

HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)
(Incorporated in Malaysia)

**MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD
AT THE KINABALU ROOM, GROUND FLOOR, MENARA HAP SENG, JALAN P.
RAMLEE, 50250 KUALA LUMPUR ON WEDNESDAY, 29 MAY 2019 AT 2PM**

Present:	DIRECTORS Tan Sri Ahmad Mohd Don (Non-Executive Chairman) Datuk Edward Lee Ming Foo (Managing Director) Ms Cheah Yee Leng Mr Au Yong Siew Fah Dato' Jorgen Bornhoft Tan Sri Abdul Hamid Egoh Tuan Haji Nik Ariff Bin Nik Hassan Datuk Amat Asri Bin Ab Kadir Mr Chong Kwea Seng Mr Steven Choy Khai Choon
Absent with: Apologies	Datuk Simon Shim Kong Yip Mr Lee Wee Yong
In attendance:	Ms Lim Guan Nee
Members:	205 members as per attendance sheet
Proxies:	117 proxies as per attendance sheet
Corporate representatives:	1 corporate representative as per attendance sheet

QUORUM

The chairman welcomed all members present at the meeting.

The chairman extended apologies on behalf of Datuk Simon Shim Kong Yip and Mr Lee Wee Yong for being unable to attend the meeting.

The requisite quorum being present pursuant to the Company's constitution, the chairman declared the meeting duly convened.

NOTICE

The chairman informed the meeting that the notice convening this meeting was set out in the annual report 2018 which had been sent out to all members of the Company, Bursa Malaysia Securities Berhad and the auditors of the Company on 30 April 2019. The notice was published on the New Straits Times and the annual report 2018 was posted on the Company's website on the same day.

The Notice convening the meeting was taken as read.

1. TO TABLE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS

The chairman invited questions from the floor and all questions were dealt with accordingly. In summary, the questions and responses thereto is enclosed herewith as Appendix A.

VOTING BY POLL

The chairman informed the meeting in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements"), all the resolutions to be tabled in the meeting would be voted on by poll.

The chairman further informed that the polling would be conducted in a paperless manner using a wireless handheld device. As for the polling procedures, the chairman informed the meeting that the Company had appointed Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) ("Boardroom") as the poll administrator and GovernAce Advisory & Solutions Sdn Bhd as the scrutineer. Ms Cheryl Leong, the representative from Boardroom had further briefed the meeting on the electronic polling procedures before the shareholders and proxies proceeded to cast their votes.

2. TO RE-ELECT DATUK SIMON SHIM KONG YIP, JP WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

The chairman proceeded with the following proposed Resolution 1:-

"THAT Datuk Simon Shim Kong Yip, JP who is retiring as director pursuant to clause 116 of the Company's constitution be hereby re-elected to serve on the board of directors of the Company."

Mr. Soo Thien See @ Soo Thien Ming proposed for the above resolution to be approved and the same was seconded by Mr. Chong Yee Seng.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 1 was carried:-

For	%	Against	%
501,398,451	99.984785	76,300	0.015215

3. TO RE-ELECT DATUK EDWARD LEE MING FOO, JP WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

The chairman proceeded with the following proposed Resolution 2:-

“**THAT** Datuk Edward Lee Ming Foo, JP who is retiring as director pursuant to clause 116 of the Company's constitution be hereby re-elected to serve on the board of directors of the Company.”

Mr. Soo Thien See @ Soo Thien Ming proposed for the above resolution to be approved and the same was seconded by Mr. S P Krishnappan A/L Subramanian Chettiar.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 2 was carried:-

For	%	Against	%
621,385,150	99.987996	74,601	0.012004

4. TO RE-ELECT MR. LEE WEE YONG WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

The chairman proceeded with the following proposed Resolution 3:-

“**THAT** Mr. Lee Wee Yong who is retiring as director pursuant to clause 116 of the Company's constitution be hereby re-elected to serve on the board of directors of the Company.”

Mr. Soo Thien See @ Soo Thien Ming proposed for the above resolution to be approved and the same was seconded by Mr. S P Krishnappan A/L Subramanian Chettiar.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 3 was carried:-

For	%	Against	%
621,358,150	99.984601	95,700	0.015399

5. TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF THE COMPANY AND ITS SUBSIDIARIES AMOUNTING TO RM732,000.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The chairman proceeded with the following proposed Resolution 4:-

“**THAT** the payment of directors' fees of the Company and its subsidiaries amounting to RM732,000.00 for the financial year ended 31 December 2018, be and is hereby approved.”

