to adhere to the SOP of the MCO imposed by the Government.*

Q4 : If impairment loss from subsidiary and high finance costs remain a concern in the next financial year, when would the Company be expected to report profit?

A4 : *THP had embarked on an SRP to restore its financial health and return to profitability. The SRP process would be expected to complete in few years' time.*

Q5 : The loss in 2019 was smaller than 2018 mainly due to lower impairment of many assets. Would there be any further impairments in 2020 taking into consideration the quality of the existing assets?

Q5 : *There would be two possibilities for further impairments if, first, the offer price received is lower than the valuation and second, the fair value of the assets are based on the valuation report as at December 2018. Thus, any additional cost incurred above the valuation in relation to the plantation development expenditures would be impaired.*

Q6 : In the segmental report note 32 of the AFS 2019, it was reported that Forestry had no revenue but why was there a loss?

A6 : *The loss was mainly due to fair value of Forestry of RM43.22 million. As Forestry was still under development stage, no revenue for Forestry was recorded.*

Q7 : How does THP address the shortage of labour and skilled harvesters to improve production?

A7 : *To address the shortage of labour, THP would be maximizing mechanization on areas on favourable terrain. THP would also be introducing attractive incentives to encourage locals to join THP.*

Q8 : What was the cost to conduct virtual AGM? Any cost savings compare to the AGM conducted physically?

A8 : *The cost of conducting the virtual AGM would be approximately RM42,000.00 which was substantially lower than the cost for 2019 AGM.*

Q9 : Could THP provide e-voucher to the shareholders who participated in the 46th AGM?

A9 : *No e-voucher would be provided to shareholders who participated in the 46th AGM as stated in the Administrative Guide circulated to the shareholders together with the Notice of the 46th AGM on 30 June 2020.*

After closing the Q&A sessions, Tan Sri Chairman thanked the Meeting and hoped that all questions had been adequately addressed. Tan Sri Chairman then informed that the Company's Audited Financial Statements for the financial year ended 31 December 2019 together with Reports of Directors and Auditors had in accordance with the Act, been properly laid and received.

**6. ORDINARY RESOLUTION 1 -
TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS OF
UP TO RM760,000.00 FOR THE PERIOD FROM 4 AUGUST 2020 UNTIL
THE NEXT ANNUAL GENERAL MEETING**

The resolution to approve the payment of directors' fees and benefits of up to RM760,000.00 for the period from 4 August 2020 until the next AGM of THP was tabled.

Tan Sri Chairman informed that the Ordinary Resolution 1 would be put to vote by e-Polling upon completion of the remaining businesses of the 46th AGM.

**7. ORDINARY RESOLUTION 2 -
RE-ELECTION OF DATO' SHARI BIN HAJI OSMAN RETIRING UNDER
CLAUSE 89**

The resolution to re-elect Dato' Shari bin Haji Osman who retired pursuant to Clause 89 of the Company's Constitution and being eligible, he had offered himself for re-election was tabled.

Tan Sri Chairman informed that the Ordinary Resolution 2 would be put to vote by e-Polling upon completion of the remaining businesses of the 46th AGM.

**8. ORDINARY RESOLUTION 3 -
RE-ELECTION OF MOHD ADZAHAR BIN ABDUL WAHID RETIRING
UNDER CLAUSE 89**

The resolution to re-elect Mohd Adzahar bin Abdul Wahid who retired pursuant to Clause 89 of the Company's Constitution and being eligible, he had offered himself for re-election was tabled.

Tan Sri Chairman informed that the Ordinary Resolution 3 would be put to vote by e-Polling upon completion of the remaining businesses of the 46th AGM.

**9. ORDINARY RESOLUTION 4 -
RE-APPOINTMENT OF MESSRS KPMG DESA MEGAT PLT**

The resolution on the re-appointment of the retiring Auditors, KPMG Desa Megat PLT ("KPMG"), to act as Auditors of the Company, to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration was tabled.

The Meeting was informed that KPMG had indicated their willingness to continue in office as Auditors of the Company for the financial year ending 31 December 2020.

Tan Sri Chairman informed that the Ordinary Resolution 4 would be put to vote by e-Polling upon completion of the remaining businesses of the 46th AGM.

**10. ORDINARY RESOLUTION 5 -
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**

The resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading in nature ("RRPTs") was tabled.

The details of the proposed renewal of shareholders' mandate for RRPTs were elaborated in the Circular to Shareholders dated 30 June 2020. The Meeting was informed that there were three Interested Director in relation to the RRPTs namely:

- i. Tan Sri Chairman himself, being the Non-Independent Non-Executive Chairman of THP, a Director of **TH** as well as the Chairman of Deru Semangat Sdn. Bhd. and the Chairman of TH Travel Sdn. Bhd, both subsidiaries of **TH**;
- ii. Datuk Nik Mohd Hasyudeen bin Yusoff, being the Non-Independent Non-Executive Director of THP, who was also the Group Managing Director and Chief Executive Officer of **TH**; and
- iii. Dzul Effendy bin Ahmad Hayan, being the Non-Independent Non-Executive Director of THP and the General Manager, Corporate Finance Division of **TH**.

TH being the substantial shareholder of THP was an Interested Major Shareholder to the RRPTs.

