

TA ANN HOLDINGS BERHAD
(Company No. 419232-K)
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY FIRST (21ST) ANNUAL GENERAL MEETING
("AGM") OF THE COMPANY HELD AT IGAN ROOM, LEVEL 1, TANAHMAS
HOTEL, LOT 277 BLOCK 5, JALAN KAMPONG NYABOR, 96000 SIBU,
SARAWAK
ON THURSDAY, 24 MAY 2018 AT 11.00 A.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
Mr. Wong Siik Onn	Executive Director cum Chief Operating Officer
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

COMPANY SECRETARY

Mr. Alexander Tong Jia Jien

Members/Corporate Representative/Proxies as per attendance list

IN ATTENDANCE:

External Auditors:	Messrs. KPMG PLT (Mr. Lee Hean Koh and Ms. Annie Ting Siaw Wee)
Poll Administrator:	Securities Services (Holdings) Sdn. Bhd.
Scrutineers:	Commercial Quest Sdn. Bhd.

AGM 1 INTRODUCTION

The Executive Chairman, Datuk Amar Abdul Hamed Bin Haji Sepawi welcomed all present to the twenty first (21st) AGM of Ta Ann Holdings Berhad and thanked all valued shareholders for their continued support.

AGM 2 QUORUM

The Company Secretary confirmed that a quorum was present for the meeting. He further stated that Sixty seven (67) members were personally present, four (4) members was present by corporate representatives and ninety five (95) 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 25 April 2018 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 Minority Shareholder Watchdog Group ('MSWG') raising some points in the interest of minority shareholders which he read out the points raised as below.

Financial and Strategic Matters

1) **As reported on Page 36 of the Annual Report, the log production in FY2017 declined by 46% compared to FY2016 due to the transitional period of operation toward Forest Management Certification and Implementation of Sustainable Annual Allowable Cut. Export volume was 54% lower due to reduction of export quota from 30% to 20% effective July 2017.**

a) **How long will the effect of the transitional period of operation toward Forest Management Certification be expected to impact the log production?**

In order to maintain the long term sustainable product level, which is stipulated by the said certification, the Group's logs production has been reduced by 50% compared to Year 2016.

b) **Is the export volume of the Group expected to decline further in FY2018 following the reduction in export quota from 30% to 20% since July 2017?**

The changes in forestry policies and export quota expected to be certain and announced only by mid-June 2018.

Unfortunately, this is the government policies whereby we have to follow even though logs exports will generate good profit for the Group.

- c) **Will India remain as the major buyer and is the export volume to India expected to remain strong in FY2018?**

Yes, India will definitely remain as the major buyer with export volume expected to remain strong in FY2018.

Export selling price for our Group has achieved USD370/m³ on average in March 2018 compared to March 2017, achieved 65% increase.

- 2) **As reported on Page 33 of the Annual Report, production volume in plywood division declined by 23% in FY2017 due to shortage of log supply. To offset the decline in logs production, the Company has strategised in utilising more plantation logs and imported eucalyptus veneer for plywood production and develop new markets for plantation logs products.**

- a) **Is the shortage of log supply expected to continue in FY2018?**

Yes, the logs shortage is expected to continue in FY2018. However, the logs supply situation in FY2018 is being managed by increasing the harvesting of the mature planted forests for the downstream plywood manufacturing. Moreover, we have adjusted our plywood production according to the anticipated logs supplies and we will maintain plywood production at this level for sustainability.

- b) **Please share the Information on the new market for plantation logs products developed by the Company in FY2017, if any?**

We have generated a combination of plantation logs veneer and certified imported veneer to create certified hybrid products which have been well accepted by general customers in Japan.

- c) **The Plywood Division recorded a loss of RM24.798 million in FY2017 compared to a profit before tax of RM6.583 million as shown on page 49 of the Annual Report.**

With the strategies for the Division as stated on page 33, is the Division expected to turnaround in FY2018?

Plywood prices have improved, driven by lower supplies than demand, and it is expected that the price is to maintain or would be better.

- 3) **As disclosed in Note 6 to the Financial Statements, an impairment of RM6.5 million was made against the cost of investment in a subsidiary amounting to RM26.0 million due to lower utilisation of the subsidiary's assets. The Impairment represents 25% of the cost of investment.**

- a) **The impairment is in respect of which subsidiary and when was the investment in the subsidiary concerned made?**

The impairment was for Tabes Sdn Bhd which owns a power generation plant established in November 2005.

- b) What were the main factors that has caused the estimated recoverable amount to fall below the cost of investment and hence triggering the impairment loss?

