

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

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

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## **BATU KAWAN BERHAD**

(Registration No. 196501000504 (6292-U))  
(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**(I) PREVIOUSLY ANNOUNCED ACQUISITIONS OF:**

**(A) 170,444,796 ORDINARY SHARES IN MKH BERHAD ("MKH") ("MKH SHARES"), REPRESENTING 29.6% EQUITY INTEREST IN MKH (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM340.9 MILLION OR RM2.00 PER MKH SHARE; AND**

**(B) A TOTAL OF 39,153,474 ORDINARY SHARES IN MKH OIL PALM (EAST KALIMANTAN) BERHAD ("MKHOP") ("MKHOP SHARES"), REPRESENTING 3.9% EQUITY INTEREST IN MKHOP (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM25.4 MILLION OR RM0.648 PER MKHOP SHARE,**

**BY WHITMORE HOLDINGS SDN BHD ("WHITMORE"), A WHOLLY-OWNED SUBSIDIARY OF BATU KAWAN BERHAD ("BKB" OR "COMPANY") ("ACQUISITIONS") (THE INFORMATION IN RELATION TO THE ACQUISITIONS IN THIS CIRCULAR IS FOR INFORMATION ONLY AND ARE NOT SUBJECT TO SHAREHOLDERS' APPROVAL);**

**(II) PROPOSED ACQUISITION BY WHITMORE OF A TOTAL OF 104,433,373 MKH SHARES ("MKH SALE SHARES"), REPRESENTING 18.1% EQUITY INTEREST IN MKH (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM208.9 MILLION OR RM2.00 PER MKH SALE SHARE FROM THE VENDORS (AS DEFINED IN THIS CIRCULAR) ("PROPOSED MKH ACQUISITION");**

**(III) PROPOSED CONDITIONAL MANDATORY TAKE-OVER OFFER ("MO") FOR THE REMAINING VOTING SHARES IN MKH NOT ALREADY OWNED BY WHITMORE ("OFFEROR") AND BKB ("ULTIMATE OFFEROR") ("MKH OFFER SHARES") AFTER THE PROPOSED MKH ACQUISITION FOR A CASH CONSIDERATION OF RM2.00 PER MKH OFFER SHARE ("PROPOSED MO"); AND**

**(IV) POSSIBLE MO FOR THE REMAINING VOTING SHARES IN MKHOP NOT ALREADY OWNED BY THE OFFEROR, THE ULTIMATE OFFEROR, PERSONS ACTING IN CONCERT WITH THEM AND THE MKH SUBSIDIARIES (AS DEFINED IN THIS CIRCULAR) ("MKHOP OFFER SHARES") AFTER THE PROPOSED MO FOR A CASH CONSIDERATION OF RM0.6626 PER MKHOP OFFER SHARE ("POSSIBLE MO")**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**Investment Bank**

**Company Registration No. 197301002412**  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolution in respect of the Proposed MKH Acquisition, the Proposed MO and the Possible MO will be tabled at the extraordinary general meeting of our Company ("EGM") to be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Wednesday, 5 August 2026 at 10.00 a.m. or any adjournment thereof. The Notice of EGM together with the Proxy Form, Administrative Guide and this Circular are available for download at our Company's website at <https://www.bkawan.com.my/investor-relations/>.

In the event you wish to appoint a proxy, please complete, sign and return the Proxy Form not less than twenty-four (24) hours before the time appointed for taking of the poll or any adjournment thereof, in accordance with the instructions printed therein. The duly completed Proxy Form should be deposited to our share registrar, Boardroom Share Registrars Sdn Bhd's ("Boardroom") office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, electronically lodged through Boardroom's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or emailed to Boardroom at [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com).

