

# Minutes of the 100th Annual General Meeting

22 April 2021



UNITED PLANTATIONS BERHAD

Company Registration No. 191701000045 (240-A)

Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

# **UNITED PLANTATIONS BERHAD**

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## **MINUTES OF THE 100<sup>TH</sup> VIRTUAL ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT BOARDROOM SHARE REGISTRARS SDN BHD, 12<sup>TH</sup> FLOOR, MENARA SYMPHONY, NO.5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA SELANGOR ON TUESDAY 22 APRIL 2021**

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Present: 143 Shareholders present representing 8,663,764 shares  
77 Proxy Holders representing 310,133,225 shares,  
1 person with Letter of Representation representing 100 shares  
and

Y.Bhg. Tan Sri Datuk Dr. Johari bin Mat - Chairman

Y.Bhg. Dato' Carl Bek-Nielsen - Vice Chairman\*

Mr. Ho Dua Tiam

Mr. Ahmad Riza Basir

Mr. Martin Bek-Nielsen

Mr. Loh Hang Pai

Mr. R. Nadarajan

Puan Rohaya binti Mohammad Yusuf

Mr. Jorgen Balle\*

Y.Bhg. Dato' Mohamad Nasir bin Ab. Latif

\*Joined the meeting remotely

In Attendance: Mr. Ng Eng Ho - Company Secretary

Absent : Y. Hormat Dato' J.D.C. Diamond

The Chairman took the Chair at 10.00 a.m. and welcomed the shareholders to the 100th Virtual Annual General Meeting of the Company. The Chairman reported that this was our second virtual AGM which was necessary for the safety and health of our shareholders and employees during this Covid-19 pandemic. The Chairman added that this online meeting complied with Section 327 of the Companies Act 2016 and in accordance with the guidance as issued by the Securities Commission on 5<sup>th</sup> March 2021.

The Chairman informed the shareholders that we had in attendance 8 Directors present with two Directors joining us remotely. The Audit Committee Chairman, Dato Jeremy Diamond expressed his apology for not being able to attend this AGM as he was unwell.

### **Quorum:**

The Company Secretary confirmed the presence of the requisite quorum in accordance with Article 79 of the Company's Constitution. The requisite quorum being present, the Chairman called the meeting to order.

## **Preliminary**

Tan Sri Chairman informed the meeting that after serving the Board for 20 years, he would be stepping down as the Chairman and Director of United Plantations Berhad after this AGM. Tan Sri Chairman further informed that the time was right to pass the responsibility to the designated successor Dato' Mohamad Nasir Bin Ab. Latif, and he had the utmost faith in him carrying out his duty as the new Chairman of UP.

Tan Sri Chairman wished all shareholders, business partners, board members, and the entire management team all the best for a successful future.

## **Notice of Meeting**

The Chairman proposed that the Notice given convening the meeting, be taken as read. This motion was seconded by Mr. Martin Bek-Nielsen.

The Chairman announced that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions tabled today will be voted on by poll electronically. Tan Sri Chairman further announced that Boardroom Shares Registrars has been appointed to handle the e-polling with GovernAce Advisory & Solutions Sdn Bhd as the independent scrutineer.

Boardroom Share Registrars was invited to give a slide presentation on the e-polling process.

The Chairman then moved the following items on the Agenda:

### **RESOLUTION NO. 1:** To receive and consider the 2020 financial statements.

The Chairman proposed the resolution “THAT the financial statements for the year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon be received.

The resolution was seconded by Shareholder Khor Siew Yan.

### **RESOLUTION NO.2:** Final and Special Dividends for 2020

The Chairman proposed that the resolution “To consider the recommendation of the Directors and authorize the payment of a final single-tier dividend of 15sen and a special single-tier dividend of 50sen for the year ended 31 December 2020.”

The Chairman reported that the final dividend and the special dividend subject to the approval of shareholders will be paid on 7<sup>th</sup> May 2021.

