

**UMW HOLDINGS BERHAD**  
(090278-P)

**MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 27<sup>TH</sup> JUNE 2013 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**

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|----------------------|---|--|
| <b>PRESENT</b>       | <ul style="list-style-type: none"> <li>- Y Bhg Tan Sri Asmat bin Kamaludin</li> <li>- Y Bhg Datuk Syed Hisham bin Syed Wazir</li> <li>- Dr Leong Chik Weng</li> <li>- Y Bhg Dato' Dr Nik Norzrul Thani bin N.Hassan Thani</li> <li>- Y Bhg Dato' Siow Kim Lun</li> <li>- Y Bhg Dato' Mohd Nizam bin Zainordin</li> <li>- Encik Khalid bin Sufat</li> <br/> <li>- Corporate Representatives/Shareholders/ Proxies</li> </ul>   | <ul style="list-style-type: none"> <li>- Group Chairman</li> <li>- President &amp; Group CEO</li> <li>- Director</li> <li>- Director</li> <br/> <li>- Director</li> <li>- Director</li> <li>- Director</li> <br/> <li>- Appendix A</li> </ul>  |
| <b>BY INVITATION</b> | <ul style="list-style-type: none"> <li>- Encik Badrul Feisal bin Abdul Rahim</li> <li>- Encik Azmin bin Che Yusoff</li> <li>- Puan Nik Juliah binti Nik Jaafar</li> <li>- Encik Rohaizad bin Darus</li> <li>- Encik Megat Shahrul Azmir bin Nordin</li> <br/> <li>- Dr Wafi Nazrin bin Abdul Hamid</li> <br/> <li>- Mr Lee Chin Min</li> <li>- Cik A'tikah binti Ahmad</li> <li>- Puan Roza Shahnaz binti Omar</li> <br/> <li>- Encik Ahmad Al Juhari bin Darman</li> <br/> <li>- Mr Ong Chee Wai</li> <li>- Mr Low Kin Weng</li> <li>- Mr Vincent Lim Guan Chou</li> <li>- Cik Siti Mariam binti Rodzlan Akib</li> </ul> | <ul style="list-style-type: none"> <li>- Group Chief Operating Officer</li> <li>- Executive Director, Group Financial Services</li> <li>- Executive Director, Group Human Resource</li> <li>- President, Oil &amp; Gas</li> <li>- Executive Director, Manufacturing &amp; Engineering</li> <li>- Executive Director, Group Management Services</li> <li>- Executive Director, Equipment</li> <li>- Senior General Manager, Group Financial Services</li> <li>- Senior General Manager, Group Corporate Development</li> <li>- General Manager, Group Internal Audit</li> <br/> <li>- Messrs Ernst &amp; Young</li> </ul> |
| <b>IN ATTENDANCE</b> | <ul style="list-style-type: none"> <li>- Puan Fadzilah binti Samion</li> </ul>  | <ul style="list-style-type: none"> <li>- Group Secretary</li> </ul>  |

**CHAIRMAN**

Y Bhg Tan Sri Asmat bin Kamaludin, Chairman of the Board, took the Chair and extended a warm welcome to shareholders and invitees to the 31<sup>st</sup> Annual General Meeting of UMW Holdings Berhad.

Shareholders were informed that UMW's achievement in 2012 marks the 12<sup>th</sup> record performance for the UMW Group, arising from improved contributions from all four core business segments. For the first time since UMW became public-listed, the Group exceeded the RM2 billion mark in profit before taxation. The combined efforts from the Group's team in retaining customer confidence, making steady improvements and pulling impressive turnarounds, led to the most profitable year in UMW's 95-year history.

The Chairman then invited the President & Group CEO, Y Bhg Datuk Syed Hisham bin Syed Wazir, to give an overview and update on the UMW Group's operations and performance.

Following the presentation of the UMW Group's operations and performance, Y Bhg Datuk Syed Hisham highlighted issues raised by the Minority Shareholders' Watchdog Group ("MSWG") in their letter of 19<sup>th</sup> June 2013 and UMW's written response dated 24<sup>th</sup> June 2013 (copies attached).

