



UMW HOLDINGS BERHAD
(Company No. 090278-P)

SUMMARY OF PROCEEDINGS AT THE THIRTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 19TH JUNE 2014 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	- Y Bhg Tan Sri Asmat bin Kamaludin Y Bhg Datuk Syed Hisham bin Syed Wazir Dr Leng Chik Weng Y Bhg Datuk Dr Nik Norzrul Thani bin N. Hassan Thani Y Bhg Dato' Siow Kim Lun Y Bhg Dato' Mohd Nizam bin Zainordin Encik Khalid bin Sufat Puan Rohaya binti Mohammad Yusof Y Bhg Tan Sri Hasmah binti Abdullah	- Group Chairman President & Group CEO Director Director Director Director Director Director Director
	Corporate Representatives/Shareholders/ Proxies	Appendix A
BY INVITATION	- Encik Badrul Feisal bin Abdul Rahim Encik Azmin bin Che Yusoff Puan Juliah binti Nik Jaafar Encik Rohaizad bin Darus Encik Megat Shahrul Azmir bin Nordin Dr Wafi Nazrin bin Abdul Hamid Mr Lee Chin Min Mr Ravindran Kurusamy Cik A'tikah binti Ahmad Puan Roza Shahnaz binti Omar Y Bhg Datuk Aminar Rashid bin Salleh Encik Ahmad Al Juhari bin Darman Encik Badrul bin Rahman	Group Chief Operating Officer Executive Director, Group Financial Services Executive Director, Group Human Resource President, Oil & Gas Executive Director, Manufacturing & Engineering Executive Director, Group Management Services Executive Director, Equipment Executive Director, UMW Toyota Motor Senior General Manager, Group Financial Services Senior General Manager, Group Corporate Development President & CEO, Perodua Senior General Manager, Group Internal Audit Head, Group Corporate Communication

Encik Ahmad Zahirudin bin Abdul Rahim
Mr Lim Eng Hoe
Mr Vincent Lim Guan Chou
Cik Siti Mariam binti Rodzlan Akib

Messrs Ernst & Young

IN ATTENDANCE - Puan Fadzilah binti Samion

- Group Secretary

PROCEEDINGS

WELCOME ADDRESS

Y Bhg Tan Sri Asmat bin Kamaludin, Chairman of the Board, welcomed shareholders/corporate representatives/proxies and invitees to the Thirty-Second Annual General Meeting of UMW Holdings Berhad.

SAFETY BRIEFING

UMW's Safety Officer, Encik Abdul Aziz bin Mohamed Edar, briefed the meeting on safety procedures in the event of any emergency in the premises.

PRESENTATION BY PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

The President & Group CEO, Y Bhg Datuk Syed Hisham bin Syed Wazir, gave an overview of the UMW Group's operations and performance to-date. He also shared with shareholders, issues raised by the Minority Shareholder Watchdog Group in its letter of 9th June 2014 and UMW's written response dated 16th June 2014 (copies of which are attached hereto).

INTRODUCTION

The Chairman introduced members of the Board and other senior management of the Company as well as the representatives of the Company's auditors, Messrs Ernst & Young, to the meeting.

QUORUM

The Secretary confirmed that there was a quorum present for the meeting.

VOTING

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 meeting was informed that voting would be by a show of hands unless a poll is demanded 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, before or upon the declaration of the results of the show of hands.

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad mandated poll voting for related party transactions only ("RRPTs") and since there were no RRPTs being put forth at the meeting, all resolutions were voted on by a show of hands.

NOTICE OF MEETING

The notice of meeting which was duly despatched to shareholders, was with the consent of the meeting, taken as read.

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AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the Company were tabled for discussion only pursuant to Section 169(1) of the Companies Act, 1965.

Shareholders/corporate representatives/proxies were invited to raise any questions they had on the Audited Financial Statements or on the operations of the UMW Group.

The Board and management dealt with all questions and suggestions raised by shareholders/corporate representatives/proxies accordingly.

ORDINARY RESOLUTIONS 1 AND 2

Re-election of Puan Rohaya binti Mohammad Yusof and Y Bhg Tan Sri Hasmah binti Abdullah, Directors retiring pursuant to Article 109 of the Company's Articles of Association

The meeting agreed that the re-election of Puan Rohaya binti Mohammad Yusof and Y Bhg Tan Sri Hasmah binti Abdullah be voted on under a single resolution.

