MKH BERHAD (Registration No. 197901006663 (50948-T))
(Summary of Key Matters Discussed at the 43rd AGM held on 16 March 2023) **Annexure C**

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<tr><th>No.</th><th>Live/Pre-Meeting Question Received/Posted</th><th>Live Response by</th><th>Remark</th></tr>
<tr><td>1.</td><td>Referring to Oil Palm Plantation Division:-
(a) FFB Production, Oil Extraction rate and FFB Yield per hectare are in downtrend over the past 3 years. What is the reasons, and do management expect the downtrend to continue in coming years?
(b) What is the per MT all-in production cost in FY2022? What is the expected trend for this cost going forward?
Thank you.</td><td>Plantation Director, Dato' Lee Khee Meng</td><td>(a) The industry average oil extraction rate ("OER") in Malaysia and Indonesia has been decreasing over recent years due to Covid-19 pandemic, labour shortage and weather factor due to the heavy rainfall from La Nina phenomenon. Our plantation in East Kalimantan, Indonesia experienced higher than average rainfall in 2021 and 2022 and this has resulted in lower fresh fruit bunches ("FFB") production per hectare and lower OER.

The Plantation Division continue to fine tune its harvesting procedure in order to maximise the OER extraction rate taking into account the wetter weather condition. The OER for the month of February 2023 has improved to approximately 20.1% as compared to 18.5% for FY2022. We expect the FFB yield to increase as the weather is expected to be drier in the coming months.

(b) The crude palm oil ("CPO") production cost (excluding interest and management fee) for FY2022 stands at approximately RM2,642/MT mainly due to increase in fertilizer cost. We expect the production cost per MT to reduce in the future as the fertilizer price has stabilised and our CPO production is projected to increase as the weather is expected to improve.

With Indonesia stepping-up on its bio-diesel mandate, which is now at B30, this would be positive news for our Group. The average CPO price currently stands at RM3,700/MT (net of export levy and duty in Indonesia) and the Company is making good sustainable profit.</td></tr>
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2.	Company borrowing continue to reduce from more than RM900 million 6 years ago to around RM400 million right now. With the high cash of few hundred millions, any company plan to better utilize the cash, like plantation expansion, company acquisition, special dividend other than reduce the company borrowing? Thanks.	Treasury Director/ Group Company Secretary, Mr Tan Wan San	Our Group's borrowings has reduced substantially mainly due to strong cashflow generated from both our property and plantation divisions which was used to repay bank borrowings. As some of the loans are based on overdraft ("OD") and revolving credit ("RC") facilities, the RC and OD could be re-utilised when the need arises or in the event cash is needed to fund property development projects and business expansion. The Group's strategy is to ensure that we have a good mixture of long term and short term loans to match our business funding requirements.
3.	1) How to manage the labour shortage issue?	Property Director, Dato' Chong Yong Han	Some contractor did faced some labour shortage issue in year 2022 but in the beginning of year 2023, the situation has improved with permits for more workers being obtained by the contractors. In order to further reduce labour dependent, MKH has also look at different construction method eg. post-tensioning construction system and introduction of more Industrialised Building System ("IBS") components in the construction of low rise and high rise building to reduce labour dependence.
		Plantation Director, Dato' Lee Khee Meng	The Group does not face any labour shortage issue for the Plantation Division.