

**MATANG BERHAD (1142377-X)**  
(Incorporated in Malaysia)

Minutes of the **Third Annual General Meeting** of Matang Berhad ("the Company" or "Matang") held at San Choon Hall, Wisma MCA, 163, Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 November 2017 at 10.00 a.m.

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Present : as per attendance list

**1. CHAIRMAN**

The Chairman welcomed all to the Third Annual General Meeting ("AGM") of the Company and introduced the Board of Directors as well as the Secretary. The Meeting also noted the apologies of Datuk Teoh Sew Hock, a Director who was not able to attend the Meeting due to other prior engagement.

**2. QUORUM**

As the requisite quorum was present, the Chairman called the Meeting to order.

**3. NOTICE**

The Notice convening the AGM having been circulated and advertised in the newspaper was, with the consent of the Meeting, taken as read.

The Chairman then informed the shareholders that pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions as set out in the notice of the AGM would be decided by poll, which would be taken at the end of the Meeting after the Directors had dealt with questions from the shareholders.

**ORDINARY BUSINESS:**

**4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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- 4.1 Before considering the first agenda item set out in the AGM Notice, the Chairman invited Mr Chiam Thow Hua ("Mr Chiam"), Head of Corporate Services & Finance, to make a brief presentation on the performance of the Company for the past financial year.
- 4.2 The Meeting noted the brief history of Matang, the operations and financials for the year ended 30 June 2017 and the prospect and outlook for the Company as presented.

- 4.3 The Chairman informed that under the Companies Act 2016 ("the Act"), the Audited Financial Statements were required to be laid before the Company's AGM and was not an item requiring a resolution to be put to vote. The Audited Financial Statements for the Financial Year Ended 30 June 2017, together with the Reports of the Directors and Auditors thereon, were tabled to the Meeting for discussion. The Chairman then invited questions relating to the financial statements from the floor.
- 4.4 Mr Ng Aik Cheong, a proxy, enquired on the share price of the Company which had declined from its listing price of RM0.13 to approximately RM0.10 to RM0.105 since its listing on Bursa Securities. He commented that there was no media coverage on the Company and that despite an improved fresh fruit bunches ("FFB") production and profit in the financial year 2017, the share price had remained low.
- 4.5 The Chairman explained that share prices were subject to, amongst others, market sentiment and the overall market scenario of the country. The Company's share price was beyond the control of the Board or Management. Further, Matang was considered a young company which had been listed for less than a year and had yet to build a very strong fundamental. With the improvement in financials, yield, and profit (mainly driven by the increased FFB prices) during the financial year 2017, investors could look at the medium to long term prospect of the Company.
- 4.6 A shareholder, Mr Kow Lih Shi, commented that the Company was newly listed but had been in operations for many years. He then raised the following questions:-
- (i) Whether the Company would be inviting institutional investors e.g. Employees Provident Fund Board and Permodalan Nasional Berhad to invest in the Company. He noted that besides the Company's major shareholder, Malaysian Chinese Association, there was no other institution/government body investing in Matang's shares.
  - (ii) Whether Matang would be considering venturing into other sectors besides oil palm plantation, e.g. durian, in view of the phenomenal/seasonal nature of a single plantation which would significantly affect the Company's performance in the event of any crisis in that plantation.
- 4.7 The Chairman had replied to the shareholder's enquires as follows:-
- (i) Most institutional investors had their own investment guides/approach and they were less likely to invest in companies listed on the ACE Market as compared to the Main Market's listed companies. He acknowledged that the liquidity of the Company's shares was quite low.
  - (ii) The Company would look for suitable investment avenue to increase returns for the shareholders. It would continue to concentrate on oil palm plantation as palm oil would be sustainable for the long term and its demand was expected to keep increasing, especially from advanced countries which had high consumption of palm oil products. The Company would also look into other investment opportunities.

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4.8 Mr Koh Chun Seng, a proxy, enquired on the growth plan for Matang for the next one (1) to three (3) years.

4.9 The Chairman shared with the Meeting the age profile of the plantation as follows:-

|                           | <u>% of Net Plantation Area</u> |
|---------------------------|---------------------------------|
| Immature Area (1-4 years) | 20.1                            |
| Mature Area (5-20 years)  | 76.9                            |
| Old Area (21-25 years)    | 1.5                             |
| Replanting                | 1.5                             |

4.10 The shareholders were informed that 76.9% of the plantation was mature area in which production would be at optimal level; whereas the yield from immature area was expected to improve over time as the trees grew, barring adverse circumstances. The Company also undertook replanting exercise and had a fixed plan to replant the old trees. Moving forward, the Company would be looking for opportunities to acquire additional plantation estates to increase its production and earnings.

