

109th ANNUAL GENERAL MEETING

Answers to Questions Submitted by Shareholders

No.	Question	Answer
<u>Financial Matters</u>		
1.	<p>The total borrowings of BPB Group amounted to RM1.014 billion as at 31 December 2021.</p> <p>(1) Has there been any repayment of borrowings from the proceeds of the recent sale and lease exercises?</p> <p>(2) As most of the borrowings are on floating rates, what are the measure taken by management to mitigate the expected increase in finance cost due to interest rate hikes in the next 1-2 years?</p>	<p>The proceeds of the recent sale and lease exercise were used to pare down our borrowings.</p> <p>Management is constantly monitoring borrowings position and ensure rate is competitive and will reduce/pay off the loan where possible.</p>
2.	<p>Recently, it was announce that the Company has sealed a green financing agreement with China Construction Bank (M) Bhd. Can the company verify whether this financing is to replace any existing borrowings that is currently in the Company's financial statement or the said financing is an addition to the existing borrowings that is currently in the Company's financial?</p>	<p>The green financing facility from CCB is a 7-year Term Loan to part finance our replanting exercise. This additional RM 45mil facility is in addition to our existing facility.</p>
<u>Operational Matters</u>		
1.	<p>1. FFB production FY2021 was down by 8%. Production YTD May is down 1%. What do you expect the full year 2022 to be ?</p> <p>2. What was Cost of production pmt CPO in 2021? What is expected in 2022?</p> <p>3. What is the progress of Sarawak estates' disposal ?</p>	<p>1. For FY2022, we are expecting the production to be the same level as FY2021.</p> <p>2. For FY2021, with FFB production of 923,471 MT, our all-in cost of production was RM2,580 per MT of CPO. We expect the cost to increase due to minimum wage requirement and fertilizer cost.</p> <p>3. Currently we are undertaking the sale process of Sarawak by appointing the relevant advisors for the said transaction. We will make</p>

	4. Is there plan to further monetize some parcels of high value land with development value to fully repay debts ?	the necessary announcement upon finalization of the said disposal as required by the Main Market Listing Requirements. 4. For FY2022, we plan to dispose our Sarawak Assets.
2.	The Sabah operations average FFB yield dropped to 13.1 MT per ha in FY2021 from 14.2 MT per ha in FY2020. (1) What are reason(s) for the poor performance in Sabah despite rehabilitation efforts in the past few years. The yield is very poor compared to other listed plantations firms in Sabah. (2) What is the targeted FFB yield set for the Management in Sabah in the 5-Years Strategic Roadmap?	The drop in the yield by 8% mainly due to adverse weather condition and labour shortage and impact of fertilizer reduction in 2018 & 2019. 48% of our 39,000 planted hectares in Sabah are past prime with average age above 20 years. To ensure sustainable growth, we continued with our 25-Year Replanting Programme (RP25) and Plantation Performance Improvement Program to increase productivity and optimize cost.
3.	any disposal of lands in 2022 if yes pls brief us the shareholders board any ideas to give us bonus shares or free warrants	We have disposed Kulai Young Estate which was completed in the first quarter of FY2022. Proceeds from the disposal was used partly to pare down our borrowings.
4.	Will the management purchase any new lands for Plantation purposes?	One of the key focus areas under our rebalancing of asset strategy is to acquire new land where the age profile is around 9-16 years old (prime age). We continue to engage with the relevant parties and will make the necessary announcement if successful.
5.	BPB completed the sale of 663.98 hectares of Kulai Young estates on 27 January 2022. (1) Properties of the Group listing on page 255 of the AR shows Kulai Young Estate - 670.6 hectares. Is this the balance of hectare AFTER the sale of the 663.98 hectares? (2) Will there be a revaluation of value of this estate as the book value is substantially lower than the value obtained from the earlier sale.	We have disposed Kulai Young Estate entirely in Q1 FY2022.
6.	BPB's major shareholder, Boustead Holdings Berhad is currently	The surrounding area of Balau Estate has been developed into township and Boustead Property, subsidiary of Boustead Holdings

