

E-NEWSILETTIER

SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION

Chairman's Message



Dear SOPPOA Members,

I am pleased to introduce the July - August 2017 edition of E-Newsletter. This E-Newsletter will be emailed to all our members to keep them informed on a regular basis on the initiatives, programs, and events organised by SOPPOA or relevant partners. We will strive to improve the format and contents of this E-Newsletter going forward. We really appreciate that SOPPOA members could contribute ideas, articles, suggestions, and feedback to SOPPOA so that we can continuously improve to serve members better. Thank you.

Yours sincerely,

Tiong Chiong Ong Chairman, Sarawak Oil Palm Plantation Owners Association (SOPPOA)

Guidelines for Natural Resources & Environment (Audit) Rules, 2008

SOPPOA had several meetings to draw attention of the State Government concerning the guidelines for Natural Resources Environment (Audit) Rules, 2008. The main objective of the guidelines in this document is to provide adequate explanations on the requirements of the Natural Resources and Environment (Audit) Rules, 2008 of Sarawak, Malaysia (referred thereafter as NRE (Audit) Rules, 2008 or the Rules).

Every attempt is made to ensure this document is complete and accurate in interpreting the requirements and implementation of NRE (Audit) Rules, 2008. However, in case of any requirements in the Rules not explained here, the user shall refer to the Natural Resources and Environment Board (NREB), Sarawak office for clarification, and the decision by the Controller shall be final.

Photo taken after the meeting between SOPPOA's Sustainability Committee and NREB Controller on the implementation of Natural Resources and Environment (Audit) Rules, 2008 on 18th July 2017 at NREB Conference Room, 20th Floor, Menara Pelita, Petra Jaya, Kuching. >>

Discussion on the revised guidelines for Natural Resources & Environment (Audit) Rules, 2008 on 4th July 2017 at Grand Continental Hotel, Kuching, Sarawak





Attended MOEA Council Meeting



SOPPOA manager attended 1st MEOA Council Meeting for the Term 2017/2018 at Ridley Resource Centre, 3rd Floor, Bangunan Getah Asli 148, Jalan Ampang 50450 Kuala Lumpur on 7th July 2017.

MEOA will organise the Learning and Brainstorming (LAB) Session on Mechanization of Oil Palm Estates scheduled on 22 & 23 November 2017 in Malacca. This session is a platform to share and brainstorm initiatives and ideas for participants. The President of MEOA has invited SOPPOA to share on "Mechanization Experience in Sarawak, especially in peat area".



Sarawak Tropical Peat Research Institute

SOPPOA was invited to attend the "Majlis Ramah-Tamah Aidilfitri and Ngiling Bidai 2017 in conjunction with the working visit to TROPI" by YAB Chief Minister of Sarawak at Sarawak Tropical Peat Institute Comples, Kota Samarahan on 8th July 2017

The Tropical Peat Research Institute (TROPI) formerly known as a Tropical Peat Research Laboratory (TPRL). The vision of TROPI is to be world leader in tropical peart research while the mission is to develop the scientific technical knowledge and understanding on tropical peatland.

Oil palm planting in peat is a challenge that requires more inputs in term of preparations of the land as well as research as peat can be of different types and therefore need different inputs like fertilizers, pesticides and equipment. SOPPOA work closely with institute like TROPI specially to conduct scientific research in oil palm cultivation areas since TROPI is expert on peat studies.



Picture taken after the meeting between SBF's proposer of the Sarawak Online Portal Foreign Worker (SOP-FW) and SOPPOA HR Committee Members at SOPPOA Office Meeting on 14th July 2017.

Sarawak Online Portal Foreign Worker (SOP-FW).

SOPPOA is of the humble and respectful view that the implementation of SOP-FW should be considered as the second step, to enhance the well-being of the plantation industry in Sarawak. It should only be considered for implementation after detailed study on the benefits and costs to the industry, and following more extensive consultations with all relevant governmental agencies, and stakeholders, including smallholders, in the Sarawak palm oil industry.

SOPPOA will consider supporting the SOP-FW if the portal can meet the following conditions:

 We understand the purpose of setting up SOP-FW is intended as a one-stop center to provide solutions for the transparent, orderly and efficient recruitment and monitoring of foreign guest workers in Sarawak.

