

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

**MINUTES OF THE NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD  
AT THE KINABALU ROOM, GROUND FLOOR, MENARA HAP SENG, JALAN P.  
RAMLEE, 50250 KUALA LUMPUR ON WEDNESDAY, 18 MAY 2016 AT 2PM**

Present:                                 **DIRECTORS**  
Tan Sri Ahmad Mohd Don (Non-Executive Chairman)  
Datuk Edward Lee Ming Foo (Managing Director)  
Mr Lee Wee Yong  
Ms Cheah Yee Leng  
Mr Au Yong Siew Fah  
Tan Sri Abdul Hamid Egoh  
Tuan Haji Mohd Aris @ Nik Ariff Bin Nik Hassan  
Datuk Amat Asri @ A.Asrie B.Ab Kadir @ A.Kadir

Absent with Apologies:     Datuk Simon Shim Kong Yip (Non-Executive Deputy Chairman)  
Dato' Jorgen Bornhoft  
Mr Wong Yuen Kuai, Lucien

In Attendance:                         Ms Lim Guan Nee

Members:                                 137 members as per attendance sheet

Proxies:                                 64 proxies as per attendance sheet

Corporate Representatives: 1 corporate representative as per attendance sheet

By Invitation:                         Mr Lee Hean Kok - representing Messrs KPMG  
Mr Daniel Teo – representing Messrs KPMG

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**QUORUM**

The chairman welcomed all members present at the meeting. Before calling the meeting to order, the chairman informed that Datuk Simon Shim Kong Yip, Dato' Jorgen Bornhoft and Mr Wong Yuen Kuai, Lucien had sent their apologies for not being able to attend the meeting.

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

**NOTICE**

The notice convening the meeting was taken as read.

The chairman informed the meeting that pursuant to the Malaysian Code on Corporate Governance 2012, shareholders or proxies were entitled to request that a resolution or resolutions be voted on by poll before or upon the declaration of result by show of hands.

The chairman further informed the meeting that he would read out the proxies and corporate representatives voting summary of each resolution before it was put to a vote.

**1. TO TABLE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The chairman invited questions from the floor and all questions were adequately dealt with. A copy of the questions raised by the Minority Shareholder Watchdog Group together with the answers thereto is enclosed herewith as Appendix A.

**2. TO REAPPOINT TAN SRI ABDUL HAMID EGOH AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH SECTION 129(6) OF THE COMPANIES ACT, 1965**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 1 as follows:-

For	Against	Discretion	Abstain
433,852,300	127,800	122,125,903	46,248,500

Thereafter, the chairman proceeded with the following proposed resolution 1:-

“**THAT** Tan Sri Abdul Hamid Egoh who is retiring in accordance with section 129(6) of the Companies Act, 1965, be and is hereby reappointed as director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”

Mr Wan Heng Wah proposed for the above resolution to be approved and the same was seconded by Puan Ainahwati Abd Sani.

The chairman put the motion to a vote by show of hands and this resolution 1 was carried accordingly.

**3. TO REAPPOINT DATO' JORGEN BORNHOFT AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH SECTION 129(6) OF THE COMPANIES ACT, 1965**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 2 as follows:-

For	Against	Discretion	Abstain
480,228,600	0	122,125,903	0

Thereafter, the chairman proceeded with the following proposed resolution 2:-

“**THAT** Dato’ Jorgen Bornhoft who is retiring in accordance with section 129(6) of the Companies Act, 1965, be and is hereby reappointed as director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”

Mr Wan Heng Wah 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 show of hands and this resolution 2 was carried accordingly.

