

TA ANN HOLDINGS BERHAD

(Company No. 419232-K)

(Incorporated in Malaysia)

MINUTES OF THE NINETEENTH (19TH) ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY HELD AT IGAN ROOM, TANAHMAS HOTEL, LOT 277 BLOCK 5, JALAN KAMPUNG NYABOR, 96000 SIBU, SARAWAK ON THURSDAY, 19 MAY 2016 AT 2.30 P.M.

PRESENT:

DIRECTORS

Y. Bhg. Datuk Amar Abdul Hamed Bin Haji Sepawi	Executive Chairman
Y. Bhg. Dato Wong Kuo Hea	Group Managing Director
En. Sa'id Bin Haji Dolah	Executive Director
Y. Bhg. Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg	Director
Y. Bhg. Dato' Awang Bemee Bin Awang Ali Basah	Director
Mr. Chia Chu Fatt	Director
Ms Ting Lina @ Ding Lina	Director
Y. Bhg. Datuk Ambrose Blikau Anak Enturan	Director

Members/Corporate Representative/Proxies
as per attendance list

IN ATTENDANCE:

Mr. Augustine Siaw Meng Kun	Company Secretary
Mr. Marcus Dusun	Company Secretary

AGM 1 INTRODUCTION

The Secretary, Mr. Augustine Siaw Meng Kun welcomed all present to the Nineteenth (19th) AGM of Ta Ann Holdings Berhad and invited YBhg. Datuk Amar Abdul Hamed Bin Haji Sepawi as the Executive Chairman to chair the meeting.

AGM 2 QUORUM

The Secretary confirmed that a quorum was present for the meeting. He further stated that thirty four (34) members were personally present, one (1) member was present by corporate representative and one hundred thirty two (132) members were present represented by proxies.

AGM 3 NOTICE OF MEETING

The notice convening the meeting, having been circulated to all members and advertised in "The Star" on 26 April 2016 within the prescribed period, with the consent from all members was taken as read.

The Chairman informed the meeting that he had received a letter from MSWG raising some points, and directed the Secretary to read out the points raised.

Strategic & Financial Matters

1. As reported in the review of operations by the Group Managing Director (Page 37 of the Annual Report 2015), whilst waiting for the timber market to revive and oil palm peak crop season, a number of cost savings measures and operational strategies have been implemented to gear the Group towards the challenging time ahead.

(a) Please share on the tangible results from the cost savings measures taken. What further measures would the Company execute in FY2016?

Through continuing process fine tuning of operation, the Group was able to cut the number of workers, raise efficiency and productivity, and reduce the usage of consumable goods in factory and fertilizer in plantation.

In oil palm plantations, the increasing use of mechanization in harvesting and the greater effort in loose fruit collection have resulted in higher productivity per man-hour. Estates' emphasis in good agriculture productivity ('GAP') have brought about better field and palms conditions, which reduce the cost of P&D control.

Going forward, similar measures would be employed to maintain or enhance the operational efficiency and efficacy.

(b) What is the current market outlook and given the scenario, what are the measures taken to mitigate the impact to its financial performance for FY2016?

Demand for logs is expected to remain stable. Plywood demand in Japan is still slow but prices are believed to have hit the bottom. Given the current low plywood inventory in Japan and the infrastructure construction works for the coming Olympics, plywood demand is expected to increase.

Palm oil sector will be expected to produce higher FFB, with the growing mature palms. Coupled with better CPO price, compared to 2015, and the projected rising trend of CPO price, higher contribution of the palm oil sector to the group revenue and profit is anticipated.

Besides undertaking continuing process fine tuning to raise productivity, the Group will introduce measures to control spending.

2. **As reported under the prospect for year 2016, lower cost plywood products which are gaining market share will have a competitive edge in the Japan market. Currently, Japan market contributes about 32% to the Group's total revenue. In terms of percentage, what is the targeted revenue contribution from Japan market in the next few years, beyond 2016?**

We would expect the present market share to be maintained in Japan while diversifying to other markets. However, the product composition will be changed according to market preferences. We target to produce more environmentally friendly plywood products as well as PEFC certified plywood products. The percentage of revenue contribution will be dependent on the prevailing plywood market price and revenue growth of the palm oil sector.

3. **Please brief on how would Acacia veneer (from Bintulu veneer mill) and eucalyptus veneer (from Tasmania mill) provide the flexibility for the Group in production and product change.**

As mentioned in (2), composition of plywood products will be produced in accordance with market preference. With the availability of veneer from planted acacia and eucalyptus veneer in addition to veneer from local species timber, the flexibility to produce plywood products with varying percentage of veneer types is greatly enhanced.