The investment is related to our Power generation plant where its input resources are the waste/residual from our plywood mill. However, our plywood mill production has cut by 50% resulted by the logs supplies shortage. This has caused the corresponding waste supplies dropped accordingly and insufficient to fully supply to our power plant that resulted in the plant cannot run efficiently at full capacity.

- 4) As shown in Note 34 to the Financial Statements, the Group has a capital commitment of RM135.427 million as at FYE2017.

Please provide the details of the amount authorised and contracted for under property, plant and equipment amounting to RM93.078 million.

Details of Property, plant and equipment as follows:

	RM mil
New CPO mill construction	80.599
Office construction	12.143
Others	0.336
Total	93.078

- 5) The Group acquired the entire equity interest in Agrogreen Ventures Sdn Bhd on 10 March 2017 and further expanded the plantation land bank of the Group by acquiring 30.39% equity interest in Sarawak Plantation Bhd on 28 March 2018.

Are there any acquisition plans to further expand the plantation land bank of the Group in the near future?

There are Nil for the moment.

Corporate Governance

- 1) Practice 3.1 of the Malaysian Code On Corporate Governance (MCCG) requires the Board to establish a Code of Conduct and Ethics for the Company which should articulate acceptable practices and guide the behavior of directors, management and employees in accordance to the Guidance 3.1 of the Code.

As reported in the CG Report, the Board has established a Code of Conduct and Ethics for the Directors.

Is there a Code of Conduct & Ethics established for the management and employees of the Company?

Yes. There is a Code of Conduct & Ethics established for the management and employees of the Company. A copy of which will be made available on the Company's website

- 2) The Company has departed from Practices 4.1, 4.2 and 4.3 (Step Up - not adopted) and 4.5 under the Malaysian Code on Corporate Governance (MCCG). The intended outcome of these practices is that "Board decisions are made objectively in the best interest of the Company taking into account diverse perspectives and insights."

Please note that Paragraph 3.2A(b) of Practice Note 9 of the Bursa Securities Main Listing Requirements requires the Company to disclose the alternative practice it has adopted and how such alternative practice achieves the Intended outcome as set out in the MCCG if the Company has departed from a Practice.

The explanation for departure of the above mentioned Practices does not explain the alternative practice and how such alternative practice achieves the intended outcome.

Please take note of the non-compliance with the Listing Requirements.

The Board noted the issue highlighted by MSWG. As quoted in our CG Report, all major decisions of the Board in the past year have been unanimously agreed upon after due deliberation.

- 3) Practice 5.1 of the MCCG requires the Board to undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The Board should disclose how the assessment was carried out and its outcome.

The explanation on the application of the practice provided in the Corporate Governance Report (CG Report) does not disclose how the assessment was carried out by the Nominating Committee.

Please provide the necessary disclosures in future reports.

The Board appreciates MSWG for highlighting this matter. The Board noted and will provide the necessary disclosures on how the assessment was carried out by the Nominating Committee in our future reports.

- 4) Under Practice 6.1 of the MCCG, the board is required to put in place policies and procedures to determine the remuneration of directors and senior management and these should be available on the Company's website.

The Company's explanation on application of the Practice only covers policies in determining the remuneration of directors and the remuneration policy is currently not available on the company's website.

Please publish the Group's remuneration policy for both the directors and senior management on the Company's website.

The Board noted the point raised by MSWG on application to Practice 6.1. The Board is in the midst of reviewing policies and procedures on the remuneration of directors and senior management, which upon completion, will be made available on the Company's website.

Ms Linnert Hoo thanked Dato Wong Kuo Hea for his reply.

AGM 4 AUDITED FINANCIAL STATEMENTS AND REPORTS

The Chairman informed that the Audited Financial Statements for the year ended 31 December 2017 together with the Reports of the Directors and of the Auditors' thereon, were tabled at the AGM for discussion only and were not required to be put forward for voting.

The Audited Financial Statements for the financial year ended 31 December 2017 together with the Directors' and Auditors' Report thereon laid before the AGM in compliance with Section 244(2) of the Companies Act 2016 were duly received.

AGM 5 VOTING

The Chairman briefed the members that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the AGM notice would be voted by poll.

In this connection, the Company had appointed Securities Services (Holdings) Sdn. Bhd. as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results. The polling process for voting on the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

AGM 6 DIRECTORS' FEES FOR THE YEAR ENDED 31 DECEMBER 2017 (RESOLUTION 1)

The Chairman put the motion for the approval of sum of RM984,000.00 as directors' fees in respect of the financial year ended 31 December 2017.

Resolution 1 on the payment of directors' fees amounted to RM984,000.00 in respect of the financial year ended 31 December 2017 was duly proposed by Mr. Pui Chin Jang @ Pui Chin Yam and seconded by Mr. Chai Min Kian.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions. All Directors who were also the shareholders were reminded to abstain from voting.