**4. TO REAPPOINT TUAN HAJI MOHD ARIS @ NIK ARIFF BIN NIK HASSAN AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH SECTION 129(6) OF THE COMPANIES ACT, 1965**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 3 as follows:-

For	Against	Discretion	Abstain
480,226,600	2,000	122,125,903	0

Thereafter, the chairman proceeded with the following proposed resolution 3:-

“**THAT** Tuan Haji Mohd Aris @ Nik Ariff Bin Nik Hassan who is retiring in accordance with section 129(6) of the Companies Act, 1965, be and is hereby reappointed as director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”

Encik Abdul Rahman Bin Yeop proposed for the above resolution to be approved and the same was seconded by Mr Phang Ah Kow.

The chairman put the motion to a vote by show of hands and this resolution 3 was carried accordingly.

**5. TO RE-ELECT TAN SRI AHMAD BIN MOHD DON WHO RETIRES AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 112 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Upon invitation of the chair, Datuk Edward Lee Ming Foo informed the meeting of the proxies and corporate representatives voting position of this resolution 4 as follows:-

For	Against	Discretion	Abstain
480,102,800	125,800	122,125,903	0

Thereafter, Datuk Edward Lee Ming Foo facilitated the passing of the following proposed resolution 4:-

“**THAT** Tan Sri Ahmad Bin Mohd Don who is retiring as director pursuant to article 112 of the Company’s articles of association be hereby re-elected to serve on the board of directors of the Company.”

Mr Phang Ah Kow proposed for the above resolution to be approved and the same was seconded by Mr Wan Heng Wah.

Datuk Edward Lee Ming Foo put the motion to a vote by show of hands and this resolution 4 was carried accordingly.

**6. TO RE-ELECT DATUK SIMON SHIM KONG YIP WHO RETIRES AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 112 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 5 as follows:-

For	Against	Discretion	Abstain
480,102,800	125,800	122,125,903	0

Thereafter, the chairman proceeded with the following proposed resolution 5:-

“**THAT** Datuk Simon Shim Kong Yip who is retiring as director pursuant to article 112 of the Company’s articles of association be hereby re-elected to serve on the board of directors of the Company.”

Mr Wan Heng Wah 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 show of hands and this resolution 5 was carried accordingly.

**7. TO RE-ELECT MS CHEAH YEE LENG WHO RETIRES AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 118 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 6 as follows:-

For	Against	Discretion	Abstain
480,118,200	110,400	122,125,903	0

Thereafter, the chairman proceeded with the following proposed resolution 6:-

“**THAT** Ms Cheah Yee Leng who is retiring as director pursuant to article 118 of the Company’s articles of association be hereby re-elected to serve on the board of directors of the Company.”

Mr Phang Ah Kow proposed for the above resolution to be approved and the same was seconded by Ms Chin Siao Ching.

The chairman put the motion to a vote by show of hands and this resolution 6 was carried accordingly.

**8. TO APPROVE THE PAYMENT OF DIRECTORS’ FEES OF THE COMPANY AMOUNTING TO RM547,096.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 7 as follows:-

For	Against	Discretion	Abstain
480,228,600	0	122,125,903	0

Thereafter, the chairman proceeded with the following proposed resolution 7:-

“**THAT** the payment of directors’ fees of the Company amounting to RM547,096.00 for the financial year ended 31 December 2015, be and is hereby approved.”

Mr Phang Ah Kow proposed for the above resolution to be approved and the same was seconded by Mr Wan Heng Wah.

The chairman put the motion to a vote by show of hands and this resolution 7 was carried accordingly.

**9. TO REAPPOINT MESSRS KPMG 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 informed the meeting of the proxies and corporate representatives voting position of this resolution 8 as follows:-

For	Against	Discretion	Abstain
480,229,300	0	122,125,203	0

Thereafter, the chairman proceeded with the following proposed resolution 8:-

“**THAT** Messrs KPMG 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.”

Ms Tan Phek Quan 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 show of hands and this resolution 8 was carried accordingly.

**SPECIAL BUSINESS:-**

**10. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

The chairman explained that the special business for the meeting was to consider and if thought fit, to authorise the directors to allot and issue shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company.

