

MATANG BERHAD
(201501017043) (1142377-X)
(Incorporated in Malaysia)

Minutes of the **Fifth Annual General Meeting** of Matang Berhad ("the Company" or "Matang") held at The Auditorium, 3rd Floor, Wisma MCA, 163, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 26 November 2019 at 2.30 p.m.

Present: As per attendance list

1. CHAIRMAN

The Chairman welcomed all to the Fifth 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 members of the Board of Directors as well as the Secretary to the shareholders.

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 2019

- 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, 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 2019 and the prospect and outlook for the Company as presented.

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- 4.3 The Chairman informed that under Section 340(1) of 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 2019, 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 Wong Wai Chong ("Mr Wong"), a proxy enquired on the reasons why the Company's lands and plantations were only found in the state of Johor.
- 4.5 Mr. Soon replied that the Company historically started in Johor. The Company continually considers expansion and was constantly exploring potential land in other states in Peninsular. He however said, he could not confirm the exact location until the plan is firmed and finalised.
- 4.6 Mr Ng Kok Kiong ("Mr William Ng"), a proxy made the following remarks and enquiries:
- (i) The Company's future plan on plantation, property investment and its non-core business;
 - (ii) He suggested to monetize the unutilised properties and from the proceeds, the Company would be able to acquire more land and expand its plantation business;
 - (iii) Impact of the implementation of new Malaysian Financial Reporting Standards ("MFRS") on the Company. He noted that some plantation company had reclassification, replanting, etc. due to the implementation of the new MFRS. He enquired whether the Company had similar impact;
 - (iv) The source of the short term funds amounting to RM16,464,061 as stated in page 69 of the Annual Report. He further queried on the reason for segregating more funds under deposits with licensed bank instead of short terms funds and what was the interest rate.
- 4.7 The Chairman replied that the Company was principally involved in plantation and one of the agenda of the AGM was to explore durian plantation. He said that currently there was no plan to enter into property or property development industry since the Company is a plantation based Company.
- He also informed that the Board would consider monetising such properties as and when the right offers and opportunities arose. He commented that the current economy for property industry is not well.
- 4.8 Mr Soon then replied that there was no significant impact on the implementation of the new MFRS standard on the Company. He informed that MFRS 9 which was implemented during the year had no impact on the Company as the Company had been managing its receivables prudently and there was no bad debt in the last two (2) years.

He added that MFRS 16 on leases which would come into effect for the financial year ending 2020 would have very minimal impact on the Company. Mr Soon also explained that other plantation company may have adopted MFRS 141. He

informed that the Company had adopted MFRS 141 before the Company was listed. Thus, there was no implication on the Company.

In relation to the source of short-term funds, Mr Soon replied that the funds were placed by the Asset Management Company under money market funds where the interest and dividend received were tax exempt and would enhance shareholders' value as compared to placing in fixed deposits. He further explained that funds were deposited in various investment instruments to diversify the risks as the Company's return might be affected if there were changes in the market interest rate. He added that the interest rate of the money market would vary based on funds placed in the financial institutions governed by Bank Negara Malaysia.

- 4.9 There being no other questions asked, the Chairman declared that the audited financial statements for the financial ended 30 June 2019 have, in accordance with the Act, been properly laid and received.

5. ORDINARY RESOLUTION 1
PAYMENT OF DIRECTORS' FEES OF RM82,500 IN RESPECT OF THE
FINANCIAL YEAR ENDED 30 JUNE 2019

- 5.1 The Chairman proceeded with the second item of the agenda which was to approve the payment of Directors' Fees amounting to RM82,500 in respect of the financial year ended 30 June 2019.
- 5.2 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. The details of the Directors' Fees payable were stated in pages 36 and page 37 of the Annual Report.
- 5.3 Mr Thavarajan A/L Muthiah Pillai ("Mr Thavarajan"), a shareholder, queried the reason why there was no Chairman of the Board.
- 5.4 The Chairman replied that the Company was still in the midst of seeking a suitable candidate to take on the role of Chairman of the Board.
- 5.5 Mr Tea Wee Piau, ("Mr Tea"), a shareholder enquired for reason for such a large Board of Directors.
- 5.6 The Chairman replied that there would soon be some changes and that the number of Directors would reduce.
- 5.7 There being no further 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 (EXCLUDING DIRECTORS' FEES) OF UP TO RM72,000 FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

The Meeting then proceeded with the next item of the agenda which was to approve the payment of Directors' benefits (excluding Directors' fees) of up to RM72,000 for the financial period from 1 January 2020 to 31 December 2020.

