

## **BOUSTEAD PLANTATIONS BERHAD**

Summary of Key Matters Discussed at the  
109<sup>th</sup> Annual General Meeting of Boustead Plantations Berhad (Boustead Plantations or the  
Company) Conducted Entirely Through Live Streaming from the  
Broadcast Venue at Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810  
Petaling Jaya, Selangor and through Live Streaming from TIH Online at <https://tiih.online>  
Malaysia on Tuesday, 14 June 2022 AT 9.30 A.M.

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### **PRESENT**

- |    |               |   |                             |
|----|---------------|---|-----------------------------|
| 1. | Shareholders  | - | As per the Attendance List. |
| 2. | Proxy Holders | - | As per the Attendance List. |

### **DIRECTORS PRESENT AT BROADCAST VENUE:**

- |    |  |   |  |
|----|--|---|--|
| 1. | YB. Dato' Haji Ismail Haji Lasim                             | - | Chairman/ Independent Non-Executive Director |
| 2. | YBhg. Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P. | - | Independent Non-Executive Director           |
| 3. | YBhg. Tan Sri Dato' Wira Aziah Ali                           | - | Independent Non-Executive Director           |
| 4. | (Dr.) Salihin Abang  | - | Independent Non-Executive Director           |
| 5. | Encik Fahmy Ismail   | - | Non-Independent Non-Executive Director       |
| 6. | Encik Ahmad Shahredzuan Mohd Shariff                         | - | Non-Independent Non-Executive Director       |
| 7. | YBhg. Datuk Haji Abdul Ghani Abdul Rashid                    | - | Independent Non-Executive Director           |

### **DIRECTORS PRESENT VIRTUALLY:**

- |    |                     |   |  |
|----|---------------------|---|--|
| 1. | Encik Izaddeen Daud | - | Non-Independent Non-Executive Director |
|----|---------------------|---|--|

### **ABSENT WITH APOLOGIES**

- |    |   |   |  |
|----|---|---|--|
| 1. | YBhg. Datuk Haji Shah Headan Ayoob Hussain Shah | - | Non-Independent Non-Executive Director |
| 2. | YH Dato' Indera Haji Mustaffar Haji Ab Hamid    | - | Independent Non-Executive Director     |
| 3. | YBhg. Datuk Mustapa Kamal Mohd Yusoff           | - | Independent Non-Executive Director     |

## **MANAGEMENT PRESENT AT BROADCAST VENUE**

- |    |                                |   |                         |
|----|--------------------------------|---|-------------------------|
| 1. | Encik Zainal Abidin Shariff    | - | Chief Executive Officer |
| 2. | Encik Mohamad Mahazir Mustaffa | - | Chief Financial Officer |
| 3. | Puan Juniza Azizan             | - | Company Secretary       |

## **IN ATTENDANCE (VIRTUAL)**

- |    |                    |   |  |
|----|--------------------|---|--|
| 1. | Mr. Hoh Yoon Hoong | - | Representing External Auditors, Ernst & Young PLT (EY) |
|----|--------------------|---|--|

### **1.0 109<sup>th</sup> Annual General Meeting Proceedings**

The 109<sup>th</sup> Annual General Meeting (AGM) was conducted virtually in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. This Guidance as well as the Malaysian Code of Corporate Governance encourage listed issuers to leverage on technology to conduct their general meetings.

### **2.0 Opening Address by Chairman**

The Chairman, YB. Dato' Haji Ismail Haji Lasim welcomed all members to the 109<sup>th</sup> AGM of the Company.

The Chairman proceeded to present his opening remarks. He briefed on the Company's reinvention plan, as follows:

- a) Reinventing Boustead Plantations.
- b) Financial Performance
  - The Group was able to deliver a record-high revenue – crossing the RM1 billion mark for the first time since the Group's relisting on Bursa Malaysia in 2014.
  - Profit before taxation and zakat was higher at RM345 million in contrast of RM83 million in the previous year on the back of an improved revenue of RM1.1 billion.
  - Total of 8.35 sen dividend were paid for the financial year ended 31 December 2021
- c) Outlook

The Chairman then invited the Chief Executive Officer (CEO), Encik Zainal Abidin Shariff to brief the meeting on the performance of the Company for the financial year ended 31 December 2021 (FYE 2021) and the Group's performance and plans ahead.

### 3.0 Presentation by the Chief Executive Officer

The Chief Executive Officer briefed on the financial performance of BPB and its group of companies (Group) for the financial year ended 31 December 2021.

#### Financial Highlights

For the year 2021, the Group recorded a revenue of RM1.1 billion, which marks a significant 38% increase from the RM763 million achieved in 2020. The Group recorded profit before tax and zakat of RM345 million, which was 316% higher than RM83 million recorded in 2020.

As a result of the good performance, the Group's earnings per share increased from 1.9 sen in 2020 to 10.77 sen while net dividend per share increased from 1.0 sen to 8.35 sen.

The presentation slides also covered explanation on the following areas:

- Financial, Business and Sustainability Highlights;
- Certifications and Awards;
- Value Creating Business Model;
- Sustainability; and
- Key Achievements in 2021.

### 4.0 Questions raised by Shareholders

A copy of the question and answer discussed is annexed hereto as **Appendix A**.