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 9 as follows:-

For	Against	Discretion	Abstain
433,980,400	0	122,125,603	46,248,500

Thereafter, the chairman proceeded with the following proposed resolution 9:-

“**THAT** the directors of the Company be and are hereby empowered pursuant to section 132D of the Companies Act, 1965 to allot and issue shares in the Company up to an amount not exceeding 10% of the issued and paid-up share capital of the Company and such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”

Mr Phang Ah Kow proposed for the above resolution to be approved and the same was seconded by Puan Ainahwati Abd Sani.

The chairman put the motion to a vote by show of hands and this resolution 9 was carried accordingly.

## **CONTINUATION OF INDEPENDENT NON-EXECUTIVE CHAIRMAN/DIRECTORS**

Tan Sri Ahmad Bin Mohd Don informed the meeting that Dato' Jorgen Bornhoft, Mr Wong Yuen Kuai, Lucien and himself have served as the independent non-executive directors and chairman of the Company for a cumulative term of almost 9 years. The Malaysian Code on Corporate Governance 2012 recommends that shareholders' approval be sought at the nearest annual general meeting before a director reaches his 9 years' term with good justifications, in the event the company wishes to retain such director as an independent director.

Upon invitation of the chair, Datuk Edward Lee Ming Foo informed the meeting that Tan Sri Ahmad Bin Mohd Don, Dato' Jorgen Bornhoft and Mr Wong Yuen Kuai, Lucien have continued to execute their functions with impartiality and manifest a strong element of independence in the discharge of their fiduciary duties in the best interest of the Company. In addition, they are in compliance with all criterion as set out in the Listing Requirements.

### **11. CONTINUATION OF TAN SRI AHMAD BIN MOHD DON AS THE INDEPENDENT NON-EXECUTIVE CHAIRMAN**

Datuk Edward Lee Ming Foo informed the meeting of the proxies and corporate representatives voting position of this resolution 10 as follows:-

For	Against	Discretion	Abstain
480,226,200	2,000	122,126,303	0

Thereafter, Datuk Edward Lee Ming Foo facilitated the passing of the following proposed resolution 10:-

“**THAT** Tan Sri Ahmad Bin Mohd Don be and is hereby authorised to continue in office as the independent non-executive chairman of the Company until the conclusion of the next annual general meeting”

Mr Wan Heng Wah proposed for the above resolution to be approved and the same was seconded by Mr S P Krishnappan A/L Subramanian Chettiar.

Datuk Edward Lee Ming Foo put the motion to a vote by show of hands and this resolution 10 was carried accordingly.

### **12. CONTINUATION OF DATO' JORGEN BORNHOFT AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 11 as follows:-

For	Against	Discretion	Abstain
480,228,200	0	122,126,303	0

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 11 as follows:-

“**THAT** Dato’ Jorgen Bornhoft 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 Wan Heng Wah proposed for the above resolution to be approved and the same was seconded by Mr Phang Ah Kow.

The chairman put the motion to a vote by show of hands and this resolution 11 was carried accordingly.

**13. CONTINUATION OF MR WONG YUEN KUAI, LUCIEN AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 12 as follows:-

For	Against	Abstain	Discretion
480,228,200	0	122,126,303	0

The chairman informed the meeting of the proxies and corporate representatives voting position of this resolution 12 as follows:-


“**THAT** Mr. Wong Yuen Kuai, Lucien 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 Phang Ah Kow proposed for the above resolution to be approved and the same was seconded by Mr Wan Heng Wah.

The chairman put the motion to a vote by show of hands and this resolution 12 was carried accordingly.

**CONCLUSION**

There being no other business, the meeting concluded at 3.15 pm with a vote of thanks to the chairman.

