

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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**TH PLANTATIONS BERHAD (12696-M)**  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR  
EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A  
REVENUE OR TRADING NATURE**

The resolution in respect of the above will be tabled as Special Business at the Forty-Third Annual General Meeting ("AGM") of TH Plantations Berhad ("the Company") to be held as follows:

**Date and Time** : **Monday, 8 May 2017 at 10.00 a.m.**  
**Venue** : **Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur**

The Notice of the AGM together with the Form of Proxy are set out in the 2016 Annual Report of the Company which are despatched together with this Circular.

Should you be unable to attend the AGM, the Form of Proxy should be lodged at the Registered Office of the Company at **Tingkat 23, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur** not less than forty-eight (48) hours before the time set for the AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so. The last date and time for lodging the Proxy Form is on **Saturday, 6 May 2017 at 10.00 a.m.**

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## DEFINITIONS

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Except where the context otherwise requires, the following abbreviation shall apply throughout this Circular:

<b>“Act”</b>	The Companies Act, 2016 as amended from time to time and any re-enactment thereof.
<b>“AGM”</b>	Annual General Meeting.
<b>“Board”</b>	The Board of Directors of THP.
<b>“Bursa Securities”</b>	Bursa Malaysia Securities Berhad (Company No. 635998-W).
<b>“Directors”</b>	The Directors of THP for the time being and shall have the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Director of THP, or any other company which is its subsidiary or holding company or a chief executive officer of THP or its subsidiary or holding Company.
<b>“Listing Requirements”</b>	The Main Market Listing Requirements of Bursa Securities.
<b>“Major Shareholder”</b>	<p>As defined in the Listing Requirements, a person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <ol style="list-style-type: none"><li>i. equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or</li><li>ii. equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.</li></ol> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. A major shareholder includes a person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company and/or its subsidiaries.</p>
<b>“Persons Connected”</b>	Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements.
<b>“Proposed Renewal of Shareholders’ Mandates”</b>	Proposed annual renewal of Shareholders’ Mandates for THP Group to enter into existing RRPTs.
<b>“Related Parties”</b>	Directors, Major Shareholders or Persons Connected with such Directors or Major Shareholders.
<b>“RM”</b>	Ringgit Malaysia.

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## DEFINITIONS

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<b>“RRPTs”</b>	Recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations and are entered into the ordinary course of business of THP Group which involves the interest, direct or indirect, of the Related Parties.
<b>“Shareholders’ Mandates”</b>	Shareholders’ Mandates obtained at the Forty-Second AGM of the Company held on 18 May 2016 for the THP Group to enter into RRPTs based on the terms set out in the Circular to Shareholders dated 25 April 2016.
<b>“Shares”</b>	Ordinary Shares in THP.
<b>“THPAM”</b>	THP Agro Management Sdn Bhd (417182-M), a wholly-owned subsidiary of THP.
<b>“THP or the Company”</b>	TH Plantations Berhad (Company No. 12696-M).
<b>“THP Group/ Group”</b>	THP and its subsidiaries.
<b>“2016 Annual Report”</b>	Annual Report of THP issued for the financial year ended 31 December 2016.

Words incorporate the singular shall, where applicable, include the plural and vice versa. Reference to persons shall include a corporation, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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**TH PLANTATIONS BERHAD (12696-M)**  
(Incorporated in Malaysia)