Mr. S P Krishnappan A/L Subramanian Chettiar proposed for the above resolution to be approved and the same was seconded by Mr. Chong Yee Seng.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 4 was carried:-

For	%	Against	%
621,410,751	99.994094	36,700	0.005906

6. TO REAPPOINT MESSRS KPMG PLT AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AT A REMUNERATION TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY

The chairman proceeded with the following proposed Resolution 5:-

“**THAT** Messrs KPMG PLT be reappointed as auditors of the Company to hold office until the conclusion of the next annual general meeting and that the directors be authorised to fix their remuneration.”

Mr. S P Krishnappan A/L Subramanian Chettiar proposed for the above resolution to be approved and the same was seconded by Mr. Chang Siew Khim.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 5 was carried:-

For	%	Against	%
614,725,051	98.921180	6,704,100	1.078820

SPECIAL BUSINESS:-

7. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016

The chairman explained that the special business for this meeting is to consider and if thought fit, to approve the authority to the directors to issue shares in the Company up to an amount not exceeding 10% of the total number of issued share of the Company. As at the date of this meeting, no new shares have been issued pursuant to the mandate obtained at the last annual general meeting.

The chairman proceeded with the following proposed Resolution 6:-

“**THAT** the directors of the Company be and are hereby empowered pursuant to section 75 of the Companies Act 2016 to allot shares in the Company up to an amount not exceeding 10% of the total number of issued share of the Company, and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”

Mr. S P Krishnappan A/L Subramanian Chettiar proposed for the above resolution to be approved and the same was seconded by Mr. Chang Siew Khim.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 6 was carried:-

For	%	Against	%
621,392,550	99.995832	25,901	0.004168

8. CONTINUATION OF TUAN HAJI MOHD ARIS @ NIK ARIFF BIN NIK HASSAN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The chairman informed the meeting that Tuan Haji Nik Ariff Bin Nik Hassan, has served as an independent non-executive director of the Company for almost 9 years. The Malaysian Code on Corporate Governance recommends that shareholders' approval be sought at the annual general meeting in the event the board intends to retain a person who has served in that capacity for more than 9 years.

The chairman also informed the meeting that despite having served on the board as an independent director for almost 9 years, Tuan Haji Nik Ariff has continued to act objectively in the best interest of the Company and was in compliance with all criteria as set out in the Listing Requirements.

The chairman proceeded with the following proposed Resolution 7:-

“**THAT** Tuan Haji Nik Ariff Bin Nik Hassan be and is hereby authorised to continue in office as an independent non-executive director of the Company until the conclusion of the next annual general meeting.”

Mr. Soo Thien See @ Soo Thien Ming proposed for the above resolution to be approved and the same was seconded by Mr. S P Krishnappan A/L Subramanian Chettiar.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 7 was carried:-

For	%	Against	%
620,830,737	99.991432	53,200	0.008568

9. PROPOSED RENEWAL OF AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The chairman explained that item 7 on the agenda was to consider and if thought fit, to pass the resolution on the proposed renewal of and new shareholders’ mandate for recurrent related party transactions with the respective related parties. The related parties are:

- 1) Hap Seng Consolidated Berhad Group;
- 2) Gek Poh (Holdings) Sdn Bhd Group;
- 3) Lei Shing Hong Limited Group;
- 4) Corporated International Consultant; and
- 5) Messrs Shim Pang & Co.

The chairman mentioned that the proposed Resolution 8, if passed, would allow Hap Seng Plantations Holdings Berhad Group to enter into recurrent transactions pursuant to paragraph 10.09 of the Listing Requirements. Further information on the proposed shareholders’ mandate for recurrent related party transactions with the respective related parties was set out in section 2.2 of Part A of the Circular/Statement to shareholders dated 30 April 2019.

For purpose of good order, the chairman highlighted to the meeting that the interested major shareholders, interested directors and/or persons connected to them have undertaken to abstain from voting in respect of their direct/indirect shareholdings on the resolution where they have an interest or deemed to have an interest.

The chairman proceeded with the following proposed Resolution 8:-

“**THAT** proposed renewal of and new shareholders' mandate for the recurrent related party transactions with the related parties as set out in Section 2.2 of Part A of the Circular/Statement to shareholders dated 30 April 2019 be and is hereby approved.”

