

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

Minutes of the **Fourth Annual General Meeting** of Matang Berhad ("the Company" or "Matang") held at Function Room BCD, Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 27 November 2018 at 2.30 p.m.

Present : as per attendance list

1. CHAIRMAN

The Chairman welcomed all to the Fourth Annual General Meeting ("AGM") of the Company.

2. QUORUM

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

The Chairman then introduced to the shareholders members of the Board of Directors as well as the Secretary.

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 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 2018

- 4.1 Before considering the first agenda item set out in the AGM Notice, the Chairman invited Mr Soon Yeong Chyan ("Mr Soon"), the Chief Financial Officer cum Chief Operating Officer, 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 2018 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 2018, 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 Chong Chai Huat ("Mr Chong"), a proxy, made the following remarks/ enquiries:-
- (i) Matang had recorded good results for the last financial year despite the drop in crude palm oil ("CPO") prices, which was in contrast to the financial results recorded in the past when it was managed by the previous Board.
 - (ii) He was concerned on the current Board size of nine (9) Directors and suggested that the number of Directors be reduced.
 - (iii) The Pahang land deal, which was announced by the Company on 18 July 2017, was considered over-priced. He proposed that the Company abort the land deal and consider acquiring land in Malacca instead, as it is nearer to Matang Estate.
 - (iv) He suggested that Matang Group change its external auditors to a "big four" audit firm.
- 4.5 The Chairman explained that the profit and achievement recorded in the last financial year, which was considered a bumper year, was partially due to the age profile of oil palm trees in Matang Estate, with high number of trees in prime age for producing fruits. The increased production was also contributed by the biological factors of land, cyclical effect, experienced estate management as well as good weather. For the proposed purchase of land in Pahang for expansion, the Chairman replied that the purchase price would depend on the timing of purchase and also on the vendor, hence it was not appropriate to benchmark the purchase price to other land deals against Matang's offer price. He added that the Board would take note of Mr Chong's suggestion to consider Malacca lands. On the external auditors, the Chairman explained that the current auditors of the Group are qualified audit practitioners in the market and that their re-appointment was approved by shareholders in the previous AGM.
- 4.6 A proxy, Mr Ng Kok Kiong ("Mr William Ng"), raised the following questions:-
- (i) As most of the other plantation companies were not doing well in 2018, whether the Company could still be profitable moving forward.
 - (ii) Whether the Company had any plan for its non-core lands, one (1) of which had a remaining lease of 13 years.
 - (iii) Whether the Company would proceed with its expansion plan and if so, whether it would also look into other types of plantation besides oil palm.

4.7 The Chairman had responded to the proxy's enquires as follows:-

- (i) Generally, other plantation companies in the country were doing well in 2017. The Company's yield in the previous year was comparable with that of the industry. It was not possible for the Board to predict whether the Company would continue to achieve good results for the forthcoming years. The Management had implemented measures in micro-managing the plantation to increase productivity. He further explained that the trees in Matang Estate had a diverse age profile, with many matured trees which would be able to continue producing fruits and contributing to the yield. 1/3 of the trees were due for replanting and the Company was in the process of planning for the implementation of the replantation exercise. Overall the yield of Matang Estate was expected to be sustainable in the long term. He added that the Group's profitability would also depend on CPO prices and there were analyses in the market which indicated an uptrend in future. Barring unforeseen circumstances, the Company was expecting positive results for the forthcoming financial year.
- (ii) The Company had embarked on a plan and would actively pursuing the extension of lease for its investment property in Larkin, subject to the State Government's approval. There was a proposal to develop the parcel of land in Tangkak but due to the current subdued property market, the Company had decided to put on hold any development plan until better timing to implement its plan.
- (iii) For the time being, Matang would continue to concentrate on its core business.

4.8 Mr Chong then enquired whether the Company would consider diversifying into other business that could be carried out within the Company's estates such as centralized pig farming. He shared that the proposal on pig farming had been brought up in the 1990s and added that the said business was successful in Malacca and could also be carried out in Johor.

