



UMW HOLDINGS BERHAD

Company No. 90278-P
(Incorporated in Malaysia)

MINUTES OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 23 MAY 2019 AT 10.00 A.M. AT THE UMW AUDITORIUM, UMW HOLDINGS BERHAD, NO. 3, JALAN UTAS (15/7), BATU TIGA INDUSTRIAL ESTATE, 40200 SHAH ALAM, SELANGOR DARUL EHSAN

PRESENT

Board of Directors

Y Bhg Tan Sri Dato' Sri Hamad Kama Piah Che Othman - Group Chairman
Encik Badrul Feisal Abdul Rahim - President & Group CEO
Y Bhg Dato' Siow Kim Lun
Encik Khalid Sufat
Y Bhg Tan Sri Hasmah Abdullah
Y Bhg Dato' Eshah Meor Suleiman
Y Bhg Datin Paduka Kartini Hj Abdul Manaf
Cik Salwah Abdul Shukor
Dr Veerindeerjeet Singh a/l Tejwant Singh
Encik Mohd Shahazwan Mohd Harris
Mr Lim Tze Seong

The attendance of corporate representatives, shareholders and proxies is as per the attendance record.

BY INVITATION

Representatives from Messrs Ernst & Young

Ms Ng Yee Yee
Cik Mimie Joanna Johar
Mr Tan Kai Jie
Mr Joey Ong

The attendance of members of management is as per the attendance record.

IN ATTENDANCE

Encik Mohd Nor Azam Mohd Salleh - Group Secretary

ITEM

PROCEEDINGS

PRELIMINARY

The Group Chairman, Tan Sri Dato' Sri Hamad Kama Piah Che Othman, extended a warm welcome to shareholders, corporate representatives, proxies and invitees to the Company's 37th Annual General Meeting ("AGM" or "Meeting"), and thanked them for the continuous support to UMW.

PRELIMINARY
(Cont'd)

The Chairman introduced the Board members, Group Secretary, senior management of the Company as well as representatives from Messrs Ernst & Young, the Company's external auditors.

The Group Secretary confirmed the presence of a requisite quorum pursuant to Article 81 of the Company's Constitution. As per the record, a total of 374 shareholders, 336 proxies and one (1) corporate representatives, representing a total of 898,009,412 shares, which was equivalent to 76.87% of the total issued share capital of the Company, had registered for the Meeting.

With the consent of shareholders, the Notice of AGM dated 25 April 2019 was taken as read.

The Chairman proceeded to brief the Meeting on the following -

- 1) All resolutions set out in the Notice of AGM would be put to vote by poll in accordance with Article 89 of the Company's Constitution.
- 2) Securities Services (Holdings) Sdn Bhd has been appointed poll administrator to conduct the poll by way of e-voting and Commercial Quest Sdn Bhd has been appointed scrutineer to verify the poll results.
- 3) E-voting on all the resolutions tabled will be carried out upon conclusion of the deliberation of all items to be transacted in the Notice of AGM.
- 4) Voting results for each resolution would be announced at the end of the Meeting and released to Bursa Securities at the close of business.

**CHAIRMAN'S
OPENING
REMARKS**

The Chairman in his opening remarks stated that although 2018 was a year marked by global and regional challenges, UMW Group managed to record a remarkable performance on the back of a robust revenue and profitability from all our core businesses. It was heartening to see the Group achieved noteworthy tripling in profit before taxation from continuing operations during the year.

The Meeting was informed that the Board is particularly pleased with the strength of the Group's fundamentals that have supported such performance, where the Company was able to reward its shareholders with attractive dividends. For the financial year ended 31 December 2018, the Company have paid out a total dividend of 7.5 sen per share, combining an interim single-tier dividend of 5 sen per share paid in June 2018 and a final single-tier dividend of 2.5 sen per share, which was recently paid on 16 May 2019.

The Chairman stated that admittedly, the Group's performance is a result of the interplay of various factors, however, a key contributor has been the strategic realignment to UMW's areas of strength. Since its establishment over 100 years ago, UMW has grown to become a leading conglomerate in Malaysia operating in diverse industries.

**CHAIRMAN'S
OPENING
REMARKS**
(Cont'd)

The Chairman indicated that while UMW continues to seek various growth opportunities to futureproof the Group, it remains committed to running a business group that is value adding and sustainable. This has led UMW to refocus its attention on the three core areas that it has the strongest experience and expertise, namely, Automotive, Equipment and Manufacturing & Engineering.

Under this strategy, the Group had divested its non-core businesses and assets, which began with the disposal of the Oil & Gas business in 2017. UMW's exit from the said sector has enabled it to effectively channel more resources into the three core businesses, and UMW is now seeing the results of its investments.