	<p>developing Mutiara Hills in Semenyih, Selangor.</p> <p>(1) Is Balau Estate in Semenyih located adjacent to the Mutiara Hills development?</p> <p>(2) What is the near term plans for Balau Estate as its location is ripe for property development and close to the University of Nottingham Malaysia campus?</p>	<p>Berhad, has developed part of the area known as Mutiara Hills Project.</p> <p>The remaining area of Balau Estate is no longer operates as an oil palm estate but has been projected as next phase of Mutiara Hills Project.</p>
7.	<p>How the company is going to resolve the workers shortage problem?</p>	<p>We have embarked into Plantation Performance Improvement Program initiatives and we have undertaken intensive approach in implementation of mechanisation for all level from field upkeep, harvesting and crop evacuation.</p>
8.	<p>Can the Board/Management provide more details on the land lease arrangement with NGOSB for the Telok Sengat Estate:</p> <p>(1) How much is the lease amount payable to BPB Group annually and how much has been received?</p> <p>(2) The tenure of the lease and what happens after the lease expires.</p>	<p>The land lease agreement with NGOSB was signed on 10 September 2021 as per the announcement.</p> <p>The lease payment will only be payable to us after the effective commencement date next year, after the fulfilment of the condition precedents.</p> <p>The lease duration is for 30 years. The land will be reverted back to us upon the expiry of the lease.</p>
9.	<p>Our estates in Sarawak have been underperforming due to various unresolved longstanding issues. Suggest that the Board of Directors consider disposing the estates and devote our resources to Sabah and West Malaysia.</p>	<p>Currently we are undertaking the sale process of Sarawak by appointing the relevant advisors for the said transaction. We will make the necessary announcement upon finalization of the said disposal as required by the Main Market Listing Requirements.</p>
10.	<p>Are you selling CPO on forward or spot price? If forward, how many per cent?</p>	<p>BPB do practice forward sell, but our strategy is short period of forward sell.</p> <p>We take advantage of this forward sell but not the same as other companies.</p> <p>To capture the most optimum level of price at the time we mainly focus on our long-term contract (with refinery as we are selling certified oil, as if we don't enter commitment with them, BPB will be facing difficulty to do spot sell basis with them).</p> <p>It is the industry standard, where plantation players sell based on MPOB average and BPB aims to make profit from premium.</p>

		<p>BPB's strategy is to create more premium oil on top of RSPO premium.</p> <p>In short, our long-term contract is based on agreed volume as per MPOB monthly average price and RSPO premium.</p>
11.	<p>Avg yield of 13.3 mt/ha is well below the standard of national average. What's the program to improve this area?</p>	<p>We had formulated a Plantations Performance Improvement Program (PPIP) in year 2019, primarily aimed to increase yield performance. The key focus areas include accelerated replanting, increased mechanisation, acquisition of oil palm estate with prime age and new technology on tall palm harvesting.</p>
12.	<p>BPB's monthly announcement to Bursa Malaysia only reported the FFB harvested. Please also disclose the volume of CPO (in MT) produced by BPB mills to be in line with similar disclosure made by other listed plantation companies on Bursa. Thank you</p>	<p>We will take the suggestion under consideration.</p>
13.	<p>What is your replanting policy?</p>	<p>Our replanting prioritizes on field accessibility, low yield, tall palm age trees of more than 24 years.</p> <p>We have Replanting Programme (RP 25) with targeted minimum replanting of 7% per annum of total planted area.</p>
14.	<p>What is the status of the lease for the algae plant project and when it is expected to be completed with the lease income?</p>	<p>The land lease agreement with NGOSB was signed on 10 September 2021 as per the announcement.</p> <p>The lease payment will only be payable to us after the effective commencement date next year, after the fulfilment of the condition precedents.</p> <p>The lease duration is for 30 years. The land will be reverted back to us upon the expiry of the lease.</p>
15.	<p>To what extent is our harvest and profitability affected by the shortage of labour and the minimum wage requirements? Also the decline in profitability per tonne of oil yield due to increased cost of materials like fertilisers and fuel, etc?</p> <p>How long will the record palm oil prices remain High and our outlook going forward?</p>	<p>Definitely there is an increase in overall cost of production due to minimum wage and fertiliser cost.</p> <p>In terms of cost per tonne, the minimum wage is an additional RM200.</p> <p>CPO price is subject to fluctuation based on commodity trading. Our focus is on the efficiency of management and productivity. Therefore, maintaining a reasonable and sustainable margin is an utmost priority.</p>