The resolution was seconded by Shareholder Chandra Mohan a/l Sellappan.

**RESOLUTION NO.3:** Directors' Fees (Inclusive of Board Committees' fees) of RM1,247,667 for 2020

The Chairman proposed the resolution "THAT the Directors' fees (inclusive of Board Committees' fees) of RM1,247,667 for the financial year 2020 be approved for payment."

The resolution was seconded by Shareholder Liew Chee Meng.

**RESOLUTION NO.4:** Directors' benefits (other than Directors' fees) of RM108,000 for 2020.

The Chairman proposed the resolution "THAT the Director's benefits (other than Director's fees) of RM108,000 for the financial year 2020 be approved for payment."

The resolution was seconded by Shareholder Tan Zhi How.

**RESOLUTION NO. 5:** Re-elect Director, Dato' J.D.C. Diamond who retires by rotation pursuant to Article 107 of the Company's Constitution.

The Chairman proposed the resolution "THAT Dato' J.D.C. Diamond who retires by rotation pursuant to Article 107 of the Company's Constitution be re-elected to the Board."

The resolution was seconded by Shareholder Tan Zhi How.

**RESOLUTION NO.6:** Re-elect Director Mr. Martin Bek-Nielsen who retires by rotation pursuant to Article 107 of the Company's Constitution.

The Chairman proposed the resolution "THAT Mr. Martin Bek-Nielsen who retires by rotation pursuant to Article 107 of the Company's Constitution be re-elected to the Board."

The resolution was seconded by Shareholder Tan Ye Chiong.

**RESOLUTION NO.7:** Re-elect Director Mr. Loh Hang Pai who retires by rotation pursuant to Article 107 of the Company's Constitution.

The Chairman proposed the resolution "THAT Mr. Loh Hang Pai who retires pursuant to Article 107 of the Company's Constitution be re-elected to the Board."

The resolution was seconded by Shareholder Tan Ye Chiong.

**RESOLUTION NO. 8:** Re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the year 2021 and authorize the Directors to fix their remuneration.

The Chairman proposed the resolution “THAT Ernst & Young PLT be re-appointed as auditors of the Company for the year 2021 and the Directors be authorized to fix their remuneration.”

The resolution was seconded by Shareholder Theng Si Jie.

**RESOLUTION NO.9:** Proposed Continuation of Mr Ahmad Riza Basir as Independent Non-Executive Director

The Deputy Chairman proposed the resolution “That Mr Ahmad Riza Basir having served as Independent Non- Executive Director for a cumulative term of more than nine (9) years, continue to act as Independent Non- Executive Director of the Company.”

The resolution was seconded by Shareholder Chua Soon Leong.

**RESOLUTION NO.10:** Proposed Continuation of Dato’ J.D.C. Diamond as Independent Non-Executive Director

The Chairman proposed the resolution “That Dato’ J.D.C. Diamond having served as Independent Non- Executive Director for a cumulative term of more than nine (9) years, be continued to act as Independent Non- Executive Director of the Company.”

The resolution was seconded by Shareholder Lau Kok Hou.

**RESOLUTION NO.11:** Proposed Renewal of Authority for Purchase of Own Shares

The Chairman proposed the following resolution:-

“THAT, subject to the Companies Act 2016 (“the Act”) (as may be amended, modified or re-enacted from time to time), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares in the Company (Proposed Share Buy-Back) as may be determined by the Directors of the Company from time to time and upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any given point in time and an

amount of funds not exceeding the total retained profits of the Company based on the audited financial statements for the financial year ended 31 December 2020 be utilized by the Company for the Proposed Share Buy-Back AND THAT at the discretion of the Directors of the Company, the ordinary shares of the Company to be purchased may be cancelled and/or retained as treasury shares and subsequently distributed as dividends, transfer the shares for the purposes of or under an employees share scheme that has been approved by the shareholders, transfer the shares as purchase consideration or resold on Bursa Malaysia or be cancelled AND THAT the Directors of the Company be and are hereby empowered generally to do all acts and things to give effect to the Proposed Share Buy-Back AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company (“AGM”) in 2021 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act 2016 (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 resolution passed by the shareholders in general meeting, whichever is earlier; but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid date and in any event, in accordance with the provisions in the guidelines issued by Bursa Malaysia and /or by any other relevant authorities.”