Sarawak Online Portal (Foreign Worker) (SOP-FW)

- The use of the SOP-FW should be free-of-charge. It should not be a mechanization for the generation of revenue for the State, as this could result in additional costs burden to the palm oil sector in Sarawak, which is already one of the most heavily taxed industry in Malaysia
- We respectfully propose that the major portion of the foreign workers' levies collected by JIM should be attributed to the Sarawak Government rather than to the Federal Government. Since the foreign guest workers are residing in Sarawak, the levies collected ought to be mainly allocated to the Sarawak State Government to cover/compensate for the social costs, infrastructure costs and other costs associated with the employment of these foreign guest workers.
- The SOP-FW should serve to monitor the entry and the accurate record of the number of foreign guest workers in Sarawak.
- The SOP-FW should help to facilitate and expedite the approval process for recruitment of foreign guest workers.
- The SOP-FW should facilitate and expedite the medical and health screening process, and enhance the medical records of foreign guest workers in Sarawak.
- The SOP-FW should allow for the efficient reporting and monitoring of absconded foreign guest workers to help the monitor and control of illegal foreign workers in the State.
- The SOP-FW should allow for the efficient renewal of foreign workers' work visa at no additional cost to the industry.

Proposed Incentive for Commodity Industry, 2018

SOPPOA has submitted the proposed incentive for commodity industry for the 2018 budget to Ministry of Plantation Industries and Commodities (MPIC) on 21st July 2017, which contained following issues; -

- No increase in Foreign Workers' Levy
- Request for abolishment of Windfall Levy
- Accelerated Capital Allowances (ACA) are not available for capital expenditure incurred on mechanizations and automations in the plantation industry.
- Compliance costs to be incurred for Malaysian Sustainable Palm Oil (MSPO) Certifications.
- Investment Tax Allowance for Capital Expenditure Incurred for Implementation of Biogas Trapping Facilities in Palm Oil Mills in Sarawak.
- Extension of Pioneer Status and Investment Tax Allowance for Capital Expenditure Incurred for undertaking other further downstream manufacturing facilities in Sarawak

SOPPOA's Extraordinary Meeting on 1st August 2017



<< Photo taken during SOPPOA's Extraordinary Meeting on 1st August 2017 at SOPPOA Meeting Room.

Amendments of SOPPOA's Constitution

The amendments of SOPPOA Constitution has been made during the SOPPOA's Extraordinary Meeting for the clauses including 4(b)(i), 6(2), 7(1), 7(4), 8, 8(6), 8(9), 10(8), 10(9)

Amendments of SOPPOA's Constitution

SOPPOA Constitution has been amended with the new clauses as below; -

Clause:4(b)(i)

Any person or company who owns an oil palm plantation in Sarawak of below 2000 hectares is eligible to apply to become an Associate member of SOPPOA. The Council may at its discretion also allow and accept any other person, company, body corporate, or association to become an Associate member of SOPPOA notwithstanding that they do not own an oil palm plantation, provided that such person, company or body corporate is/are involved in the Sarawak palm oil industry

Clause: 6(2)

- (a) An Ordinary Member shall pay a yearly subscription fee of RM1,000.00 within the first two calendar months of the year. If the Ordinary Member is a Permanent Council Member as laid out in Clause 8(2), he shall also pay an additional yearly subscription fee of RM100,000 on or before the last day of February of each year.
- (b) An Associate Member shall pay a yearly subscription fee of RM100.00 within the first two calendar months of the year.
- (c) The subscription fees described in Clause 6(2)(a) and (b) above shall be referred to in this Constitution as "Subscription Fee(s)".
- (d) Any Ordinary Member or Associate Member who fails to pay the Subscription Fee(s) within the time as specified shall be denied his right to vote at a general or council meeting and all other privileges of membership.

Clause: 7(1)

- (c) All Ordinary Members provided under Clause 4(2)(a) shall be entitled to attend the General Meeting and vote provided that they have duly paid all their Subscription Fees to SOPPOA. The Secretary shall be informed in writing not less than fourteen (14) days prior to the General Meeting if there are any changes of the representative(s) attending the meeting.
- (d) All Associate Members provided that they have duly paid all their Subscription Fees to SOPPOA shall be entitled to attend the General Meeting but shall have no vote. Only the elected Associated Member pursuant to Clause 8(3) below is eligible to vote in the Council Meeting.