Ms. Wong Lai Chan proposed for the above resolution to be approved and the same was seconded by Mr. S P Krishnappan A/L Subramanian Chettiar.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 8 was carried:-

For	%	Against	%
197,178,770	99.945460	107,601	0.054541

10. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The chairman explained that item 8 on the agenda was to consider and if thought fit, to pass the resolution to renew shareholders authorisation for the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to a maximum of 10% of the total number of issued share of the Company. Further information on the proposed renewal of share buy-back authority was set out in the share buy-back statement, which has earlier been sent to all shareholders.

In response to a shareholder's enquiry on the reasons why share buy-backs were not carried out aggressively and only 4,000 shares were acquired during the FYE 31 December 2018, Ms Cheah Yee Leng clarified that the total number of treasury shares bought-back since first shareholders mandate was obtained in 2008 was 312,800 shares at an average share price of RM2.68 per share. She explained that the procedures and administration of the share buy-back exercise has to be supported by a solvency declaration and the share buy-back exercise must be carried out within 7 days after execution of the solvency declaration. The share buy-back exercises which were carried out during the FYE 31 December 2018 were meant to adhere to the solvency declaration and not to prop up the share prices.

The chairman proceeded with the following proposed Resolution 9:-

“**THAT** the proposed renewal of share buy-back authority as set out in the notice of meeting be and is hereby approved.”

Ms. Wong Lai Chan proposed for the above resolution to be approved and the same was seconded by Mr. Soo Thien See @ Soo Thien Ming.

The chairman put the motion to a vote by poll and based on the following poll results, the chairman declared that Resolution 9 was carried:-

For	%	Against	%
621,435,660	99.993998	37,300	0.006002

On the close of meeting, Datuk Edward Lee Ming Foo informed the meeting that our chairman, Tan Sri Ahmad Bin Mohd Don and our fellow board member, Dato' Jorgen Bornhoft have expressed their intention to step down as directors of the Company at the conclusion of the AGM after having served as independent directors for almost 12 years. On behalf of the board, Datuk Edward Lee thanked Tan Sri Ahmad Bin Mohd Don and Dato' Jorgen Bornhoft for their invaluable contributions and support rendered to the board and the Company during their tenure.

The chairman mentioned that he was honoured be appointed to the Board since the listing of the Company in 2007 and wished the Company well going forward in its business financial performance and share price.

CONCLUSION

There being no other business, the meeting concluded at 3pm with a vote of thanks to the chairman.



CHAIRMAN
Kuala Lumpur

APPENDIX A

- (a) The Chairman responded to Mr SK Ng's question on the economic and financial impact of the current business environment to HSP's business. He explained that the oil palm plantation business is a commodity business and its performance is inherent to the upside and downside of economic cycles. HSP would need to sustain itself during the difficult period and be ready to reap the benefits when the demand or CPO prices improved. In relation to the question on the economic impact of the US-China trade war and Middle East oil disputes, the Chairman said that it is difficult for the Company to anticipate the effects as it is related to world economy. The management does not have the capability to factor in all the scenarios into its business model.

In relation to the question from Mr SK Ng on the present economic condition and financial impact on HSP's business, the Chairman outlined the factors which are affecting the business such as the depression of palm kernel oil price which has dropped from RM2,000 per tonne to the present price of RM1,360 per tonne and minimum wage increase from RM920 per month to RM1,100 per month in 2019. The Chairman also explained the strategies which have been undertaken by the Company to improve profitability and ultimately payment of dividends to shareholders. Besides having the on-going plan of obtaining Halal certification of its oil, the strategies which have been undertaken by the management included continuous improvement of its productivity, cost management, certification of sustainability of its palm oil for price premium benefits etc.

- (b) Ms Low Ooi Leng raised a question on share price performances of the Company as compared with another leading plantation company listed on Bursa Malaysia Securities Berhad. She also sought clarification of HSP's operating performances and benchmarking with other industry players. The Chairman replied that HSP was constantly benchmarking itself with the best practices in the industry. He also explained that the geographical location of the plantations could give different yields particularly those plantation estates in Peninsular Malaysia as compared to the estates of HSP which are located in Sabah. Based on the comparison between HSP and 9 other public listed palm oil companies, in terms of the fresh fruits bunches (FFB) and crude palm oil (CPO) yield per hectare, HSP was ranked No. 2 with 20.45 tonnes and 4.21 tonnes per hectare respectively. As for the oil extraction rates (OER), HSP was ranked No. 4 with 20.6%.

The Chairman further elaborated that although the operating performance of HSP was commendable, there are opportunities for improvements vis-avis companies in the industry which had established best practices, such as, providing retirement home for employees, operating a bakery in the plantation estate for staff benefit etc. Management would strive to emulate such practices as HSP aspires to be one of the best plantation company in the country.