The resolution was seconded by Shareholder Lau Kok Hou.

**RESOLUTION NO.12:** Authority for Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016

The Chairman proposed the following resolution:-

“THAT, pursuant to Section 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby authorised to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also authorized to

obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.”

The resolution was seconded by Shareholder Kumara Vallie a/p Rajoo.

After tabling all resolutions, the Chairman announced that the meeting was opened for a questions and answers session. ( Please refer to the Addendum on the proceeding on this session)

The Chairman then announced the opening of the poll. The shareholders were given 10 minutes to cast their votes.

The Chairman announced the closing of the poll. The Scrutineer was invited to read out the results of the poll.

Based on the announced results of the poll, the Chairman declared that all resolutions for today were duly carried.

The Chairman further enquired whether the Company Secretary had received notice on any other business from any shareholder

The Secretary confirmed that the company did not receive any notice of any other business.

The Chairman declared the meeting closed.

The meeting terminated at 11.20 a.m. with a vote of thanks to the Chairman.

**UNITED PLANTATIONS BERHAD**

**Chairman**

## **Addendum to the Minutes**

The Chairman informed the meeting that we had received questions from Minority Shareholder Watch Group (MSWG) and Mr Bhupinder Singh.

### **Questions by MSWG**

The following questions and answers were read out by Mr. Martin Bek-Nielsen.

### **Operational & Financial Matters**

**1. To promote the Biodiesel programme further, the Indonesian Government on the 10th of December 2020 unexpectedly introduced a significant increase in levies on all CPO exported out of Indonesia (page 14 of Annual Report 2020 (“AR2020”).**

**(a) Production of the Group’s Indonesian estates increased to 47,315 MT CPO (2019: 46,421 MT CPO) (page 15 of AR2020). What is the percentage of CPO for local use and for export?**

*(a) Answer: All CPO produced by UP in Indonesia is sold locally.*

**(b) Given the introduction of a significant increase in levies on all CPO exported out of Indonesia, how, and to what extent, will it impact the Group?**

*(b) Answer: As UP does not export CPO out of Indonesia we are dependent on the domestic CPO prices in Indonesia.*

*The significant increase in levies has widened the price differential between Domestic CPO in Indonesia and Domestic CPO in Malaysia.*

*As UP does not have downstream facilities in Indonesia we are not able to enjoy the overall increase in global prices due to the significant levy increase.*

**2. Subject to the Malaysian Government’s approvals, the Group is pursuing every means of safely bringing back 224 guest workers who wish to return to Malaysia and resume their jobs on the plantation but who right now are prevented from doing so (page 19 of AR2020).**

**(a) To-date, has there been any progress in bringing back the said guest workers?**

*(a) Answer: So far we have managed to bring back a very limited number of guest workers but we are continuously engaging with the authorities to help us facilitate the return of the majority of these guest workers. However, so far this has not been achieved.*



**(b) If the acute labour shortages persist in 2021, what will be the foreseeable extent of crop losses?**

*(b) Answer: Bearing in mind the present labour shortages and depending on the number of guest workers who will wish to return to their home countries between now and July crop losses for 2021 can range from 0-3MT of FFB/Ha.*

**3. In accordance with the Group's replanting policy, it will proceed to replant the older and less productive oil palm stands in Malaysia during 2021 to take full advantage of its latest superior planting materials from its research department (page 25 of AR2020).**

**With the ongoing Covid-19 pandemic, how many hectares have been replanted so far?**

*Answer: As of March 2021, we have replanted 303 Hectares.*

**How many hectares does the management expects to complete replanting by end of FY2021?**

*Answer: We expect to replant another 1,285 hectares during 2021.*

**4. Revenue contribution from customers in the United States increased by 107% to RM621,000 (2019: RM300,000) (Note 28 (ii), page 117 of AR2020).**