Last day, date and time for lodging the Proxy Form : Tuesday, 4 August 2026 at 10.00 a.m.  
Day, date and time of the EGM : Wednesday, 5 August 2026 at 10.00 a.m. or any adjournment thereof

This Circular is dated 20 July 2026

## DEFINITIONS

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

|                                         |                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1st Tranche MKH Shares                  | : 148,744,796 MKH Shares, being the first tranche of MKH Shares which was acquired by way of DBT on 28 May 2026 pursuant to the completed MKH Acquisition                                                                                                                                                                                                      |
| 21 May 2026 MKHOP Dividend              | : The cash dividend of 2.0 sen per MKHOP Share, which was announced by MKHOP on 21 May 2026, for shareholders whose names appear on the record of depositors of MKHOP as at the entitlement date of 10 June 2026, paid on 25 June 2026                                                                                                                         |
| 2nd Tranche MKH Shares                  | : 21,700,000 MKH Shares, being the second and final tranche of MKH Shares which was acquired by way of DBT on 5 June 2026 pursuant to the completed MKH Acquisition                                                                                                                                                                                            |
| Acceptance Condition of the Proposed MO | : The condition that the Offeror and the Ultimate Offeror have received, on or before the Closing Date for the Proposed MO, Valid Acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) which would result in the Offeror, the Ultimate Offeror and the PACs holding in aggregate more than 50.0% voting shares in MKH |
| Acquisitions                            | : Collectively, the MKH Acquisition and the MKHOP Acquisitions which were completed on 9 June 2026 and 3 June 2026 respectively                                                                                                                                                                                                                                |
| Acquisitions Consideration              | : Collectively, the MKH Consideration and the MKHOP Consideration                                                                                                                                                                                                                                                                                              |
| Act                                     | : Companies Act 2016                                                                                                                                                                                                                                                                                                                                           |
| Activest                                | : Activest Sdn Bhd (Registration No. 201301001919 (1031756-A))                                                                                                                                                                                                                                                                                                 |
| BKB or Company or Ultimate Offeror      | : Batu Kawan Berhad (Registration No. 196501000504 (6292-U))                                                                                                                                                                                                                                                                                                   |
| BKB Group or Group                      | : Collectively, our Company and our subsidiaries                                                                                                                                                                                                                                                                                                               |
| BKB Share(s)                            | : Ordinary share(s) in BKB                                                                                                                                                                                                                                                                                                                                     |
| Board                                   | : Board of directors of BKB                                                                                                                                                                                                                                                                                                                                    |
| Boardroom or Share Registrar            | : Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))                                                                                                                                                                                                                                                                                |
| Bursa Securities                        | : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))                                                                                                                                                                                                                                                                                  |
| CCSR                                    | : Chen Choy & Sons Realty Sdn Bhd (Registration No. 197601000523 (26485-H))                                                                                                                                                                                                                                                                                    |
| Circular                                | : This circular to our shareholders in relation to the Proposals dated 20 July 2026                                                                                                                                                                                                                                                                            |

## DEFINITIONS (Cont'd)

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|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Closing Date for the Proposed MO | : (i) the First Closing Date for the Proposed MO; or<br>(ii) if the Proposed MO is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document for MKH, such other extended closing date(s) as the Offeror and the Ultimate Offeror may decide, which will be announced by Maybank IB, on behalf of the Offeror and the Ultimate Offeror, at least two (2) days before the Closing Date for the Proposed MO, and if the Proposed MO is revised, notice(s) of such revision(s) will be posted to the MKH Holder,<br><br>as the case may be     |
| Closing Date for the Possible MO | : (i) the First Closing Date for the Possible MO; or<br>(ii) if the Possible MO is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document for MKHOP, such other extended closing date(s) as the Offeror and the Ultimate Offeror may decide, which will be announced by Maybank IB, on behalf of the Offeror and the Ultimate Offeror, at least two (2) days before the Closing Date for the Possible MO, and if the Possible MO is revised, notice(s) of such revision(s) will be posted to the MKHOP Holder,<br><br>as the case may be |
| CMSA                             | : Capital Markets and Services Act 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Condition Precedent              | : The condition precedent which is to be fulfilled in accordance with the terms and conditions of the MKH Conditional SSA as set out in <b>Appendix I</b> of this Circular                                                                                                                                                                                                                                                                                                                                                                                                            |
| CPKO                             | : Crude palm kernel oil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| CPO                              | : Crude palm oil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| DBT                              | : Direct business transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| DCFV                             | : Datuk Chen Fook Wah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Director                         | : Has the meaning given in Section 2(1) of the CMSA and for the purpose of the Proposals, includes any 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 director of BKB or our subsidiary or holding company or a chief executive officer of BKB, our subsidiary or holding company                                                                                                                                                                                                                     |
| Distribution(s)                  | : Any dividends and/or other distributions of any nature declared, made and/or paid by:<br><br>(i) MKH to the MKH Holders on or after 20 May 2026, being the date of the SSA for the MKH Acquisition and the MKH Conditional SSA but prior to the Closing Date for the Proposed MO; or<br><br>(ii) MKHOP to the MKHOP Holders on or after 20 May 2026, being the date of the SSAs of the MKHOP Acquisitions but prior to the Closing Date for the Possible MO,<br><br>as the case may be                                                                                              |
| DLHH                             | : Dato' Lee Hau Hian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| EGM                              | : Extraordinary general meeting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**DEFINITIONS** *(Cont'd)*