4. **Sourcing of timber resources**

As stated in the Annual report 2015, the Malaysian- Anti-Corruption Commission (MACC) has confirmed that there was no evidence found to show that the Group was involved in any offence under Malaysian Anti-corruption Act 2009.

Apart from this, please comment whether there are any other investigations involving the Group or any wrongdoings in the sourcing of the timber resources?

The Group is not aware of any investigation other than the state wide investigation by MACC

5. **Oil Palm Division**

Please share on the result of initiatives taken in improving its operations and productivity of the division.

In addition to our initiatives discussed under 1(a) above, we have undertaken numerous trials to overcome problems peculiar to Sarawak peat soil plantations, such as poor pollination due to insufficient male flowers and pest and disease control, in particular tirathaba treatment. Good results have been achieved in our younger plantations.

6. Certifications

- i.) The Group has managed to attain MSPO certification and expected more oil palm subsidiaries to be certified in 2016. Please update the shareholders on this and what is the timeframe to attain all the certifications for its subsidiaries.**

- ii.) What is the status of the efforts towards sustainable forest management certification under the Malaysian Timber Certification Scheme of which the Group is working on?**

The Group targets to attain certification for both timber (MTCS) and oil palm (MSPO) by year 2017.

Corporate Governance

1. Malaysian Code on Corporate Governance 2012(MCCG2012) – Tenure of independent Directors

We refer to the response of the Company dated 25 May 2015 and would like the Board to comply with the Recommendation 3.2 of MCCG2012 in its succession planning process.

As explained in the AGM of 25 May 2015, our Board composition and effectiveness, Directors' core competencies and experience and Board Committees' effectiveness are reviewed annually and the current Board is considered to have the right mix that has effectively led the Group to deliver the good performance consistently.

The independence of the two Independent Non-Executive Directors (INEDs) are reviewed yearly by the Board which found them to be independent and vocal in Board and Board committees' deliberation and have contributed greatly to the Group.

As the continued service and contribution from the two INEDs are deemed required to sustain the performance of the Group, the Directors have recommended for their continuance as INEDs.

However, the Nomination Committee will continue to screen suitable candidates for appointment as directors. In 2015, a new INED was appointed to the Board.

2. 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.

The proceeding of the AGM held in 2015 has been uploaded to the Company's website. We would upload the proceedings of this AGM to the website.

The Chairman informed the meeting that a resolution put to the vote would be decided on a show of hands unless, before or on the declaration of the result of the voting by show of hands, a poll was demanded by either:

- a) the Chairman; or
- b) at least two (2) members present in person or by proxy; or
- c) any member or members present in person or by proxy and representing not less than one-tenth (1/10th) of the total voting rights of all members having the right to vote at the meeting; or
- d) a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10th) of the total sum paid-up on all the shares conferring that right.

AGM 4 AUDITED FINANCIAL STATEMENTS AND REPORTS (RESOLUTION 1)

The motion was for adoption of Audited Financial Statements and Directors' and Auditors' Reports for the year ended 31 December 2015, which had been circulated to all members within the prescribed period.

The Audited Financial Statements and reports for the year ended 31 December 2015 was open to the floor for discussion.

There being no questions from the members, the Chairman proceeded with the motion.

Mr. Lau Hie Ping and Mr. Pui Chin Jang @ Pui Chin Yam, being the proposer and seconder respectively, the motion was put to the meeting.

By unanimous vote, it was :-

RESOLVED THAT the Directors' Report and Audited Financial Statements together with the Report of Auditors thereon for the year ended 31 December 2015 be and are hereby received and adopted.

AGM 5 DIRECTORS' FEES (RESOLUTION 2)

The Chairman put the motion for the approval of sum of RM887,000 as Directors' fees in respect of the year ended 31 December 2015.

Mr. Chai Min Kian and Ms Marianne Cheng Wei Wei, being the proposer and seconder respectively of the motion, and by unanimous votes, it was:-

RESOLVED THAT the Directors' fees of RM887,000 in respect of the year ended 31 December 2015 be hereby approved for payment.

As the next item of the agenda involved himself, Datuk Amar Abdul Hamed Bin Haji Sepawi nominated Dato Wong Kuo Hea, the Group Managing Director to take over the chair.

AGM 6 (a) RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 63 (RESOLUTION 3)

At this juncture, Datuk Amar Abdul Hamed Bin Haji Sepawi excused himself from the meeting and abstained himself from voting.