Puan Faridah binti Tukiran proposed and Mr Michael Lee Soon Heng seconded the motion on the re-election of Puan Rohaya binti Mohammad Yusof and Y Bhg Tan Sri Hasmah binti Abdullah, Directors retiring pursuant to Article 109 of the Company's Articles of Association.

The following motion was put to vote and was declared carried.

"THAT, Puan Rohaya binti Mohammad Yusof and Y Bhg Tan Sri Hasmah binti Abdullah, Directors retiring pursuant to Article 109 of the Company's Articles of Association, be re-elected Directors of the Company."

ORDINARY RESOLUTIONS 3 AND 4

Re-election of Dr Leong Chik Weng and Y Bhg Dato' Mohd Nizam bin Zainordin, Directors retiring by rotation pursuant to Article 123 of the Company's Articles of Association

Similar to Resolutions 1 and 2, the meeting agreed that the re-election of Dr Leong Chik Weng and Y Bhg Dato' Mohd Nizam bin Zainordin be voted on under a single resolution.

Mr Teh Kay Kheng proposed and Ms Wong Dek Ling seconded the motion on the re-election of Dr Leong Chik Weng and Y Bhg Dato' Mohd Nizam bin Zainordin, Directors retiring by rotation pursuant to Article 123 of the Company's Articles of Association.

The following motion was put to vote and was declared carried.

"THAT, Dr Leong Chik Weng and Y Bhg Dato' Mohd Nizam bin Zainordin, Directors retiring pursuant to Article 123 of the Company's Articles of Association, be re-elected Directors of the Company."

ORDINARY RESOLUTION 5 **Approval for Payment of Directors' Fees of RM908,340 for the Financial Year Ended 31st December 2013**

Encik Nordin bin Omar proposed and Mr Lim Jit Chew seconded the motion on the payment of a sum of RM908,340 as Directors' fees for the financial year ended 31st December 2013, such fees to be divided amongst the Directors.

The following motion was put to vote and was declared carried.

"THAT, a sum of RM908,340 be approved as Directors' fees for the financial year ended 31st December 2013, such fees to be divided amongst the Directors as they shall determine."

ORDINARY RESOLUTION 6 **Re-Appointment of Auditors and fixing of Auditors' Remuneration**

Miss Chan Swee Fan proposed and Encik Zuraimi Adras seconded the motion on the re-appointment of Messrs Ernst & Young, the retiring Auditors, as Auditors of the Company from the date of the 32nd Annual General Meeting of the Company to the conclusion of the next Annual General Meeting at a remuneration determined by the Directors.

The following motion was put to vote and was declared carried.

"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 determined by the Directors."

As the re-appointment of the Chairman was the subject matter of the next resolution, Dr Leong Chik Weng, the next senior most member of the Board took over the Chair for the meeting.

ORDINARY RESOLUTION 7 **Re-appointment of Y Bhg Tan Sri Asmat bin Kamaludin, a Director retiring pursuant to Section 129(6) of the Companies Act, 1965**

Mr Tan Kay Keong proposed and Madam Liew Kwi Chin seconded the motion on the re-appointment of Y Bhg Tan Sri Asmat bin Kamaludin as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.

The following motion was put to vote and was declared carried.

"THAT, Y Bhg Tan Sri Asmat bin Kamaludin, be re-appointed a Director of the Company in accordance with Section 129(6) of the Companies Act, 1965."

Upon conclusion of the matter, Dr Leong Chik Weng handed the Chair back to Y Bhg Tan Sri Asmat.

**ORDINARY
RESOLUTION 8**

Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("RRPTs") of a Revenue or Trading Nature

Madam Liew Kwi Chin proposed and Encik Zuraimi Adras seconded the motion on the renewal of shareholders' mandate for existing RRPTs of a revenue or trading nature as given in the Notice of Meeting.

The following motion was put to vote and was declared carried.

"THAT, the mandate granted by the shareholders of the Company on 27th June 2013 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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) of the Circular to Shareholders dated 27th May 2014 ("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, 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 shall continue to be in force until -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming Thirty-Second AGM, at which time it will lapse, unless by a resolution passed a general meeting, the mandate is again renewed;
- (b) the expiration of the period within which the next AGM is to be held, pursuant to Section 143(1) of the Companies Act, 1965, (but 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 the Circular being provisional in nature, the Directors or any of them be and are hereby authorised to agree to the

PROCEEDINGS

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 the Circular.”

