

MHC PLANTATIONS BHD.
Registration No.: 196001000393 (4060-V)
(Incorporated in Malaysia)

Minutes of the Sixty-Fifth (65th) Annual General Meeting ("65th AGM" and/or "AGM") of the Company held at the Company's Office, Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak Darul Ridzuan, Malaysia on Friday, 23 May 2025 at 11.30 a.m.

PRESENT

BOARD OF DIRECTORS

Dato' Seri Mah King Seng	- Executive Chairman
Puan Wan Salmah Binti Wan Abdullah	- Non-Independent Non-Executive Director
Mr. Heng Beng Fatt	- Independent Non-Executive Director
Dato' TPr. Suki Mee	- Independent Non-Executive Director
Mah Li-Na	- Alternate Director to Dato' Seri Mah King Seng
Mah Siu Wen	- Alternate Director to Tan Sri Dr. Mah King Thian

ABSENT WITH APOLOGY

Tan Sri Dr. Mah King Thian	- Managing Director
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Shareholders in person, by proxies and by representative (as per attendance sheet)

IN ATTENDANCE

COMPANY SECRETARY	Ms. Chan May Yoke
EXTERNAL AUDITORS	Mr. Chau Man Kit, Messrs PKF PLT
POLL ADMINISTRATORS	Concierto Corporatehouse Sdn. Bhd.
SCRUTINEERS	Concierto Corporatehouse Sdn. Bhd.

1. WELCOME BY CHAIRMAN

The Chairman of the Board of Directors, Dato' Seri Mah King Seng presided as Chairman of the Meeting and extended a warm welcome to all shareholders, proxies and invitees to the 65th AGM of the Company.

2. QUORUM

Ms. Chan May Yoke, the Company Secretary confirmed that a quorum was present. With requisite quorum being present, the Chairman then called the Meeting to order.

3. NOTICE

3.1 The Notice convening the Meeting was taken as read.

- 3.2 The Chairman informed the Meeting that pursuant to Chapter 8.29A(1) of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all the resolutions set out in the Notice of General Meeting must be voted by poll and Chapter 8.29A(2) requires that at least one Scrutineer be appointed to validate the votes cast. For this purpose, the Chairman exercised his right as Chairman to demand for a poll in accordance with Article 80(a) of the Company's Constitution in respect of all resolutions which would be put to vote at the Meeting.
- 3.3 The Company has therefore appointed Concierto Corporatehouse Sdn. Bhd. as Scrutineers for the Meeting to oversee the conduct of the poll and scrutinize the votes cast.

4. AUDITED FINANCIAL STATEMENTS AND REPORTS

- 4.1 The Audited Financial Statements for the year ended 31 December 2024, together with the Directors' and Auditors' Reports thereon, were tabled for discussion.
- 4.2 The Chairman informed the Meeting that this Agenda was meant for discussion only as the provisions of Section 340(1) of the Companies Act, 2016 did not require formal approval by the shareholders and, hence, would not be put forward for voting.
- 4.3 The Chairman then invited questions from the shareholders and responded to the shareholders accordingly.
- Full details of the Q&A of the shareholders can be viewed from the Company's website at www.mhc.com.my
- 4.4 The Chairman also informed that the Company had received an email from the shareholder, namely Mr. Tee Kim Hor and the answers were presented by the Group Accountant, Mr. Chan Kim Meng. Full details of the Q&A can be viewed from the Company's website at www.mhc.com.my
- 4.5 As there were no further questions, the Audited Financial Statements for the year ended 31 December 2024, together with the Directors' and Auditors' Reports thereon were deemed received by the Meeting as the same had been laid before the Meeting in compliance with Section 340(1) of the Companies Act, 2016.

5. ORDINARY RESOLUTIONS

- 5.1 The Chairman then took the Meeting through all the Ordinary Resolutions as appeared under Ordinary Business and Special Business of the Agenda as follows:
- Ordinary Resolution 1 on the Payment of Directors' Benefits to Non-Executive Directors up to RM180,000 from the 65th AGM until the next AGM of the Company.
 - Ordinary Resolution 2 on the re-election of Tan Sri Dr. Mah King Thian as a Director of the Company in accordance with the Company's Constitution.