Clause: 7(4)

Any non-receipt of notice of any General Meeting or meeting of the Council by any member of the Council or SOPPOA, as the case may be, shall not invalidate any resolutions passed or the proceedings at such meeting. The notice is deemed to be served on the same day of delivery if delivered by email or fax, on the 3rd working day (including Saturday) after been delivered by courier or prepaid registered post or upon acknowledgement of receipt by the appropriate representative if delivered by hand.

Clause: 8

- (1) The management of SOPPOA shall be vested in a Council comprising of seven (7) Permanent Council Members, five (5) Ordinary Members and one (1) Associate Member who shall be called the Council Members of SOPPOA. The Council shall have the discretion to vary the number and/or composition of the Council Members provided always that the ratio of Permanent Council members against the other Council Members who are not Permanent Council Members (known as Elected Council Members) shall not exceed 3 Permanent Council Members to every 2 Elected Council Members.
- (2) The seven (7) Permanent Council Members comprise of representatives of the following ordinary members:
 - (i) RIMBUNAN SAWIT BERHAD
 - (ii) JAYA TIASA HOLDINGS BERHAD
 - (iii) SOLID OIL PALM PLANTATION SDN BHD
 - (iv) WOODMAN PLANTATION SDN BHD
 - (v) WTK HOLDINGS BERHAD
 - (vi) SARAWAK OIL PALMS BERHAD
 - (vii) TA ANN HOLDINGS BERHAD

provided that they remain as Ordinary Members of the SOPPOA. The Permanent Council Members may decide among themselves to appoint additional Permanent Council Members from the Ordinary Members provided that the ratio requirement in Clause 8(1) is satisfied. Should additional Elected Council Members need to be appointed to satisfy the ratio requirement in Clause 8(1), the Council's approval is required and if approved, a General Meeting shall be called to elect such additional Elected Council Members. In the event of any of the Permanent Council Members resigning or ceasing to be an Ordinary Member of the SOPPOA for whatever reason, the remaining Permanent Council Members shall vote as to whether to keep the position vacant until a subsequent appointment, to appoint a new Permanent Council Member from the other Ordinary Members or to reduce the number of Permanent Council Members.

(3) A total of six (6) Elected Council Members shall be elected biennially at the Annual General Meeting of which five (5) Council Members shall be elected from the other Ordinary Members not being Permanent Council Members whereas the Associate Members shall elect among themselves one (1) Council Member to represent them.

Clause: 8 (6)

The name of the office bearers shall be proposed and seconded before the election and then voted in by a simple majority at the first Council Meeting after the biennial election held under Clause 8(3). In the event of non-suitable candidates or the demise of any of the office bearers who is not a member of the executive council during the term, the positions may be left vacant. All Council Members not being an office bearer shall be ordinary Council Members.

Clause: 8 (9)

A Council Member may at any time nominate an Alternate Representative who is from the same company or organization and shall submit the name to the SOPPOA's secretariat in writing who shall then distribute notice of such nominations to all Council Members. Such Alternate Representative shall be deemed to be appointed after seven (7) days from the date of the notice from the SOPPOA's secretariat provided there has been no written objection sent to the Council from any of the Council Members.

Should there be an objection, the appointment of such Alternate Representative shall be accepted or rejected by way of simple majority at the next Council Meeting without any requirement to assign any reason.

The Alternate Representative shall have the same right as the elected Council Member to attend and vote in the meeting provided there is no outstanding Subscription Fee due and he remains to be from the same company or organization as the Council Member who nominated him. In the event of death, transfer, or resignation of that Alternate Representative from the company or organization he represented, the company or organization of that Alternative Representative shall have the right to name and nominate another Alternate Representative in accordance with the process laid out previously in this Clause.

Clause: 8 (10)

The Council may constitute an Executive Council who shall during the term exercise all such powers and do all such acts and things as may be exercised or done by the Council. The Executive Council shall consist of the following office bearers of the Council, the Chairman, the Secretary and the Treasurer and an additional two (2) members from the Council to be appointed in a Council meeting. The Chairman shall have a casting vote. The Executive Council shall act under the general direction of and shall be responsible to the Council. The Executive Council may meet and adjourn as they think proper and may regulate their own procedure. Any three (3) members of the Executive Council shall constitute the quorum for an Executive Council meeting and all decision shall be by a simple majority. In the event of an equality in votes, the Chairman shall have a casting vote, but if he is not present, then the Secretary shall have the casting vote. In the event of a vacancy occurring in the Executive Council for whatever reason, the Council may make an interim appointment from the remaining members of the Council to become a member of the Executive Council until the Annual General Meeting of the next election year.