**Registered Office:**

Tingkat 23  
Bangunan TH Selborn  
153, Jalan Tun Razak  
50400 Kuala Lumpur

Date: 14 April 2017

**Board of Directors:**

- |     |   |   |   |
|-----|---|---|---|
| 1.  | Tan Sri Dato' Sri Ab. Aziz bin Kasim        | - | Chairman, Independent Non-Executive Director            |
| 2.  | Tan Sri Dato' Sri Ismee bin Haji Ismail     | - | Deputy Chairman, Non-Independent Non-Executive Director |
| 3.  | Datuk Seri Johan bin Abdullah               | - | Non-Independent Non-Executive Director                  |
| 4.  | Tan Sri Othman bin Mahmood                  | - | Non-Independent Non-Executive Director                  |
| 5.  | Dato' Sri Mohamad Norza bin Zakaria         | - | Independent Non-Executive Director                      |
| 6.  | Datuk Seri Nurmala binti Abd Rahim          | - | Independent Non-Executive Director                      |
| 7.  | Dato' Azizan bin Abd Rahman                 | - | Non-Independent Non-Executive Director                  |
| 8.  | Dato' Amran bin Mat Nor                     | - | Independent Non-Executive Director                      |
| 9.  | Dato' Shari bin Haji Osman                  | - | Independent Non-Executive Director                      |
| 10. | Dato' Dr. Md Yusop bin Omar                 | - | Independent Non-Executive Director                      |
| 11. | Dato' Sri Zainal Azwar bin Zainal Aminuddin | - | Chief Executive Officer/Executive Director              |

**To: The Shareholders of TH Plantations Berhad**

Dear Sir/Madam

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**1. INTRODUCTION**

At the AGM held on 18 May 2016, the Company had obtained from its shareholders, mandates to enter into certain RRPTs based on the terms set out in the Circular to Shareholders dated 25 April 2016. The said Shareholders' Mandates shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM of THP which has been scheduled to be held on 8 May 2017 unless approval for the renewal of the Shareholders' Mandates is obtained from the shareholders of THP at the forthcoming AGM.

On 14 March 2017, the Board of Directors announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate for THP Group to enter into existing RRPTs as set out in Section 2.4.1 of this Circular at the forthcoming AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandates and to seek your approval for the Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandates to be tabled at the forthcoming AGM.

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATES**

### **2.1 Paragraph 10.09, Part E of Chapter 10 and Practice Note 12 of the Listing Requirements**

Pursuant to Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations, subject to, inter alia, the following:

- i. the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii. the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:
  - (a) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1.0 million or more; or
  - (b) the percentage ratio of such Recurrent Related Party Transactions is 1% or more,whichever is the higher;
- iii. in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- iv. the listed issuer immediately announce to Bursa Securities when the actual value of a RRPTs entered into by the listed issuer, exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more.

Pursuant to Practice Note 12 of the Listing Requirements, the Proposed Renewal of Shareholders' Mandates will, if approved by the shareholders at the forthcoming AGM, be subject to annual renewal. In this respect, any authority conferred by the shareholders' mandate shall only continue to be in force until:

- a. the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
  - b. the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - c. revoked or varied by a resolution passed by the Company's shareholders in a general meeting,
- whichever is earlier.

### **2.2 Principal Activities of THP Group**

The principal activities of the Company are investment holding, cultivation of oil palm, processing of fresh fruit bunches, marketing of crude palm oil, palm kernel and fresh fruit bunches.

The principle activities of THP subsidiaries are investment holding, cultivation of oil palm, processing of fresh fruit bunches, selling and marketing of fresh fruits bunches, crude palm oil, palm kernel and providing management services to THP Group and plantation companies under Lembaga Tabung Haji.

### 2.3 Classes of Related Parties

The RRPTs for which approval is sought are primarily in respect of transactions to be entered into by the Company and/or its subsidiaries with the following Related Parties:

- Lembaga Tabung Haji - (“**TH**”)
- CCM Fertilizers Sdn Bhd - (“**CCM**”)
- Sistem Komunikasi Gelombang Sdn Bhd - (“**SKG**”)
- TH Travel Services Sdn Bhd - (“**TH Travel**”)
- Syarikat Takaful Malaysia Berhad - (“**Syarikat Takaful**”)
- Deru Semangat Sdn Bhd - (“**Deru Semangat**”)
- TH Estates (Holdings) Sdn Bhd - (“**THEH**”)

### 2.4 Nature and Values of the RRPTs

The estimated values of the RRPTs set out in the table below are for the period from the conclusion of the forthcoming AGM of the Company until the conclusion of the next AGM of the Company. The estimations are based on THP Management’s best estimates for the financial year ending 31 December 2017, duly approved by the Board of Directors of THP, and may be subject to changes. Accordingly, the actual values of the RRPTs for the said period may vary from the estimated amounts.

