

IJM PLANTATIONS BERHAD (133399-A)

28th AGM Minutes dd 23 August 2013

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Extract of the MINUTES of the 28th Annual General Meeting {AGM} of IJM PLANTATIONS BERHAD (133399-A) held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 23 August 2013, at 3.05 p.m.

1.0 AUDITED FINANCIAL STATEMENTS

Before considering the 2013 Audited Financial Statements, the CEO&MD presented a brief on the Group's activities, performance and outlook for the benefit of members at the meeting. The CEO&MD in his briefing covered the following:-

- a) milestones in financial year 2013;
- b) the Group's performance including estate crop production, palm product extractions, oil yield performance and financial performance;
- c) business strategy and corporate social responsibility; and
- d) short term and long term outlook.

The CEO&MD also presented the responses ([Annexure I](#)) of the Company to questions raised by the Minority Shareholder Watchdog Group *vide* letter dated 15 August 2013 in relation to the strategy operations and financial performance of the Group.

The audited financial statements for the year ended 31 March 2013, Directors' Report and Statement together with the Independent Auditors' Report thereon were received, following the completion of the clarifications to members in connection with the audited financial statements.

2.0 POLL VOTING

The Chairman informed that all the resolutions to be considered at the meeting would be put to vote by poll, as stated in Note 6 of the Notice of the AGM dated 29 July 2013, in line with the recommendation of the Malaysian Code on Corporate Governance 2012.

Poll voting on the resolutions would be conducted concurrently by Tricor Investor Services Sdn Bhd, the appointed Official Independent Scrutineers.

3.0 ELECTION OF DIRECTORS

- 3.1 It was resolved that Mr M. Ramachandran A/L V. D. Nair be reappointed as Director and shall continue in office until the conclusion of next Annual General Meeting in compliance with Section 129(6) of the Companies Act, 1965.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	454,300,678	99.94
Votes AGAINST	278,004	0.06
	<u>454,578,682</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 81% (453 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and less than 1% (278,004 shares) against. Members were also informed that the retirement of Mr M. Ramachandran A/L V. D. Nair under Section 129 of the Companies Act, 1965 requires not less than three-fourth of the consent of members present and voting.

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- 3.2 It was resolved that Tan Sri Dato' Wong See Wah be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,943,644	100.00
Votes AGAINST	-	-
	<u>562,943,644</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

- 3.3 It was resolved that Tan Sri Dato' Tan Boon Seng @ Krishnan be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,019,640	99.95
Votes AGAINST	278,004	0.05
	<u>562,297,644</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and less than 1% (278,004 shares) against.

- 3.4 It was resolved that Mr Pushpanathan A/L S. A. Kanagarayar be reappointed as Director.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,943,644	100.00
Votes AGAINST	-	-
	<u>562,943,644</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

4.0 APPOINTMENT OF AUDITORS

It was resolved that PricewaterhouseCoopers be re-appointed as Auditors and that the Directors be authorised to fix their remuneration.

The poll was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,943,644	100.00
Votes AGAINST	-	-
	<u>562,943,644</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

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5.0 DIRECTORS' FEES

It was resolved that the Directors' fees of RM471,000 for the year ended 31 March 2013 be approved to be divided amongst the Directors in such manner as they may determine.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,297,644	100.00
Votes AGAINST	-	-
	<u>562,297,644</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

6.0 AUTHORITY TO ISSUE SHARES UNDER SECTION 132D

It was resolved that the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	452,879,257	80.45
Votes AGAINST	110,064,287	19.55
	<u>562,943,544</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 80% (451 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and 20% (110 million shares) against.

7.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

It was resolved that the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

- i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed ten per cent (10%) of the issued capital of the Company; and
- ii) the funds allocated for the purchase of shares shall not exceed its retained profits and share premium account;

and that the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled)

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and that such authority shall continue to be in force until:-

- a) the conclusion of the next Annual General Meeting (“AGM”);
 - b) the expiration of the period within which the next AGM is required by law to be held; or
 - c) revoked or varied in a general meeting;
- whichever occurs first.

The poll result was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Votes FOR	562,943,594	100.00
Votes AGAINST	-	-
	<u>562,943,594</u>	<u>100.00</u>

Prior to voting on the resolution, members were informed that 99.9% (561 million shares) of the total votes received from members appointing proxies have indicated support for the resolution, and none against.

8.0 TERMINATION

There being no other business, the meeting was terminated at 5.00 p.m. with a vote of thanks to the Chair.

**QUESTIONS
FROM MSWG**

MINORITY SHAREHOLDER WATCHDOG GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated In Malaysia • Company No.524989-M)

Q1. How many hectares of immature land in Indonesia that will mature in FY2014 and what is the expected amount of FFB production?

A1. The total mature area as of 31 March 2013 was 3,761 hectares. Another 6,300 hectares is expected to mature in phases from April 2013 to March 2014. We expect to harvest over 100,000 metric tonnes of FFB in FY2014 from these mature plantings.

Q2. What will be the target new planting programme (in terms of hectares and estimated cost) in Indonesia in FY2014? What will be the capital expenditure of the second mill and its capacity in Indonesia?

A2. The target for FY2014 is 3,000 hectares with a cost to maturity ranging from RM18,000 per hectare. The second mill with the capacity 90 mt per hour is expected to cost approximately RM100 million.

QUESTIONS FROM MSWG



MINORITY SHAREHOLDER WATCHDOG GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated In Malaysia • Company No.524989-M)

Q3. Given that USD has been strengthening against Ringgit and Indonesia Rupiah, and is expected to continue, why did the Board choose to increase its borrowings denominated in USD during the year and moreover the Group continues to hold high balance in cash? It is noted that RM296 million of USD denominated term loans were drawn down during the financial year.

A3. In 2006/07, the Group embarked on an expansion programme in Indonesia with a target to double the size of operations. This undertaking is for the long term and our capital requirements would certainly be impacted by short-term currency fluctuations.

The Group took the borrowings in USD as the revenues from the palm produce provide a natural hedge given that they are intrinsically referenced to USD as a commodity. In addition, Bank Negara Malaysia restricts Ringgit borrowings for use in foreign territories, whilst borrowings in Rupiahs attract disproportionately high interest rates.

A3 Continued ...

The Group's Financial Risk Management and Policies which include foreign currency exchange risk are stipulated in page 124 of the Annual Report.

The RM296 million USD denominated term loans were drawn down in accordance with the schedule of borrowings.

The cash in hand at the close of the financial year, which includes funds generated from the operations, is meant for the planned FY2014 capital expenditure of RM250 million, in addition to the normal working capital requirements and dividend payment.

It is prudent to have the funds needed for the expansion project in Indonesia ahead of spend so as not to disrupt the progress of our expansion plans.

QUESTIONS FROM MSWG



MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated In Malaysia • Company No.524989-M)

Q4. Inventories increased 50% from the previous year's RM66.70 to RM100.63 million. What were the tonnages increases from the previous year in terms of CPO and PK?

How long could the CPO inventory be kept without affecting its quality and subsequently the selling price of CPO?

A4. At the close of FY2013, the inventories consist of 20,337 mt, 1,500 mt and 5,787 mt of CPO, PK and PKO respectively. (Note: At the close of FY2012, they were 7,000 mt of CPO, 1,332 mt of PK and 90 mt of PKO).

Without heating and under controlled conditions, CPO can be kept for 12 months without affecting their quality significantly. If the quality specifications are maintained and met, the subsequent selling price of the CPO will be determined at their market price.