The Chairman ended his welcoming remarks by extended his gratitude to the shareholders for their continued support and trust in UMW's ability to deliver.

**PRESENTATION
BY PRESIDENT &
GROUP CEO**

The Chairman then invited the President & Group Chief Executive Officer ("PGCEO"), Encik Badrul Feisal Abdul Rahim to present an overview and update on the UMW Group's operations and performance to date to shareholders.

With regard to matters raised by the Minority Shareholder Watchdog Group ("MSWG"), the Chairman invited the Group COO, Encik Azmin Che Yusoff to share with the shareholders the content of the letter dated 13 May 2018 and UMW's corresponding replies, a copy of which is attached as **Appendix A**. The shareholders were also informed that the MSWG letter and UMW's response can also be viewed at UMW's website.

**ORDINARY
BUSINESS**

**AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31
DECEMBER 2018**

The Chairman explained that the Audited Financial Statements ("AFS") of the Company for the year ended 31 December 2018, together with the Reports of Directors and the Auditors thereon are tabled for discussion only pursuant to Section 340(1) of the Companies Act 2016 and will not be put to vote.

Nonetheless, shareholders, corporate representatives and proxies were invited to raise questions on AFS.

**QUESTIONS &
ANSWERS
SESSION**

Questions/comments raised by shareholders/corporate representatives/proxies and the corresponding responses/replies made by the Board and/or management are summarised below -

- 1) Encik Muhammad Hariz Muhammad Nasir, a proxy for Pertubuhan Keselamatan Sosial (PERKESO), highlighted a minor typographical error on page 232 of the Annual Report 2018 under Note 45(a) on foreign currency risk. It was noted that the brackets appearing in the first column (under the second line) for US Dollar should be removed as it actually denotes a profit position.

**QUESTIONS &
ANSWERS
SESSION**
(Cont'd)

The text should now read as follows -

		Effect on profit/(loss) after tax	
	Basis points	2018 RM'000	2019 RM,000
US Dollar	+10%	(4,209)	(23,463)
	-10%	4,209	23,463

The Board and management took note of the above typographical error accordingly and thanked Encik Muhammad Hariz for highlighting it to the Meeting.

2) Mr Muniandy a/l Karishnan, a shareholder, enquired on the following matters -

a) The expected performance of the Manufacturing & Engineering's ("M&E") lubricants business?

M&E's lubricants business has been contributing positively to the segment. In 2018, it contributed about RM20 million profit before taxation (PBT) to the M&E segment and the business has a lot of potential to grow in Malaysia and key export markets in ASEAN countries and China.

In China, the lubricants joint-venture business has also recorded increase in revenue with potential for further growth.

b) He shared the experience of buying remote key batteries from one of the dealers at a much higher price compared to outside. Are the pricing of parts and services provided at dealers closely monitored by UMW Toyota Motor Sdn Bhd ("UMWT")?

UMWT has recently embarked on a network reform exercise involving the sale and transfer of its existing branches to dealers. In this regard, all sales of spare parts are being carried out directly by its dealers. Notwithstanding the above, UMWT has a dedicated division to monitor the pricing of parts supplied to dealers and the matter will be looked into accordingly.

3) Mr Lee Cheng Hock, a shareholder, enquired on the following matters -

a) On pages 48 and 49 of the Annual Report 2018 ("AR2018"), the report on key risks covered Property and Oil & Gas ("O&G") (Unlisted) segments. Why were they still be covered?

Although Property and O&G (Unlisted) segments are not UMW's core businesses, they still carry inherent risks to the Group and hence need to be reported.

The Property segment mainly involved in the unlocking of value of the existing 800 acres of land in Serendah as a catalyst development to the Group. The land is envisaged to

**QUESTIONS &
ANSWERS
SESSION**
(Cont'd)

be developed into a High-Value Manufacturing Park to cater the needs for high technology sectors and industries.

With regard to O&G (Unlisted), the Group is still left with 6 companies and has not fully exited from the O&G sector in 2018.

- b) When will the remaining 6 companies under the O&G (Unlisted) be fully divested and what is the impact on the Group's liability?

UMW's divestment of its O&G (Unlisted) Group is expected to be completed by 2019. At present, management is actively engaging with potential buyers/investors for disposal/divestment of the remaining 6 companies.

Over the past few years, the O&G (Unlisted) Group's liabilities have been reduced tremendously. The balance liabilities carried by the O&G (Unlisted) Group is only about RM9.59 million in 2018.