For transactions with a Related Party where office rental is paid, the transactions are in compliance with Paragraph 3.2(c) of Practice Note 12 of the Listing Requirements, that is the lease period does not exceed three (3) years and does not involve payments of rental on a lump sum basis.

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## 2.4 Nature and Values of the RRPTs (continued)

### 2.4.1 Proposed Renewal of Shareholders' Mandates

Related Parties	Type of Transactions	The Company and/or Subsidiaries Transacting with Related Parties	Estimated Value* RM	Actual Value** RM	Deviation@ (if any) RM	Current Estimated Value** RM	Reasons for Deviation (if any)	Nature of Interest
TH	Lease of land from TH measuring approximately 8,723.05 acres at Keratong, Pahang, Rental is payable on yearly basis.	THP	3,462,000	2,662,800	799,200	3,462,000	Not Applicable	Note 1
TH	Lease of office space from TH.	THP	6,391,000	1,931,964	4,459,036	5,906,000	Not Applicable	Note 1
CCM	Purchase of fertilizers from CCM.	THP	1,000,000	204,169	795,831	1,040,000	Not Applicable	Note 2
TH Travel	Purchase of flight tickets.	THP	836,000	792,629	43,371	1,030,000	Not Applicable	Note 3
Syarikat Takaful Malaysia Berhad	Purchase of insurance	THP	3,900,000	2,848,253	1,051,747	3,900,000	Not Applicable	Note 4
SKG	Award of contract to SKG for "kerja-kerja membekal, menghantar, memasang dan menguji, mentauliah dan mendokumentasi peralatan VSAT (very small aperture terminal) dan telekomunikasi untuk Ibu pejabat, ladang-ladang dan kilang-kilang di bawah pengurusan THP".	THP	679,000	512,616	166,384	718,000	Not Applicable	Note 5
Deru Semangat THEH	Provision of management services such as marketing of produce, group engineering services, plantation advisory services and head office support	THPAM	1,000,000	4,903,608	(3,903,608)	5,000,000	^ Increase of plantation development activities such as felling and clearing, manuring and the frequency of planting adviser's visit.	Note 6

There are no amounts due and owing by the Related Parties to THP Group pursuant to the RRPTs as at 15 March 2017 which exceeded the credit terms.



## NOTES:

- \* Estimated Value as disclosed in preceding year Circular dated 25 April 2016.
- \*\* Actual Value transacted since last AGM up to 15 March 2017 being the latest practicable date prior printing of this Circular.
- \*\*\* The estimated transaction values of RRPTs from the forthcoming AGM to the next AGM based on the expected value of transactions estimated by the management of THP. Due to the nature of the transactions, the actual value of the transactions may vary and subject to change from the estimated values disclosed above.
- @ The Actual Value exceeds the Estimated Value by 10% or more.
- ^ The reasons for deviation have been duly announced to Bursa Securities on 27 February 2017.

### (1) Interested Major Shareholder

**TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017. THP is related to the Related Party through a common Major Shareholder, **TH**.

#### Interested Directors

THP is related to the Related Party through a common Directorship.

- Datuk Seri Johan bin Abdullah, a Non-Independent Non-Executive Director of THP, is the Group Managing Director and Chief Executive Officer of **TH**.
- Tan Sri Othman bin Mahmood, a Non-Independent Non-Executive Director of THP, is the member of the Board of Directors of **TH**.