**What was the reason for the significant increase in the revenue contribution from the United States?**

*Answer: The increase in revenue was mainly due to an increase in Commodity prices and slightly higher volumes being sold.*

**Is the revenue contribution from the United States expected to continue in an upward trend, going forward?**

*Answer: Yes, with more and more American Companies focusing on Sustainability and high quality we do foresee that there will be a gradual uptrend in sales to the US market.*

#### **Questions from Mr. Bhupinder Singh**

Mr Bhupinder Singh congratulated UP on posting a new record net profit of RM 402 million for 2020 - a strength in adversity of COVID-19, I hope UP will continue to deliver well.

**1) Due to the COVID-19 pandemic the government has halted the recruitment of migrant workers, I suggest that the government be approached to allow those migrant workers who are tested negative before leaving the country and tested negative again on arrival in Malaysia - so as to ease the acute shortage of workers in the plantation sector. What are your comments on this?**

*Answer: Thank you for your questions and various suggestions. The Palm Oil Industry has made many representations including your suggestion to the government. The Government is evaluating the various suggestions from various Industries and has recently agreed to allow guest workers who have gone on home leave and stranded in their home countries to return subject to stringent SOPs including testing upon departure and testing and quarantine upon arrival.*

**2) Thanks for the generous total dividend for 2020 of 85sen of which 50sen is special, does special imply that it is a one off dividend if not why call it special.**

*Answer: UP calls it a special dividend to imply that it is more than the ordinary dividend, however, it does not imply that it is a one-off dividend.*

*If the Company reports good results in a high commodity price environment, we will continue to use the terms ordinary and special dividends thereby reminding shareholders that they should not take it for granted to receive special dividends if our results end up significantly lower one day due to depressed commodity prices. Extraordinary dividends, which we have paid in the past, imply a one-off dividend.*

**3) UP's palm oil production in Malaysia increased by a good 9.2% but why Indonesia registered a smaller increase of only 1.9%?**

*Answer: The higher production in Malaysia is mainly because many of the areas replanted in the past 10 years have come into maturity and are reaching their prime production age.*

**4) UP has done well in achieving an overall average yield per hectare of palm oil of 5.9MT/Ha against Malaysia's national average of 3.3MT/ha. What were your yields for Indonesia?**

*Answer: Our Indonesia subsidiary reported a CPO yield of 5.21MT/Ha for 2020.*

**5) Have any of your workers suffered from Covid-19 and what measures have you taken to minimize & prevent any risk of a Covid-19 outbreak?**

*Answer: We have since the beginning of Covid-19 pandemic introduced stringent SOPs. There have been a few isolated Covid-19 positive cases amongst our workers. When incidents appear close contact tracing in collaboration with the MOH takes place. Where necessary close contacts including their family members are quarantined. We are pleased to report that the proactive actions of the Management have so far prevented large outbreaks and of the few isolated cases todate, all workers including family members have recovered.*

**6) Is the continuous spike of Covid-19 in India at 260000 cases daily now affecting consumption of palm oil in India and now exports to India?**

*Answer: It is still too early to tell, however, for 2020 the exports to India from Malaysia increased and we anticipate another good year of exports to India notwithstanding the current spike of COVID-19 cases.*

**7) UP's total cost of production in 2020 was RM 1235/ metric ton, how much of this was due to Labour costs?**

*Answer: Labour costs constituted RM 396/mt or 32% of the total cost of production of CPO.*

**8) Unifuji JV is a fast-growing company, the company's net profit increased by almost 7 times, May I know what are its products?**

*Answer: Unifuji produced high-end palm oil fractions derived from CPO. They are known as Double fractionated palm Olein, Palm Stearin, and various ranges of Palm Mid fraction. Most of the products are sold as specialty fats to the chocolate manufacturing industry.*