4.9 The Chairman answered that the core business and expertise of the Company was in oil palm cultivation and that the Board was looking into plans and strategies for growth and expansion. The Management would consider other businesses as well provided that they had detailed market studies and experts' help before embarking on any new business venture. The Board would take note of Mr Chong's proposal on pig farming business but the Company would for now maintain its presence in oil palm business.

4.10 Mr William Ng enquired whether the Company would proceed with the Pahang land deal and also on the capital expenditures allocated for the replanting exercise. He further re-iterated the earlier remarks by Mr Chong on the size of the Board and commented that the number of Directors should be minimized to reduce the Company's costs in order to increase rewards to shareholders.

4.11 The Chairman replied that the vendor for the Pahang land was engaged in certain legal issues with other shareholders and that the success of the deal would depend on the outcome of the legal case. For the time being the Company had to put on hold the said proposal. On the funding for replanting, a portion of the proceeds from the Company's Initial Public Offering had been allocated for replanting exercises. Once the allocation was depleted, the Company would continue to carry out the exercises via internally generated funds. The Board would take note of the comments relating to the number of Directors and would discuss it in due course.

4.12 There being no other questions asked, the Chairman declared that the audited financial statements for the financial ended 30 June 2018 have, in accordance with the Act, been properly laid and received.

5. ORDINARY RESOLUTION 1
PAYMENT OF A FIRST AND FINAL SINGLE-TIER DIVIDEND OF 0.2 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

5.1 The Chairman proceeded with the second item of the agenda of AGM which was to approve the payment of a first and final single tier dividend of 0.2 sen per ordinary share for the financial year ended 30 June 2018.

5.2 At this juncture, Mr Chong commented that the share price of the Company had dropped from RM0.13 to RM0.07 since its listing, despite profits being recorded. He proposed that the Board declare a special dividend with the profits to compensate the shareholders for the dropped share price instead of using the Company's cash to purchase expensive estates.

5.3 The Chairman responded that share price movement was in tandem with overall market sentiment and the drop in share price was not unique to Matang. The Company had only been listed for less than two (2) years and was on growth path. Hence it would be preferable for the Company to preserve its cash for future plans without increasing its gearing by borrowing to acquire assets. He also expressed his disagreement to Mr Chong's comment that the Directors were utilizing the Company's cash to purchase expensive estates. He explained that the Directors had fiduciary duties and were guided by strict guidelines by the regulatory bodies to run the Company professionally.

5.4 Mr Chong then apologized to the Board for his unfair remark and added that the Company could consider a re-branding e.g. change its name and logo.

5.5 Mr William Ng further enquired whether the Company had any dividend policy. The Chairman answered that there was no fixed dividend policy in place for the time being and added that the yield for dividend of 0.2 sen per share (about 3%) was considered decent.

5.6 There being no other 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' FEES OF RM85,000 IN RESPECT OF THE FINANCIAL YEAR ENDED 30 JUNE 2018

The Chairman proceeded with the third item of the agenda of AGM which was to approve the payment of Directors' Fees amounting to RM85,000 in respect of the financial year ended 30 June 2018.

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 2 would be taken at the end of the Meeting.

7. ORDINARY RESOLUTION 3
PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM60,000 FOR THE FINANCIAL YEAR PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

The Meeting then proceeded with the next item of the agenda which was to approve the payment of Directors' benefits of up to RM60,000 for the financial period from 1 January 2019 to 31 December 2019.

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 3 would be taken at the end of the Meeting.

8. ORDINARY RESOLUTION 4
RE-ELECTION OF DATO' FOONG CHEE MENG

The Meeting then proceeded with the re-election of Dato' Foong Chee Meng, 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.

9. ORDINARY RESOLUTION 5
RE-ELECTION OF DATO' NG KENG HENG

The Meeting then continued to consider the next item on the agenda which was the re-election of Dato' Ng Keng Heng, 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 5 would be taken at the end of the Meeting.

**10. ORDINARY RESOLUTION 6
RE-ELECTION OF DATUK TEOH SEW HOCK**

The Meeting then continued to consider the next item on the agenda which was the re-election of Datuk Teoh Sew Hock, 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 6 would be taken at the end of the Meeting.