### (2) Interested Major Shareholder

**TH** is a Major Shareholder of CCM with 49.90% direct equity interest as at 15 March 2017. **TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017. THP is related to the Related Party through a common Major Shareholder, **TH**.

#### Interested Director

THP is related to the Related Party through a common Directorship, Dato' Sri Zainal Azwar bin Zainal Aminuddin ("DZA") is the Chief Executive Officer and Executive Director of THP. He is also the Chairman and Director of CCM.

### (3) Interested Major Shareholder

TH Travel is a wholly-owned subsidiary of **TH**. **TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017. THP is related to the Related Party through a common Major Shareholder, **TH**.

### (4) Interested Major Shareholder

Syarikat Takaful is a subsidiary of BIMB Holdings Berhad ("BIMB"). **TH** is a Major Shareholder of BIMB with 53.10% direct equity interest as at 15 March 2017. **TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017. THP is related to the Related Party through a common Major Shareholder, **TH**.

### (5) Interested Major Shareholder

SKG is deemed a wholly-owned subsidiary of Theta Edge Berhad ("Theta"). **TH** is a Major Shareholder of Theta with 68.70% direct equity interest as at 15 March 2017. **TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017. THP is related to the Related Party through a common Major Shareholder, **TH**.

### (6) Interested Major Shareholder

- THPAM is a wholly-owned subsidiary of THP. **TH** is a Major Shareholder of THP with 73.83% direct equity interest as at 15 March 2017.
- **TH** is a Major Shareholder of Deru Semangat with 55% direct equity interest as at 15 March 2017.
- THEH is a wholly-owned subsidiary of **TH**.
- THPAM is related to the Related Parties through a common Major Shareholder, **TH**.

#### Interested Director

THPAM is related to the Related Party through a common Directorship, as follows:

- DZA is the Chief Executive Officer/Executive Director of THP. He is a Managing Director of THPAM. He is also a Director of Deru Semangat.
- Datuk Seri Johan bin Abdullah is a Non-Independent Non-Executive Director of THP. He is the Group Managing Director and Chief Executive Officer of **TH** and he is also the Chairman of Deru Semangat.

## 2.5 Review Procedures in relation to RRPTs

THP has established procedures and processes to ensure that the RRPTs are entered into on an arm's length basis and on normal commercial terms consistent with THP Group's operating policies, which are not more favourable to the Related Parties than those obtained from the public and are not to the detriment of the interests of the minority shareholders.

The Board of Directors has put in place the following procedures and processes for the review of RRPTs, which amongst others, include the following:

- i. Rental for lands and office is determined at fixed rate;
- ii. The Tender Committee, headed by Independent Non-Executive Director of the Company, reviews purchases made from the Related Parties;
- iii. The Audit Committee chaired by an Independent Non-Executive Director and another member who is also an Independent Non-Executive Director seeks the Internal Auditors' confirmation that the RRPTs have been undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those obtained from the public and are not to the detriment of the interests of the minority shareholders of the Company;
- iv. Reports on the RRPTs are compiled by the Finance Division on a quarterly basis for submission to the Audit Committee;
- v. Further, where any director or persons connected to him have an interest (direct or indirect) in any recurrent related party transactions, such director shall abstain from voting on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transaction;
- vi. Wherever practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantial similar type of products/services and/or quantities. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the Audit Committee will rely on the prevailing market norms and practices taking into account the efficiency, quality and type of support services to be provided to ensure that the RRPTs are not detrimental to the Group;
- vii. There is no specific threshold for approval of RRPTs within THP Group. However, all RRPTs are subject to the approval of the appropriate levels of authority set by the Audit Committee, Tender Committee A and/or the Board from time to time. The Board and the Audit Committee may, as they deem fit, request for additional information to the transaction under review from independent sources or adviser, including obtaining valuations from independent professional valuers; and
- viii. The methods and procedures on which the prices of transactions are to be determined by market forces, under similar commercial terms for transactions with third parties.