**9) What do you expect for the foreseeable future of palm oil's position considering level of stocks ,supply and demand for CPO. Can they present high prices foresee CPO be sustained?**

*Answer: Edible oil supplies are very tight currently and hence, prices are expected to remain firm during 2Q. The current tight supply situation should ease in the 2<sup>nd</sup> half of 2021 and we expect prices to soften during this period. Developments in Biodiesel production and usage, the tight labour situation in Malaysia as well as the production of Soybeans in the US and South America will influence price movements going forward.*

**10) EPF has to this date disposed more than 3 million UP shares. It still has about 55 million more shares that is about 13% of UP's total issued capital. This order of daily disposals has capped UP share price from rising in spite of UP's very strong fundamentals with rising profits, dividends, no borrowings and excellent management. What are your comments on these EPF sales?**

*Answer: We do not comment on shareholder's decision to purchase or sell shares in UP.*

## **Online Questions**

**Question from Shareholder Ee Yih Chin-First I want to congratulate the Group for raising UP Malaysia CPO production by 9.2% in 2020 despite tight labor condition. May I know**

**1) What is the labor shortage situation at this moment in percentage term?**

*Answer: Dato' Carl Bek-Nielsen replied that it is important for all shareholders to appreciate the entire palm oil industry is experiencing the most acute labour shortage for the past 25 to 30 years or perhaps even ever. UP as of January 2020, two months before Covid-19 struck, UP had 5,023 employees and this had reduced to 4,229 employees as of*

*March 2021, a reduction of 794 workers or 16% reduction within 15 months and this is serious. UP is short of 800 workers.*

**2) Will labor shortage to affect production output in 2021, and by how much?**

*Answer: Dato' Carl Bek-Nielsen replied that this was partially answered by Mr. Martin Bek-Nielsen earlier. It is too early to say depending on the number of guest worker repatriation in the next few months. High repatriation would lead to more acute shortages and this may result in crop losses. Every effort had been taken by management to avoid crop losses and there had not been any crop losses in 2020 and the first 3 months of 2021 in UPB.*

**3) How much labor can be saved through further automation and efficiency measures in the next few years?**

*Answer: Dato' Carl Bek-Nielsen commented that it is said that never had innovation been higher than during a crisis. This is proven to be the case in 2020 and 2021. In the span of the last 15 months, we had brought in 11 innovations implemented throughout the Group enabling us to go from a labour to land ratio of 1 to 10.2 ha to 1 to 12.25 ha. This is significant and a tremendous improvement in a short span of time. We are still working on further improvement in efficiency and the executive directors and management team are taking a hands-on approach in reducing the dependency on labour.*

*The standard labour to land ratio in the palm oil industry is 1 worker to 8 ha whereas UP has a labour to land ratio of 1 to over 12 ha and this is a very significant improvement over the industry benchmark. Notwithstanding this, the management will relentlessly pursue all other means to further improve on this area.*

*One must also appreciate that oil palm architecturally is not inclined to mechanisation unlike temperate crops like rape, soy, and maize. The management however despite this limitation continues to pursue further mechanisation to further reduce dependence on labour.*

**4) The group has replanted 1,370 Ha of Tanarata Estate (formerly Pinehill) since the acquisition in 2019. When will the replanting and improvement exercise be completed?**

*Answer: Dato' Carl Bek-Nielsen replied that we had replanted 2,000 ha out of the 3,600 ha acquired with UP high yielding materials and we expect to complete the replanting of the whole estate by the first quarter of 2022.*

**5) When will the estate start to make significant contribution?**

*Answer: Dato' Carl Bek-Nielsen replied that the initial replants would start to mature in December 2021/first quarter 2022 and the estate is expected to have a significant contribution in the next 3 to 4 years.*

**6) What is the expected ROI for this acquisition?**

*Answer: Mr. Martin Bek-Nielsen replied the ROI would very much depend on the CPO price. Under normal circumstances and reasonable price levels, we expect to have a high single-digit ROI.*