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 DATUK TAN TECK POH @ TAN AH TOO

The Chairman informed that the Company had received notification from Datuk Tan Teck Poh @ Tan Ah Too ("Datuk Tan") expressing his intention not to seek for re-election as Director pursuant to Clause 125 of the Constitution of the Company. Therefore, he would hold office until the conclusion of the AGM and proposed Ordinary Resolution 3 was withdrawn for voting.

At the same time, the Chairman highlighted that Dato' Eng Cheng Guan and Mr Lew Weng Ho who were also due for retirement by rotation under Clause 125 of the Constitution of the Company had expressed their intention not to seek re-election. Thus, both of them would hold office until the conclusion of the AGM.

The Chairman then extended the Board's appreciation to the retiring Directors for their services and contribution to the Board and Company throughout the years. He also wished them every success.

8. **ORDINARY RESOLUTION 4**
RE-ELECTION OF MR YEO KWEE KWANG

The Meeting then proceeded with the re-election of Mr Yeo Kwee Kwang, who would be retiring in accordance with Clause 130 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 MR TEW BOON CHIN

The Meeting continued to consider the next item on the agenda which was the re-election of Mr Tew Boon Chin, who would be retiring in accordance with Clause 130 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 IR LOW AH KEONG

The Meeting then continued to consider the next item on the agenda which was the re-election of Datuk Ir Low Ah Keong, who would be retiring in accordance with Clause 130 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-ELECTION OF MR LIM CHIN HOCK

The Meeting then proceeded with the re-election of Mr Lim Chin Hock, who would be retiring in accordance with Clause 130 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 7 would be taken at the end of the Meeting.

12. ORDINARY RESOLUTION 8
RE-APPOINTMENT OF AUDITORS

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

Mr William Ng enquired on the huge different in figures on the tax incentive and non-taxable income as stated on page 75 of the Annual Report. He further enquired whether the Company had paid higher taxation during the financial year.

Mr Soon replied that the difference on the tax incentive was due to the reduction of the tax rate applicable to 2017 and 2018. He further explained that the effective tax rate of the Company was higher due to non-deductibility on amortisation of bearer plants when the Company adopted MFRS 141. He said that the amortisation of bearer plants did not affect the cashflow of the Company.

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

SPECIAL BUSINESS:

**13. ORDINARY RESOLUTION 9
PAYMENT OF A FIRST AND FINAL SINGLE-TIER DIVIDEND OF 0.15 SEN PER
ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

The Chairman proceeded with item 7 of the agenda which was to approve the payment of the first and final single tier dividend of 0.15 sen per ordinary share for the financial year ended 30 June 2019. The dividend, if approved, would be paid on 8 January 2020 to the shareholders whose names appear in the Record of Depositors on 18 December 2020.

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

**14. ORDINARY RESOLUTION 10
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 authorise the Directors to allot and issue shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman stated that currently there was no plan to issue any new shares and the Company has not issued any new shares under the general mandate secured in the past. He said that the Company was seeking the mandate to facilitate possible fund raising exercise should an opportunity arise.

There being no question asked, the Chairman informed that the poll for Ordinary Resolution 10 would be taken at the end of the Meeting.

**15. ORDINARY RESOLUTION 11
DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF MATANG
BERHAD AND ITS SUBSIDIARY COMPANIES TO INCLUDE OWNERSHIP,
OPERATION AND MANAGEMENT OF DURIAN PLANTATION, PROCESSING,
PRODUCTION AND DISTRIBUTION OF DURIAN, AND ANY RELATED
DOWNSTREAM BUSINESS ACTIVITIES ("DURIAN BUSINESS") ("PROPOSED
DIVERSIFICATION")**

- 15.1 The Meeting then considered the next item on the agenda which was the Proposed Diversification, the details of which were set out in the Circular to Shareholders dated 29 October 2019. The Chairman also informed that the full text of the

Ordinary Resolution on the Proposed Diversification was set out in the Notice of AGM.

