

SARAWAK OIL PALMS BERHAD

SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTY-SIXTH ANNUAL GENERAL MEETING ("56TH AGM" OR "THE MEETING") OF SARAWAK OIL PALMS BERHAD ("SOP" OR "THE COMPANY") HELD AT CONFERENCE ROOM OF IMPERIAL HOTEL, JALAN POS, 98000 MIRI, SARAWAK, ON 26 JUNE 2024 AT 10.00A.M.

All Resolutions tabled at 56TH AGM were passed by shareholders and were as follows:

Agendas	Resolutions No.
Agenda 1 : Adoption of Accounts and Reports of Directors and Auditors	-
Agenda 2 : Declaration of Final Dividend	[Resolution 1]
Agenda 3 : Approval of Directors' fees for financial year ending 31 December 2024, payable on quarterly in arrears after each month of completed service of the Directors during the financial year	[Resolution 2]
Agenda 4 : Approval of Directors' Benefits for the period from 1 January 2024 until the conclusion of the next Annual General Meeting	[Resolution 3]
Agenda 5 (a) : Re-election of Ling Chiong Sing Agenda 5 (b) : Re-election of Fong Yoo Kaw @ Fong Yee Kow, Victor Agenda 5 (c) : Re-election of Tang Tiong Ing	[Resolution 4] [Resolution 5] [Resolution 6]
Agenda 6 : Appointment of Auditors	[Resolution 7]
<u>As Special Businesses</u> Agenda 7 (i) : Continuation of Office as Independent Non-Executive Director (a) Fong Yoo Kaw @ Fong Yee Kow, Victor	[Resolution 8]
Agenda 7 (ii) : Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue of Trading Nature.	[Resolution 9]
Agenda 7 (iii) : Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	[Resolution 10]
Agenda 7 (iv) : Proposed Granting of ESOS Options to Perpetua Phang.	[Resolution 11]
Agenda 7 (v) : Proposed Granting of ESOS Options to Bibi Umizah Binti Osman.	[Resolution 12]

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions were voted by poll. Polling results for each resolution were duly announced to Bursa Malaysia Securities Berhad, on the even date.

Board Members present at the 56th AGM were as follows-

- (1) Mr. Ling Lu Kuang;
- (2) Mr. Ling Chiong Sing;
- (3) Mr. Tang Tiong Ing;
- (4) Datu Hasmawati Binti Sapawi;
- (5) Cik Bibi Umizah Binti Osman
- (6) Mr. Fong Yoo Kaw @ Fong Yee Kow, Victor;
- (7) Mr. Chua Chen San; and
- (8) Mdm. Perpetua Phang.

Board Members Absent With Apology during 56th AGM were as follows-

- (1) Datu Sr. Zaidi Bin Haji Mahdi; and
- (2) Mdm. Ling Pau Pau.

Mr. Ling Lu Kuang, Group Executive Chairman was appointed the Chairman of the Meeting of 56th AGM ("Chairman").

1.0 Opening Address by Chairman

The Chairman then informed that requisite quorum was present upon the confirmation by the Company Secretary and the meeting was then called to order.


The Chairman informed the members/proxies present that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the AGM would be conducted on a poll. He added that the Company had appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the polling process and David Siaw & Co., Advocates (Miri) as Independent Scrutineers to verify and validate the poll results. The Chairman also informed that the polling process for voting on the resolutions would be conducted upon the completion of deliberation of all items to be transacted at the AGM.

The Notice of the AGM convening the meeting incorporating the detailed text of each of the resolutions was, with the permission of the meeting, be taken as read.

2.0 CLOSURE

There being no other business, the Chairman concluded the Meeting and thanked all present.

Questions raised by MSWG during 56th Annual General Meeting ("AGM") of Sarawak Oil Palms Berhad ("SOP" or the "Company").



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Sarawak Oil Palms Berhad's 56th Annual General Meeting

QUESTIONS AND ANSWERS SESSION

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Question No.1

The Group's FFB production increased by 3% compared to the previous year, indicating a yield recovery after addressing the severe shortage of harvesters and backlog in plantation upkeep and maintenance through aggressive recovery plans. The production costs for FY2023 remained consistent due to the stabilisation of fertilizer prices. (page 28 of Annual Report (AR) 2023).

Nos	Questions	Responses
1(a)	How many harvesters did the Group hire in FY2023? Is the Group still facing worker shortage issues?	Overall, there has not been much incremental in the number of harvesters, as some of the existing harvesters have repatriated or left the Group. There is still a shortage of 500 skilled workers, particularly tall palm harvesters. The Group provides ongoing training and upskilling programs to train the new and existing workers to maintain the required number of skilled workers for the Group.

