

NTPM HOLDINGS BERHAD (384662-U)

(Incorporated in Malaysia)

Summary of key matters discussed at the Twenty-Second Annual General Meeting ("22nd AGM") of the Company held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 21 September 2018 at 9.30 a.m..

Attendees:

- 1) All members of the Board of Directors
- 2) Company Secretaries
- 3) Representatives from Messrs. Ernst & Young, the external auditors
- 4) Shareholders / Proxies / Authorised Representative / Invitees and others as per attendance list

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Company's Audited Financial Statements for the financial year ended 30 April 2018 together with the Reports of Directors and Auditors thereon ("AFS 2018") were tabled at the 22nd AGM for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

It was noted that the Company had on 13 September 2018 received a letter from the Minority Shareholder Watchdog Group ("MSWG"), who had raised some questions on the Company's Annual Report 2018 and the Meeting also noted the reply from the Company in responding to MSWG's queries, which are summarised as follows: -

	Key matters raised by MSWG	Summary of the reply from the Company
1)	<p><u>Strategic and Financial Matters</u></p> <p>As stated in the Managing Director's Review and Management Discussion & Analysis on page 2 of the Annual Report, the decrease in the Group's profit was mainly due to erosion of profit margin for tissue paper products that had higher cost of raw materials. Other factors are increased labour cost and electricity tariff, spillover effects of MYR depreciation against USD on imported raw material and increased operating expenses.</p> <p>What are the key measures taken to ensure that the Group is able to sustain its performance in FY2019?</p>	<p>The financial year ended 30 April 2018 ("FY2018") was a challenging year for the Group. Despite the challenging operating environment, the Group's business remained buoyant throughout FY2018.</p> <p>In light of these challenges, the key measures taken to ensure that the Group is able to sustain its performance in FY2019 are as follow: -</p> <p>(a) We expect cost of fibers will remain high until end of FY2019, this is mainly due to Chinese Government has tightened the regulations on imported wastepaper which leading to shortage of a substantial amount of fibers in China. However, the Management anticipated that the price of fibers will gradually decrease as current high price of fibers has forced some small mill to shut down in the China and the region and this will bring down the demand and subsequently lower the price of fibers.</p>

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		<p>The Group improve its competitiveness and market presence by continuing its sales and support team within and outside Malaysia. The Company has also initiated price increase for Tissue segment by 4% from 1 June 2018.</p> <p>(b) In conjunction with the recent announcement by the Ministry of Labour on the increase of the minimum wage to RM1,050/- across the whole Malaysia effective from 1 January 2019, the Group's plan to continue upgrading or investing in automation will increase the productivity of the manpower and to absorb the increase of labour cost.</p> <p>(c) As the leading tissue suppliers in Malaysia, the Group is making great continuous efforts to reduce the energy consumption and increase the energy efficiency of tissue related production machines.</p> <p>The Group has invested in renewable energy such as solar energy and installed of 4 megawatt Grid Connected Photovoltaic (GCPV) for own consumption has begun operating and is contributing positively by reducing 5% of energy consumption in tissue manufacturing plant.</p> <p>(d) As for the weakening of RM against USD, the Group measure is to increase its export sales so to balance import and export sales and to mitigate its foreign exchange risk.</p> <p>(e) The Group is expanding its tissue capacity to support the rising demand from its new and existing major customers so to generating higher revenue in order to absorb the increase of its operating expenses.</p>
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	Key matters raised by MSWG	Summary of the reply from the Company
	<u>Corporate Governance Matters</u>	
1)	The Company has departed from Practice 6.2 of Malaysia Code on Corporate Governance ("MCCG") as it does not have a Remuneration Committee. We hope the Board will set up a Remuneration Committee and establish a formal remuneration policy.	The Board does not set up the Remuneration Committee to review the remuneration of the Directors as the Board was of the view that the remuneration of Executive Directors is a matter for the Board to deliberate upon as a whole based on market conditions, responsibilities held and the financial performance of the Group. Whereas the Directors' fees and benefit payable to the Directors are subject to shareholders' approval at the general meeting.
2)	<p>We note that all the Independent Directors of the Company have served more than 9 years, with one Independent Director having served more than 15 years.</p> <p>We hope the Board will look into the succession planning of its Independent Directors as all Independent Directors have served more than 9 years. The Board should also consider having at least one woman director, for a start, as currently the Board comprises all male members.</p>	<p>The Board is mindful of the recommendation of MCCG. However, both the Nominating Committee and the Board had also assessed the independence of all Independent Directors and were satisfied with the skills, contribution and independent judgement that Independent Directors bring to the Board as they remain objective and independent in expressing their view while participating in discussion of the Board and Board Committees.</p> <p>The length of Independent Directors' service on the Board does not in any way interfere with their exercise of independent judgment and ability to act in the best interests of the Company. The Company's Independent Directors act as caretakers of the interests of minority shareholders and their views carry significant weight in the Board's decision-making processes.</p> <p>The Board will continue reviewing succession planning and assessing the independence of all the independent Directors.</p> <p>As for the women directorship, the Board did not set specific targets on gender diversity for the Company but is supportive of gender diversity in the Boardroom composition as recommended by MCCG and endeavour to improve the number of women directors on the Board, based on pre-determined skill sets and competencies.</p>

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There being no question raised by the shareholders, the AFS 2018 was duly received by the shareholders.

2. POLL RESULTS

There being no questions raised by the shareholders during the Meeting, all the Ordinary Resolutions and Special Resolution as set out in the Notice of the Twenty-Second AGM of the Company were duly passed by the shareholders of the Company and the poll results of each resolution which have been validated by the scrutineer are summarised as below: -

No.	Resolutions	Total number of shares represented by votes for and against the relevant motion	Vote FOR		Vote AGAINST	
			Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
1.	Declaration of a Single Tier Final Dividend of 0.80 sen per Ordinary Share in respect of the financial year ended 30 April 2018.	693,093,122	693,072,122	99.9970	21,000	0.0030
2.	Re-election of Dr. Teoh Teik Toe as Director of the Company.	693,120,122	680,818,622	98.2252	12,301,500	1.7748
3.	Re-election of Mr. Chang Kong Foo as Director of the Company.	692,270,122	668,330,022	96.5467	23,905,100	3.4533
4.	Payment of Directors' fees of RM380,000 for the financial year ended 30 April 2018.	692,230,122	692,157,122	99.9895	73,000	0.0105

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			Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
5.	Payment of benefits payable to the Directors of the Company up to an amount of RM35,000 from the conclusion of this meeting until the next AGM.	693,085,122	691,941,922	99.8351	1,143,200	0.1649
6.	Re-appointment of Messrs. Ernst & Young as Auditors of the Company.	692,270,122	692,248,122	99.9968	22,000	0.0032
7.	Renewal of Share Buy-Back Mandate.	692,233,122	679,986,522	98.2309	12,246,600	1.7691
8.	Mandate for Mr. Chang Kong Foo to continue to act as an Independent Non-Executive Director of the Company.	693,115,122	669,170,722	96.5454	23,944,400	3.4546
9.	Mandate for Mr. Lim Han Nge to continue to act as an Independent Non-Executive Director of the Company.	319,952,949	Tier 1: Large Shareholders		Tier 1: Large Shareholders	
			319,952,949	100.00	0	0
		372,321,773	Tier 2: Other Shareholders		Tier 2: Other Shareholders	
			335,078,973	89.9971	37,242,800	10.0029

CLOSURE

The Meeting closed at 10:10 a.m. with a vote of thanks to the Chair.