

Minutes of the 102nd Annual General Meeting

27 April 2023



UNITED PLANTATIONS BERHAD

Company Registration No. 191701000045 (240-A)

Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

UNITED PLANTATIONS BERHAD

**MINUTES OF THE 102ND ANNUAL GENERAL
MEETING OF SHAREHOLDERS HELD AT DEWAN SANMARKA ORANG INDIA
36400 HUTAN MELINTANG, TELUK INTAN ON THURSDAY 27 APRIL 2023**

Present: 142 Shareholders present representing 11,215,549 shares
 46 Proxy Holders present representing 239,299,673 shares,
 198 Proxy Holders representing 42,819,005 shares
 1 person with a Letter of Representation representing 200 shares

and

Y.Bhg. Dato' Mohamad Nasir bin Ab. Latif -Chairman
Y.Bhg. Dato' Carl Bek-Nielsen - Vice Chairman
Mr. Ho Dua Tiam
Y. Hormat Dato' J.D.C. Diamond
Mr. Martin Bek-Nielsen
Mr. Loh Hang Pai
Mr. R. Nadarajan
Puan Rohaya binti Mohammad Yusuf
Mr. Jorgen Balle
Ms. Belvinder Kaur a/p C Nasib Singh
Mr. Yap Seng Chong
In Attendance: Mr. Ng Eng Ho - Company Secretary

The Chairman after a safety briefing took the Chair at 10.00 a.m. and welcomed the shareholders to the 102nd Annual General Meeting of the Company.

The Chairman informed the shareholders that we had in attendance 11 Directors and proceeded to introduce the Directors to the shareholders.

The Chairman reported that 2 senior directors namely Mr. Ho Dua Tiam and Dato' J.D.C. Diamond were stepping down from the Board after today's AGM. Mr. Ho Dua Tiam had served the Company for 58½ years and the Board for 28 years. Dato' J.D.C. Diamond had served the Board for 22 years.

The Chairman on behalf of the Board thanked Mr. Ho Dua Tiam and Dato' J.D.C. Diamond and wished to place on record our special thanks and appreciation for their dedicated and valuable service to the Board.

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.

Notice of Meeting

The Chairman proposed that the Notice given convening the meeting, be taken as read. The Chairman further advised that the Annual Report including the Audited Financial Statements for the financial year ended 31 December 2022 was laid in accordance with S 340 (1) (a) of the Companies Act 2016 for discussion only and did not require the approval of the shareholders. However, the Board shall be pleased to answer any questions that the shareholders may have on the Annual Report including the Audited Financial Statements during the Q & A session.

Q & A Session

The Chairman proceeded to start the meeting with the Q & A session first. Please refer to the Addendum on the proceeding of this session.

The Chairman after the Q & A session announced that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions shall be voted by poll. Dato' Chairman further announced that Boardroom Share Registrars had been appointed to handle the e-polling with SKY Corporate Service Sdn. Bhd (Scrutineer) 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: Final and Special Dividends for 2022

The Chairman proposed that the resolution “To consider the recommendation of the Directors and authorize the payment of a final single-tier dividend of 70sen and a special single-tier dividend of 30sen for the year ended 31 December 2022.”

The Chairman reported that the final dividend and the special dividend subject to the approval of shareholders will be paid on 17th May 2023.

The resolution was seconded by Shareholder Mr. Edwin Chew.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 100.00 %

Voted Against- 0.00 %

The Chairman declared the resolution carried.

RESOLUTION NO.2: Directors' Fees (Inclusive of Board Committees' fees) of RM1,630,397 for 2022

The Chairman proposed the resolution "THAT the Directors' fees (inclusive of Board Committees' fees) of RM1,630,397 for the financial year 2022 be approved for payment."

The resolution was seconded by Shareholder Mr.Barasarathi.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 99.9693 %

Voted Against- 0.0307%

The Chairman declared the resolution carried.

RESOLUTION NO.3: Directors' benefits (other than Directors' fees) of RM112,140 for 2022.

The Chairman proposed the resolution "THAT the Director's benefits (other than Director's fees) of RM112,140 for the financial year 2022 be approved for payment."

The resolution was seconded by Shareholder Mr. Thorairaj.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 98.9299 %

Voted Against- 1.0701 %

The Chairman declared the resolution carried.