### 5.0 Resolution Passed

Based on the polling results, all resolutions were passed by shareholders as follows:

NO	RESOLUTIONS	VOTE FOR		VOTE AGAINST		RESULTS
		NO OF SHARES	%	NO OF SHARES	%	
1.	Ordinary Resolution 1 Re-election of Dato' Haji Ismail Haji Lasim	1,554,108,741	99.58	6,596,889	0.42	Carried
2.	Ordinary Resolution 2 Re-election of Tan Sri Dato' Wira Aziah Ali	1,555,995,021	99.86	2,123,209	0.14	Carried
3.	Ordinary Resolution 3 Re-election of Datuk Haji Shah Headan Ayoob Hussain Shah	0	0	0	0	Withdrawn
4.	Ordinary Resolution 4 Re-election of (Dr.) Salihin Abang	1,556,411,391	99.89	1,702,589	0.11	Carried
5.	Ordinary Resolution 5 Re-election of Datuk Mustapa Kamal Mohd Yusoff	0	0	0	0	Withdrawn
6.	Ordinary Resolution 6 Re-election of Datuk Haji Abdul Ghani Abdul Rashid	1,556,868,411	99.92	1,246,569	0.08	Carried

NO	RESOLUTIONS	VOTE FOR		VOTE AGAINST		RESULTS
		NO OF SHARES	%	NO OF SHARES	%	
7.	Ordinary Resolution 7 Payment of Directors' fees, meeting allowances and other benefits from 15 June 2022 until the conclusion of the next AGM of the Company	1,559,522,625	99.94	1,000,381	0.06	Carried
8.	Ordinary Resolution 8 Re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company	1,558,521,862	99.86	2,123,114	0.14	Carried
9.	Ordinary Resolution 9 Authority to Directors to Allot and Issue Ordinary Shares	1,556,859,690	99.75	3,870,286	0.25	Carried
10.	Ordinary Resolution 10 Renewal of Shareholders' Mandate for Recurrent Related Party Transaction	37,110,523	99.22	292,153	0.78	Carried
11.	Ordinary Resolution 10 Additional Shareholders' Mandate for Recurrent Related Party Transaction	37,077,803	99.22	288,207	0.77	Carried

Based on the aforesaid results, the Chairman declared all the Ordinary Resolutions as set out in the Notice of the 109<sup>th</sup> AGM of the Company dated 29 April 2022 were duly passed by the shareholders, except for Resolution 3 and Resolution 5 which were withdrawn.

In this respect, Datuk Haji Shah Headan Ayoob Hussain Shah and Datuk Mustapa Kamal Mohd Yusoff had withdrawn their offer for re-election at the AGM of the Company. At the close of the AGM of the Company, Datuk Haji Shah Headan and Datuk Mustapa Kamal retired from office as Directors of the Company.

## 6.0 Record of Appreciation

On behalf of the Board, the Chairman placed on record the Board's appreciation to YBhg. Dato' Mohzani Abdul Wahab, YBhg. Dato' Ahmad Rizal Abdul Rahman, Tuan Ir. Abdul Aziz Julkarnain, YBhg. Datuk Haji Shah Headan Ayoob Hussain Shah and YBhg. Datuk Mustapa Kamal Mohd Yusoff, for their contributions as Directors of Boustead Plantations Berhad.

The Board also thanked the Management and employees of the Company for their continuing efforts to ensure the success of Boustead Plantations Berhad.

The Annual General Meeting concluded at 12.00 p.m.

## **109<sup>th</sup> ANNUAL GENERAL MEETING**

### **Answers to Questions Submitted by Shareholders**

<b>No.</b>	<b>Question</b>	<b>Answer</b>
<b><u>Financial Matters</u></b>		
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>
<b><u>Operational Matters</u></b>		
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>

	<p>4. Is there plan to further monetize some parcels of high value land with development value to fully repay debts ?</p>	<p>the necessary announcement upon finalization of the said disposal as required by the Main Market Listing Requirements.</p> <p>4. For FY2022, we plan to dispose our Sarawak Assets.</p>
2.	<p>The Sabah operations average FFB yield dropped to 13.1 MT per ha in FY2021 from 14.2 MT per ha in FY2020.</p> <p>(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.</p> <p>(2) What is the targeted FFB yield set for the Management in Sabah in the 5-Years Strategic Roadmap?</p>	<p>The drop in the yield by 8% mainly due to adverse weather condition and labour shortage and impact of fertilizer reduction in 2018 &amp; 2019.</p> <p>48% of our 39,000 planted hectares in Sabah are past prime with average age above 20 years.</p> <p>To ensure sustainable growth, we continued with our 25-Year Replanting Programme (RP25) and Plantation Performance Improvement Program to increase productivity and optimize cost.</p>
3.	<p>any disposal of lands in 2022 if yes pls brief us the shareholders board any ideas to give us bonus shares or free warrants</p>	<p>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.</p>
4.	<p>Will the management purchase any new lands for Plantation purposes?</p>	<p>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.</p>
5.	<p>BPB completed the sale of 663.98 hectares of Kulai Young estates on 27 January 2022.</p> <p>(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?</p> <p>(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.</p>	<p>We have disposed Kulai Young Estate entirely in Q1 FY2022.</p>
6.	<p>BPB's major shareholder, Boustead Holdings Berhad is currently</p>	<p>The surrounding area of Balau Estate has been developed into township and Boustead Property, subsidiary of Boustead Holdings</p>

	<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.	How the company is going to resolve the workers shortage problem?	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.
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.	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.	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.
10.	Are you selling CPO on forward or spot price? If forward, how many per cent?	<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.
<b>Other Matters</b>		
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&amp;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>