- Ordinary Resolution 3 on the re-election of Puan Wan Salmah Binti Wan Abdullah as a Director of the Company in accordance with the Company's Constitution.
- Ordinary Resolution 4 on the re-appointment of Messrs PKF PLT as Auditors of the Company to hold office until the next AGM and to authorize the Directors to fix their remuneration.
- Ordinary Resolution 5 on the Proposed Authority to Allot and Issue Shares in General pursuant to Sections 75 and 76 of the Companies Act, 2016.

5.2 The Chairman also confirmed that no notice had been received from shareholders to transact any other business at today's Meeting.

6. POLL VOTING

The Chairman informed that the 65th AGM was adjourned for 15 minutes for polling and scrutineering. The Chairman then called the Meeting to order at 12.15 p.m. for the declaration of results.

7. POLL RESULTS

7.1 The Chairman then called the Meeting to order and announced the poll results in respect of all the resolutions as follows:

	FOR			AGAINST			TOTAL			CARRIED / NOT CARRIED
	REC	NO. OF SHARES	%	REC	NO. OF SHARES	%	REC	NO. OF SHARES	%	
Ordinary Resolution										
Resolution 1 To approve the payment of Directors' benefits to Non-Executive Directors up to RM180,000 from the 65th AGM until the next Annual General Meeting of the Company	12	92,410,704	100.0000	0	0	0	12	92,410,704	100.0000	CARRIED
Resolution 2 To re-elect Tan Sri Dr. Mah King Thian as Director of the Company	12	92,410,704	100.0000	0	0	0	12	92,410,704	100.0000	CARRIED

	FOR			AGAINST			TOTAL			CARRIED / NOT CARRIED
	REC	NO. OF SHARES	%	REC	NO. OF SHARES	%	REC	NO. OF SHARES	%	
Ordinary Resolution										
Resolution 3 To re-elect Puan Wan Salmah Binti Wan Abdullah as Director of the Company	12	92,410,704	100.0000	0	0	0	12	92,410,704	100.0000	CARRIED
Resolution 4 To re-appoint Messrs PKF PLT as Auditors of the Company and to authorize the Directors to fix their remuneration	12	92,410,704	100.0000	0	0	0	12	92,410,704	100.0000	CARRIED
Resolution 5 To authorise the issuance of shares up to 10% of the total issued shares of the Company	12	92,410,704	100.0000	0	0	0	12	92,410,704	100.0000	CARRIED

7.2 Based on the result, the Chairman declared that all the Ordinary Resolutions 1 to 5 were duly carried out.

8. TERMINATION

There being no further business, the Meeting terminated at 12.20 p.m. with a vote of thanks to the Chair.

CONFIRMED

CHAIRMAN

Ipoh
LC/MHC

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SIXTY-FIFTH (65TH) ANNUAL GENERAL MEETING
FRIDAY, 23 MAY 2025 AT 11.30 A.M.

QUESTIONS & ANSWERS (Q&A) SESSION

Question 1	The shareholder sought clarification on the dividend rate for the financial year 2024, as shown on page 18 of the Annual Report under Five-Year Financial Highlights, which stated a net dividend of 6.0 sen per share, while the actual dividend paid in 2025 was 9.0 sen per share.
Response	<p>The Company has declared an annual net dividend of 6.0 sen per share since 2022. The 6.0 sen figure shown on page 18 reflects the dividend paid on 7 May 2024 for the financial years ended 31 December 2023 and 31 December 2024.</p> <p>In 2025, the Company declared a total net dividend of 9.0 sen per share, which was paid on 7 May 2025. This dividend will be reflected in the financial year ending 31 December 2025.</p>
Question 2	A shareholder referred to the write-off of RM2.76 million for three (3) Guascor gas engines at the 4MW Biogas Power Plant, as disclosed under Other Operating Expenses on page 21 of the Annual Report. The shareholder inquired whether the write-off had any impact on the Company's financial provisions and future financial performance.
Response	<p>The write-off of the three (3) Guascor gas engines ("Gas Engines") was fully recognised in the financial year ended 31 December 2024, with no significant impact anticipated in 2025. The Company does not expect any major write-offs in the 2025 financial year.</p> <p>The write-off was due to the declining efficiency of the older Guascor engines, the unavailability of spare parts, and the closure of the local service provider. The Company is exploring options to recover value, including identifying potential buyers or selling the units as scrap.</p> <p>Management further clarified that the Biogas Plant has a total of seven (7) gas engines. Of these, three (3) Guascor engines were written off, while the remaining four (4) units—three (3) Jenbacher engines and one (1) Guascor engine used as a backup—continue to operate and perform optimally. Notably, these four engines are more than sufficient to support the Biogas Plant's current production capacity.</p>
Question 3	Which plant did the Company plan to refurbish?
Response	Management clarified that the refurbishment relates to the 12-megawatt Biomass Power Plant. Due to wear and tear on the existing boiler and turbine, plans are in place to refurbish both components. Meanwhile, the construction of a new boiler and turbine remains on track for completion in Q3 FY2025 and is expected to enhance the plant's operational performance.