4.11 Another shareholder, Mr Loke Teik Lee, James, sought clarification on the earnings per share ("EPS") of 0.7% and questioned the target by the Company to increase its EPS as it was relatively low and could have been higher should the entire share capital of Matang be invested in fixed deposits.

4.12 Mr Chiam replied the shareholder that the calculation of EPS on the basis of 0.07 sen against the par value of RM0.10, which had since been abolished under the new Act, was valid. The Company had taken improvement measures, which might not be quantifiable for the time being. The EPS for the financial quarter ended 30 September 2017 had also recorded a slight increase to 0.08 sen. Barring the weather conditions, volatility of the crude palm oil ("CPO") prices etc., the Management was hopeful that the Company's financial performance would continue to improve in the current financial year 2018 and in future. The Chairman also added that whilst the EPS was a scientific/numerical indicator of the Company's financials, there were many other factors which would affect the performance. Management would work on increasing harvesting rounds and take the necessary precautionary measures to increase the productivity.

4.13 Mr Koh Chun Seng raised further questions on the challenges faced by the Company since its listing and the measures taken to overcome those challenges.

4.14 The Chairman answered that in addition to the factors which generally affect the entire palm oil industry i.e. CPO prices and extreme weather etc., another challenge faced by the Company was related to labour i.e. changes in rules governing foreign labour and retention of workers. To overcome labour turnover, Management had been working on improving the working environment and welfare for the foreign workers such as refurbishing their squatters and allowing visits by their family. The Company also had to manage turnover arising from workers who opted to go back to their home countries due to the appreciation of foreign currencies against Ringgit Malaysia.

- 4.15 There being no other questions asked, the Chairman declared that the audited financial statements for the financial ended 30 June 2017 have, in accordance with the Act, been properly laid and received.

**5. ORDINARY RESOLUTION 1  
PAYMENT OF DIRECTORS' FEES OF RM115,000.00 AND OTHER BENEFITS  
OF RM41,000.00 IN RESPECT OF THE FINANCIAL YEAR ENDED 30 JUNE  
2017**

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The Chairman proceeded with the second item of the agenda of AGM which was to approve the payment of Directors' Fees amounting to RM115,000.00 and other benefits amounting to RM41,000.00 in respect of the financial year ended 30 June 2017.

The Chairman informed that in accordance with the Malaysian Code on Corporate Governance, Directors who were shareholders of the Company would abstain from voting on this proposed resolution.

There being no question asked, Chairman informed that the poll for Ordinary Resolution 1 would be taken at the end of the Meeting.

**6. ORDINARY RESOLUTION 2  
PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM80,000.00 FOR THE  
FINANCIAL YEAR PERIOD FROM 1 JULY 2017 TO 31 DECEMBER 2018**

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The Meeting then proceeded with the next item of the agenda which was to approve the payment of Directors' benefits of up to RM80,000.00 for the financial period from 1 July 2017 to 31 December 2018.

It was noted that Directors who were shareholders of the Company would abstain from voting on this proposed resolution.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 2 would be taken at the end of the Meeting.

**7. ORDINARY RESOLUTION 3  
RE-ELECTION OF MR LAU LIANG FOOK**

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The Meeting then proceeded with the re-election of Mr Lau Liang Fook, who would be retiring in accordance with Article 95 of the Constitution of the Company and had offered himself for re-election as a Director of the Company.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 3 would be taken at the end of the Meeting.

**8. ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DATUK KIAT SWEE SUNG**

The Meeting then continued to consider the next item on the agenda which was the re-election of Datuk Kiat Swee Sung, who would be retiring in accordance with Article 95 of the Constitution of the Company and had offered himself for re-election as a Director of the Company.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 4 would be taken at the end of the Meeting.

The Meeting was also informed that Mr Chong Pow On, a Director who was also due to retire by rotation, had expressed his intention not to seek re-election. He would therefore retire as a Director of the Company at the conclusion of the Meeting.

**9. ORDINARY RESOLUTION 5**  
**RE-APPOINTMENT OF AUDITORS**

The Meeting then proceeded with the next item on the agenda which was the re-appointment Messrs BDO as the Auditors of the Company and to authorise the Directors to fix their remuneration.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 5 would be taken at the end of the Meeting.