**7) The group average CPO yield has steadily increased from 4.68 MT/Ha in 2016 to 5.93 MT/ Ha in 2020. Does management expect the pace of yield increase to maintain, or to slow down, in the next few years?**

*Answer: Dato' Carl Bek-Nielsen replied that one must appreciate that there is a ceiling to yield increase. UP planting materials have the potential to achieve 7.5mt to 8.0mt of CPO per ha. In 2020, UP achieved a group average CPO yield of 6.13mt per ha which is 70% higher than national average yield and this is considerable. UP would still strive to make small incremental improvements in this area in the coming years.*

**8) What is the timeline to reach the 6.5 MT/Ha target outlined in page 17 of Annual Report?**

*Answer: Dato' Carl Bek-Nielsen replied that UP Malaysia would strive to achieve the 6.5mt CPO per ha target in another 8 years.*

**9) What is the "theoretical limit" beyond 6.5MT? What is the industry best in class yield?**

*Answer: Dato' Carl Bek-Nielsen replied that UP had recorded the best CPO yield amongst the Malaysian public-listed plantation companies. Some companies claimed that their planting materials can achieve 10 to 12mt of CPO per ha but struggling to achieve 4.2mt to 4.5 mt CPO per ha on average. The theoretical limit is 6.5mt to 7.0 mt of CPO per ha and this would only be achievable if all fields are replanted with high-yielding materials. Dato'Carl Bek-Nielsen added that to sustain a yield of 6.5mt CPO per ha would be a remarkable achievement and UP is pursuing this.*

**10) What are the implications of US sanctions against some Malaysian plantation companies to the industry in general, and to UP Group specifically?**

*Answer: Dato' Carl Bek-Nielsen replied that this is a serious issue concerning Malaysian companies and believed that these are being addressed by the respective companies.*

**11) Are customers willing to pay a premium for UP Group certified sustainable palm oil?**

*Answer: Mr. Martin Bek-Nielsen replied yes, UP is capable of achieving a premium for our certified sustainable palm oil especially if it can be combined with quality. Today it is not enough to have your products certified but this must be in combination with quality.*

**12) How much forward sales have been done for Year 2021? What is the average price?**

*Answer: Mr. Martin Bek-Nielsen replied that UP does have a forward sale policy but we do not elaborate on the volume sold nor the average price. You may see the average price achieved in the quarterly announcement to be released this evening.*

**13) Does the group has any plan and the capacity to do another major acquisition in the near term? Or would it rather focus to work on recent acquisition first?**

*Answer: Dato' Carl Bek-Nielsen replied that we are focusing on making a success out of the recent acquisition of Pinehill Estate which we had renamed Tanarata Estate. We are working hard on this and positive progress has been made. We are looking for other acquisitions if these are beneficial to the Group. We would prefer lands located in Peninsular Malaysia as we see there are a lot of benefits in such acquisitions.*

**14) Please continue to provide the option of remote participation after Covid-19. It gives opportunities to shareholders who live faraway to participate, not to mention it's also environmentally friendly by cutting down traveling.**

*Answer: Dato' Carl Bek-Nielsen replied that UP shall certainly continue to consider allowing shareholders to participate virtually so that the shareholders can contribute by asking questions and monitoring the performance of the Group.*

**Question from Shareholder Lim Seong Hon**

**15) Any door gift.**

*Answer: Dato' Carl Bek-Nielsen replied that unfortunately there is no door gift this year.*

**Question from Shareholder Kok Sak Lin**

**16) Mr Chairman, as today's AGM is the Grand 100th anniversary of United Plantations, it will be most appropriate to celebrate with the shareholders. As shareholders cannot physically attend the AGM and partake in the food & festivities, it will be good if the company can reward us with a \$100 Touch & Go EWallet credit so that we can also celebrate by having a good meal. Thank you.**

