Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Bumitama Agri Ltd

Stock code: P8Z

Meeting details:
Date: 24 April 2020
Time: 10.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Company Description

Incorporated in Singapore on 2 December 2005, Bumitama Agri Ltd is an Indonesia-based producer of crude palm oil and palm kernel with oil palm plantations and mills located in three provinces of Indonesia, namely Central Kalimantan, West Kalimantan and Riau. Its primary business activities are cultivating and harvesting oil palm trees, processing fresh palm fruit bunches from its oil palm plantations, plasma plantations and third parties into crude palm oil and palm kernel, and selling crude palm oil and palm kernel.
(Source: https://www.sgx.com/securities/equities/P8Z)

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Q1. As noted in the Chairman's Message (page 4 of the annual report), volatility in palm prices has become the new norm, deviating from the widely accepted 10-year commodity price cycle. In 2019, prices fell to MYR 1,951 per metric tonne (MT) in the second quarter and jumped to MYR 2,500 per MT in December due to weaker than expected oil palm production that was affected by the dry and hot weather.

(i) **How is the group adapting its strategic investments and planting schedule in response to the new norm of high price volatility?**

(ii) **What is the impact on the group's new planting due to the moratorium on the issuance of new permits for plantations?**

Q2. In the Operational highlights section (page 8; reproduced below), the company has provided the size and breakdown of its plantation area.

OPERATIONAL HIGHLIGHTS

FINANCIAL YEAR	2019	2018	2017	2016	2015
PLANTATION AREA (Hectares)					
Total Planted Area	**187,567**	**185,165**	**182,675**	**175,243**	**164,177**
Old & Mature	170,053	162,815	158,083	147,513	126,283
Immature	17,514	22,350	24,592	27,730	37,894
Nucleus Planted Area	**132,643**	**132,431**	**131,421**	**128,966**	**119,679**
Old & Mature	117,590	113,238	110,699	104,970	89,211
Immature	15,053	19,193	20,722	23,996	30,468
Plasma Planted Area	**54,924**	**52,734**	**51,254**	**46,277**	**44,498**
Old & Mature	52,463	49,577	47,384	42,543	37,072
Immature	2,461	3,157	3,870	3,734	7,426
Planted Area by Location					
Kalimantan	185,258	182,856	180,366	172,934	161,868
Riau	2,309	2,309	2,309	2,309	2,309

(Source: Company annual report)

In addition, the company has disclosed that the weighted average age of the group's palm trees as of 1 January 2020 is 10.6 years.

(i) **Would management consider breaking down the age profile of its plantation according to Immature (~0-3 years), Young (~4-6 years), Mature/Prime (~7-18 years) and Old (>18 years)?**

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Q3. Dato' Lee Yeow Chor, a non-executive director, attended two out of the four board meetings held by the company in FY2019. The attendance of directors at board and board committee meetings can be found on page 40 of the annual report. Dato' Lee was first appointed to the board on 23 March 2012 and re-elected on 23 April 2018.

(i) **Were there extenuating circumstances that led Dato' Lee to miss two of the board meetings?**

Additional comment: On 15 April 2020, at 6:06pm, the company announced on SGXNet that it would be changing the proposed final dividend from $0.012 per ordinary share to $0.005 per ordinary share. However, the company had given shareholders instructions on 13 April on how to appoint the chairman as their proxy and to vote on their behalf in view of the COVID-19 precautionary measures. In addition, the new resolution falls short of the minimum notice period of 14 days to be given to shareholders. **How does the company ensure that voting on the updated resolution 2 meets the requirements and is carried out in a fair way for minority shareholders?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)