## 2.6 Statement by the Audit Committee

The Audit Committee of the Company, having reviewed the procedures as outlined in Section 2.5 above, is of the view that the procedures are sufficient to ensure that the RRPTs are carried out on normal commercial terms which are not detrimental to the interest of the minority shareholders of the Company, and the terms are not more favourable to the Related Parties than those generally available to the public.

The composition of the Audit Committee as at 15 March 2017 (being the latest practicable date prior to the printing of this Circular) is as follows:

Name	Designation	Directorship
Dato' Sri Mohamad Norza bin Zakaria	Chairman	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Independent Non-Executive Director
Dato' Amran bin Mat Nor	Member	Independent Non-Executive Director
Dato' Shari bin Haji Osman	Member	Independent Non-Executive Director

When a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will not participate in the deliberation of such transaction and will abstain from any decision-making by the Audit Committee in respect of that transaction.

The Audit Committee is of the view that the Group has put in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and will, at its discretion, amend the procedures and processes which are no longer appropriate or adequate, to ensure that the RRPTs are, at all times, carried out on terms consistent within the Company's practices and are not to detriment of the minority shareholders. These procedures and processes are reviewed on an annual basis.

## 3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATES

The Proposed Renewal of Shareholders' Mandates will benefit the Company by facilitating THP and/or its subsidiaries to enter into transactions described in Section 2.4 above in a timely manner, and to eliminate the need for the Company on each occasion, pursuant to the financial limits imposed by Paragraph 10.08 of the Listing Requirements to seek the shareholders' approval as and when potential transactions with the Related Parties arise. This would substantially reduce the administrative time, inconvenience and costs associated with the convening of such general meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the THP Group.

Shareholders of the Company will appreciate that the RRPTs, as outlined in Section 2.4 above are intended to facilitate transactions in the ordinary course of business of THP Group. The RRPTs are carried out at arms' length basis on normal commercial terms which are not prejudicial to the interest of the shareholders, not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

## 4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATES

The Proposed Renewal of Shareholders' Mandates are not expected to have any effect on the share capital, dividend, gearing, net assets earnings and the shareholdings of the Directors and Major Shareholder of the Company.

## 5. APPROVAL REQUIRED FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATES

The Proposed Renewal of Shareholders' Mandates are subject to the approval being obtained from the shareholders of THP at the forthcoming AGM.

## 6. DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS IN THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATES

Save as disclosed below, none of the other THP Directors, Major Shareholder and/or Persons Connected to them has any interest, whether direct or indirect, in the Proposed Renewal of Shareholders' Mandates:

- i. Dato' Sri Zainal Azwar bin Zainal Aminuddin, a Chief Executive Officer and Executive Director of THP, is also a Director of subsidiary company of **TH**;
- ii. Datuk Seri Johan bin Abdullah, a Non-Independent Non-Executive Director of THP, is the Deputy Group Managing Director and Chief Executive Officer of **TH**. He is also the Chairman of Deru Semangat, a subsidiary of **TH**.
- iii. Tan Sri Othman bin Mahmood, a Non-Independent Non-Executive Director of THP, is the member of the Board of Directors of **TH**.
- iv. **TH** is a Major Shareholder holding a direct equity interest of 73.83% in THP as at 15 March 2017.

As at 15 March 2017 (being the latest practicable date prior to the printing of this Circular), the direct and indirect shareholdings of the Interested Directors and the Interested Major Shareholder of THP are as follows:

Interested Directors	Shareholdings			
	Direct		Indirect	
	No. of THP Shares	%	No. of THP Shares	%
Datuk Seri Johan bin Abdullah	-	-	-	-
Tan Sri Othman bin Mahmood	-	-	-	-
Dato' Sri Zainal Azwar bin Zainal Aminuddin	4,800	#	-	-

Interested Major Shareholders	Shareholdings			
	Direct		Indirect	
	No. of THP Shares	%	No. of THP Shares	%
<b>TH</b>	652,523,331	73.83	-	-

Note: # negligible

Accordingly, the Interested Directors have and will continue to abstain from all Board deliberations and voting at Board level in relation to the RRPTs. The Interested Directors shall abstain from voting on the Proposed Renewal of Shareholders' Mandates, in respect of their direct and indirect interests in THP, where applicable, at the forthcoming AGM.