16.	Appreciate if the company can brief on the disposal strategy on plantation assets and the current status	As part of our Rebalancing of Assets where we have 48% of our Age Profile which is above Prime Age, we will dispose Sarawak Assets and buy new estates with age ranging between 9 to 16 years.
17.	Is company planning any more land sales in the next 12 months?	Moving forward, we will not explore further on other land for disposal. However, serious considerations would be given to increase our land bank by exploring brown field.
18.	How do u see trend of palm oil price?	CPO price is subject to fluctuation based on commodity trading. Our focus is on the efficiency of management and productivity. Therefore, maintaining a reasonable and sustainable margin is an utmost priority.

Board Composition

1.	Question to Datuk Haji Abdul Ghani, Can you tell us what values you are able to bring to the company as a ex teacher and special officer?	As an ex Special Officer, Datuk Abdul Ghani is able to advise the Company on matters relating to government policies and assist the Company to maintain strong relationship with the Government.
2.	Mr Izaddeen Daud only attended 8 meeting instead of 10 meeting. Why?	En Izaddeen Daud is absent from the meeting to attend to other engagement. By attending 8 out of 10 board meeting, which is 80% of the board meeting, he adheres to the requirement under the Board Charter that each Director shall attend physically at least 50% of the total Board meetings held during the year.

AGM Administrative Matters

1.	(1) How much does our Company spend to hold this virtual AGM plus remote participation & voting (RPV)? (2) Could the Management of our Company be kind enough to give away e-/meal vouchers to the event participants (particularly grateful to help minority shareholders to make their respective two ends to meet after the prolonged pandemics lock-down & the new norms they have to adapt to)?	As mentioned in the Integrated Report, the broadcast venue for the virtual AGM was at the Royale Chulan Damansara Hotel. The Company paid a normal rental rate for the rental of the boardroom and the remote participation and voting system. In addition to that, there was various administrative expenditure related to the AGM that had been incurred. The company would prefer not to pay any voucher or door gift, and would rather reward our shareholders with dividends as stated in our dividend policy.
2.	will we revert to physical agm next year?	We have now entered into endemic phase and we will see how is the situation in the future.

3.	Please send me a print copy of the latest annual report, tq	In the interest of sustainability, we would prefer that you peruse the soft copies of the Annual Report available from BPB and Bursa website. However, should you require the hard copy, you may contact our Investor Relations or Company Secretary for a copy.
Other Matters		
1.	With the high price of CPO and profit coming quarters what will be expected dividend per share declare? Is the Company dividend policy is 60% of profit?	<p>As stated in the Company's Dividend Policy, we remain committed to adopt a dividend payout ratio of at least 60% of the Company's audited profit after taxation and zakat.</p> <p>However, distribution for FY2022 will depend on the Group's profitability and cash flow position.</p>
2.	<p>Those directors attending today are they given allowances?</p> <p>In due of labour shortage what happen to your project initiative which ask retire arm forces personnel to assist on this matter?</p> <p>How old is your fresh fruit brunch? Any replanting on this matter?</p> <p>How much percentage of R&D to optimize the labour shortage? Need to upskill the staff?</p>	<p>Directors' fees are as approved at the AGM. Collaborating with Yayasan LTAT and Jabatan Hal Ehwal Veteran, we launched the Boustead Green Army with the objective of enabling retired army personnel to take up jobs in our estates.</p> <p>Our palm age profile is currently skewed towards older palms. 48% of our age profile is under the category of past prime which is more than 21 years. This is mainly contributed by the palm age profile of our Sarawak and Sabah estates. The company plan to dispose Sarawak Assets and performed accelerated replanting for Sabah Estates.</p> <p>Less than 2% of revenue is being budgeted for technology and research. Staff upskilling is an ongoing and constant process at BPB.</p>