After the conclusion of the above, the Chairman commenced the proceedings of the meeting.

Y Bhg Tan Sri Asmat introduced members of the Board, the Company Secretary, the Chief Financial Officer and Senior Management to shareholders/corporate representatives/proxies.

**QUORUM**

The Secretary confirmed that there was a quorum present.

**VOTING**

Before commencing with the formal proceedings of the meeting, the Chairman briefed shareholders/corporate representatives/proxies on their rights to speak and vote at the meeting on the resolutions set out in the Notice of Meeting.

The Chairman stated that voting would be by show of hands unless a poll is demanded before or upon the declaration of the results of the show of hands. Shareholders (with yellow tags) and first registered proxies (with green tags) can vote on a show of hands.

In the case of a poll, the poll can be requested by at least two (2) members or by the holder or holders in person or by proxy of at least one-twentieth (i.e., 58,414,696) part of the issued and paid-up capital of the Company, or by the Chairman. The Main Market Listing Requirements of Bursa Malaysia Securities Berhad mandates poll

MINUTE NO.	PROCEEDINGS	ACTION
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voting for related party transactions only ("RPT"). Since there is no RPT being put forth at the meeting, all resolutions will be voted by show of hands.

**NOTICE OF MEETING**

The notice of meeting was duly despatched to shareholders, with 21 days' notice given. With the consent of the meeting, the notice convening the meeting, having been duly circulated, was taken as read.

**AUDITED FINANCIAL STATEMENTS**

**ORDINARY BUSINESS**

The Chairman proceeded to deal with the first item on the Agenda which was to receive the Audited Financial Statements for the year ended 31<sup>st</sup> December 2012, together with the Reports of the Directors and the Auditors thereon, which had been circulated to shareholders earlier.

Shareholders/Corporate representatives/Proxies were invited to raise questions on the Audited Financial Statements.

After attending to the questions posed and suggestions offered by shareholders, the Chairman proceeded to the second item on the agenda.

**FINAL DIVIDEND**

The Chairman informed shareholders that a final single-tier dividend of 25.0 sen per share of nominal value RM0.50 each, for the financial year ended 31<sup>st</sup> December 2012 had been proposed. This would bring the total gross dividend for the year to 50.0 sen per share of nominal value RM0.50 each. If approved by shareholders, the final single-tier dividend of 25.0 sen per share will be paid on 15<sup>th</sup> August 2013.

Encik Nordin bin Omar proposed and Mr Lee Cheng Hock seconded the following resolution -

**"THAT**, a final single-tier dividend of 25.0 sen per share of nominal value RM0.50 each, for the year ended 31<sup>st</sup> December 2012, giving a total gross dividend of 50.0 sen per share of nominal value RM0.50 each for the year, be and is hereby approved."

The resolution was put to the meeting and was declared unanimously carried, by the Chairman.

**RE-ELECTION OF DIRECTORS**

The Chairman proceeded with the third item on the Agenda which was the re-election of Y Bhg Datuk Syed Hisham bin Syed Wazir retiring in accordance with Article 116 of the Company's Articles of Association. The Chairman stated that Y Bhg Datuk Syed Hisham, being eligible, had offered himself for re-election.

Ms Wong Dek Ling proposed and Puan Shariffah Azzah binti Syed Ahmad seconded the following resolution -

**"THAT**, Y Bhg Datuk Syed Hisham bin Syed Wazir, a Director retiring by rotation pursuant to Article 116 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."

The resolution was put to the meeting and was declared unanimously carried, by the Chairman.

The Chairman then proceeded with the fourth item on the Agenda which was the re-election of a Director retiring in accordance with Article 123 of the Company's Articles of Association. The Chairman stated that Encik Khalid bin Sufat, who is due to retire at the conclusion of the meeting, being eligible, had offered himself for re-election.

Mr Low Yuen Loong proposed and Encik Rohaizad bin Abdul Rahman seconded the following resolution -

**"THAT**, Encik Khalid bin Sufat, a Director retiring by rotation pursuant to Article 123 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."

The resolution was put to the meeting and was declared unanimously carried, by the Chairman.