*Answer: Dato' Carl Bek-Nielsen commented that this is an interesting question and commented that we should look at the record dividend declared and the bonus issue last year which outweighs the RM100 door gifts and hopes that this is taken in good faith. We shall continue to do our best and strike to pay the best dividends in the plantation sector.*

**Question from Shareholder Lim San Kim**

**17) How much money spend on last year AGM n how much spend on this virtual AGM?**

*Answer: Mr. Martin Bek-Nielsen replied that we also had a virtual AGM last year. We incurred about RM40,000 last year and expected to incur between RM40,000 to RM50,000 this year.*

**Questions from Shareholder Lew Tuck Wai**

**18) The JV Co, Unifuji Sdn Bhd performed very well in FY2020 recorded a 81% in Revenue vs FY2019. What are the reason(s) for the substantial increase in revenue for FY2020?**

*Answer: Mr Martin Bek-Nielsen replied that Unifuji is a new company and it took Unifuji some time to achieve the current customer base and filling up the capacity with increasing interest from our customers.*

**19) What is the current utilisation of the manufacturing capacity?**

*Answer: Mr Martin Bek-Nielsen replied that the current capacity utilization is 90% to 95%.*

**20) The projected growth in revenue in FY2021 compared to FY2020?**

*Answer: Mr Martin Bek-Nielsen replied that he expects the revenue to be somewhat similar to 2020 based on current capacity utilisation.*

**21) On Page 164 of the AR - Goodwill, it is stated that the key assumption used for the annual impairment assessment is based on a 75-year cash flow projection based on maximum lease period of the leasehold land. The Group Properties listing on page 196 show the Tanarata Estate lease expiring between 2032 to 2035. Please explain the justification in using 75-years for the projection.**

*Answer: Mr Martin Bek-Nielsen commented that this is a good question and replied that the basis of the cash flow is based on the a 75-year lease commitment which UP has received.*

**Question from Shareholder Abdul Rahman Gan Bin Abdullah**

**22) Palm oil prices up but most plantation counter share are below expectation. Maybe the board can shed some information on this situation.**

*Answer: Mr Martin Bek-Nielsen commented that it is difficult to explain why the share prices of plantation companies remained low despite high commodity prices but he felt that it is related to the general market sentiment in Malaysia. Mr Martin Bek-Nielsen added that the market prices of Malaysian plantation companies would perform positively should commodity prices remain high for some time with strong quarterly results.*

**Question from Shareholder Pua Yoke Chin**

**23) Please share how much coconut business contribute to the group revenue in %**

*Answer: Dato' Carl Bek-Nielsen replied the contribution of coconut is significant to the Group.*

**Question from Shareholder Benedict Lopez a/l Gibson Conception**

**24) What steps are being taken by UP to overcome the labour shortage faced in the plantations?**

*Answer: Dato' Carl Bek-Nielsen commented that the measures taken were explained in the earlier question.*

**Question from Shareholder Lim Jit Chew**

**25) Viewing the age profile of the whole Board of Directors, what is the succession plans for the Board?**

*Answer: Dato' Carl Bek-Nielsen replied that we have a very good policy to address succession at the board level. Age is not the deciding factor but performance, ability to discharge responsibility, ability to contribute proactively is the deciding criteria. The Board has performed very well providing stewardship, leadership and guidance ensuring UP continues its trajectory of being a high-performing company in the plantation industry in Malaysia. The Board does address and discuss succession. Today we have the retirement of our Tan Sri Chairman and this shows that succession does take place and it is on the agenda of our Board.*

**Question from Shareholder Tan Zhi How**

**26) What is the plan for the company on the Indonesian market as Indonesia imposed such high export tax that will impact upstream player and not benefit from the rise in CPO price?**

*Answer: Mr Martin Bek-Nielsen replied that this was answered when replying to Mr Bhupinder Singh. UP is not a very large producer in Indonesia and therefore unable to justify having downstream facilities to take advantage of the export duty/levy in Indonesia. While we are unable to enjoy the high prices like in Malaysia, we must appreciate that prices have increased significantly and this has benefited producers like UP.*