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|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EPS                                    | : Earnings per BKB Share                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| FFB                                    | : Fresh fruit bunch                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| First Closing Date for the Possible MO | : 5.00 p.m. on the date falling twenty-one (21) days from the posting date of the Offer Document for MKHOP                                                                                                                                                                                                                                                                                                                                                                   |
| First Closing Date for the Proposed MO | : 5.00 p.m. on the date falling twenty-one (21) days from the posting date of the Offer Document for MKH                                                                                                                                                                                                                                                                                                                                                                     |
| FPE                                    | : Financial period ended                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| FYE                                    | : Financial year ended                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Hala Maju                              | : Hala Maju Sdn Bhd (Registration No. 202301043241 (1537157-X))                                                                                                                                                                                                                                                                                                                                                                                                              |
| Initial Announcement                   | : Initial announcement in relation to the Acquisitions and the Proposals dated 20 May 2026                                                                                                                                                                                                                                                                                                                                                                                   |
| JQSJ                                   | : Jarrod Quah Swee Jin                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Letters of Agreement                   | : Collectively, <ul style="list-style-type: none"><li>(i) the letter of agreement dated 28 May 2026 between CCSR and Whitmore for the MKH Acquisition;</li><li>(ii) the letter of agreement dated 28 May 2026 between CCSR and Whitmore for the MKHOP Acquisition 1; and</li><li>(iii) the letter of agreement dated 28 May 2026 between CCSR (on behalf of TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest) and Whitmore for the MKHOP Acquisition 2</li></ul> |
| Liberty Alliance                       | : Liberty Alliance (M) Sdn Bhd (Registration No. 199501013517 (342718-U))                                                                                                                                                                                                                                                                                                                                                                                                    |
| Listing Requirements                   | : Main Market Listing Requirements of Bursa Securities                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Lotus Way                              | : Lotus Way Sdn Bhd (Registration No. 199601013973 (386323-M))                                                                                                                                                                                                                                                                                                                                                                                                               |
| LPD                                    | : 30 June 2026, being the latest practicable date prior to the printing of this Circular                                                                                                                                                                                                                                                                                                                                                                                     |
| LTD                                    | : 19 May 2026, being the last full trading day prior to the suspension of the securities of MKH and MKHOP on 20 May 2026                                                                                                                                                                                                                                                                                                                                                     |
| Major Shareholder                      | : A person who has an interest or interests in one (1) or more voting shares in our Company and the number or aggregate number of those shares is: <ul style="list-style-type: none"><li>(i) ten percent (10.0%) or more of the total number of voting shares in our Company; or</li><li>(ii) five percent (5.0%) or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company</li></ul>                          |

For the purpose of this definition, “interest” shall have the meaning of “interest in shares”, given in Section 8 of the Act