- 15.2 Mr Tea enquired how the Company identified suitable land for the Durian Business as well as the size of the land. He suggested the Company explore a bigger scale of durian plantation instead of the proposed small scale of replanting as the cost on research and development ("R&D") on the Durian Business would be the same.
- 15.3 Datuk Jason Teoh Sew Hock ("Datuk Jason") replied that the land which had been identified for diversification was from land set aside for replanting of oil palm and the size was estimated at 46.6 hectares equivalent to 115 acres i.e. 4% of the total land bank of the Company. He explained that even though the land size for Proposed Diversification was smaller, the revenue was estimated to be higher than oil palm. The Company also estimated that the Gross Domestic Product per year for an acre in 10 years of the mature durians tree would be RM150,000 i.e. approximately 15 times higher compared to oil palm.
- 15.4 Mr Thavarajan also suggested that the Company should:
- (i) consider larger scale of planting Musang King durian as the price was expected to be higher than oil palm; and
 - (ii) Company to invest more on R&D of the Proposed Diversification to benefit more.
- 15.5 Datuk Jason replied that the suggestions would be noted and said that the Company's future plan was to grow the Durian Business in particular Musang King. Mr Soon added that the reason for utilising only 46.6 hectares at the initial stage was because the land was due for replanting and is suitable to plant durians. He explained that crude palm oil was a commodity that could be sold easily. However, durian was perishable goods, therefore, certain procedures are required to be fulfilled.
- 15.6 Mr Wong agreed with Datuk Jason and suggested the Company plant a variety of plants.
- 15.7 Datuk Jason further informed that durian plantation has a very bright future. Based on agriculture statistics, Malaysia was the world's largest durian consumer in which the consumption per capita was approximately 11 kilograms ("kg") compared to Singapore and Indonesia where they consume approximately 3 kg per capita, while China only had 0.2 kg consumption per capita. When it came to Musang King, the statistics showed that Malaysia only had 500,000 matured Musang King trees, which could only produce approximately 50 million kg of Musang King fruits per year. Yet, the consumption locally was 380 million kg durian per year which was a big gap between supply and demand. Thus, the Board was very confident that Musang King has a bright future and this was proven when larger public listed company also diversified into this business. Datuk Jason then thanked Mr Tea for encouraging the Board to expand the size of the durian plantation. He added that part of the Durian Business was to supply, process and export durian under the Company's brand if the agenda was approved by the shareholders.

- 15.8 A proxy, Mr Lim Loon Seng ("Mr Lim") asked on the maturity period of the durian trees and whether there would be any income before the maturity period. He suggested the Company to plant different types of plant other than durian instead of wasting the land value while waiting for the durian trees to mature in order to maximise return.
- 15.9 Datuk Jason replied that the maturity period for durian trees was approximately four (4) years. He said that as a listed company, there were rules, terms and conditions imposed by the authorities before the Company could start on other type of plantation.
- 15.10 Mr William Ng suggested the Company prepare presentation slides to help the shareholders understand the Proposed Diversification. He then raised the following comments and questions:
- (i) whether the Company had any plans on manufacturing;
 - (ii) if the location would be the same as the plantation site;
 - (iii) total budget required for the durian plantation before harvesting;
 - (iv) the Board's view on the statistic or capability of the Company's Durian Business after five (5) to six (6) years since there were other larger listed companies involved in this business in particular the distribution of the end product; and
 - (v) whether the Company had other plans to acquire other assets so that in between the Company can conduct R&D to obtain the necessary license for export.
- 15.11 Datuk Jason replied that the estimated expenses for the plantation before harvesting for five (5) years was approximately RM5 million for 115 acres and the Company would utilised internally generated funds. He commented that oversupply would always be a concern. However, the Company was of the view that in the durian business there would not be any oversupply issue in next five (5) or 10 years. He further informed that the Government had recently issued license to allow local operators to export the fresh fruits to China, therefore, the demand would increase. He commented that the Company would still enjoy 15 times benefits compared to oil palm plantation if the price of Musang King drops.

There being no further question asked, the Chairman informed that the poll for Ordinary Resolution 11 would be taken at the end of the Meeting.