*Mr Martin Bek-Nielsen informed the shareholders that all questions which have yet to be answered will be posted with the answers on our website.*

### **Online Questions from Shareholders Answered on Website**

#### **Question from Shareholder Poravi a/l S P Sithambaram Pillay**

**27) Excellent performance by our Company. Thank you. Any idea of introducing a dividend reinvestment plan?**

*Answer: The Management is not in favor of the dividend reinvestment plan as it is administratively burdensome. The shareholders could reinvest by buying from the market.*

#### **Question from Shareholder Choy Ming Haw**

**28) Due to shortages of workers, how did the company enhance using appropriate mechanisation to help the company to overcome the problem?**

*Answer: This is answered in earlier questions.*

#### **Question from Shareholder Benedict Lopez a/l Gibson Conception**

**29) In light of the good prevailing CPO prices, does UP foresee a better dividend payout this year?**

*Answer: The dividend rate is decided based on the performance of the Company as well as the need to building up reserves for future expansion in the interest of all shareholders. The Board as in the past years shall in due course deliberate on the dividend rate before proposing for the approval of the shareholders in AGM.*

#### **Question from Shareholder Reemarachna a/p Poravi**

**30) How much focus are we giving to ESG compliance?**

*Answer: ESG has been the focus of UP Group for decades, it is built-in instead of bolted-on in the operation of the Group.*

#### **Question from Shareholder Loo Yeo Ming**

**31) Is it proper that all resolution be seconded by the BOD? Isn't this a conflict?**

*Answer: Kindly be advised that none of the resolutions was seconded by any of the directors as you could see in these minutes.*

#### **Question from Shareholder Tan Zhi How**

**32) Why last q profits stayed flat when revenue went up?**

*Answer: Market CPO and CPKO prices increased by 20% and 32% in the last quarter of 2020 and this translated into not only high revenue but also higher costs for the refinery segment.*

**Question from Shareholder Ee Yih Chin**

**33) Please share your thought on Western pressure groups against palm oil, and the producing country government and industry response**

*Answer: Western Pressure groups have been highlighting concerns within the Plantation Industry. The concerns are at times valid , however, it is dangerous and unfair to put all producers in the same basket. There are many interests that has to be taken into consideration when speaking about the Palm Oil Industry. One being Socio economic development and the rights for countries to advance based on their raw materials. The goal should be to try and find a balance between Ecology and Economy and this requires participation from many different stakeholders not least the Government, producers, Importing countries and consumers that all try and base their concerns and views on facts and not on unsubstantiated allegations.*

**Question from Shareholder Chong Chin Hoong**

**34) Will group plan to explore & diversify another business to generate more revenue in the future?**

*Answer: The Group is always open to new ideas and new opportunities, however, once you venture away from your core business the opportunity must be very attractive and based on due consideration.*

**Question from Shareholder Tan Zhi How**

**35) Besides quality planting material, what is the main quantitative and qualitative factors that contribute to such a high efficiency in UP?**

*Answer: A hands on approach to the business is a crucial part of UP's success, this means the direct involvement of top management in order to understand the daily operations and issues arising thereby solving problems effectively and without bureaucracy. In addition, it is of much benefit that UP has generations of experience combined with dedicated management that understand the importance to optimise variables contributing to the overall result. This being timely Fertilizer application, the variety of fertilizers used, the important mechanisation efforts and harvesting standards combined with a dedicated quality focus and cost management. Finally UP is privileged with good soils that are suitable for oil palm plantings.*

**36) 21 questions from shareholders on door gift/e-wallet/e-vouchers for participating in this 100<sup>th</sup> AGM**

*Answer: This is answered in earlier questions.*

**37) 17 questions from shareholders generally on inability to vote.**

*Answer: Based on the procedure as explained by the Chairman at the start of the meeting, voting shall only start when the chairman announced the open of the Poll. You may have tried to vote before this.*