Upon conclusion of the Q&A session, the Chairman declared that the AFS was received and duly tabled at the AGM.

**ORDINARY
RESOLUTIONS
1 TO 3**

RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLES 119, 126 AND 128 OF THE COMPANY'S CONSTITUTION

The Chairman proceeded with Ordinary Resolutions 1 to 3 on the proposed re-elections of Encik Badrul Feisal Abdul Rahim as Director and PGCEO pursuant to Article 119, and Tan Sri Hasmah Abdullah and Dato' Eshah Meor Suleiman as Directors pursuant to Articles 126 and 128 of the Company's existing Constitution.

Profiles of the Directors standing for re-election were provided to shareholders on pages 24, 27 and 28 of AR 2018.

Before proceeding with the relevant motions, the Chairman informed the Meeting that all Directors had undergone a comprehensive annual performance evaluation carried out by the Nomination & Remuneration Committee ("NRC") and the Board to assess the performance and contribution of each individual Director, taking into consideration among others, character, integrity, professionalism and competency. The Board is satisfied that the retiring Directors have discharged their functions, duties and responsibilities well, and agreed that they are eligible to stand for re-election at this AGM.

With regard to the assessment of independence and effectiveness of Tan Sri Hasmah and Dato' Eshah as Independent Directors, the Meeting was informed that the Board is satisfied with the level of independence demonstrated by Tan Sri Hasmah and Dato' Eshah and their ability to act in the best interest of the Company.

**ORDINARY
RESOLUTIONS
1 TO 3**
(Cont'd)

The Chairman informed the Meeting that the re-election of retiring Directors would be carried out individually. Shareholders, corporate representatives and proxies were invited to raise any questions they may have on the matter.

**ORDINARY
RESOLUTION 1**

The Chairman proceeded with Ordinary Resolution 1, on the re-election of Badrul Feisal Abdul Rahim as Director pursuant to Article 119 of the Company's Constitution.

The motion was proposed by Mr Muniandy a/l Karishnan and seconded by Encik Ahmad Faiz bin Ahmad Shahrudin.

No questions were raised on Ordinary Resolution 1.

**ORDINARY
RESOLUTION 2**

The Chairman then proceeded with Ordinary Resolution 2, on the re-election of Tan Sri Hasmah Abdullah as Director pursuant to Articles 126 and 128 of the Company's Constitution.

The motion was proposed by Puan Yang Chik binti Musbiran and seconded by Encik Ahmad Faiz bin Ahmad Shahrudin.

No questions were raised on Ordinary Resolution 2.

**ORDINARY
RESOLUTION 3**

The Chairman then proceeded with Ordinary Resolution 3, on the re-election of Dato' Eshah Meor Suleiman as Director pursuant to Articles 126 and 128 of the Company's Constitution.

The motion was proposed by Mr Gan Kim Teck and seconded by Mr S. Vikneshwaran a/l R. Sathasivan.

No questions were raised on Ordinary Resolution 3.

Before proceeding to the next item in the Agenda, the Chairman took the opportunity to inform shareholders that Dato' Siow Kim Lun, the Company's Senior Independent Director, will be retiring at the conclusion of this AGM. Similarly, Encik Khalid Sufat will also be retiring upon reaching his 9-year term on 1 September 2019.

On behalf of the Board, the Chairman put on record its deepest gratitude to Dato' Siow Kim Lun and also to Encik Khalid Sufat for their invaluable contributions and past services to the Company and to UMW Group. The Chairman wished them well on their future endeavours.

The Chairman added that following the retirement of Dato' Siow Kim Lun, the Board has agreed to appoint Tan Sri Hasmah Abdullah as the new Senior Independent Director of the Company in place of Dato' Siow Kim Lun, effective from the conclusion of this AGM. He added that shareholders may now convey concerns relating to the Group to Tan Sri Hasmah accordingly.

**ORDINARY
RESOLUTION 4****PAYMENT OF DIRECTORS' FEES FROM 24 MAY 2019 TO THE
NEXT AGM OF THE COMPANY**

The Chairman proceeded with Ordinary Resolution 8 on payment of Directors' fees from 24 May 2019 to the next AGM.

The Chairman informed the Meeting that Section 230(1) of the Companies Act 2016 provides that fees and benefits payable to Directors of a listed company and its subsidiaries, shall be approved at a general meeting.

The Chairman further informed that the Board is proposing a review on the existing Directors' fees payable to Non-Executive Directors ("NEDs") for 2019 as the last review was carried out and approved by the shareholders at the 33rd Annual General Meeting held on 28 May 2015.