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Question 4	What was the reason for drawing down RM58.50 million in loans and borrowings, as disclosed on page 74 of the Annual Report?
Response	A total of RM58.50 million was drawn down to meet working capital requirements. Of this amount, RM30.00 million was repaid during the year, while the remaining RM28.50 million was placed into cash reserves and subsequently repaid in early January 2025.
Question 5	Based on the capital commitment in Note 34 on page 116 of the Annual Report, what was the projected capital expenditure for 2025?
Response	The outstanding capital commitment as at 31 December 2024 was primarily related to the acquisition of a new boiler and turbine, which is scheduled for commissioning in October 2025. No major capital expenditure is anticipated for the financial year 2025.
Question 6	As MHC Plantations Bhd. ("the Company") has control of Cepatwawasan Group Berhad ("CGB"), why is the share capital of the Company lower than that of CGB?
Response by Auditor	The Company's share capital compared to that of CGB is not the determining factor in establishing control over CGB. If there is sufficient investment in CGB together with de facto control, this justifies the existence of control over the 'relevant activities' of CGB and the rights to its variable returns.
Question 7	Despite holding only a 39.53% equity interest in CGB, why is CGB considered a subsidiary of the Company, given that the Company owns less than 50%?
Response by Auditors	<p>The Company has accounted for its investment in CGB as an investment in a subsidiary company in accordance with the requirements of MFRS 10. Although the Company does not hold a majority of the voting rights, it has the current ability to direct the activities of CGB that significantly affect its returns by way of having de facto control over CGB, determined by:</p> <ul style="list-style-type: none"> (i) the widely spread shareholding of the remaining 60%, with no individual holding more than a 3% interest; and (ii) the Board of Directors of the Company being broadly represented on the board of CGB, thereby providing those board members with the latitude to direct the 'relevant activities' of CGB's operations in line with the key objectives of the Company.
Question 8	What is the Group's total landbank in Peninsular Malaysia and Sabah?
Response	The Group has a landbank of approximately 10,000 hectares in Sabah and 3,000 hectares in Peninsular Malaysia.

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Question 9	There has been a noticeable downward trend in the extraction rate over the past 4–5 years due to lower margins from FFB competition and ageing of the oil mill plant. What caused this?
Response	<p>The observed downward trend in the extraction rate is mainly attributed to the following factors:</p> <ul style="list-style-type: none"> (i) Adverse weather conditions, such as heavy rainfall and flooding, which affected fruit quality; and (ii) High dependence on external FFB sources, particularly from smallholders, who typically supply lower-quality FFB. <p>Management is aware of this and is addressing it through continuous innovation and upgrades to the mill. This will help ensure that the mill remains profitable amid these challenges.</p>
Question 10	Can the Company remain profitable when crude palm oil (CPO) prices fall below RM4,000 per tonne?
Response	A break-even position for CPO would be achieved at an average production cost of approximately RM3,000 per tonne.
Question 11	The power plant has seen significant capital investment but has experienced multiple breakdowns over recent years due to equipment reaching the end of its lifespan and inadequate maintenance. Could you clarify this?
Response	<p>The power plant in question is the Biomass Plant, which has undergone regular maintenance and periodic upgrades. While there have been instances of production downtime in recent years, these did not constitute complete operational breakdowns. Rather, they were periods of reduced production efficiency, during which the plant continued to operate at a lower capacity.</p> <p>That being said, the plant has been very profitable over the past five years, and we expect this positive trend to continue after all upgrade works are completed, barring any unforeseen circumstances.</p>
Question 12	Is palm oil waste being repurposed as a by-product?
Response	Yes. Our oil mill generates palm oil waste by-products that are repurposed as fertiliser, organic mulch, and soil conditioner. Palm kernel shells are also sold commercially. While remaining prudent, management is also constantly on the lookout for exciting new opportunities that are synergistic with our existing operations.
Question 13	How would the US's 10% tariff on Malaysian imports affect the Group?
Response	<p>The imposition of a 10% tariff by the US on Malaysian imports is expected to have broader implications for the global economy. In light of the ongoing trade war between the US and China, the Group may be indirectly affected through increased market volatility and fluctuations in CPO prices.</p> <p>To mitigate risks arising from commodity price fluctuations and global trade disruptions, Management will continue to diversify into the renewable energy sector as part of its strategic plan.</p>