AGM 7 DIRECTORS' BENEFITS FOR THE PERIOD FROM 1 FEBRUARY 2017 UNTIL THE CONCLUSION OF THE NEXT AGM (RESOLUTION 2)

The Chairman put the motion for the approval of the payment of directors' benefits of an amount not exceeding RM600,000.00 for the period from 1 February 2017 until the conclusion of the next AGM of the Company.

Resolution 2 on the payment of directors' benefits of an amount not exceeding RM600,000.00 for the period from 1 February 2017 until the conclusion of the next AGM of the Company was duly proposed by Ms. Marianne Cheng Wei Wei and seconded by Mr. Ling Ing Kui.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions. All Directors who were also the shareholders were reminded to abstain from voting.

AGM 8 RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 63 OF THE COMPANY'S ARTICLES OF ASSOCIATION (RESOLUTION 3, 4 AND 5)

The Chairman proceeded with the motion of the re-election of Dato Wong Kuo Hea, Mr. Chia Chu Fatt and Ms. Ting Lina @ Ding Lina as Directors who retired by rotation in accordance with Article 63 of the Company's Articles of Association and being eligible, offered themselves for re-election.

The Chairman sought for proposers and seconders in respect of the re-election of each Director under the following resolutions, which were proposed to be voted on individually, in a separate motion:-

1. Resolution 3 on the proposed re-election of Dato Wong Kuo Hea was duly proposed by Mr. Chai Min Kian and seconded by Mr. Lau Hie Ping;
2. Resolution 4 on the proposed re-election of Mr. Chia Chu Fatt was duly proposed by Mr. Pui Chin Jang @ Pui Chin Yam and seconded by Mr. Ling Yu Kiong; and
3. Resolution 5 on the proposed re-election of Ms. Ting Lina @ Ding Lina was duly proposed by Mr. Chai Min Kian and seconded by Mr. Lau Hie Ping.

The Chairman demanded the motions be put to vote by poll at the end of the discussion of all resolutions. For good governance, Dato Wong Kuo Hea, Mr. Chia Chu Fatt and Ms. Ting Lina @ Ding Lina would abstain from voting.

AGM 9 RE-APPOINTMENT OF AUDITORS (RESOLUTION 6)

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

The Chairman sought for proposer and seconder in respect of the re-appointment of Messrs. KPMG PLT as the auditors of the Company for the ensuing year at a remuneration to be fixed by the Board of Directors.

Resolution 6 on the re-appointment of auditors was duly proposed by Ms. Tie Feng Nee and seconded by Ms. Lim Sin Foong.

The Chairman demanded the motions be put to vote by poll at the end of the discussion of all resolutions.

The Chairman continued by informing the members that the following proposed Resolution nos. 7, 8 and 9 were to seek approval to re-appoint Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg, Dato' Awang Bemee Bin Awang Ali Basah and Mr. Chia Chu Fatt 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 the three Directors 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 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.

AGM 10 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (RESOLUTION 7)

The Chairman sought for proposer and seconder for the motion of 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.”

Resolution 7 was duly proposed by Mr. Ling Yu Kiong and seconded by Ms. Marianne Cheng Wei Wei.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions. For good governance, Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg would abstain from voting.

AGM 11 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (RESOLUTION 8)

The Chairman sought for proposer and seconder for the re-appointment of Dato' Awang Beme 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."

Resolution 8 was duly proposed by Mr. Chai Min Kian and seconded by Mr. Ling Yu Kiong.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions. For good governance, Dato' Awang Beme Bin Awang Ali Basah would abstain from voting.

AGM 12 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (RESOLUTION 9)

The Chairman sought for proposer and seconder for the re-appointment of Mr. Chia Chu Fatt 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 Mr. Chia Chu Fatt 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."

Resolution 9 was duly proposed by Mr. Lau Hie Ping and seconded by Mr. Ling Yu Kiong.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions. For good governance, Mr. Chia Chu Fatt would abstain from voting.

AGM 13 PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK (RESOLUTION 10)

The Chairman continued by informing the members that the AGM was also to seek renewal of authority for Share Buy-Back. The earlier mandates obtained at the Company's AGM held on 23 May 2017 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 25 April 2018, a copy of which was sent together with the Annual Report 2017.

This proposed Resolution 10, if passed, would renew the authority for the Company to purchase up to 10% of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad.

The Chairman sought for proposer and seconder for the approval of Resolution 10. It was duly proposed by Ms. Marianne Cheng Wei Wei and seconded by Mr. Lau Hie Ping.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions.

AGM 14 PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDER MANDATES”) (RESOLUTION 11)

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, details of which had been outlined in Part B of the Circular to Shareholders dated 25 April 2018, a copy of which had also been sent together with the Annual Report 2017.