  
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**CHAIRMAN**  
Kuala Lumpur



**Queries from Minority Shareholder Watchdog Group**  
Letter dated 12 May 2016

**STRAGETEGY/FINANCIALS**

1. Q: **As reported in Note 23 of the Annual Report on Litigation Matters, both KL RESB and KK Suit involving a land in the District of Kinabatangan, Sabah, measuring approximately 6,454 acres, are currently still pending court decision.**

- (a) **What was the accumulated legal fees incurred to-date and the amount expected to be incurred in the coming years? Was the expected amount provided in the accounts for FY2015?**

A: *At as 30 April 2016, Hap Seng Plantations (River Estates) Snd Bhd (RESB) has paid a total sum of RM501,124.38 as legal fees for both the KL RESB Suit and KK Suit.*

*RESB has not provided for any estimated legal fees in the accounts for FY2015 as the legal fees to be billed are very much dependent on the time, complexity and seniority of the legal counsels involved in handling the cases.*

1. Q: (b) **Is the land involved forms part of the planted area reported on Page 18 of the Annual Report? Would the pending court case causing any operating hassles to the Company?**

A: *Yes, the land involved forms part of the planted areas reported on Page 18 of the Annual Report. The pending court case has not caused any operational disruption to date.*

1. Q: (c) **Despite that the Company has been advised by its solicitors that the Company has a good ground to succeed in both cases, could the Board share with the shareholders on the likely financial impact on the Group in case the decision is not in favour of the Company?**

A: *As the land is the subject matter of two on-going civil legal proceedings and upon the legal advice that RESB has good grounds to succeed in both cases, it is not in the interest of the Company at this juncture to assess or disclose the likely financial impact in the event of unfavourable court decisions.*

**Queries from Minority Shareholder Watchdog Group**

Letter dated 12 May 2016

2. Q: Despite that lower revenue recorded in FY2015, the trade receivables as at 31 December 2015 increased by 108% against the amount as at 31 December 2014.

(a) What was the reason for the substantial increase in trade receivables for FY2015?

A: The increase in the trade receivables for FY2015 was due to the CPO delivery to a customer at year end of RM4.2 million.

2. Q: (b) What is the credit term for trade debtors?

A: The credit term for trade debtors is cash on delivery. In practice, the trade debtors generally settle the outstanding balances in the next 14 working days.

2. Q: (c) What was the total amount collected to-date?

A: The trade receivables as at 31 December 2015 at RM8.2 million has been fully settled in January 2016.

3. Q: As disclosed in Note 5 to the Financial Statements, the auditors' report of two subsidiaries, Pelipikan Plantation Sdn Bhd (PPSB) and Hap Seng Plantations (Kota Marudu) Sdn Bhd (Kota Marudu), contains an "emphasis of matter on going concern". We noted that this is the second consecutive year for Auditors to expressed the same opinion on PPSB. Since FY2013, these subsidiaries had been dependent on the continuing financial support from the Company.

(a) How long would these subsidiaries expected to be able to operate without financial support from the Company and what were the measures taken by the Board to assist them to be self-sustained?

A: Kota Marudu and PPSB are expected to be profitable in year 2019 and year 2020 respectively. The Board will ensure that continuous efforts are placed to improve fresh fruit bunches yield and keeping costs low to improve their profitability.

3. Q: (b) What was the amount due from these two subsidiaries included in the "Amount due from subsidiaries" disclosed in Note 7 to the Financial Statement?

A:

	2015 RM'000
Amount due from subsidiaries	
- PPSB	12,676
- Kota Marudu	2,934
	<hr/> 15,610

**Queries from Minority Shareholder Watchdog Group**  
Letter dated 12 May 2016

**CORPORATE GOVERNANCE**

- 1    **Q:**    The recent amendments to Chapter 9, paragraph 9.21(2) of the Main market Listing Requirements requires companies to publish the summary of key matters discussed at the AGMs onto the companies' website for AGMs held on or after 1 July 2016. In line with this, we hope the Board would publish the summary of proceedings for this AGM on the Company's website.
- A:*    The Company will, as soon as practicable, comply with the recent amendments to the Main Market Listing Requirements by publishing the summary of the key matters in the Company's website.