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Question No.1 (Cont'd)

Nos	Questions	Responses		
1(b)	What was the Group's total cost of production per metric tonne (MT) for CPO in FY2023? What are the expectations for FY2024.		FY2024 (Expected)	FY2023
		Total cost per MT for CPO	RM2,700 - RM2,800	RM2,900 - RM3,000
1 (c)	What is the Group's projected growth in FFB production for FY2024?	We do not disclose our projected growth in FFB production, however, the Group remains committed to continuously improving FFB production.		

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Question No.2

A total of 4,548 hectares was replanted in 2023 compared to 2,384 ha in 2022. Meanwhile, the Group's average FFB yield recovered to 15.02 MT/ha compared to 14.50 MT/ha a year ago. (Page 34 of AR 2023)

Nos	Questions	Responses
2(a)	How much did the Group spend to replant 4,548 hectares in FY2023?	The Group's replanting cost to maturity ranges from RM22,000 to RM25,000 per hectare.
2(b)	What is the Group's target replanting area for FY2024 and what is the estimated capex?	Target replanting area for FY2024 is approximately 5,000 hectares with an estimated capital expenditure of around RM30 million on land preparation.

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Question No.2 (Cont'd)

Nos	Questions	Responses
2(c)	What is the outlook for FFB yield?	For the next few years, there will be aggressive replanting for areas with palms which are nearing or have reached their economic life cycle. Only thereafter, it is anticipated that the overall FFB yield for the Group would expect improve when replanted area comes to prime maturity.

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Question No.3

The Company is seeking shareholders' approvals to retain Fong Yoo Kaw @ Fong Yee Kow, Victor (Ordinary Resolution 8) as an independent non-executive director (INED) via a two-tier voting process. Mr Fong has served as an INED for a cumulative term of more than nine years.

Does the Company plan to replace the INEDs who have served on the board for more than nine years? If yes, by when?

Response for Question No.3

It is through due deliberation together with Nomination Committee and approval of the Board, the Company has decided to seek shareholders' approval to retain Mr. Victor Fong as an Independent Non-Executive Director (INED). This decision is based on his extensive experience and guidance he has provided during his tenure with the Company.

The Company will seek a new candidate to replace the INED as and where need arises while abiding to Practice Note 5.3 of MCCG 2021 and Practice Note 13 as issued by Bursa Malaysia Securities Berhad.

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Question No.4

Under Resolution 11, shareholders' approval is being sought for the Proposed Granting of ESOS Options to Perpetua Phang, being the INED of the Company.

Why are the ESOS options extended to the INED, who does not perform executive roles?

In line with better corporate governance, MSWG does not encourage giving ESOS to INEDs as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation to employees and executive directors.

Furthermore, ESOS, by definition, refers to a scheme for employees only. Independent directors are not employees.

Recognition of the INEDs' contribution to the Company and retention of quality INEDs could be compensated in other ways, including a competitive remuneration package. The directors' fees and other benefits should be structured to adequately compensate for the services rendered by them.

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Response for Question No.4

The Employees' Share Option Scheme together with ESOS By-Laws ("Scheme") was proposed and duly approved by the shareholders during EGM dated 9 August 2017. Under this Scheme, any employee of SOPB Group and Director of SOPB shall be eligible to participate.

The Board believes that the remuneration package, whether through the ESOS or other means, will not compromise the independence of the Independent Non-Executive Directors (INEDs) in performing their duties and responsibilities towards the Company.

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Question No.5

Energy intensity for the plantations division declined to 0.19GJ/MT product in 2023 from 0.24 GJ/MT product in 2022 (page 66 of AR 2023).

Comparison of Energy Intensity

Energy Intensity (GJ/MT Product)	Plantations	Mills	SOP Edible Oils	SOP Green Energy
2021	0.28	0.20	0.91	0.27
2022	0.24	0.22	1.05	0.29
2023	0.19	0.20	1.12	0.29

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Question No.5 (Cont'd)

Nos	Questions	Responses
5(a)	What contributed to the lower energy intensity for the plantations division?	The reported energy intensity for the plantations division in FY2023 contains a misstatement. The actual energy intensity level for 2023 remained stable at the FY2022 level. The figure will be restated in the sustainability report 2024.
5(b)	What actions does the Group plan to take to further reduce its energy intensity?	The Group will continue to review every aspect of its operations to find ways to reduce energy usage. Besides, the Group is also focused on minimizing waste across operations to improve efficiency and increase the use of biomass renewable energy.

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