## DEFINITIONS (Cont'd)

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|                                 | For the purpose of the Proposals, a Major Shareholder includes any 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 our Company or any other corporation which is our subsidiary or holding company                                                                                                                                  |
| Market Day                      | : A day on which Bursa Securities is open for the trading of securities                                                                                                                                                                                                                                                                                                                                                                 |
| Maybank IB or Principal Adviser | : Maybank Investment Bank Berhad (Company Registration No. 197301002412)                                                                                                                                                                                                                                                                                                                                                                |
| MKH                             | : MKH Berhad (Registration No. 197901006663 (50948-T))                                                                                                                                                                                                                                                                                                                                                                                  |
| MKH Acquisition                 | : Acquisition by Whitmore of 170,444,796 MKH Shares, representing 29.6% equity interest in MKH (excluding treasury shares), for the MKH Consideration or RM2.00 per MKH Share from CCSR, which was completed on 9 June 2026                                                                                                                                                                                                             |
| MKH Comparable Companies        | : The comparable companies of MKH as set out in <b>Section 2.4.3</b> of this Circular                                                                                                                                                                                                                                                                                                                                                   |
| MKH Conditional SSA             | : Conditional SSA between Whitmore and CCSR, TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest for the Proposed MKH Acquisition dated 20 May 2026                                                                                                                                                                                                                                                                            |
| MKH Consideration               | : Total cash consideration of RM340.9 million in respect of the MKH Acquisition                                                                                                                                                                                                                                                                                                                                                         |
| MKH Group                       | : Collectively, MKH and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                |
| MKH Holder(s)                   | : Holder(s) of the MKH Offer Shares                                                                                                                                                                                                                                                                                                                                                                                                     |
| MKH Offer Period                | : The period commencing on 20 May 2026, being the date of the MKH Conditional SSA and expiring on:<br><br>(i) the Closing Date for the Proposed MO; or<br><br>(ii) the date on which the Proposed MO lapses or is withdrawn with the written consent of the SC,<br><br>whichever is earlier                                                                                                                                             |
| MKH Offer Price                 | : RM2.00 per MKH Offer Share subject to any adjustment, where applicable, in accordance with the Rules and the Offer Document for MKH                                                                                                                                                                                                                                                                                                   |
| MKH Offer Shares                | : The remaining voting shares in MKH not already owned by the Offeror and the Ultimate Offeror after the Proposed MKH Acquisition. As at the LPD and excluding the MKH Sale Shares (which represents 18.1% of the total number of MKH Shares in issue (excluding treasury shares)), the MKH Offer Shares comprise 295,899,699 MKH Shares, which represents 51.3% of the total number of MKH Shares in issue (excluding treasury shares) |
| MKH Sale Shares                 | : A total of 104,433,373 MKH Shares, representing 18.1% of the total number of MKH Shares in issue (excluding treasury shares), to be acquired by Whitmore pursuant to the Proposed MKH Acquisition                                                                                                                                                                                                                                     |
| MKH Share(s)                    | : Ordinary share(s) in MKH                                                                                                                                                                                                                                                                                                                                                                                                              |

## DEFINITIONS (Cont'd)

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| MKH Subsidiaries           | : Collectively, <ul style="list-style-type: none"><li>(i) Metro Kajang (Oversea) Sdn Bhd (Registration No. 199301016059 (270799-X));</li><li>(ii) MKH Plantation Sdn Bhd (Registration No. 200601018004 (737756-U)); and</li><li>(iii) Maha Usaha Sdn Bhd (Registration No. 198501011433 (143885-M))</li></ul>                        |
| MKHOP                      | : MKH Oil Palm (East Kalimantan) Berhad (Registration No. 200401023680 (662186-D))                                                                                                                                                                                                                                                    |
| MKHOP Acquisition 1        | : Acquisition by Whitmore of 33,760,776 MKHOP Shares, representing 3.3% equity interest in MKHOP (excluding treasury shares), for a total cash consideration of RM21.9 million or RM0.648 per MKHOP Share from CCSR, which was completed on 3 June 2026                                                                               |
| MKHOP Acquisition 2        | : Acquisition by Whitmore of a total of 5,392,698 MKHOP Shares, representing 0.5% equity interest in MKHOP (excluding treasury shares), for a total cash consideration of RM3.5 million or RM0.648 per MKHOP Share from TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest collectively, which was completed on 3 June 2026 |
| MKHOP Acquisitions         | : Collectively, the MKHOP Acquisition 1 and the MKHOP Acquisition 2                                                                                                                                                                                                                                                                   |
| MKHOP Comparable Companies | : The comparable companies of MKHOP as set out in <b>Section 2.4.3</b> of this Circular                                                                                                                                                                                                                                               |
| MKHOP Consideration        | : Total cash consideration of RM25.4 million in respect of the MKHOP Acquisitions                                                                                                                                                                                                                                                     |
| MKHOP Group                | : Collectively, MKHOP and its subsidiaries                                                                                                                                                                                                                                                                                            |
| MKHOP Holder(s)            | : Holder(s) of the MKHOP Offer Shares                                                                                                                                                                                                                                                                                                 |
| MKHOP Offer Price          | : RM0.6626 per MKHOP Offer Share subject to any adjustment, where applicable, in accordance with the Rules and the Offer Document for MKHOP                                                                                                                                                                                           |
| MKHOP Offer Shares         | : The remaining voting shares in MKHOP not already owned by the Offeror, the Ultimate Offeror, the PACs and the MKH Subsidiaries. As at the LPD, the MKHOP Offer Shares comprise 312,402,989 MKHOP Shares, which represents 30.8% of the total number of MKHOP Shares in issue (excluding treasury shares)                            |
| MKHOP Share(s)             | : Ordinary share(s) in MKHOP                                                                                                                                                                                                                                                                                                          |
| MO                         | : Mandatory take-over offer                                                                                                                                                                                                                                                                                                           |
| MT                         | : Metric tonne                                                                                                                                                                                                                                                                                                                        |
| NA                         | : Net assets                                                                                                                                                                                                                                                                                                                          |
| Offer Document for MKH     | : The document which contains the details and terms and conditions of the Proposed MO together with the form of acceptance and transfer                                                                                                                                                                                               |
| Offer Document for MKHOP   | : The document which contains the details and terms and conditions of the Possible MO together with the form of acceptance and transfer                                                                                                                                                                                               |