The Chairman advised that since the next resolution involved him, he passed the Chairmanship to the Vice Chairman, Dato' Carl Bek-Nielsen

RESOLUTION NO.4: Re-elect Director, Ybhg. Dato' Mohamad Nasir bin Ab. Latif who retires by rotation pursuant to Article 107 of the Company's Constitution.

The Vice Chairman proposed the resolution "THAT Ybhg. Dato' Mohamad Nasir bin Ab Latif 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 Dato' J.D.C. Diamond.

The Vice Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Vice Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 87.4601%

Voted Against- 12.5399%

The Vice Chairman declared the resolution carried.

Dato' Carl Bek-Nielsen passed back the Chairmanship to the Chairman.

RESOLUTION NO.5: Re-elect Director, Madam Rohaya binti Mohammad Yusof who retires by rotation pursuant to Article 107 of the Company's Constitution.

The Chairman proposed the resolution "THAT Madam Rohaya binti Mohammad Yusof 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 Mr. Ho Dua Tiam.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 99.4835 %

Voted Against- 0.5165%

The Chairman declared the resolution carried.

RESOLUTION NO.6: Re-elect Director Mr.Yap Seng Chong who retires by rotation pursuant to Article 100 of the Company's Constitution.

The Chairman proposed the resolution "THAT Mr. Yap Seng Chong who retires by rotation pursuant to Article 100 of the Company's Constitution be re-elected to the Board."

The resolution was seconded by Shareholder Mr. R Nadarajan.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 99.9977 %

Voted Against- 0.0023 %

The Chairman declared the resolution carried.

RESOLUTION NO.7: Re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the year 2023 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 2023 and the Directors be authorized to fix their remuneration."

The resolution was seconded by Shareholder Dato' Carl Bek-Nielsen.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 99.9476%

Voted Against- 0.0524%

The Chairman declared the resolution carried.

Mr. Chong Tse Heng/ Mr. Tan Yi Hui of EY thanked the shareholders for their support.

RESOLUTION NO. 8: Proposed Continuation of Mr. R Nadarajan as Independent Non-Executive Director

The Chairman proposed the resolution “That Mr. R Nadarajan 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 Mr. Erwin Khor.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 83.6586%

Voted Against- 16.3414%

The Chairman declared the resolution carried.

RESOLUTION NO.9: 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 2022 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 employee's 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 2024 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 the 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 Mdm. Fang.

The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 99.9494%

Voted Against- 0.0506%

The Chairman declared the resolution carried.

RESOLUTION NO.10: 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 Sections 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 Ms. Kumara Vallie. The Chairman declared the polling for the resolution opened and the shareholders were given 15 seconds to vote.

The Chairman after the closing of the poll invited the Scrutineer to announce the result.

The Scrutineer announced the result of the poll as follows: -

Voted for- 87.0467%

Voted Against- 12.9533%

The Chairman declared the resolution carried.

Based on the announced results of the poll by the Scrutineer, the Chairman further 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 Company Secretary confirmed that the company did not receive any notice of any other business.

The Chairman declared the meeting closed.

The meeting terminated at 10.50 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 the Minority Shareholder Watch Group (MSWG) and other shareholders.

Questions from MSWG

Operational & Financial Matters

1. The Group continues to maintain a conservative policy in respect of its cash and cash equivalents, which as of 31 December 2022, stood at RM779 million (2021: RM478 million). (page 19 of AR2022)

(a) What is the Group's budgeted capital expenditure for the financial year ending 2023?

Answer: Mr. Martin Bek-Nielsen replied that the budgeted capital expenditures for Financial Year 2023 is RM91.73 million and this information is disclosed under Note 30, Capital Commitments on page 196 of our Annual Report.

(b) A total of 462 Ha was replanted with oil palm on the Group's Malaysian properties during 2022 compared to 1,535 Ha in 2021. (Page 19 of AR2022)

What is the Group's target replanting area for the financial year 2023 and what is the budgeted expenditure for replanting?

Answer: Mr. Martin Bek-Nielsen replied that the Group's targeted replanting for 2023 is 1,712 Ha and the budgeted expenditure is RM31.07 million.