Dato Wong Kuo Hea proceeded with the motion for the re-election of Datuk Amar Abdul Hamed Bin Haji Sepawi as a Director who retired by rotation in accordance with Article 63 of the Company's Articles of Association and being eligible, offered himself for re-election.

On the proposal by Mr. Freddie Ling Ing Kui and seconded by Mr. Simon Ling Yu Kiong, the motion was put to the meeting. By unanimous votes, it was:-

RESOLVED THAT Datuk Amar Abdul Hamed Bin Haji Sepawi be and is hereby re-elected to office as Director of the Company in accordance with Article 63 of the Company's Articles of Association.

Datuk Amar Abdul Hamed Bin Haji Sepawi rejoined the meeting.

Dato Wong Kuo Hea passed the chair back to Datuk Amar Abdul Hamed Bin Haji Sepawi.

AGM 6 (b) RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 63 (RESOLUTION 4)

The Chairman proceeded with the motion for the re-election of Encik Sa'id Bin Haji Dolah as a Director who retired by rotation in accordance with Article 63 of the Company's Articles of Association and being eligible, offered himself for re-election.

Encik Sa'id Bin Haji Dolah excused himself from the meeting and abstained himself from voting.

On the proposal by Mr. Eddie Tay Kwoil Hock and seconded by Mr. Nicholas Ting Kang Hwa, the motion was put to the meeting.

By unanimous votes, it was:-

RESOLVED THAT Encik Sa'id Bin Haji Dolah and is hereby re-elected to office as Director of the Company in accordance with Article 63 of the Company's Articles of Association.

Encik Sa'id Bin Haji Dolah rejoined the meeting.

AGM 6 (c) RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 63 (RESOLUTION 5)

The Chairman proceeded with the motion for the re-election of Ms Ting Lina @ Ding Lina as a Director who retired by rotation in accordance with Article 63 of the Company's Articles of Association and being eligible, offered herself for re-election.

Ms Ting Lina @ Ding Lina excused herself from the meeting and abstained herself from voting.

On the proposal by Ms Amy Lau Ming and seconded by Mr. Chai Min Kian, the motion was put to the meeting. By unanimous votes, it was:-

RESOLVED THAT Ms Ting Lina @ Ding Lina be and is hereby re-elected to office as Director of the Company in accordance with Article 63 of the Company's Articles of Association.

Ms Ting Lina @ Ding Lina rejoined the meeting.

AGM 7 RE-APPOINTMENT OF AUDITORS (RESOLUTION 6)

The Chairman informed the meeting that the retiring auditors, Messrs KPMG had expressed their willingness to continue in office.

On the proposal by Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg and seconded by Mr. Chia Chu Fatt, it was unanimously:-

RESOLVED THAT Messrs KPMG be and is hereby re-appointed as Auditors of the Company for the ensuing year and to hold office until the conclusion of the next AGM at remuneration to be determined by the Board of Directors.

The Chairman continued by informing the members that the Board of Directors had recommended for shareholders' approval to pass the ordinary resolution nos. 7 & 8 on the continuation in office as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2012.

The proposed resolution nos. 7 & 8 were to seek approval to re-appoint Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg and Dato' Awang Bemece Bin Awang Ali Basah, who had served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board of Directors and the Nomination Committee had assessed both of them and thereby recommended that they continued to act as Independent Non-Executive Directors of the Company based on the following justifications:

- i. their experience, networking, understanding of business and objectivity in approach had contributed to the sound management, good performance and sustainable growth of the Group;

- ii. they remained professionally independent and very vocal, actively participated in deliberations and exercised independent judgement at Board/Board Committee meetings without being influenced by operational consideration; and
- iii. they acted in the best interests of all shareholders and their continued re-appointment as Independent Non-Executive Director would provide a check and balance to operational management.

Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg and Dato' Awang Bemee Bin Awang Ali Basah excused themselves from the meeting.

AGM 8 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR PURSUANT TO RECOMMENDATION 3.3 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 (RESOLUTION 7)

The motion was for re-appointment of Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The resolution was

"THAT approval be and is hereby given to Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company."

On the proposal of Ms Tie Feng Nee and seconded by Mr. Eddie Tay Kwoil Hock, the motion was put to the meeting.

On voting by a show of hands, there was only 1 vote against the motion. By majority votes, it was:-

RESOLVED THAT pursuant to Recommendation 3.3 of the Malaysian Code On Corporate Governance 2012, Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg be and is hereby re-appointed to office as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg rejoined the meeting.