The Meeting was informed that the review in NEDs' remuneration package took into account the complexity of the Company's businesses and the individual Directors' level of expertise, commitment and responsibilities. In addition, the remuneration of NEDs is to be set at a competitive level for similar roles within comparable market to commensurate with the NEDs' responsibilities, commitments and contributions.

In addition, there is also a need to review the Directors' fees paid to NEDs serving as Chairman and Directors at the board of subsidiaries in the Group, in view that the review exercise has not been carried out for more than 10 years.

The Chairman stated that in reviewing the Directors' fees, a comprehensive benchmarking exercise was also carried out and the proposed review was comprehensively deliberated by NRC and the Board. The Board is of the view that the proposed increase of Directors' fees is reasonable, fair and within the market range.

As such, the Company is seeking shareholders' approval for the payment of Directors' fees from 24 May 2019 to the next AGM of the Company as follows -

- a) RM27,500 per month to the Non-Executive Chairman and RM13,750 per month to each Non-Executive Director of the Company; and
- b) RM10,000 per annum to each Non-Executive Director who sits on the Board of Directors of subsidiaries.

The Chairman then proceeded with Ordinary Resolution 4 in respect of the payment of Directors' fees.

The motion was proposed by Mr S. Vikneshwaran a/l R. Sathasivan and seconded by Mr Lee Cheng Hock.

Shareholders, corporate representatives and proxies were invited to raise any questions they may have on the matter.

**ORDINARY
RESOLUTION 4**
(Cont'd)

Mr Muniandy a/l Karishnan commented that as a shareholder, he has no objection on the proposal to increase Directors' fees. However, he hopes that the Board and management will continue to look into the welfare of shareholders by declaring more dividends in future. The Board took note of the request and thanked Mr Muniandy for the support.

No questions were raised on Ordinary Resolution 4.

**ORDINARY
RESOLUTION 5**

**PAYMENT OF BENEFITS PAYABLE TO NON-EXECUTIVE
CHAIRMAN AND NON-EXECUTIVE DIRECTORS UP TO AN
AMOUNT OF RM1,850,000 FROM 24 MAY 2019 TO THE NEXT
AGM OF THE COMPANY**

The Chairman proceeded with Ordinary Resolution 9 on the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,850,000 from 24 May 2019 to the next AGM of the Company.

The Chairman informed the Meeting that the Board is also proposing an increase in meeting allowance as part of the review exercise on NEDs' remuneration. In determining the proposed increase in meeting allowances, the Board took into consideration among others, the number of meetings of the Board and Board Committees as well as the need for NEDs to dedicate more time, focus and commitment with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders.

The proposed review was comprehensively deliberated by NRC and the Board. The Board is of the view that the proposed increase in meeting allowance for NEDs is fair and equitable.

The Chairman then proceeded with Ordinary Resolution 5 in respect of the payment of benefits to NEDs.

The motion was proposed by Puan Amizar binti Mizuar and seconded by Mr Lee Cheng Hock.

Shareholders, corporate representatives and proxies were invited to raise any questions they may have on the matter. However, no questions were raised on Ordinary Resolution 5.

**ORDINARY
RESOLUTION 6**

**RE-APPOINTMENT OF AUDITORS AND FIXING OF AUDITORS'
REMUNERATION**

The Chairman proceeded with Ordinary Resolution 6 on the re-appointment of Messrs Ernst & Young as Auditors for the ensuing financial year and to authorise the Directors to fix their remuneration.

The Meeting was informed that the Audit Committee ("AC") had carried out an annual assessment on the external auditors, Messrs Ernst & Young, to evaluate their suitability, effectiveness and independence as recommended under Principle B of the Malaysian Code on Corporate

**ORDINARY
RESOLUTION 6**
(Cont'd)

Governance 2017. Based on the evaluation conducted, AC is satisfied with the quality of external auditors' performance, technical competency and audit experience.

The motion was proposed by Encik Amir Shafiq bin Ab Nasir and seconded by Mr Lim Yew Looi.

Shareholders, corporate representatives and proxies were invited to raise any questions they may have on the matter. However, no questions were raised on Ordinary Resolution 6.

**SPECIAL
BUSINESS**

**ORDINARY
RESOLUTION 7**

RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RRPT OF A REVENUE OR TRADING NATURE ("SHAREHOLDERS' MANDATE")

The Chairman proceeded with the Special Business of the AGM on the Proposed Renewal of Shareholders' Mandate for Existing RRPT and Proposed New Shareholders' Mandate for an Additional RRPT of a Revenue or Trading Nature.