Clause: 8 (12)

One half of the number of the elected Council members including at least one half of the Permanent Council Members must be present for its proceedings to be valid and to constitute a quorum at the Council Meetings. At least 7 days' notice of each meeting shall be given to all the members of the Council.

Clause: 8 (20)

A resolution in writing, signed by the majority of Council Members for the time being entitled to receive notice of a Council Meeting, shall be as valid and effectual as if it had been passed at a Council Meeting duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Council Members.

Clause: 10 (8)

No expenditure exceeding RM1,000,000.00 at any one time shall be incurred without the prior sanction of a General Meeting.

Clause: 10 (9)

As soon as possible after the end of each financial year, a statement of income and expenditure and a balance sheet for the year shall be prepared and audited by the Auditor appointed under Clause 11. The audited accounts shall be circulated together with the notice and agenda for approval at the next Annual General Meeting, and copies shall be made available at the registered address of SOPPOA for the perusal of its Members.

The 39th Council Meeting for the term of 2017/ 2019

Photo taken during SOPPOA's Council Meeting on 1st
August at SOPPOA Meeting Room. >>

The 39th Council Meeting for the 2017/2019 was held at SOPPOA Meeting Room with the following agenda;

- To confirm minutes of 38th Council Meeting held on 8 May 2017.
- Matters arising.
- To received SOPPOA's Financial Statements for period ended June 2017
- To discuss on updated of SOPPOA's activities
- Any other matters.



Sustainability Issues

Malaysian Sustainable Palm Oil (MSPO) certification scheme

The Ministry of Plantation Industries and Commodities, Malaysia, has set the timeline for mandatory compliance on MSPO certification, for the Malaysian palm oil industry, up to 31 December 2019. The aim is to uplift the industry to global standard. The compliance will be implemented in stages, as follows;

- i.) Plantation companies that were certified with Roundtable on Sustainable Palm Oil (RSPO), will have to comply with MSPO certification by 31 December 2018.
- ii.) Plantation companies without RSPO certification would need to comply by 30 June 2019, and
- iii.) All smallholders are required to comply with MSPO certification by 31 December 2019

SOPPOA Members - MSPO Certification Scheme

There are **five (5) members**, **24 oil palm plantations** and **101,689.45 hectares** certified with **MSPO** certification as of **May 2017**. The detail SOPPOA members certified with MSPO certification as tabulated below; -

No.com	Company	No.CA	Certified Areas (CA)	Hectares (Ha)
1	Sarawak Oil Palms Berhad (Gelasah & Lambir Unit)	1	Suai 1 Estate	30,553.47
		2	Suai 2 Estate	
		3	Sungai Balim Estate	
		4	Sungai Trus Estate	
		5	Telong Estate	
		6	Lamaus Estate	
		7	Lambir 1 Estate & Lambir 2	
		8	Taniku 1 Estate Taniku 2 Estate	
		9	Karabungan Estate	
		10	Sepakau Unit	9,294.02
		11	Sg. Meris Estate	3,989.01
		12	Sg Liuk Estate	1
2	Ta Ann Holdings Berhad	13	Ta Ann Plywood Sdn Bhd (Naman Plantation)	10,912.00
		14	Ta Ann Pelita Assan Sdn Bhd (Assan Plantation)	1,551.00
		15	Zumida Oil Palm Palm Sdn Bhd	1,136.28
		16	Ta Ann Pelita Durin Plantation Sdn Bhd	902.42
		17	Daro Oil Palm Plantation	5,582.00
3	Keresa Plantations Sdn. Bhd.	18	Sujan Estate	3,524.70
		19	Jiba Estate	2,480.30
4	Rinwood Pelita (Mukah) Plantation Sdn. Bhd.	20	Sebakong-Mukah Estate	23,843.76
		21	Keyana Estate	
		22	Jebungan Estate	
5	PBB Oil Palm Berhad	23	Segarmas Plantation	4,727.00
		24	Kaminsky Plantation	3,193.49
5	Total	24		101,689.45

Mills Supervisor Course



There was a Mills Supervisor Course, organized from 7 to 11 August 2017 at Kingwood Hotel, Sibu. The Mills Supervisor Course organized by SOPPOA in collaboration with MPOB for participants, which comprised mainly Mill Managers, Supervisors and Senior Mill Officers.