16. 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 3.30 p.m. for counting of votes.

17. ANNOUNCEMENT OF POLL RESULTS

The Chairman reconvened the Meeting at 3.50 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	282,459,475	99.7796	623,900	0.2204	283,083,375	100.00
Resolution 2	282,459,475	99.7796	623,900	0.2204	283,083,375	100.00
Resolution 4	303,161,475	99.9377	189,000	0.0623	303,350,475	100.00
Resolution 5	303,161,475	99.9377	189,000	0.0623	303,350,475	100.00
Resolution 6	303,161,475	99.9377	189,000	0.0623	303,350,475	100.00
Resolution 7	303,161,475	99.9377	189,000	0.0623	303,350,475	100.00
Resolution 8	303,349,475	99.9997	1,000	0.0003	303,350,475	100.00
Resolution 9	303,515,375	99.9997	1,000	0.0003	303,516,375	100.00
Resolution 10	303,349,475	99.9526	143,900	0.0474	303,493,375	100.00
Resolution 11	303,492,375	99.9997	1,000	0.0003	303,493,375	100.00

Based on the poll results, the Chairman declared that Ordinary Resolutions 1 to 11 tabled at the Meeting were carried.

It was **RESOLVED** as follows:-

Ordinary Resolution 1

Payment of Directors' Fees of RM82,500 in respect of the Financial Year Ended 30 June 2019

"THAT the payment of Directors' Fees amounting to RM82,500 in respect of the financial year ended 30 June 2019 be hereby approved."

Ordinary Resolution 2

Payment of Directors' Benefits (excluding Directors' fees) of up to RM72,000 for the Financial Period from 1 January 2020 to 31 December 2020

"THAT the payment of Directors' benefits (excluding Directors' fees) of up to RM72,000 for the financial period from 1 January 2020 to 31 December 2020 be hereby approved."

Ordinary Resolution 4
Re-Election of Mr Yeo Kwee Kwang

"THAT Mr Yeo Kwee Kwang, a Director retiring in accordance with Clause 130 of the Constitution of the Company, be hereby re-elected as Director of the Company."

Ordinary Resolution 5
Re-Election of Mr Tew Boon Chin

"THAT Mr Tew Boon Chin, a Director retiring in accordance with Clause 130 of the Constitution of the Company, be hereby re-elected as Director of the Company."

Ordinary Resolution 6
Re-Election of Datuk Ir Low Ah Keong

"THAT Datuk Ir Low Ah Keong, a Director retiring in accordance with Clause 130 of the Constitution of the Company, be hereby re-elected as Director of the Company."

Ordinary Resolution 7
Re-Election of Mr Lim Chin Hock

"THAT Mr Lim Chin Hock, a Director retiring in accordance with Clause 130 of the Constitution of the Company, be hereby re-elected as Director of the Company."

Ordinary Resolution 8
Re-Appointment of Auditors

"THAT the retiring auditors, Messrs BDO PLT, 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 9
Payment of First and Final Single-Tier Dividend of 0.15 sen per Ordinary Share for the Financial Year Ended 30 June 2019

"THAT the payment of first and final single-tier dividend of 0.15 sen per ordinary share for the financial year ended 30 June 2019 be hereby approved."

Ordinary Resolution 10
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.”

Ordinary Resolution 11

Proposed Diversification of the Existing Principal Activities of Matang Berhad and Its Subsidiary Companies to include Ownership, Operation and Management of Durian Plantation, Processing, Production and Distribution of Durian, and any Related Downstream Business Activities (“Durian Business”) (“Proposed Diversification”)

“THAT, subject to the approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given for the Company and its subsidiary companies to diversify its existing principal activities to include Durian Business, which entails, amongst others, the planting, harvesting, transportation, processing, marketing, sales and distribution of the durian fruits, as well as other related downstream business activities associated with the Durian Business;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Diversification with full power to assent to any conditions, variations, modifications, and/or amendments in any manner as may be required or may be deemed necessary or expedient to implement, finalise and give full effect to the Proposed Diversification.”

18. CLOSURE

There being no other business the Meeting was closed at 3.55 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD,



CHAIRMAN

Date: 25 February 2020