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#### **DIRECTORS' FEES**

The Chairman stated that the fifth item on the Agenda was to consider and approve the quantum of Directors' fees of RM1.581 million for the year ended 31<sup>st</sup> December 2012.

The Chairman explained that on 17<sup>th</sup> June 2013, the Company had issued an Errata to the Annual Report, to amend the Directors' fees reflected in the Notice of AGM, i.e., RM890,000, which was lower than the amount captured in Note 29 of the Audited Financial Statements. The amount of RM1.581 million in the Audited Financial Statements constituted Directors' fees, allowances and other benefits-in kind which are normally presented to shareholders for approval. An announcement was made to Bursa Malaysia Securities Berhad on 17<sup>th</sup> June 2013 and the same Errata was posted to shareholders the following day.

Mr Tan Ching Joo proposed and Puan Anura binti Mohd Noor seconded the following resolution -

**"THAT**, a sum of RM1.581 million be and is hereby approved as Directors' fees for the year ended 31<sup>st</sup> December 2012, such fees to be divided amongst the Directors as they shall determine."

The resolution was put to the meeting and was declared unanimously carried, by the Chairman.

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

The Chairman proceeded to deal with the sixth item on the Agenda which was the re-appointment of Messrs Ernst & Young as Auditors for the ensuing financial year and the fixing of the Auditors' remuneration.

The Chairman introduced the Company's Auditors, Messrs Ernst and Young to the meeting at the request of shareholders.

Mr Lew Kuang Chiau proposed and Madam Lim Guat See seconded the following resolution -

**"THAT**, Messrs. Ernst & Young, the retiring Auditors, be re-appointed Auditors of the Company, to hold such office from the date hereof to the conclusion of the next Annual General Meeting and at a remuneration to be determined by the Directors."

The resolution was put to the meeting and was declared unanimously carried, by the Chairman.

**RENEWAL OF  
SHAREHOLDERS'  
MANDATE FOR  
EXISTING RRPT  
AND NEW  
SHAREHOLDERS'  
MANDATE FOR  
ADDITIONAL  
RRPT OF A  
REVENUE AND  
TRADING  
NATURE**

The Chairman proceeded to deal with the Special Business of the meeting, the first being the Ordinary Resolution on the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("RRPTs") and New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature, as set out in the Notice of Meeting.

The Chairman informed the meeting that the Board had proposed to renew the mandate granted by shareholders at the previous AGM held on 21<sup>st</sup> June 2012, and to seek a new mandate for additional RRPTs. He explained that the Proposed Shareholders' Mandate would enable the UMW Group to enter into RRPTs of a revenue or trading nature which are necessary for the day-to-day operations of the UMW Group, details of which are given in the Circular to Shareholders dated 4<sup>th</sup> June 2013.

Puan Faridah binti Tukiran proposed and Mr Low Yuen Loong seconded the following resolution -

**"THAT**, the mandate granted by the shareholders of the Company on 21<sup>st</sup> June 2012 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries ("the UMW Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.1.1(b)(i) of Part A of the Circular to Shareholders dated 4<sup>th</sup> June 2013 ("the Circular") with the related parties mentioned therein, which are necessary for the UMW Group's day-to-day operations, be and is hereby renewed, **AND THAT** approval be and is hereby given for a new mandate for the UMW Group to enter into an additional recurrent related party transaction of a revenue or trading nature as set out in Section 2.1.1(b)(ii) of Part A of the Circular with

the related party mentioned therein, which is necessary for the UMW Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company;

**AND THAT** the authority conferred by such renewed mandate and new mandate shall continue to be in force until -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the ordinary resolution for the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at a general meeting, the mandate is again renewed;
- (b) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965, but such period shall not extend to any extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in general meeting,

whichever is the earliest,

**AND THAT** the Directors of the Company be and are hereby 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 Proposed Shareholders' Mandate,

**AND THAT** the estimates given on the recurrent related party transactions specified in Section 2.1.1(b) of Part A of the Circular being provisional in nature, the Directors or any of them be and are hereby authorised to agree to the actual amount or amounts thereof, provided always that such amount or amounts comply with the review procedures set out in Section 2.1.3 of Part A of the Circular."