The Interested Directors and the Interested Major Shareholder have undertaken to ensure that they themselves and Persons Connected to them shall also abstain from voting on the Proposed Renewal of Shareholders' Mandates, in respect of their direct and indirect interests in THP, where applicable, at the forthcoming AGM.

## **7. DIRECTORS' RECOMMENDATION**

Your Directors (save for Dato' Sri Zainal Azwar bin Zainal Aminuddin, Datuk Seri Johan bin Abdullah and Tan Sri Othman bin Mahmood, who have abstained from making any opinions and recommendations in respect of the Proposed Renewal of Shareholders' Mandates) having considered all aspects of the Proposed Renewal of Shareholders' Mandates, is of the opinion that the Proposed Renewal of Shareholders' Mandates are in the best interest of the Company and recommend that you vote in favour of the resolution pertaining to the said proposal to be tabled at the forthcoming Forty-Third AGM of the Company.

## **8. FORTY-THIRD AGM**

The resolution to vote on the Proposed Renewal of Shareholders' Mandates are set out as Special Business in the Notice of Forty-Third AGM contained in the 2016 Annual Report which was sent to you together with this Circular. The Forty-Third AGM will be held at the Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50746 Kuala Lumpur on Monday, 8 May 2017 at 10.00 a.m.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy enclosed in the 2016 Annual Report in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company at Tingkat 23, Bangunan TH Selborn, 153, Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time set for the AGM. The lodging of Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are advised to refer to Appendix I of this Circular, for further information.

Yours faithfully,  
for and on behalf of the Board  
**TH PLANTATIONS BERHAD**

**DATO' SHARI BIN HAJI OSMAN**  
Independent Non-Executive Director

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**FURTHER INFORMATION**


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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of THP who collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading in this Circular.

**2. MATERIAL LITIGATION**

Save as disclosed below, THP and its subsidiaries are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and the Directors of THP have no knowledge of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of THP Group:

**2.1 Kuching High Court Suit No. 22-249-98-III(I) [TR Nyutan Case].**

TR. Nyutan Ak Jami, Gangak Anak Guma, Langa Anak Kama (collectively the **"Plaintiffs"**) v. Lembaga Pembangunan dan Lindungan Tanah (**"1<sup>st</sup> Defendant"**), Nirwana Muhibbah Sdn Bhd (**"2<sup>nd</sup> Defendant"**) and the State Government of Sarawak (**"3<sup>rd</sup> Defendant"**) (collectively the **"Defendants"**).

On 20 November 1998, the Plaintiffs filed civil suit against the Defendants claiming that amongst others, the Plaintiffs be given vacant possession of the native customary land being about one (1) kilometer along both banks of Sungei Tampoi, some parts along Sungei Krang and Sungei Meringgang (**"Native Customary Land"**), which is within the land described as Lot 166 Block 5 of Melikin Land District (**"Gedong Land"**).

On 23 February 2012, the High Court of Sabah and Sarawak (**"High Court"**) came to a decision that the Plaintiffs had proven their native customary rights over the areas claimed. The High Court had also granted the following Orders:

- a. the 3<sup>rd</sup> Defendant to take steps within 30 days to rectify the affected provisional leases by excluding the Native Customary Land; and
- b. damages to be assessed by the High Court's registrar and paid by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants to the Plaintiffs with interest thereon at 4% per annum from the date of writ to full payment.