## DEFINITIONS *(Cont'd)*

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|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Official List              | : A list specifying all securities which have been admitted for listing on Bursa Securities and not removed                                                                                                                                                                                                                                                                                                                                                                                 |
| PAC(s)                     | : Persons acting in concert with Whitmore and BKB in relation to the Proposed MO and the Possible MO, respectively, pursuant to subsections 216(2) and 216(3) of the CMSA. As at the LPD, the persons acting in concert with Whitmore and BKB who hold MKH Shares and/or MKHOP Shares are set out in <b>Sections 2.5 and 2.6</b> of this Circular                                                                                                                                           |
| PAT                        | : Profit after taxation                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PATAMI                     | : Profit after taxation and minority interest                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| PE                         | : Price-to-earnings                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PB                         | : Price-to-book                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PBT                        | : Profit before taxation                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| PK                         | : Palm kernel                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Possible MO                | : The unconditional MO by the Offeror to acquire the MKHOP Offer Shares, which represents 30.8% of the total number of MKHOP Shares in issue (excluding treasury shares), at the MKHOP Offer Price after the Proposed MO becomes unconditional as to acceptances in accordance with the terms and conditions in the Offer Document for MKHOP, pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules as MKHOP is a significant downstream company of MKH |
| Proposals                  | : Collectively, the Proposed MKH Acquisition, the Proposed MO and the Possible MO                                                                                                                                                                                                                                                                                                                                                                                                           |
| Proposed MKH Acquisition   | : Proposed conditional acquisition by Whitmore of the MKH Sale Shares, representing 18.1% equity interest in MKH (excluding treasury shares), for the Proposed MKH Consideration or RM2.00 per MKH Sale Share from the Vendors                                                                                                                                                                                                                                                              |
| Proposed MKH Consideration | : Total cash consideration of RM208.9 million in respect of the Proposed MKH Acquisition                                                                                                                                                                                                                                                                                                                                                                                                    |
| Proposed MO                | : The conditional MO by the Offeror to acquire the MKH Offer Shares, which represents 51.3% of the total number of MKH Shares in issue (excluding treasury shares), at the MKH Offer Price in accordance with the terms and conditions in the Offer Document for MKH                                                                                                                                                                                                                        |
| PT Tunas                   | : PT Tunas Tani Tutus (Business identification no. 0809230034559)                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Public Spread Requirement  | : The requirement under Paragraph 8.02(1) of the Listing Requirements where a listed issuer must ensure that at least 25.0% of its total listed shares (excluding treasury shares) are in the hands of public security holders to ensure its continued listing on the Main Market of Bursa Securities                                                                                                                                                                                       |
| Rules                      | : Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC                                                                                                                                                                                                                                                                                                                                                                                                                 |
| SC                         | : Securities Commission Malaysia                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SSA(s)                     | : Share sale agreement(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| TSCKC                      | : Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TSCLL                      | : Tan Sri Datuk Chen Lok Loi                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