**11. ORDINARY RESOLUTION 7
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 7 would be taken at the end of the Meeting.

SPECIAL BUSINESS:

**12. ORDINARY RESOLUTION 8
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.

At this juncture, Mr William Ng suggested that the Company consider implementing share buy-back in the next AGM. The Board noted and thanked Mr William Ng for his suggestion.

There being no other question asked, the Chairman informed that the poll for Ordinary Resolution 8 would be taken at the end of the Meeting.

13. SPECIAL RESOLUTION 9
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

The Meeting then proceeded to the next item on the agenda which was the proposed Special Resolution to adopt a new set of Constitution of the Company which would be in line with the Act and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

There being no question asked, the Chairman informed that the poll for Special Resolution 9 would be taken at the end of the Meeting.

14. 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 Services Sdn Bhd, to brief the Meeting on the poll procedures.

The Meeting then proceeded to vote and was adjourned at 3.25 p.m. for the counting of votes.

15. ANNOUNCEMENT OF POLL RESULTS

The Chairman reconvened the Meeting at 3.40 p.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	%
Resolution 1	249,974,630	98.097	4,850,000	1.903	254,824,630	100.00
Resolution 2	229,060,630	97.683	5,434,000	2.317	234,494,630	100.00
Resolution 3	229,116,530	97.707	5,378,100	2.293	234,494,630	100.00
Resolution 4	254,202,530	99.756	622,100	0.244	254,824,630	100.00
Resolution 5	254,151,530	99.736	673,100	0.264	254,824,630	100.00
Resolution 6	254,148,530	99.735	676,100	0.265	254,824,630	100.00
Resolution 7	249,952,630	98.088	4,872,000	1.912	254,824,630	100.00
Resolution 8	254,300,630	99.794	524,000	0.206	254,824,630	100.00
Resolution 9	254,804,630	99.992	20,000	0.008	254,824,630	100.00

MATANG BERHAD (1142377-X)
MINUTES OF THE FOURTH ANNUAL GENERAL MEETING HELD ON 27 NOVEMBER 2018

Based on the poll results, the Chairman declared that the Resolution 1 to Resolution 9 tabled at the Meeting were carried.

It was RESOLVED as follows:-

Ordinary Resolution 1

Payment of first and final single-tier dividend of 0.2 sen per ordinary share for the financial year ended 30 June 2018

"THAT the payment of first and final single-tier dividend of 0.2 sen per ordinary share for the financial year ended 30 June 2018 be hereby approved."

Ordinary Resolution 2

Payment of Directors' Fees of RM85,000 in Respect of the Financial Year Ended 30 June 2018

"THAT the payment of Directors' Fees amounting to RM85,000 in respect of the financial year ended 30 June 2018 be hereby approved."

Ordinary Resolution 3

Payment of Directors' Benefits of up to RM60,000 for the Financial Year Period from 1 January 2019 to 31 December 2019

"THAT the payment of Directors' benefits of up to RM60,000 for the financial period from 1 January 2019 to 31 December 2019 be and is hereby approved."

Ordinary Resolution 4

Re-Election of Dato' Foong Chee Meng

"THAT Dato' Foong Chee Meng, 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-Election of Dato' Ng Keng Heng

"THAT Dato' Ng Keng Heng, 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 6

Re-Election of Datuk Teoh Sew Hock

"THAT Datuk Teoh Sew Hock, 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 7
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 8
Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016

"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."

Special Resolution 9
Proposed Adoption of New Constitution of the Company

"THAT approval be and is hereby given for the Company to revoke its existing Constitution with immediate effect and in place thereof, the proposed new Constitution as set out in Appendix I to the Company's Annual Report for the financial year ended 30 June 2018 be adopted as the Company's Constitution AND THAT the Directors of the Company be authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all such acts and things and take such steps as may be considered necessary to give effect to the foregoing."

16. CLOSURE

There being no other business, the Meeting was closed at 3.45 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD,



CHAIRMAN

Date: 28 January 2019