The Chairman informed the Meeting that the Board proposes to renew the mandate granted by shareholders of the Company on 24 May 2018 and to approve a new mandate for additional RRPT. The Proposed Shareholders' Mandate will enable the UMW Group to enter into RRPT of a revenue or trading nature, which are necessary for the day-to-day operations of the UMW Group, involving related parties, as detailed in the Circular to Shareholders dated 25 April 2019.

The motion was proposed by Puan Yang Chik Musbiran and seconded by Mr Muniandy Karishnan.

Shareholders, corporate representatives and proxies were invited to raise any questions they may have on the matter. However, no questions were raised on Ordinary Resolution 7.

**ANY OTHER
BUSINESS**

The Chairman proceeded with the final item on the Agenda which is to transact any other business. He sought confirmation from the Group Secretary whether the Company has received any notice for transaction of other business, given in accordance with the Companies Act 2016.

The Group Secretary confirmed that the Company has not received any notice for transaction of any other business at the AGM.

**CLOSURE OF
REGISTRATION**

As there was no other business to be transacted, the Chairman declared that the registration for attendance at the AGM be closed at 11.05 a.m. in order to proceed with the polling process via e-voting.

**POLLING
PROCESS**

The Group Secretary was invited to brief the Meeting on the administrative details of the polling exercise.

After the briefing, the Chairman temporarily adjourned the Meeting for taking of the poll that was expected to take 20 minutes to complete. Shareholders, corporate representatives and proxies were requested to return to the Auditorium after casting their votes for the announcement of the poll results.

The e-voting process commenced at 11.10 a.m.

**ANNOUNCEMENT
OF POLL RESULTS**

At 11.20 a.m., the Chairman reconvened the Meeting for declaration of the poll voting results.

The Chairman invited Mr Yong Wai Shern of Commercial Quest Sdn Bhd, the appointed scrutineer, to read out the poll results to the shareholders, corporate representatives and proxies present.

The poll results and resolutions passed were as follows -

**ORDINARY
BUSINESS****Re-election of Directors Retiring pursuant to Article 119 of the
Company's Constitution****Ordinary Resolution 1**

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
896,531,257	99.99	110,232	0.01

The Chairman declared Ordinary Resolution 1 passed as follows -

"**THAT**, Badrul Feisal Abdul Rahim, a Director retiring pursuant to Article 119 of the Company's Constitution, be re-elected Director of the Company."

**Re-election of Director Retiring pursuant to Articles 126 and 128
of the Company's Constitution****Ordinary Resolution 2**

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
896,531,257	99.99	110,232	0.01

The Chairman declared Ordinary Resolution 2 passed as follows -

"**THAT**, Tan Sri Hasmah Abdullah, a Director retiring pursuant to Articles 126 and 128 of the Company's Constitution, be re-elected Director of the Company."

Ordinary Resolution 3

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
896,531,257	99.99	119,632	0.01

**ORDINARY
BUSINESS**
(Cont'd)

The Chairman declared Ordinary Resolution 3 passed as follows -

"**THAT**, Dato' Eshah Meor Suleiman, a Director retiring pursuant to Articles 126 and 128 of the Company's Constitution, be re-elected Director of the Company."

Payment of Directors' Fees from 24 May 2019 to the next AGM of the Company

Ordinary Resolution 4

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
878,517,791	79.98	18,123,632	2.02

The Chairman declared Ordinary Resolution 4 passed as follows -

"**THAT**, the payment of the following directors' fees from 24 May 2019 to the next AGM of the Company, be approved -

- a) RM27,500 per month to the Non-Executive Chairman and RM13,750 per month to each Non-Executive Director of the Company; and
- b) RM10,000 per annum to each Non-Executive Director who sits on the Board of Directors of subsidiaries."

Payment of Benefits Payable to Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,850,000 from 24 May 2019 to the next AGM of the Company

Ordinary Resolution 5

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
896,521,291	99.99	120,132	0.01

The Chairman declared Ordinary Resolution 5 passed as follows -

"**THAT**, the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,850,000 from 24 May 2019 to the next AGM of the Company, be approved."

Re-appointment of Auditors and Fixing of Auditors' Remuneration

Ordinary Resolution 6

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
893,784,345	99.70	2,727,144	0.30

The Chairman declared Ordinary Resolution 6 passed as follows -

**ORDINARY
BUSINESS**
(Cont'd)

"**THAT**, Messrs Ernst & Young, the retiring Auditors, be re-appointed Auditors of the Company to hold office from the date hereof to the conclusion of the Next Annual General Meeting **AND THAT** the Directors be authorised to fix their remuneration."