The objective of the course is to improve the technical skills and to enhance the supervisory skill of the mill supervisors.

<< Photo taken after the completion of mill supervisors course on 7th – 11th August 2017 at Kingwood Hotel, Sibu

International Conference on Agriculture and Agro-Based Industry (ICAAS 2017)

SOPPOA was invited to attend the International Conference on Agriculture and Agro-Based Industry (ICAAS 2017) on 21st - 22nd August 2017 at Borneo Convention Kuching (BCCK) in Sarawak Malaysia. The ICAAS 2017 was organised by the Sarawak State Government, through the Ministry of Modernisation of Agriculture, Native Land and Regional Development Sarawak and in collaboration with Department of Agriculture Sarawak, Department of Veterinary Services, Sarawak and with the support of Sarawak Development Institute (SDI). The 2 days International Conference on Agriculture and Agrobased Industry Sarawak 2017 (ICAAS 2017), with the theme "Transforming Agriculture through Commercialisation" and objective are as follows;

- To share knowledge and best practices in agriculture and the agro-based industry
- To explore effective agriculture delivery systems in order to facilitate transformation of the agriculture; and
- To identify opportunities in the utilisation of digital technology to leapfrog the development of sustainable and competitive agriculture.

The conference also divided into four tracks, namely;

Track 1 – Modernisation and Commercialisation of Agriculture: Scenario and Trends

Track 2 – Journey towards Transformed Agriculture

Track 3 – Stakeholders' Integration along the Supply Chain

Track 4 – Digital Agriculture

ICAAS 2017 views below taken during the conference organised on 21st – 22nd August 2017 at BCCK, Kuching, Sarawak





POIC Sabah Meeting

The POIC meeting was held at Hilton Hotel, Kuching on 23rd August 2017 and attended by CEO, Managers of SOPPOA. POIC was represented by Mellisa Lee Shao Fei, Executive, Marketing & Sales and Joanne Pun Yin, Executive, Sales & Marketing of POIC Sabah Sdn Bhd. The executives of POIC were informed the POIC Sdn. Bhd. background, which is the operator of port infrastructure in in POIC Lahad Datu. Geographically located within resource rich neighbouring countries and blessed with a natural draft 20 metres to cater to vessels of up to 100,000 DWT.

They informed that POIC is sharing the investment opportunities as follows;

- Industrial land (sale/lease)
 - Prepared land, land size from 0.8 acres
- Port & logistics facilities
 - Integrated terminal in one location
- Bulking facilities
 - Storage for edible oil/ non-edible oil
- Commercial development
 - Shoplots, shopoffices & show room
- Ready built warehouse/ factory built up area to 100,000 square feet.

POIC

For those wanting to know more details about POIC Sabah Sdn. Bhd., please contact Mellisa, Executive, Marketing & Sales via tel. no. (6088) 272261/230196 ext. 275, email: mellisa@poic.com.my and Joanne Pun Yin, Executive, Sales & Marketing via tel. no. (6088) 272261/230196 ext. 269, email: joanne@poic.co.my.

BIOMAS Meeting

Photo taken during the BIOMAS Meeting between Senior Vice President, Strategic Impact of Agensi Inovasi Malaysia and SOPPOA on 29th August 2017.



The BIOMAS meeting was held at SOPPOA meeting room on 29th August 2017 and attended by CEO and Managers of SOPPOA. BIOMAS was represented by Timothy Ong, Senior Vice President, Strategic Impact of Agensi Technology Malaysia. The meeting was focused on BIOMAS industry in Malaysia as well as Sarawak perspective, views and BIOMAS business opportunity.

The Senior Vice President, Strategic Impact of Agensi Inovasi Malaysia had mentioned during the meeting that Agensi Inovasi Malaysia (AIM) of the Prime Minister's department and Sarawak State Planning Unit (SPU) with the support of from Ministry of International Trade and Industry (MITI) and agencies, will be organising the International Biomass Conference Malaysia 2017 (IBCM 2017) at BCCK, Kuching Sarawak on 19th -20th October 2017.