## DEFINITIONS (Cont'd)

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|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TSLOH               | : Tan Sri Dato' Seri Lee Oi Hian                                                                                                                                                                                                                                                                                                                                                                                                        |
| Valid Acceptance    | : The acceptance of: <ul style="list-style-type: none"><li>(i) the Proposed MO by a MKH Holder in accordance with the terms and conditions of the Offer Document for MKH; or</li><li>(ii) the Possible MO by a MKHOP Holder in accordance with the terms and conditions of the Offer Document for MKHOP,</li></ul> as the case may be, which is deemed by the Offeror and the Ultimate Offeror to be valid and complete in all respects |
| Vendors             | : Collectively, CCSR, TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest                                                                                                                                                                                                                                                                                                                                                      |
| VWAP                | : Volume-weighted average market price                                                                                                                                                                                                                                                                                                                                                                                                  |
| Whitmore or Offeror | : Whitmore Holdings Sdn Bhd (Registration No. 199501020664 (349867-P))                                                                                                                                                                                                                                                                                                                                                                  |

## CURRENCY

|            |                                          |
|------------|------------------------------------------|
| IDR        | : Indonesian Rupiah                      |
| RM and sen | : Ringgit Malaysia and sen, respectively |

All references to “our Company” in this Circular are to BKB and all references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” in this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to “you” and “your” in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and *vice versa*. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to any statute, rule, regulation, enactment or guideline in this Circular is a reference to such statute, rule, regulation, enactment or guideline currently in force and as may be amended from time to time or any re-enactment thereof.

Any reference to a time of day and date in this Circular is a reference to Malaysian time of day and date, unless otherwise specified.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancies in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may include estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.



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## EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENT OF THIS CIRCULAR AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

### Summary of the Acquisitions and the Proposals as at the LPD

| <b>MKH</b>                                 | <b>No. of MKH Shares</b>   | <b>% of issued MKH Shares<sup>(1)</sup></b><br>(%) | <b>Consideration</b><br>(RM'million) | <b>Status</b>                           |
|--------------------------------------------|----------------------------|----------------------------------------------------|--------------------------------------|-----------------------------------------|
| <u>MKH Acquisition</u>                     |                            |                                                    |                                      |                                         |
| - 1st Tranche MKH Shares                   | 148,744,796                | 25.8                                               | 297.5                                | Completed on 3 June 2026 <sup>(2)</sup> |
| - 2nd Tranche MKH Shares                   | 21,700,000                 | 3.8                                                | 43.4                                 | Completed on 9 June 2026 <sup>(2)</sup> |
| <b>Subtotal</b>                            | <b>170,444,796</b>         | <b>29.6</b>                                        | <b>340.9</b>                         |                                         |
| Proposed MKH Acquisition                   | 104,433,373                | 18.1                                               | 208.9                                | Subject to our shareholders' approval   |
| Acquisition via open market <sup>(3)</sup> | 6,000,000                  | 1.0                                                | 11.6                                 | Completed on 18 June 2026               |
| Proposed MO                                | 295,899,699 <sup>(4)</sup> | 51.3                                               | 591.8                                | Subject to our shareholders' approval   |
| <b>Total</b>                               | <b>576,777,868</b>         | <b>100.0</b>                                       | <b>1,153.2</b>                       |                                         |

| <b>MKHOP</b>              | <b>No. of MKHOP Shares</b> | <b>% of issued MKHOP Shares<sup>(5)</sup></b><br>(%) | <b>Consideration</b><br>(RM'million) | <b>Status</b>                           |
|---------------------------|----------------------------|------------------------------------------------------|--------------------------------------|-----------------------------------------|
| <u>MKHOP Acquisitions</u> |                            |                                                      |                                      |                                         |
| - MKHOP Acquisition 1     | 33,760,776                 | 3.3                                                  | 21.9                                 | Completed on 3 June 2026 <sup>(2)</sup> |
| - MKHOP Acquisition 2     | 5,392,698                  | 0.5                                                  | 3.5                                  |                                         |
| <b>Subtotal</b>           | <b>39,153,474</b>          | <b>3.9</b>                                           | <b>25.4</b>                          |                                         |
| Possible MO               | 312,402,989                | 30.8                                                 | 207.0                                | Subject to our shareholders' approval   |
| <b>Total</b>              | <b>351,556,463</b>         | <b>34.7<sup>(6)</sup></b>                            | <b>232.4</b>                         |                                         |