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

The Chairman further reminded that all interested directors, interested major shareholders and persons connected with them were to refrain from voting.

The Chairman sought for proposer and seconder for the approval of Ordinary Resolution in relation to the proposed shareholder mandate. Resolution 11 was duly proposed by Ms. Carina Ting Mee Hung and seconded by Ms. Tie Feng Nee.

The Chairman demanded the motion be put to vote by poll at the end of the discussion of all resolutions.

AGM 15 POLL PROCEDURES

The meeting noted that the Company had not received any notice for transaction of other business. The Chairman informed the members that the voting for all resolutions was to be carried out via the Polling Slip.

The Chairman then declared that the⁹ registration for attendance at this AGM was closed immediately and called upon the representative from Securities Services (Holdings) Sdn. Bhd. (‘Securities Services’) to brief the members on the polling procedures.

The Poll Administrator briefed the members of the poll procedures and proceeded to conduct the poll at the AGM using polling slip.

After the polling process was ended, the Poll Administrator passed the chair back to the Chairman.

AGM 16 ADJOURNMENT OF MEETING

The Chairman informed the members that the counting and scrutinising of poll votes by Commercial Quest Sdn. Bhd., the Independent Scrutineer would take about 20 minutes and hence, he proposed to adjourn the meeting and sought for seconder.

The adjournment of meeting was seconded by Mr. Lau Hie Ping.

The AGM was adjourned for the counting of the votes and to be resumed on the completion of the counting of the votes.

The Chairman invited the members to the refreshment outside the meeting room and would call the members back to the room once the poll results were made available.

Meeting adjourned at 11.55 a.m.

AGM 17 ANNOUNCEMENT OF POLL RESULTS

At 12.35 p.m., meeting was resumed for the announcement of poll results. The Chairman invited the representative from Commercial Quest Sdn. Bhd., the Independent Scrutineer to read out the poll results to the members and proxies present.

Based on the results slip being verified and validated by the Independent Scrutineer, the Chairman declared all the resolutions tabled at the AGM, **CARRIED** as follows:

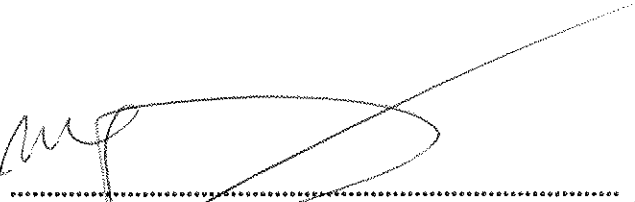
No.	Resolution	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Ordinary Resolution No. 1 • Payment of Directors' fees of RM984,000.00 for the financial year ended 31 December 2017	256,122,790	100	0	0
2.	Ordinary Resolution No. 2 • Payment of Directors' benefits of an amount not exceeding RM600,000.00 for the period from 1 February 2017 until the conclusion of the next Annual General Meeting	256,122,790	100	0	0
3.	Ordinary Resolution No. 3 • Re-election of Dato Wong Kuo Hea as Director	242,410,048	99.56	1,081,679	0.44
4.	Ordinary Resolution No. 4 • Re-election of Mr. Chia Chu Fatt as Director	256,109,704	99.99	13,086	0.01

5.	Ordinary Resolution No. 5 • Re-election of Ms. Ting Lina @ Ding Lina as Director	253,960,322	99.14	2,195,678	0.86
6.	Ordinary Resolution No. 6 • Re-appointment of Messrs. KPMG PLT as auditors and authorization for Directors to fix their remuneration	256,172,790	100	0	0
7.	Ordinary Resolution No. 7 • Continuation in office of Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg as Independent Non-Executive Director	219,652,698	85.74	36,520,092	14.26
8.	Ordinary Resolution No. 8 • Continuation in office of Dato' Awang Bemece Bin Awang Ali Basah as Independent Non-Executive Director	219,652,698	85.74	36,520,092	14.26
9.	Ordinary Resolution No. 9 • Continuation in office of Mr. Chia Chu Fatt as Independent Non-Executive Director	256,122,584	100	206	0
10.	Ordinary Resolution No. 10 • Proposed renewal of authority for share buy-back	255,677,368	100	0	0
11.	Ordinary Resolution No. 11 • Proposed renewal of shareholder mandate and new shareholder mandate for recurrent related party transactions of a revenue or trading nature	84,035,823	100	0	0

AGM 18 CLOSE OF MEETING

Having transacted the above resolutions as set out in the Agenda, the Chairman declared the meeting closed at 12.45 p.m. He thanked all those present for their attendance.

Confirmed by,



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**DATUK AMAR ABDUL HAMED BIN
HAJI SEPAWI
CHAIRMAN**