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Question 14	Is there any potential for growth in the Group's plantation landbank?
Response	There are currently no plans to expand the plantation landbank due to ongoing labour shortages and high investment costs. Instead, Management will focus on improving operational efficiency and productivity, while identifying synergistic opportunities to diversify earnings.
Question 15	Are there any plans to change the AGM venue in the future to accommodate more shareholders?
Response	There are no current plans to change the AGM venue, as the existing location has adequately accommodated shareholders in previous years. The venue, which also serves as the Company's operational office, has consistently hosted AGMs and offers convenient access due to its proximity to Kuala Lumpur and Teluk Intan.
Question 16	Is there a possibility of improving the dividend payout in the coming years?
Response	The dividend paid out in FY2025 was already highly attractive, and the Group will continue to make every effort to ensure that dividends are paid on an annual basis. Management would like to emphasise that the dividend amount may fluctuate — either increasing or decreasing — depending on the Group's overall financial position, and not solely on profitability.
Question 17	Questions received from the shareholder, namely Mr. Tee Kim Hor via email
	(1) Does MHC have a policy to maintain a palm tree age profile — namely Immature, Young, Prime, and Past Prime? If so, what is the target percentage?
Response	<p>While the Group maintains a flexible replanting schedule to achieve certain soft targets, there is currently no strict policy in place regarding the specific ratio of palm tree age profiles. This is because, in addition to age composition, the Group considers other critical factors that may impact profitability — such as crude palm oil (CPO) prices, resource allocation, forecasted weather conditions, production costs, and yield projections — when making operational decisions.</p> <p>For example, from 2023 to 2024, the proportion of prime trees declined by 10%. However, during the same period, yield per hectare and the plantation segment's profit before tax (PBT) increased by 9% and 80%, respectively.</p> <p>Nonetheless, we acknowledge your observation and understand your concern. Rest assured, Management has begun taking appropriate action and will continue to place greater emphasis on monitoring and managing the Group's tree age profile moving forward.</p>

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	(2) What would be the palm tree age profile at the end of 2025?		
Response	2025		
	Hectares	Ha	%
	0 – 3 years (Immature)	1,076	10%
	4 – 7 years (Young)	1,912	17%
	8 – 18 years (Prime)	3,430	31%
	> 19 years (Past Prime)	4,722	42%
		11,140	100%
	(3) How would MHC overcome such a high percentage of Past Prime palm trees?		
Response	<p>We would like to clarify that the significant increase in past-prime trees in FY2024 can be attributed to two or three specific estates, where a majority of the trees reached the 19-year mark. While the Group has consistently aimed to achieve an annual replanting rate of approximately 5% of its estates where feasible, Management has decided to implement an accelerated replanting rate of up to 10% per annum for the affected estates.</p> <p>Additionally, the Group would continue to innovate and allocate resources toward initiatives aimed at offsetting any decline in productivity resulting from aging trees. These initiatives included investments in more potent fertilisers and the replanting of high-yielding seedlings with a faster rate of maturity. To ensure long-term sustainability, the Group was also actively expanding its non-plantation business activities, such as its renewables arm.</p>		