AGM 9 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR PURSUANT TO RECOMMENDATION 3.3 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 (RESOLUTION 8)

The motion was for re-appointment of Dato' Awang Bemee Bin Awang Ali Basah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The resolution was

“THAT approval be and is hereby given to Dato’ Awang Beme Bin Awang Ali Basah who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.”

On the proposal of Mr. Pui Chin Jang @ Pui Chin Yam and seconded by Encik Alli @ Ali Mat Bin Haji Dollah, the motion was put to the meeting.

On voting by a show of hands, there was only 1 vote against the motion. By majority votes, it was:-

RESOLVED THAT pursuant to Recommendation 3.3 of the Malaysian Code On Corporate Governance 2012, Dato’ Awang Beme Bin Awang Ali Basah be and is hereby re-appointed to office as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

Dato’ Awang Beme Bin Awang Ali Basah rejoined the meeting.

AGM 10 PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK (RESOLUTION 9)

The Chairman continued by informing the members that the AGM was also to seek renewal of authority for the Share Buy-Back and Recurrent Related Party Transactions. The earlier mandates obtained at the Company’s AGM held on 27 May 2015 would expire at the conclusion of today’s AGM.

Details of the Proposed Share Buy-Back were outlined in Part A of the Statement to Shareholders dated 26 April 2016, a copy of which was sent together with the Annual Report 2015.

On the proposal by Ms Marianne Cheng Wei Wei and seconded by Ms Jessie Lim Sin Foong, it was unanimously:-

RESOLVED THAT subject to the provisions of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Company’s Articles of Association, the requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, the Company be and is hereby authorised to purchase on the market of the Bursa Securities and/or hold such number of ordinary shares of RM1.00 each (“Shares”) in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company (“Directors”) from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the time of purchase and the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the total retained profit reserve of the Company at the time of purchase **AND THAT**, such Shares purchased are to

be retained as treasury shares and distributed as dividends and/or resold on the market of the Bursa Securities or may subsequently be cancelled **AND THAT** the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deed, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities **AND FURTHER THAT** the authority hereby given shall commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting ('AGM') of the Company at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authorities.

AGM 11 PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDER MANDATES") (RESOLUTION 10)

The Chairman proceeded to the agenda on the renewal of shareholder mandate and new shareholder mandate for the recurrent related party transactions of a revenue or trading nature, which was approved at the AGM held on 27 May 2015.

The rationale for the Company and its subsidiaries to enter into related party transactions is to achieve efficiencies in business dealings, in particular competitive prices, shorter delivery time and reliability in sourcing of materials and goods.

These would ultimately benefit the Group and the shareholders by enhancing profitability and returns on shareholders' funds.

Details of the related parties and transactions were set out in Appendix A of the Circular and new related parties of the recurrent transactions of a revenue or trading nature were also set out in the Appendix A of the Circular.

The Chairman further reminded that the interested parties as set out in page 20 to page 30 of the Appendix A to refrain from voting.

Ms Tie Feng Nee and Mr. Simon Ling Yu Kiong were the proposer and seconder respectively of the resolution and by unanimous vote, it was:-

RESOLVED THAT approval be and is hereby given to the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Appendix A of the Circular to Shareholders dated 26 April 2016 (“Circular”) with the specific related parties mentioned therein which are necessary for the Group’s day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those available to the public and not to the detriment of the minority shareholders; and
- (b) a disclosure of a breakdown of the aggregate value of recurrent transactions conducted pursuant to the Proposed Shareholder Mandates during the financial year shall be made in the annual report, where the aggregate value is equal to or exceeds the applicable threshold prescribed under paragraph 10.09(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and amongst others, based on the following information:
 - the type of recurrent transactions made; and
 - the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will only continue to be in force until:

- (a) the conclusion of the next annual general meeting (‘AGM’) of the Company at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (the “Act”) (but must not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

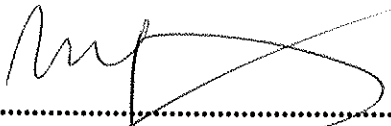
whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholder Mandates.

AGM 12 CONCLUSION

Having transacted the above resolutions as set out in the Agenda, the Chairman declared that the meeting closed at 3.07 p.m. He requested the members to remain seated and proceed with the Extraordinary General Meeting.

Confirmed by,



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DATUK AMAR ABDUL HAMED BIN HAJI SEPAWI
CHAIRMAN