#### **Notes:**

- (1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LPD.
- (2) The information in relation to the Acquisitions in this Circular is for information only. The Acquisitions are not subject to our shareholders' approval as the individual and aggregated percentage ratio for the Acquisitions are less than 25.0%. Further information on the aggregated highest percentage ratio for the Acquisitions and the Proposals is set out in **Section 9** of this Circular.
- (3) On 15 June 2026, Whitmore had acquired 6,000,000 MKH Shares, representing 1.0% of the total number of MKH Shares in issue (excluding treasury shares) from the open market for RM1.94 per MKH Share. The acquisition was completed on 18 June 2026.
- (4) Does not take into consideration the following acquisitions by Whitmore via open market subsequent to the LPD:
  - (a) 2,000,000 MKH Shares on 15 July 2026, representing 0.3% of the total number of MKH Shares in issue (excluding treasury shares) for RM1.96 per MKH Share, which was completed on 17 July 2026; and

## EXECUTIVE SUMMARY (Cont'd)

- (b) 557,400 MKH Shares on 16 July 2026, representing 0.1% of the total number of MKH Shares in issue (excluding treasury shares) for RM1.96 per MKH Share, which will complete on 20 July 2026.
- (5) Based on the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.
- (6) The remaining 65.3% of the total number of MKHOP Shares in issue (excluding treasury shares) is held by MKH, the MKH Subsidiaries and 79,900 MKHOP Shares held by Goh Beng Choo (a PAC).

| Key information                                                                                      | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reference to this Circular |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Background information on the Acquisitions</b>                                                    | <p>The MKH Acquisition entailed the acquisition by Whitmore of 170,444,796 MKH Shares from CCSR for the MKH Consideration, whereas the MKHOP Acquisitions entailed the acquisitions by Whitmore of a total of 39,153,474 MKHOP Shares from the Vendors for the MKHOP Consideration.</p> <p>The acquisition of the 1st Tranche MKH Shares and the MKHOP Acquisitions were completed on 3 June 2026 and the acquisition of the 2nd Tranche MKH Shares was completed on 9 June 2026.</p> <p>With the completion of the Acquisitions, the direct shareholding of Whitmore has increased from nil to 29.6% in MKH (excluding treasury shares) and from nil to 3.9% in MKHOP (excluding treasury shares), respectively.</p> | Section 2.1                |
| <b>Background information on the Proposed MKH Acquisition</b>                                        | <p>The Proposed MKH Acquisition entails the acquisition by Whitmore of the MKH Sale Shares for the Proposed MKH Consideration to be satisfied fully in cash, subject to the terms and conditions of the MKH Conditional SSA.</p> <p>The MKH Sale Shares will be acquired free from any encumbrances and with all rights, benefits and entitlements attached to them.</p>                                                                                                                                                                                                                                                                                                                                              | Section 2.3                |
| <b>Basis and justification for the Acquisitions Consideration and the Proposed MKH Consideration</b> | <p><u>MKH Consideration and the Proposed MKH Consideration</u></p> <p>The MKH Consideration and the Proposed MKH Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, among others, the following:</p> <ul style="list-style-type: none"><li>(i) historical and prevailing market price of MKH Shares;</li><li>(ii) audited consolidated NA attributable to the owners of MKH of RM1,879.2 million as at 30 September 2025; and</li><li>(iii) audited consolidated PATAMI of MKH of RM89.6 million for the FYE 30 September 2025.</li></ul>                                                                                                                          | Section 2.4                |