**SPECIAL
BUSINESS**

Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for additional Recurrent Related Party Transaction of a Revenue or Trading Nature ("Shareholders' Mandate")

Ordinary Resolution 7

FOR		AGAINST	
No. of Shares	%	No. of Shares	%
896,622,689	100.0	18,800	0.00

The Chairman declared Ordinary Resolution 6 passed as follows -

"**THAT**, the mandate granted by shareholders on 24 May 2018 pursuant to Paragraph 10.09 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries (UMW Group) to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(i) of Part A of the Circular to Shareholders dated 25 April 2019 (Circular), with the related parties mentioned therein, which are necessary for the day-to-day operations of the UMW Group, be renewed, **AND THAT** approval be given for a new mandate for the UMW Group to enter into additional recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(ii) of Part A of the Circular with the related parties mentioned therein, **PROVIDED THAT** such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT, the Shareholders' Mandate shall continue to be in force and effect until -

- a) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- b) the expiration of the period within which the Company's next AGM is required to be held, pursuant to Section 340(1) and (2) of the Companies Act 2016 (CA 2016) (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest;

**SPECIAL
BUSINESS**
(Cont'd)

AND THAT, the Board of Directors of the Company be empowered and authorised to complete and do such acts and things as they may think expedient or necessary (including executing such documents as may be required) to give effect to the Shareholders' Mandate."

**CLOSE OF
MEETING**

There being no other business to be transacted, the Meeting ended at 11.25 a.m. with a vote of thanks to the Chair.

Approved,



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CHAIRMAN

APPENDIX A



21 May 2019

Mr Devanesan Evanson
 Chief Executive Officer
 Minority Shareholder Watchdog Group
 Tingkat 11, Bangunan KWSP
 No. 3, Changkat Raja Chulan
 Off Jalan Raja Chulan
 50200 Kuala Lumpur

Dear Mr Devanesan,

37TH ANNUAL GENERAL MEETING (“AGM”) OF UMW HOLDINGS BERHAD (“UMW”)

We refer to your letter dated 13 May 2018 on the above matter.

We thank you for your comments and would be happy to highlight the queries raised by you at the AGM.

Our response to the questions/issues raised is as follows -

Strategic and Financial Matters

- 1) On Page 45 (President & Chief Executive Officer’s Review), it is stated that the focus is for Perodua to defend its overall No. 1 position in the Malaysian automotive market; and for Toyota to regain its No. 1 position in the non-national segment by increasing localisation and expanding our CKD model offering at a more competitive price.
 - (a) What is Perodua’s market share in the Malaysian automotive market and Toyota’s market share in the non-national segment? Have these market shares increased or decreased compared to comparative Periods?

	2018 (units)	Market share	2017 (units)	Market share
Perodua	227,243	↑ 38.0%	204,887	35.5%
UMW Toyota Motor Sdn Bhd (“UMWT”)	66,562	↓ *21.7%	70,445	*23.4%

	1Q2019	Market share	1Q2018	Market share
<i>Perodua</i>	60,659	↑ 42.4%	55,568	41.1%
<i>UMWT</i>	13,865	↑*21.6%	12,826	*19.2%

Note -

* Market share in the Non-national segment.

- (b) **What is the capacity utilisation for Toyota's first and second assembly plant and what is the current capacity utilisation?**

Combined capacity of both plants is 88,000 units per annum.

Both plants are operating at above break-even level.

- (c) **What are the all-new Vios model's competitor-cars and how competitive will the all-new Vios model's pricing be?**

Toyota Vios' main competitor is Honda City (RM74,000 to RM87,000).

The all-new Toyota Vios was launched in January 2019 with three variants, priced from RM77,000 to RM87,000.

The all-new Toyota Vios is highly competitive with improved specifications and has outsold the Honda City since February 2019.

- 2) **The Automotive segment's full-year revenue was largely unchanged at RM8.95 billion as compared to RM8.97 billion in 2017. However, Perodua's strong performance as well as improved profit margins from cost optimisation activities led to a 23.3% jump in PBT to RM549.9 million (page 45 of the Annual Report).**

- (a) **What were the reasons for the marginal dip in revenue and what is the outlook for 2019?**

The marginal dip in revenue was due to lower unit sales registered by UMWT in 2018. For 2019, UMWT has targeted unit sales increase of 13% to 75,000 units.

- (b) **What were the major items that caused the improved profit margins leading to a 23.3% jump in PBT and is the improvement sustainable?**

The improved PBT margins were mainly due to higher contribution Perodua and enhanced profit margin from cost optimisation activities.

For 2019, Perodua is targeting to sell 231,000 units, a 2% increase over 2018. We will continue to focus on intensifying our cost optimisation activities and hope that these initiatives will help us to improve our profit margins.