**SPECIAL BUSINESS:**

**10. ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF DATUK TAN TECK POH @ TAN AH TOO**

The Meeting continued to consider the Special Business in respect of the re-appointment of Datuk Tan Teck Poh @ Tan Ah Too who had been re-appointed in the previous AGM under Section 129(6) of the former Companies Act, 1965, and whose term would expire at the conclusion of this Meeting. The Chairman informed that the said Director had expressed his willingness to continue in office.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 6 would be taken at the end of the Meeting.

**11. ORDINARY RESOLUTION 7**  
**AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Meeting then proceeded to the next item on the agenda which was the proposed resolution to obtain authority from shareholders to authorize the Directors to allot and issue shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

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There being no question asked, the Chairman informed that the poll for Ordinary Resolution 7 would be taken at the end of the Meeting.

**12. POLL PROCESS**

The Chairman informed that the Company had appointed Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineers for the poll and invited the representative of the poll administrators, Tricor Investor & Issuing House Sdn Bhd, to brief the Meeting on the poll procedures.

The Meeting then proceeded to vote and was adjourned at 10.55 a.m. for counting of votes.

**13. ANNOUNCEMENT OF POLL RESULTS**

The Chairman reconvened the Meeting at 11.05 a.m. for the declaration of poll results as follows:-

| Resolutions         | Vote For    |        | Vote Against |       | Total Votes |        |
|---------------------|-------------|--------|--------------|-------|-------------|--------|
|                     | No of Units | %      | No of Units  | %     | No of Units | %      |
| <b>Resolution 1</b> | 241,828,060 | 99.721 | 677,000      | 0.279 | 242,505,060 | 100.00 |
| <b>Resolution 2</b> | 241,829,860 | 99.722 | 675,200      | 0.278 | 242,505,060 | 100.00 |
| <b>Resolution 3</b> | 262,453,960 | 99.807 | 507,100      | 0.193 | 262,961,060 | 100.00 |
| <b>Resolution 4</b> | 262,452,260 | 99.807 | 508,800      | 0.193 | 262,961,060 | 100.00 |
| <b>Resolution 5</b> | 262,449,960 | 99.806 | 511,100      | 0.194 | 262,961,060 | 100.00 |
| <b>Resolution 6</b> | 237,599,900 | 90.356 | 25,361,160   | 9.644 | 262,961,060 | 100.00 |
| <b>Resolution 7</b> | 262,149,960 | 99.692 | 811,100      | 0.308 | 262,961,060 | 100.00 |

Based on the poll results, the Chairman declared that the Ordinary Resolution 1 to Ordinary Resolution 7 tabled at the Meeting were carried.

It was RESOLVED as follows:-

**Ordinary Resolution 1**

**Payment of Directors' Fees of RM115,000.00 and Other Benefits of RM41,000.00 in Respect of the Financial Year Ended 30 June 2017**

"THAT the payment of Directors' Fees amounting to RM115,000.00 and other benefits amounting to RM41,000.00 in respect of the financial year ended 30 June 2017 be hereby approved."

**Ordinary Resolution 2**

**Payment of Directors' Benefits of up to RM80,000.00 for the Financial Year Period from 1 July 2017 to 31 December 2018**

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"THAT the payment of Directors' benefits of up to RM80,000.00 for the financial period from 1 July 2017 to 31 December 2018 be and is hereby approved."

**Ordinary Resolution 3**

**Re-Election of Mr Lau Liang Fook**

"THAT Mr Lau Liang Fook, a Director retiring in accordance with Article 95 of the Constitution of the Company, be and is hereby re-elected as Director of the Company."

**Ordinary Resolution 4**

**Re-Election of Datuk Kiat Swee Sung**

"THAT Datuk Kiat Swee Sung, a Director retiring in accordance with Article 95 of the Constitution of the Company, be and is hereby re-elected as Director of the Company."

**Ordinary Resolution 5**

**Re-Appointment of Auditors**

"THAT the retiring auditors, Messrs BDO, having indicated their willingness to continue in office, be hereby re-appointed as the Auditors of the Company and the Directors be hereby authorised to fix their remuneration."

**Ordinary Resolution 6**

**Re-Appointment of Datuk Tan Teck Poh @ Tan Ah Too**

"THAT Datuk Tan Teck Poh @ Tan Ah Too be hereby re-appointed as Director of the Company."

**Ordinary Resolution 7**

**Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016**

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"THAT pursuant to Section 75 and 76 of the Companies Act 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company for the time being AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

**12. CLOSURE**

There being no other business the Meeting was closed at 11.10 a.m. with a vote of thanks to the Chair.

**SIGNED AS A CORRECT RECORD,**

A handwritten signature in black ink, appearing to be 'M. S. M.', written over a horizontal line.

**CHAIRMAN**

Date: 12 February 2018