The resolution was put to the meeting and was declared unanimously carried by the Chairman.

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**RENEWAL OF  
AUTHORITY FOR  
COMPANY TO  
PURCHASE ITS  
OWN SHARES**

The Chairman then proceeded to deal with the second Special Business, which was the Ordinary Resolution on the Proposed Renewal of Authority for the Company to Purchase Its Own Shares, as set out in the Notice of Meeting.

The Chairman informed the meeting that to-date, the Company has not purchased any of its own shares.

Mr Woo Kai Hung proposed and Ms Chan Swee Fan seconded the following resolution -

**“THAT** subject to the Companies Act, 1965 (“the Act”), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulating authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that -

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company as at the point of purchase; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the purchase,

**AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner -

- (a) cancel all the shares so purchased; or
- (b) retain the shares so purchased in treasury for distribution as dividends to shareholders and/or resell the shares on the market of Bursa Securities and/or subsequently cancel the treasury shares; or
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; and

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Bursa Securities MMLR and any other relevant authority for the time being in force, **AND THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until -

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed, at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting,

the authority is renewed, either unconditionally or subject to conditions; or

- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest,

**AND THAT** the Directors of the Company and/or any of them be authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities.”

The resolution was put to the meeting and was declared unanimously carried by the Chairman.

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**CONCLUSION**

There being no other business for which notice had been given, the meeting ended at 11.30 a.m. with a vote of thanks to the Chair, proposed by Mr Michael Lee Soon Heng and seconded by Mr Tan Ching Joo.

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Approved,

  
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**CHAIRMAN**





**MINORITY SHAREHOLDER WATCHDOG GROUP**  
 Shareholder Activism and Protection of Minority Interest

19 June 2013

**BY FAX/POST**

(Fax No. 603-55193890)

The Board of Directors  
**UMW Holdings Berhad**  
 3rd Floor, The Corporate,  
 No. 10, Jalan Utas (15/7)  
 Batu Tiga Industrial Estate  
 40200 Shah Alam  
 Selangor Darul Ehsan

**Attention: Puan Fadziilah binti Samion**  
 Company Secretary

Dear Sirs

Re: **Thirty First (31<sup>st</sup>) Annual General Meeting (AGM) of UMW Holdings Berhad**  
**("UMW" or "the Company") to be held on 27 June 2013**

Please be advised that we would like to raise the following issues at the 31<sup>st</sup> Annual General Meeting of UMW Holdings Berhad:-

**Strategic & Financial Matters**

1. The Chairman in his statement stated that the Automotive Division achieved record sales and remained the biggest contributor to the Group's earnings.
  - (i) Given the intense competition in the automotive industry, how confident is the Board that the Company would be able to sustain the performance of its Automotive Division for FY2013?
  - (ii) Would there be any launch of new models this year?
2. It was reported in the latest quarterly announcement that the revenue of the Equipment segment declined due to lower demand for the Group's major equipment in Myanmar, but this was compensated by the higher parts sales in Niugini.

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

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

- (i) What are the factors that would impact the demand for equipment?
  - (ii) What is the Board's view on the performance of this segment for the rest of the year?
3. What was the nature of impairment loss of RM25.2 million on property, plant and equipment?

**Corporate Governance Matters**

1. We noted that the Company had not disclosed the executive director's remuneration according to the requirement under Chapter 9, Appendix 9C, Part A of the Main Market Listing Requirements in, 11(b) where directors' remuneration must be disclosed by band of RM50,000. We would like to seek the Board's explanation on the matter.
2. We also noted the Board's view on gender diversity on board and we look forward to its implementation and disclosure of the measures and positive steps taken in future Annual Reports.

We would appreciate if the Board could present the points raised by us and the related answers for the shareholders present at the forthcoming general meeting. At the same time, we await a written reply as soon as possible for our record and posting into our website for the benefit of all stakeholders.

Thank you.