2. In United Plantations, the Malaysian Estates also experienced enormous challenges unlike anything before as the total number of employees in the plantations trickled down from 4,148 field employees in January 2020 to 2,947 as at the 1 of August 2022, i.e. a reduction of 29% equal to 1,201 fewer field employees. However, with the reopening of the Malaysian borders in April 2022 the process of recruiting guest workers resumed. (Page 22 of AR2022).

How far off is the Group from addressing its labor needs?

Answer: Mr. Martin Bek-Nielsen replied that the Group has managed to bring in 993 guest workers in 2022 and additional guest workers are being recruited in 2023. Whilst United Plantations is comfortable with the number of workers in our Group, the main concern at this moment is the importance of upskilling these new guest workers as it takes time for them to attain a satisfactory productivity level.

3. Inventories written down amounted to RM7.5 million (2021: Nil). (Note 5, page 169 of AR2022)

What were the major inventories that were subjected to the writedown? Are the inventories written down still usable or saleable?

Answer: Mr. Martin Bek-Nielsen replied that the inventories write-down was a provision made on the raw material and finished goods at our refinery in accordance with the accounting policy. The inventories are still usable and saleable.

Corporate Governance Matters

4. Currently, the Board has a 18.2% representation of women, with two out of eleven directors being female.

On pages 38 & 39 of the Corporate Governance Report 2022, the Company states that it shall increase woman board representation as and when there is a vacancy as well as when suitable and qualified candidates are identified.

When does United Plantations target to achieve at least 30% female representation on the Board?

Answer: Mr. Martin Bek-Nielsen replied that the Board acknowledges the importance of gender diversity and shall increase woman board representation when there is a natural vacancy as well as when suitable and qualified candidates are identified.

Questions from Mr. Bhupinder Singh A/L Jeswant Singh

1. It is reported in the media that China is to help in the technological exploration in oil palm mechanisation in Malaysia to increase productivity & to reduce reliance on labour.

Please comment on this.

Answer: Dato' Carl Bek-Nielsen replied that we had to embrace mechanisation which was of vital importance to the economic viability of the Group. China was a great nation with brilliant minds and vast innovation. It was part of the solution to facilitate the wave of mechanisation. However, he did not have the details on this.

Dato' Carl Bek-Nielsen commented that the proof was in the pudding and highlighted that the mechanisation initiatives were taken by individual companies. UP could not declare victory and would continue to push forward innovation in this area.

2. UP has several downstream activities. How much do they contribute to UP's profitability?

Answer: Mr. Martin Bek-Nielsen replied that during 2022, the Downstream activities contributed RM153 million (as disclosed on page 19 of the annual report) or 25% of the net result. This was an extraordinary year for the downstream activities. The normal profit margin was 4% to 8% during a stable commodity price market.

3. You have reported severe Labour shortages in 2022.

How many more guest workers you need to completely alleviate the labour shortage problem? Are you satisfied with rate of new foreign labour flow into Malaysia in particular to UP.

Answer: Mr. Martin Bek-Nielsen replied that this was answered in an earlier question.

4. The year 2022 has been your best year in terms of record revenue, profits, dividend, & cash flows. Is all this sustainable with a slowdown of the global economy, inflation & high interest rates. More so that palm oil price now at RM 3597/MT (on 26/4/23) is at less than half of its peak price of RM7268/MT in Q2 last year.

Mr. Martin Bek-Nielsen replied that being in the plantation business production and prices are important. With lower prices profitability tends to reduce. However, other factors including value addition from the refineries, our forward sales policy, and contracted volumes as well as our cost base all play an important role in determining the final results. We shall monitor the situation closely and as this business is cyclical much can happen over the next 3 quarters of the year.

5. Which is more profitable a hectare of coconuts planted or a hectare of matured palm oil?

Answer: Dato' Carl Bek-Nielsen replied that would be dependent on the respective prices of the commodities. UP had many varieties of coconuts and he felt that this was a positive demonstration of the capabilities of the UP-Research Department which facilitated the production of high-yielding coconut and oil palm materials.

6. What is the position now on stocks of palm oil & climate change with expected high temperatures.

Mr. Martin Bek- Nielsen replied that current stocks of palm oil have been falling lately in line with the lower-than-expected production in Malaysia and Indonesia. We monitor climate change closely and are aware that certain countries are experiencing significant and unusual periods of high temperature. If this takes place in Malaysia and Indonesia in the form of an El-Nino, stocks of palm oil will likely reduce further as production will be impacted.

