



## TECK GUAN PERDANA BERHAD


(Company No. 307097-A)  
(Incorporated in Malaysia)

### SUMMARY OF KEY MATTERS DISCUSSED AT THE 26<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON TUESDAY, 28 JULY 2020

Teck Guan Perdana Berhad ("the Company") is pleased to inform that:

- a. The Audited Financial Statements for the year ended 31 January 2020 of the Company together with the Reports of the Directors and Auditors thereon were laid and duly received at the Twenty-Sixth Annual General Meeting ("26<sup>th</sup> AGM" or "the Meeting") of the Company;
- b. All the resolutions as set out in the Notice of the 26<sup>th</sup> AGM of the Company dated 29 June 2020 were duly approved by the shareholders of the Company by way of poll at the 26<sup>th</sup> AGM held on 28 July 2020. The results of the polls were validated by independent scrutineers appointed by the Company;
- c. The Minority Shareholders Watch Group ("MSWG") has via its letter dated 21 July 2020 to the Board of Directors of the Company, raised some questions with regards to the strategy & financial and corporate governance matters. The Company presented the questions raised by the MSWG and the Board/Management's responses at the Meeting. The MSWG's questions and corresponding responses from the Board/Management are appended herewith as "Annexure A: MSWG Q&A 2020" and
- d. Save for the above, there was no other key matters discussed arising from the above agenda or resolutions at the said meeting.

For and on behalf of  
**TECK GUAN PERDANA BERHAD**

  
**THAM VUI VUN**  
Chairman

28 July 2020

**Strategy & Financial Matters**

- 1. How has the Covid-19 pandemic outbreak and the Movement Control Order (MCO) impacted the Group's oil palm plantations and its kernel crushing plant's operations?**

The Covid-19 pandemic outbreak and the Movement Control Order (MCO) will not pose a significant impact on the Group's oil palm plantations and its kernel crushing plant as both operations are not affected but subject to strict operating procedures as implemented during the MCO period.

- 2. Did the Group's plantations suffer any crop loss due to the Movement Control Order (MCO) in Sabah following the detection of Covid-19 cases? What is the estimated crop loss suffered during this period?**

The temporary suspension in operations imposed by the Sabah State Government following the detection of Covid-19 cases did not substantially affect the Group's plantations as the temporary suspension was lasted for a limited short period. The estimated crop loss suffered was about 260mt during the period.

- 3. The Group's estates produced a total of 18,563MT (2019: 23,849MT) of FFB which was about 22.16% lower than the previous year mainly due to lower yield (page 18 of Annual Report 2020 ("AR 2020")).**
- a. The Group's FFB production and yield per mature hectare have been on a declining trend since FY2018, what are the reasons for the decline in yield?**

The decline in crop yield was mainly due to more oil palm trees have attained higher yielding ages, unfavourable dry weather patterns and acute shortage of labour harvesters in the reporting year.

- b. What are the Group's plan to improve the FFB production and yield per mature hectare?**

The Group's management will continue to monitor the FFB yield, strategize replanting programs and optimize operational efficiencies so as to mitigate the general labour shortage issues in Sabah.

**ANNEXURE A: MSWG Q&A 2020**

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4. The Group's Trade receivables increased to 35.3 million (2019: RM3.9 million) and 85% of the Group's Trade receivable, i.e. RM30 million (2019: RM0.6 million) was attributable from China (page 114 of AR 2020). Is demand from China for the Group's oil palm products sustainable, going forward?

The Group's Trade receivables consisted of major buyers from China namely Cargill Grain and Oilseeds (Dongguan) Ltd (RM6,404,065), China Agri Oils Trading Ltd (RM17,424,024) and Zhangjiagang Free Trade Zone Yangzhou (RM6,181,185) which were sales of palm products from subsidiary company. However, all the said Trade receivables have been received subsequently in February 2020. The Group's Trade receivables as at 31 January 2020 were higher as compared to 31 January 2019 due to month end shipments.

Going forward, the demand from China for the Group's palm products are considered to be sustainable as the trade relationships with these foreign buyers have been more than three years now.

**Corporate Governance Matters**

1. Datuk Hong Ngit Ming, the Managing Director of the Company only attended 3 out of 5 Board meetings – 60% attendance during the financial year (page 20 of AR 2020). What are the reasons for him not being able to attend the other two Board meetings during the financial year?

Datuk Hong Ngit Ming was unable to attend the other two Board meeting during the financial year primarily due to business trips which he had committed earlier.