CONCLUSION Upon conclusion of the last item on the agenda and 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.



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

9 June 2014

BY FAX/HAND
 (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 Fadzliah binti Samion
Company Secretary

Dear Sirs

Re: **32nd Annual General Meeting (AGM) of UMW Holdings Berhad ("UMW" or "the Company") to be held on 19 June 2014**

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issues at 32nd Annual General Meeting of UMW Holdings Berhad:-

Strategic & Financial Matters

1. We noted that for the Equipment Division, the Group focused on providing parts and related services to customers in the construction and forestry sectors due to the suspension of jade mining activities.

Would the sales of the parts and services in the construction and forestry sectors be able to sustain the profit of this division for 2014?

2. The Manufacturing and Engineering Division recorded a segment loss of RM39.2 million in 2013 compared to segment profit of RM9.9 million in 2012. As stated in the Chairman Statement, this was mainly due to its automotive component manufacturing operations in India being affected by the slowdown in the Indian automotive industry. Impairment of assets and weakening of Indian Rupee were the other factors resulting in the Division recording a loss.

What are the measures taken to address the above issues and what is the Board's view on the performance of this division for 2014?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia • Company No: 524989-M)
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 Tel: (603) 2070 9090 Fax: (603) 2070 9107
 E-Mail: watchdog@mswg.org.my Website: www.mswg.org.my

3. It was stated in the Chairman Statement that the Automotive Division was affected by the early run-out of its best-selling model, Toyota Vios, which affected its sales performance in the first 3 quarters of 2013 but sales increased by 33% in the last quarter following the launch of the new Toyota Vios in October 2013.

We also noted that for the first quarter ended 31 March 2014, revenue for the Automotive Division increased by 11.1% to RM2,656.4 million compared to the previous year's corresponding quarter and the increase was mainly due to the new Vios and Altis models.

- (i) What was the contribution of the sales of the new Vios and Altis, in terms of percentage, to the revenue of the Automotive Division?
 - (ii) Given the stiff competition in the industry, is the Board expecting the Automotive Division to sustain its performance for the remaining quarters of 2014?
4. It was stated in the quarterly report on the results for the first quarter ended 31 March 2014 that Perodua has obtained an Energy Efficient Vehicles ("EEV") license for the manufacture and assembly of EEV at its new plant in Rawang.

When would the plant commence production for its EEV models?

5. What was the nature of impairment on investments in Joint Venture amounting to RM53.5 million in 2013?
6. What was the reason for the increase in net impairment loss on receivables from RM1.6 million in 2012 to RM79.1 million in 2013?

Corporate Governance Matters

1. Other services rendered by the auditors of the Company amounted to RM3.6 million which was higher than the statutory audit fees of RM2.5 million. We noted that these other services comprise tax fees and consultancy advisory fees.
- (i) Could the Board provide the details of the consultancy advisory fees?
 - (ii) Is there an internal policy in place as regards audit vs non-audit fee?

2. We would also like to encourage the Minutes of the AGM be published on the Company's website to be in line with the spirit of transparency and good Corporate Governance practices based on the ASEAN CG Scorecard which is being used to assess the level of CG standards of PLCs in Malaysia by MSWG.

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



LYA RAHMAN
General Manager
Corporate Services



16th June 2014

Minority Shareholder Watchdog Group
11th Floor, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

(Attn : Puan Lya Rahman, General Manager, Corporate Services)

Dear Madam,

THIRTY-SECOND ANNUAL GENERAL MEETING (“AGM”) OF UMW HOLDINGS BERHAD

We refer to your letter dated 9th June 2014 on the above matter.

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

Our response to your questions is as follows -

Strategic and Financial Matters

- 1) We noted that for the Equipment Division, the Group focused on providing parts and related services to customers in the construction and forestry sectors due to the suspension of jade mining activities.**

Would sales of parts and services in the construction and forestry sectors be able to sustain the profit of this Division for 2014?

The suspension of jade mining activities in Myanmar continue to affect equipment demand in the sector. In view of this, we are also looking at other sectors such as the construction and forestry sectors for revenue improvement. While the sales of parts and services in the construction and forestry sectors in Myanmar will not fully sustain the profit in year 2014, the operations are expected to remain profitable. Business prospects remain promising in the coming years for Myanmar.

