

Extract on key discussion matters from the minutes of the Fifty-Fifth Annual General Meeting (“AGM”) of stockholders of Oriental Holdings Berhad (“OHB” or “the Company”) held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang on Thursday, 8 June 2017 at 2:30 pm

- 1.2 Datuk Chairman then invited Mr Wong Tet Look, Adrian (“Mr Adrian Wong”), the Group Chief Financial Officer to read out the replies to the written queries from Minority Shareholders Watchdog Group (“MSWG”) which are summarised as “**Appendix A**” attached herewith.
- 1.4 Mr Foong Hong Meng @ Foong Lai Choong (“Mr Foong”) complimented the Board for providing detailed information by geographical performance and future plan of Automotive Division in the Annual Report.
- 1.5 Mr Foong commented that disclosure of key performance indicators (“KPI”) could be further enhanced and was of the view that profit per matured Ha was low. The mature plantations were generating profits of about RM2K per matured Ha.
- Mr Adrian Wong noted his comments and would improve upon the disclosure of KPI in the next year’s Annual Report.
- 1.6 Mr Foong then commented that yield per Ha of 19.3MT per Ha (as disclosed) was low for Indonesian plantations.
- Mr Adrian Wong responded that the yields per Ha vary due to the different locations in Indonesia from top end of between 24MT to 25MT to a low 18MT to 20MT due to the soil and climate conditions in these material areas.
- The low FFB (fresh fruit bunch) yield of 19.3MT per Ha resulted from drought back in 2014 and 2015 with tail effects of haze carried forward to 2016. Further, about 54% of the crop is aged more than 18 years. The yield per Ha was 24.3MT back in 2015.
- Mr Foong disagreed as he said 20-year old palm oil could still produce better yield rate.
- 1.7 Mr Foong went on to comment that the Group’s reported OER (“oil extraction rate”) was low.
- Mr Adrian Wong explained that the low extraction rate was mainly due to drought (low rainfall) in 2014 and 2015 which had caused moisture stress that affected the crops in that these trees were unable to absorb fertilisers. As a result, the production of FFB was with reduced oil content leading to lower OER.
- Further, 54% of plants were more than 18 years in FY2016. Mr Foong countered that the dry El Nino weather pattern would only affect production of fresh fruit bunches but not extraction rate. Furthermore, these plants would still be considered as prime as they are below 20 years old. Mr Foong does not quite accept the explanation as given.
- 1.8 Mr Foong remarked, premised upon information available in the Annual Report, that it would take the Group approximately 35 years to complete development of its land bank in Indonesia. He enquired if the Group faced social issues on its development.
- Mr Adrian Wong explained that out of the 50K Ha of total concession held by the Group in Indonesia, more than 23K Ha had been acquired with about 12K Ha cleared for plantation and over 10K Ha planted. Works on a Mill would commence at the end of 2017.

As for on the ground issues, Mr Adrian Wong stressed that social issues were faced by all planters throughout Indonesia with the seriousness vary by locations. The Group's development in South Sumatra was no exception.

- 1.9 Mr Lee Hooi Kheng noted the increase in audit fees for FY2016 and enquired the work load involved.

Datuk Chairman invited Ms Lee Phaik Im, the Partner from KPMG, to address Mr Lee's concern. Ms Lee informed that there were additional procedures required to be carried out with the outcome incorporated into the AFS. In addition, there were expansion in business operations, particularly under healthcare division which in turn required more audit procedures to be carried out.

- 1.10 Mr Toh Hock Chooi suggested for the Group to increase the dividend payment as well as to utilise its surplus funds to further invest in securities.

Datuk Chairman duly noted the suggestion. He stressed that dividend payouts have been increased since year 2015 and that any surplus funds were mainly reserved for to finance subsidiaries' operations and expansion especially in healthcare, automation and hotels & resorts divisions.

- 1.11 Both Mr Foong and Mr Vinodth Ram A/L Ramasamy, enquired the reason of Automotive Division increased in total number of cars sold in Singapore, but experienced a decline in the operating profit when compared with FY2015.

Ms Tan replied that the Government in Singapore had imposed quota system, namely Certificate of Entitlements to control the vehicles on the road. Thus the quota system had affected the pricing of cars and increased the price competition among the competitors in the second quarter of FY2016.

- 1.12 Datuk Chairman thanked the shareholders for their queries and their continued support to the Group. As no further question was raised, Datuk Chairman declared that the AFS of the Company and the Group for FY2016 were duly received by the shareholders and preceded to the next item on the Agenda.