- 3) On Page 3 (Chairman's Statement), it is stated that in the Equipment division, the Company formed a joint venture company with one of its longest standing principals, Komatsu Ltd of Japan, with whom it is investing in new value-adding technologies, such as Smart Construction, that will elevate it into a total solutions provider for its valued customers.

Please explain how and to what extent this new arrangement boost the Director's contribution particularly in the light of the revival of some mega infrastructure projects in Malaysia.

We have rolled-out a pilot Smart Construction programme in Singapore and actual jobsite testing has commenced. We expect to roll out a similar business strategy in Malaysia in the coming years.

Smart Construction can be used in infrastructure development for precision work finishing, less dependent on operator skill, optimal construction plan & scheduling, reduce fuel consumption and improve productivity. We believe this will provide us with a competitive advantage in the industry as the competitors have no such offering.

The revival of some mega infrastructure projects in Malaysia augurs well for our heavy equipment business and we hope to increase our sales through a wider product offering from Komatsu.

- 4) As stated on Page 46 (President & Chief Executive Officer's Review), the M&E segment achieved a turnaround from a loss of RM17.7 million in 2017 to a PBT of RM21.5 million; underpinned by higher revenue from the Aerospace business.

- (a) What is the outlook and prospect for the M&E segment in 2019 and going forward?

Sales of automotive component and lubricants are anticipated to gradually rise over the next three years.

Automotive component business will focus on plant expansion and modernisation to improve productivity and efficiency.

Lubricants business is to concentrate on expansion into additional markets in ASEAN.

The aerospace business is ramping-up production to deliver fan cases to Rolls-Royce and aims to achieve better efficiency and capacity optimisation.

- (b) What is the total outstanding contract orders for the Aerospace business?

Our current order for Trent 1000 and Trent 7000 fan cases with Rolls-Royce is for another 23 years, followed by an option for a further 5 years.

We are in discussion with Rolls-Royce and other aerospace industry players to supply similar products to optimise capacity and for future business expansions.

As we are bound by a confidentiality agreement with Rolls-Royce, we are unable to share the orders, production and delivery numbers. We are successfully delivering the fan cases to Rolls-Royce as per their purchase orders.

- 5) The amounts charged (and utilised) for provision for warranties increased significantly to RM114.5 million (RM57.2 million) in 2018 compared to RM26.3 million (RM17.3 million) in 2017 (page 188 of the Annual Report).

What were the main reasons for the substantial increase, the basis of calculation of the amount charged and the co-relation between amount charged and utilised?

(RM'000)	2018	2017	Variance
Charge to profit or loss	114,503	26,287	88,216
Utilised during the year	(57,235)	(17,274)	(39,961)

The substantial increase in 2018 was due to –

- Lower amount charged to P&L in 2017 as a result of reversal of over provision for warranty.
- Higher utilisation in 2018 was derived from the export parts.

The provision for warranty is calculated based on actual utilisation data plus projected utilisation taking into consideration factors specific to vehicle models.

There is no co-relation between amount charged and utilised.

Corporate Governance Matter(s)

- 1) Based on the Corporate Governance (“CG”) report of the Company on the application of the Practices under the Malaysian Code On Corporate Governance (“MCCG”) 2017, please provide clarification on the following –

- (a) Practice 4.3 – Step Up – The board had a policy which limits the tenure of the independent directors to nine years.

UMW’s response: Adopted

Explanation on adoption of the practice:

The explanation, among others, states that the Board Charter of the Company specifies that the tenure of INED shall not exceed a cumulative term of nine (9) years, the INED may continue to serve the Board subject to the director’s re-designation as a NED.

In the event the Director is to remain designated as an INED, the board shall first justify and obtain shareholders’ approval.

MSWG's comment:

The 2nd paragraph of your explanation allows for the possibility of the INED continuing as an INED beyond the 9-year tenure. The Step-Up Practices does not envisage a continuation as an INED beyond the 9-year tenure. Please take note of this.

We took note of your comments above.

(b) Practice 12.3 – Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –

- Voting in absentia; and
- Remotes shareholders' participation at General Meetings.

UMW's response: Departure

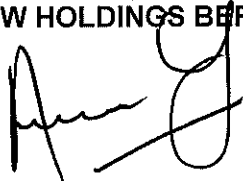
MSWG's comment:

There is no timeframe set for adoption of the said Practice.

UMW is supportive of any technology that can facilitate voting in absentia or remote participation at general meetings and will endeavour to explore a suitable and reliable system to facilitate this. We hope to put in place this technology within the next 5-years.

Thank you.