On 22 March 2012, the Defendants filed an appeal to the Court of Appeal (**"CoA"**). On 24 September 2012, an application for the Stay of Execution of the said judgment was filed by 1<sup>st</sup> and 2<sup>nd</sup> Defendants before the High Court, which was subsequently dismissed by the High Court.

Being the current registered proprietors of the lands affected, and in order to safeguard their interest over the said lands, TH PELITA Gedong Sdn. Bhd. (**"TH PELITA Gedong"**) and TH PELITA Sadong Sdn. Bhd. (**"TH PELITA Sadong"**) have through their solicitors filed two Notice of Motion to Intervene in the appeal which was subsequently allowed under Appeals Civil Appeal No. Q-01-137-03/2012 [State Government of Sarawak v TR Nyutan & 2 Others] and Civil Appeal No. Q-01-136-03/2012 [Lembaga Pembangunan dan Lindungan Tanah & Nirwana Muhibbah Sdn Bhd v TR Nyutan & 2 Others].

The Court of Appeal had fixed the above appeals in respect of TR Nyutan case for hearing on 12 April 2013, which was subsequently adjourned to 29 August 2013.

In view of the common facts, areas of claim and legal principles involved, the CoA had later ordered the above appeals to be heard together (consolidated hearing) at a special sitting of the Court of Appeal sitting in Kuching, Sarawak on 26 September 2013 and 27 September 2013. Over an afternoon session on the 27 September 2013, the Court of Appeal had heard and dismissed both appeals with cost to the Respondents.

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## **FURTHER INFORMATION (CONTINUED)**

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On 23 October 2013, all parties to the appeals, including TH PELITA Gedong and TH PELITA Sadong, had filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal.

The Federal Court had allowed the applications made by TH PELITA Gedong and TH PELITA Sadong on 3 December 2014 on a point of law arising from the decision of the Court of Appeal in September 2013, in which the case had been registered under Federal Civil Appeal Number 01[f]26-12/2014 [Q]. Furthermore, the Federal Court also extended the Stay of Execution of the High Court judgment as affirmed by the Court of Appeal on 19 June 2014.

The appeal before the Federal Court in Kuching was held on 7 February 2017. In the said appeal, the solicitors of all parties involved had made their respective submissions. The Federal Court however adjourned the case for a ruling to a date to be fixed in due course.

However, in the recent outcome of a Federal Court decision, namely the case of Director of Forest, Sarawak & Anor v. TR Sandah Ak Tabau & 7 Others, case No. 01[F]-27-04/2015[Q]), the Federal Court as a majority held that claim involving “Pemakai Menoa” and “Pulau Galau” type of custom is not, in law customary law although it may have been custom.

As such, at this juncture, the Directors of the Companies do not expect the eventual outcome to have a material effect on the Company’s financial position. In the Directors’ opinion, disclosure of any further information about the above matter would be inappropriate, and may even be prejudicial to the interest of the subsidiary Companies.

### **3. MATERIAL CONTRACTS**

Save as disclosed below, there are no other material contracts which have been entered into by THP Group within the past two (2) years preceding the date of this Circular:

- i. Share Purchase Agreement dated 25 November 2016 between the Company and Dupont & Leosk Enterprises Sdn. Bhd. to dispose 25,000,000 ordinary shares of RM1.00 each held by the Company in THP Gemas Sdn. Bhd. (“**Gemas**”) (“**THP Shares**”) representing THP’s 100% equity interest in Gemas for a total cash consideration of RM152,000,000.00 which was completed on 23 December 2016.

### **4. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the Registered Office of the Company during normal office hours from Mondays to Fridays (excluding public holidays) from the date of this Circular and up to the time set for the AGM:

- (a) Memorandum and Articles of Association of THP;
- (b) Audited Financial Statements of THP for the previous two (2) years ended 31 December 2015 and 31 December 2016; and
- (c) Relevant cause papers in respect of the material litigation referred to in Section 2 of this Appendix.

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