7. To what extent will forward sales done last year at high prices help in mitigating the profits now being affected by the current low spot prices?

Answer: Mr. Martin Bek-Nielsen replied that UP had forward sale policy to secure margin to ensure stable income. UP's average price achieved during rally would underperform the market, conversely, during a declining market, UP's average price achieved would outperform the market. The forward sales made were reported on page 201 of our annual report.

8. Finally thank you very much for the gratifying dividend of RM140 for 2022.

Questions from the floor

Question from Mr. Sik

1. Mr. Sik congratulated Dato' Carl Bek-Nielsen for being appointed as the Chairman of MPOC. Is there any plan by the Board within the next 3 to 5 years to have any land acquisition similar to the acquisition of Tanarata Estate in 2019?

Answer: Dato' Carl Bek-Nielsen replied that the Board is always on the lookout for opportunities including buying lands to create value for its shareholders. Dato' Carl Bek-Nielsen added that should there be any lands for sale, the Board would assess whether it would create value. However, there was nothing on the radar at the moment.

Questions from Mr. Michael Chin

1. In 2022, Refinery revenue average about 400 million plus per quarter, what is the average profit margin excluding hedging losses/gain, what I calculated is about 50 to 70 million profit per quarter before tax, about 10 to 20 pct margin, what has changed compared to previous years as margin used to be less than 10 pct, moving forward if CPO stabilises around 4000, what is the estimate range of refinery margin?

Answer: Mr. Martin Bek-Nielsen replied that the refining margin in 2022 was extraordinary and at a historical high. Normally, when the CPO price is high, the refining margin would be lower. The normal refining margin is in the range of 4% to 8%. However, this may vary depending on quality, sustainability, and type of fractions.

2. In Q3, Q4 2022 for refinery, we see recovery from hedging loss, do we still have delivery of finished goods that are produced with cheaper raw materials in early 2023?

Answer: Mr Martin Bek-Nielsen replied the refinery would see more expensive CPO in its production this year which is a reversal from last year. Mr Martin Bek-Nielsen further explained that the refinery unit facilitated forward sales for UP and these positions are hedged back-to-back enabling a reasonable margin for the refinery.

3. In 2022, How many metric tonnes of CPO contribution from Tanarata Estate?

Answer: Dato' Carl Bek-Nielsen replied that Tanarata Estate is fully replanted with tremendous efforts put in by the Group Manager, Tanarata Estate, and the Estate Director, Upriver. We expect more crops from this Estate in line with the replanting. A substantial area of UP lands are flat and beautiful enabling value addition for the benefit of shareholders. Dato' Carl Bek-Nielsen added that this is an excellent acquisition.

4. Do we have a seasonal quarter in a financial year that comes with higher impact of CPO production costs, if yes which quarter? In 2022, Cost of CPO in Malaysia is 1600, much higher than in previous years, what is the target we set for 2023 as the fertiliser prices have eased?

Answer: Dato' Carl Bek-Nielsen replied that the cost of production in 2022 had indeed gone through the roof mainly because of a 70% increase in fertiliser prices. Fertiliser prices had since eased somewhat in 2023 and this should result in lower cost of production. However, it would take time to see the positive impact. Dato' Carl Bek-Nielsen suggested to Mr. Michael to look at the cost of production of other plantation companies and he believed that UP should be the lowest-cost producer.

5. Why in March 2023, CPO output was 17k metric tonnes versus 22k metric tonnes in March 2022, dropped by about 20%? What is the outlook of the CPO output for 2023 versus 2022?

Answer: Dato' Carl Bek-Nielsen replied that the palms after producing bumper crops for two years in 2021 and 2022 had entered the biological resting phase and this was exacerbated by stress on the palms due to prolonged rainy season and flooding resulted in lower production in Q1 2023.

Question from Mr. Devanesan Evanson

1. Mr. Devanesan congratulated the Company for the good results in 2022 and thanked Mr Martin Bek-Nielsen for the answers to the questions from MSWG. Mr. Devanesan sought further clarification on the nature of the RM7.5 million inventories written down.

Answer: The Company Secretary replied that the RM7.5 million inventories written down was a provision based on lower of cost or net realisable value.