MBSB Meeting

The MBSB meeting was held at SOPPOA's Meeting Room and attended by CEO, Managers of SOPPOA. MBSB was represented by Norafiza Jamaluddin, Assistant Vice President and Sharill Moh Isa, Manager of MBSB. CEO of SOPPOA welcomed everyone to the meeting. He then invited Mdm Norafiza, Assistant Vice President of MBSB to brief the objective of the courtesy visit as well as MBSB products or services. Mdm Norafiza explained MBSB is an acronym for Malaysia Building Society Berhad (MBSB) which is a subsidiary of the Employee Provident Fund (EPF). MBSB now have products which are focussed on oil palm sector financing, with the emphasis on upstream activities, from land acquisition up to mill financing.

Malaysia Building Society Berhad (MBSB)

Mdm. Norafiza informed that MBSB is providing the Islamic Financing to potential clients which covered activities as follow;

- i) land acquisition (greenfield/ existing estates);
- ii) land development (eg. land clearing, road & drainage, terracing, workers quarters etc);
- iii) cultivation (nursery, fertilisers, etc);
- iv) construction of new/expansion of mill including plant & machineries, biogas facilities; and
- v) working capital financing

Product features of MBSB

The products to be offered under the proposed financing will be Term Financing, Revolving Credit and Trade facility (Bank Guarantee and Letter of Credit).

The MBSB features product are listed below;

- Based on shariah principle of Tawarrug (commodity Murabahah)
- Competitive financing solution
- Maximum financing tenure of up to 15 years
- Flexible payment period with competitive rates.

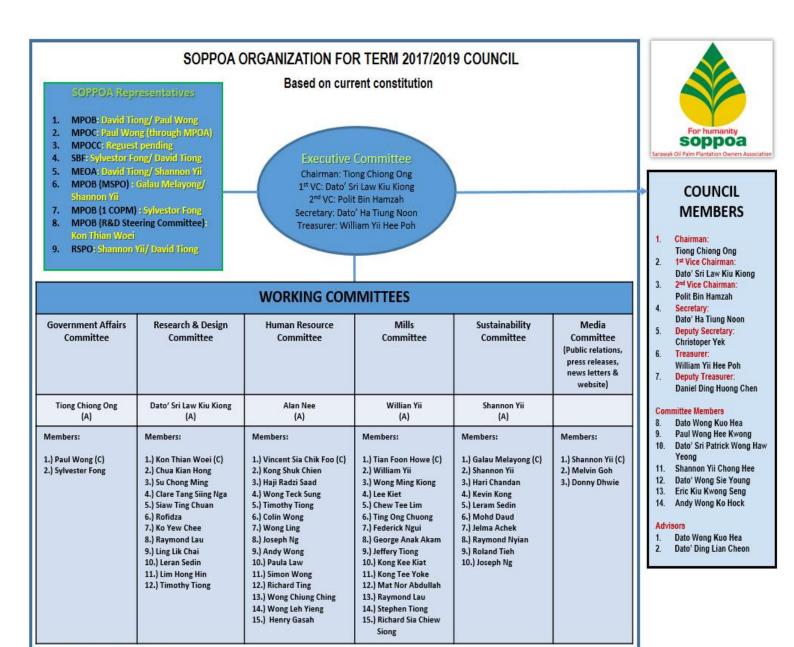
Eligibility

- · Public/ private limited companies, government link companies (GLCs), Federal or State
- Government agencies/ ministries of the cooperative.
- Have experience in the business/ industry.
- Have minimum paid-up capital of RM500,000.

*Note

- MBSB does not provide any financing for NCR land development, unless they have legal title deeds which can be charged to MBSB.
- MBSB has promoted the oil palm plantation financing to registered companies only.
- Unregistered smallholders are not eligible to apply any financing from MBSB.

For those wanting to know more details about MBSB's financing packages, please contact Mdm Norafiza Jamaluddin, Assistant Vice President via tel. no. 03-20963007, e-mail: norafiza@mbsb.com.my and Mr. Sharill Mohd Isa, Manager of MBSB, tel. no. 03-20963069, e-mail: sharill@mbsb.com.my.



(A) = Advisor, (C) = Chairperson

CONTACT US

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