Yours sincerely



**RITA BENOY BUSHON**  
Chief Executive Officer



24<sup>th</sup> June 2013

Ms Rita Benoy Bushon  
Chief Executive Officer  
Minority Shareholder Watchdog Group  
Tingkat 11, Bangunan KWSP  
Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Ms Rita,

**THIRTY-FIRST (31<sup>ST</sup>) ANNUAL GENERAL MEETING ("AGM") OF UMW HOLDINGS BERHAD**

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We refer to your letter dated 19<sup>th</sup> June 2013 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 your questions is as follows -

**Strategic and Financial Matters**

1) The Chairman in his statement stated that the Automotive Division achieved record sales and remained the biggest contributor to the Group's earnings.

(i) Given the intense competition in the automotive industry, how confident is the Board that the Company would be able to sustain the performance of its Automotive Division for FY2013?

We are not new to competition in the Automotive Industry. There will always be new and competitively-priced models introduced by various players in the industry. Our strategy is to provide value-for-money models and a positive ownership experience.

For now, UMW Toyota Motor and Perodua are maintaining their 2013 sales targets.

**(ii) Would there be any launch of new models this year?**

New model launches are part of our strategy to keep up with the competition. We launched the enhanced Camry 2.5V earlier this month. We are unable to disclose new model launches as this may have an impact on the sales of existing models. Announcements on new or enhanced models will be made by UMW Toyota Motor and Perodua in due-course.

**2) It was reported in the latest quarterly announcement that the revenue of the Equipment segment declined due to lower demand for the Group's major equipment in Myanmar, but this was compensated by the higher parts sales in Niugini.**

**(i) What are the factors that would impact the demand for equipment?**

The low worldwide demand for jade in in Q4 2012 and Q1 2013 coupled with the suspension of the jade mining industry by the Myanmar Government due to some domestic issues, affected our operations in Myanmar, contributing to the lower revenue achieved.

**(ii) What is the Board's view on the performance of this segment for the rest of the year?**

We are confident of our Equipment Division's performance for 2013. The domestic situation in the jade mining area of Myanmar has stabilised. Jade mining activities are expected to resume in the second half of 2013. Demand for equipment is forecasted to improve.

We have also recently been awarded a contract in March 2013 to supply 15 units of Airport Fire-Fighting Vehicles and 1 unit of Tactical Simulator Static Cabin to Malaysia Airports Holdings Berhad (MAHB) at a total value of more than RM45 million.

**3. What is the nature of impairment loss of RM25.2 million on property, plant and equipment?**

The carrying amount of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. When such indication exists, the carrying amount of the assets are written down immediately to its recoverable value, to reflect the market value. In this case, assets being impaired are rigs and property.

## CORPORATE GOVERNANCE MATTERS

- 1) We noted that the Company had not disclosed the executive directors' remuneration according to the requirement under Chapter 9, Appendix 9C, Part A of the Main Market Listing Requirement in 11(b) where directors' remuneration must be disclosed by band of RM50,000. We would like to seek the Board's explanation on the matter.

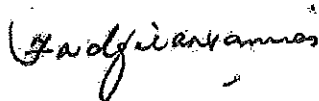
We wish to highlight that Directors' Remuneration has been disclosed on page 63 (Corporate Governance) and page 179 (Note 29 of the Financial Statements) of the Annual Report, according to the respective bands. In respect of the Corporate Governance section, disclosure of the 2012 remuneration starts with the RM100,000 band as none of the Directors is in the RM50,000 band level whereas in 2011, one of the Directors fell within the RM50,000 band level as disclosed in the Financial Statements.

- 2) We also noted the Board's view on gender diversity on board and we look forward to its implementation and disclosure of the measures and positive steps taken in future Annual Reports.

The Board takes cognisance of MSWG's remarks on the above matter and will endeavour to include women participation in the management as well as the Board to fill vacancies as and when these arises. In identifying suitable candidates to fill these vacancies, the Board will assess the suitability of all candidates, based on their merits and contribution to the Board, irregardless of gender.

Thanking you.

Yours faithfully,  
UMW HOLDINGS BERHAD



FADZILAH BINTI SAMION  
Group Secretary