Yours faithfully,
UMW HOLDINGS BERHAD



AZMIN CHE YUSOFF
Group Chief Operating Officer



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

13 May 2019

BY FAX/HAND

(Fax No: 603 2025 2029)

The Board of Directors
UMW Holdings Berhad
Level 6 , Menara UMW
Jalan Puncak
Off Jalan P. Ramlee
50250 Kuala Lumpur

Attention: Mohd Nor Azam Mohd Salleh
Company Secretary

Dear Directors,

Re: 37th Annual General Meeting (AGM) of UMW Holdings Berhad ("UMW") to be held on Thursday, 23 May 2019

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issues: -

Strategy & Financial Matters

- 1) On Page 45 (President & Chief Executive Officer's Review), it is stated that the focus is for Perodua to defend its overall No. 1 position in the Malaysian automotive market; and for Toyota to regain its No. 1 position in the non-national segment by increasing localisation and expanding our CKD model offering at a more competitive price.
 - (a) What is Perodua's market share in the Malaysian automotive market and Toyota's market share in the non-national segment? Have these market shares increased or decreased compared to comparative Periods?
 - (b) What is the capacity utilization for Toyota's first and second assembly plant and what is the current capacity utilization?
 - (c) What are the all-new Vios model's competitor-cars and how competitive will the all-new Vios model's pricing be?
- 2) The Automotive segment's full-year revenue was largely unchanged at RM8.95 billion as compared to RM8.97 billion in 2017. However, Perodua's strong performance as well as improved profit margins from cost optimisation activities led to a 23.3% jump in PBT to RM549.9 million (page 45 of the Annual Report).

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated In Malaysia • Company No: 524989-M)
Tingkat 11, Bangunan KWSP, No 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.
Tel: (603): 2070 9090 Fax: (603): 2070 9107
E-Mail: mswatch@mswg.org.my Website: www.mswg.org.my

- (a) What were the reasons for the marginal dip in revenue and what is the outlook for 2019?
 - (b) What were the major items that caused the improved profit margins leading to a 23.3% jump in PBT and is the improvement sustainable?
- 3) On Page 3 (Chairman's Statement), it is stated that in the Equipment division, the Company formed a joint venture company with one of its longest standing principals, Komatsu Ltd of Japan, with whom it is investing in new value-adding technologies, such as Smart Construction, that will elevate it into a total solutions provider for its valued customers.

Please explain how and to what extent this new arrangement boost the Division's contribution particularly in the light of the revival of some mega infrastructure projects in Malaysia.

- 4) As stated on Page 46 (President & Chief Executive Officer's Review), the M&E segment achieved a turnaround from a loss of RM17.7 million in 2017 to a PBT of RM21.5 million; underpinned by higher revenue from the Aerospace business.
- (a) What is the outlook and prospect for the M&E segment in 2019 and going forward?
 - (b) What is the total outstanding contract orders for the Aerospace business?
- 5) The amounts charged (and utilized) for provision for warranties increased significantly to RM114.5 million (RM57.2 million) in 2018 compared to RM26.3 million (RM17.3 million) in 2017 (page 188 of the Annual Report).

What were the main reasons for the substantial increase, the basis of calculation of the amount charged and the co-relation between amount charged and utilized?

Corporate Governance Matters

- 1) Based on the Corporate Governance ("CG") report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance ("MCCG") 2017, please provide clarification on the following:
- (a) Practice 4.3 - Step Up - The board has a policy which limits the tenure of its independent directors to nine years.

UMW's response: Adopted

Explanation on adoption of the practice:

The explanation, among others, states that the Board Charter of the Company specifies that the tenure of an INED shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the INED may continue to serve the Board subject to the director's re-designation as a NED.

In the event the Director is to remain designated as an INED, the Board shall first justify and obtain shareholders' approval.

MSWG's comment:

The 2nd paragraph of your explanation allows for the possibility of the INED continuing as an INED beyond the 9-year tenure. The Step-Up Practices does not envisage a continuation as an INED beyond the 9-year tenure. Please take note.

- (b) Practice 12.3 - Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –
- voting in absentia; and
 - remote shareholders' participation at General Meetings.

UMW's response: Departure

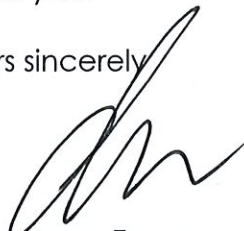
MSWG's comment:

There is no timeframe set for adoption of the said Practice.

We would appreciate if the Board could present the points raised here, and their related answers, for the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



Devanesan Evanson

Chief Executive Officer

DE/CCF/nkk/UMW/AGM 2019