Tan Sri Chairman informed that all the Interested Directors, had abstained themselves in the deliberation and decision with regards to this resolution at Board level and would continue to abstain from voting at this AGM. Tan Sri Chairman had also ensured that any persons connected to the Interested Directors would also abstain from voting at this AGM.

TH, being the Interested Major Shareholder would also abstain and had ensured that any persons connected to **TH** would abstain from voting at this AGM.

Tan Sri Chairman informed that the Ordinary Resolution 5 would be put to vote by e-Polling upon completion of the remaining businesses of the 46th AGM.

11. e-POLLING PROCESS

After all the businesses of the Meeting had been dealt with, Tan Sri Chairman then announced that the e-Polling process via the RPV would commence as demanded and the shareholders were given 10 minutes to cast the votes.

After 10 minutes, Tan Sri Chairman then announced that the voting session for the 46th AGM had ended.

The e-Polling results were handed over to the Scrutineers for validation and that the 46th AGM was adjourned for approximately another 10 minutes for the verification of the e-Polling by the Scrutineers.

12. ANNOUNCEMENT OF e-POLLING RESULTS

The Meeting then resumed at 10.55 a.m. The e-Poll results were compiled and verified by Mega Corporate Services and were later highlighted on a projector. Tan Sri Chairman announced the poll results as follows:

12.1 Ordinary Resolution 1 -

To Approve the Payment of Directors' Fees and Benefits of up to RM760,000.00 for the Period From 4 August 2020 until the Next Annual General Meeting of the Company

	<u>Number of Shares</u>	<u>Percentage</u>
Voted FOR	652,958,637	99.962564
Voted AGAINST	244,531	0.037436
Total	<u>653,203,168</u>	<u>100.00000</u>

Abstained: 0

It was **RESOLVED THAT** the payment of the Directors' fees and benefits of up to RM760,000.00 for the period from 4 August 2020 until the next Annual General Meeting of the Company to be held in 2021 be hereby approved.

12.2 Ordinary Resolution 2 -
Re-Election of Dato' Shari bin Haji Osman Retiring under Clause 89

	<u>Number of Shares</u>	<u>Percentage</u>
Voted FOR	653,006,467	99.967740
Voted AGAINST	210,729	0.032260
Total	<u>653,217,196</u>	<u>100.000000</u>

Abstained: 0

It was **RESOLVED THAT** Dato' Shari bin Haji Osman who retired pursuant to Clause 89 of the Constitution of the Company be hereby re-elected as a director on the Board.

12.3 Ordinary Resolution 3 -
Re-Election of Mohd Adzahar bin Abdul Wahid Retiring under Clause 89

	<u>Number of Shares</u>	<u>Percentage</u>
Voted FOR	653,006,347	99.967722
Voted AGAINST	210,849	0.032279
Total	<u>653,217,196</u>	<u>100.000000</u>

Abstained: 0

It was **RESOLVED THAT** Mohd Adzahar bin Abdul Wahid who retired pursuant to Clause 89 of the Constitution of the Company be hereby re-elected as a director on the Board.

12.4 Ordinary Resolution 4 –
Re-Appointment of Messrs KPMG Desa Megat PLT As Auditors of the Company

	<u>Number of Shares</u>	<u>Percentage</u>
Voted FOR	653,190,514	99.994765
Voted AGAINST	34,194	0.005235
Total	<u>653,224,708</u>	<u>100.000000</u>

Abstained: 0

It was **RESOLVED THAT** the retiring Auditors, KPMG Desa Megat PLT be hereby re-appointed as Auditors of the Company for the ensuing year and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors.

12.5 Ordinary Resolution 5 –
Proposed Renewal of Shareholders’ Mandate For Recurrent Related Party
Transactions of A Revenue or Trading Nature

	<u>Number of Shares</u>	<u>Percentage</u>
Voted FOR	401,872	64.055903
Voted AGAINST	225,505	35.944097
Total	<u>627,377</u>	<u>100.000000</u>

Abstained: 625,594,631 shares

It was **RESOLVED THAT**, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), approval be and is hereby given for the renewal of the existing Shareholders’ Mandate for the Company and/or its Subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4.1 of the Circular to Shareholders dated 30 June 2020 with the related parties described therein provided that such transactions are necessary for the Group’s day-to-day operations, carried out in the normal course of business, at arm’s length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

AND THAT such approval granted shall take effect immediately upon the passing of this Resolution and shall continue to be in force until:

- i. the conclusion of the next AGM of the Company following the forthcoming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- ii. the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 340(2) of the Act, (but shall not extend to

such extension as may be allowed pursuant to Section 340(4) of the Act); or

- iii. revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company and/or its Subsidiaries be hereby authorised to do all such acts and things as may be necessary in the best interest of the Company to give full effect to the Recurrent Related Party Transactions as authorised by this Resolution.

16. CLOSURE OF THE MEETING

Tan Sri Chairman thanked all the shareholders and proxies who participated at the 46th AGM and declared the 46th AGM closed at 11.10 am.

CONFIRMED AS A CORRECT RECORD OF THE PROCEEDINGS THEREAT

- **SIGNED** -

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TAN SRI ABU TALIB BIN OTHMAN
Chairman

Date: 26 August 2020