- 2) **The Manufacturing & Engineering Division recorded a segment loss of RM39.2 million in 2013 compared to a segment profit of RM9.9 million in 2012. As stated in the Chairman's Statement, this was mainly due to its automotive component manufacturing operations in India being affected by the slowdown in the Indian automotive industry. Impairment of assets and weakening of the Indian Rupee were the other factors resulting in the Division recording a loss.**

What are the measures taken to address the above issues and what is the Board's view on the performance of this Division for 2014?

To address the above issues, we have implemented initiatives such as enhanced operational efficiency together with revenue and assertive balance sheet improvements, in order to gain better upside on profitability, including but not limited to improving trade debtors' collections and securing more orders from current and new customers in the automotive sector.

The Board is of the view that with the new government already in place in India, the economy is expected to improve as the newly-appointed Prime Minister of India, Mr Narendra Modi, had promised a much faster rate of growth for the manufacturing and automotive sectors. Rupee has recovered from last year's down trend, which has seen a recovery of 3% (in comparison to USD) in the first quarter of this year, and is expected to strengthen further. With all the above, the performance of the UMW Indian automotive component companies is expected to improve.

- 3) **It was stated in the Chairman's Statement that the Automotive Division was affected by the early run-out of its best-selling model, Toyota Vios, which affected its sales performance in the first three quarters of 2013 but sales increased by 33% in the last quarter following the launch of the new Toyota Vios in October 2013.**

We also noted that for the first quarter ended 31st March 2014, revenue for the Automotive Division increased by 11.1% to RM2,656.4 million compared to the previous year's corresponding quarter and the increase was mainly due to the new Vios and Altis models.

- (i) **What was the contribution of the sales of the new Vios and Altis, in terms of percentage, to the revenue of the Automotive Division?**

The new Vios and Altis contributed between 30% to 40% of the total revenue of the Automotive Division.

- (ii) **Given the stiff competition in the industry, is the Board expecting the Automotive Division to sustain its performance for the remaining quarters of 2014?**

The remaining of 2014 is expected to see intense competition from aggressive promotions on new model launches. Nevertheless, with improved production efficiency and after-sales service, the Automotive Division is expected to sustain its performance in 2014.

- 4) It was stated in the quarterly report on the results for the first quarter ended 31st March 2014 that Perodua has obtained an Energy Efficient Vehicle (“EEV”) licence for the manufacture and assembly of EEV at its new plant in Rawang.

When would the plant commence production for its EEV models?

The plant is expected to commence production in the second half of 2014.

- 5) **What was the nature of impairment on investments in Joint Venture amounting to RM53.5 million in 2013?**

The provision for impairment was in respect to our investment in India. The Board is being prudent in making the provision in view of the unsatisfactory performance of the company.

- 6) **What was the reason for the increase in net impairment loss on receivables from RM1.6 million in 2012 to RM79.1 million in 2013?**

The provision for impairment losses in 2013 was made on the inter-company balances with our joint venture (“JV”) company in India which manufactures high grade Oil Country Tubular Goods. Currently, management is working closely with the JV partner to ensure recoverability of the balances.

Corporate Governance Matters

- 1) **Other services rendered by the auditors of the Company amounted to RM3.6 million which was higher than the statutory audit fees of RM2.5 million. We noted that these other services comprise tax fees and consultancy advisory fees.**

- (i) **Could the Board provide the details of the consultancy advisory fees?**

The bulk of the consultancy advisory fees comprises expenses incurred in relation to the listing of UMW Oil & Gas Corporation Berhad on the Main Market of Bursa Malaysia Securities Berhad.

- (ii) **Is there an internal policy in place as regards audit vs non-audit fee?**

All consultancy services will need to go through a proper selection and approval process as stipulated in the Company’s guidelines.

- 2) **We would like to encourage the Minutes of the AGM be published on the Company’s website to be in line with the spirit of transparency and good Corporate Governance practices based on the ASEAN CG Scorecard which is being used to assess the level of CG standards of PLCs in Malaysia by MSWG.**

The minutes of the last AGM of the Company have already been published on the Company's website. It is accessible via <http://ir.chartnexus.com/umw/investorrelations.php>.

Thanking you.

**Yours faithfully,
UMW HOLDINGS BERHAD**



**DATUK SYED HISHAM BIN SYED WAZIR
President & Group CEO**