## EXECUTIVE SUMMARY (Cont'd)

| Key information | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reference to this Circular |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                 | <p>The MKH Consideration and the Proposed MKH Consideration are justifiable after taking into consideration the following:</p> <ul style="list-style-type: none"><li>(i) the implied PE multiple of 12.9 times is slightly above the range of the PE multiples of the MKH Comparable Companies;</li><li>(ii) the implied PB multiple of 0.6 time falls within the range of the PB multiples of the MKH Comparable Companies;</li><li>(iii) rationale and benefits of the Acquisitions and the Proposals as set out in <b>Section 3</b> of this Circular; and</li><li>(iv) prospects of the MKH Group (including the MKHOP Group) as set out in <b>Section 4.3</b> of this Circular.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |
|                 | <p><u>MKHOP Consideration</u></p> <p>The MKHOP Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, among others, the following:</p> <ul style="list-style-type: none"><li>(i) historical and prevailing market prices of MKHOP Shares;</li><li>(ii) audited consolidated NA of MKHOP as at 30 September 2025 of RM583.0 million; and</li><li>(iii) audited consolidated PAT of MKHOP of RM79.8 million for the FYE 30 September 2025.</li></ul> <p>The MKHOP Consideration is justifiable after taking into consideration the following:</p> <ul style="list-style-type: none"><li>(i) the implied PE multiple of 8.2 times falls within the range of the PE multiples of the MKHOP Comparable Companies;</li><li>(ii) the implied PB multiple of 1.1 times falls within the range of the PB multiples of the MKHOP Comparable Companies;</li><li>(iii) rationale and benefits of the Acquisitions and the Proposals as set out in <b>Section 3</b> of this Circular; and</li><li>(iv) prospects of the MKH Group (including the MKHOP Group) as set out in <b>Section 4.3</b> of this Circular.</li></ul> |                            |

## EXECUTIVE SUMMARY (Cont'd)

| Key information                   | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Reference to this Circular |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Details of the Proposed MO</b> | <p>Following the completion of the acquisition of the 1st Tranche MKH Shares on 3 June 2026, the direct shareholding of the Offeror in MKH increased from nil to 25.8% (excluding treasury shares), and following the completion of the acquisition of the 2nd Tranche MKH Shares on 9 June 2026, the direct shareholding of the Offeror in MKH has further increased from 25.8% to 29.6% (excluding treasury shares). The subsequent acquisition of 6,000,000 MKH Shares from the open market which was completed on 18 June 2026 further increased the direct shareholding of the Offeror in MKH from 29.6% to 30.6% (excluding treasury shares).</p> <p>As at the LPD, the direct shareholding of the Offeror in MKH is 30.6% (excluding treasury shares). Upon completion of the Proposed MKH Acquisition, the direct shareholding of the Offeror in MKH will further increase to 48.7% (excluding treasury shares).</p> <p>Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, an acquirer who has obtained control in, among others, a listed corporation shall make a take-over offer for the remaining voting shares in such listed corporation. As such, the Offeror will be obliged to extend the Proposed MO where the MKH Offer Price would be the price per MKH Share pursuant to the Proposed MKH Acquisition. The Proposed MO will also be extended to persons acting in concert with the Offeror and the Ultimate Offeror in connection with the Proposed MO, where applicable, as allowed under the Rules.</p> <p>Should the MKH Conditional SSA become unconditional, the Offeror will, in accordance with subparagraph 9.10(1)(b)(i) of the Rules, serve a written notice of its firm intention to undertake the Proposed MO to the Board of Directors of MKH. The Offer Document for MKH will be despatched to the MKH Holders within twenty-one (21) days from the date of the notice of the Proposed MO, in accordance with subparagraph 11.02(1) of the Rules.</p> <p><u>Consideration for the Proposed MO</u></p> <p>The MKH Offer Price is the price to be paid for each MKH Sale Share pursuant to the Proposed MKH Acquisition, subject to any adjustment, where applicable, which will be set out in the Offer Document for MKH.</p> <p>According to subparagraph 6.03(1) of the Rules which provides for the offer price of a take-over offer, the MKH Offer Price must also not be lower than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror, the Ultimate Offeror and persons acting in concert with them for the purchase of MKH Shares during the MKH Offer Period and within six (6) months prior to the commencement of the MKH Offer Period.</p> | Section 2.5                |

## EXECUTIVE SUMMARY (Cont'd)

| Key information                   | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reference to this Circular |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                                   | <p>If MKH declares, makes or pays any Distributions and the MKH Holders are entitled to retain such Distributions, the Offeror shall reduce the MKH Offer Price by the amount of the net Distributions per MKH Share that the MKH Holders are entitled to retain. As at the LPD, MKH has not announced any Distributions that is payable on or after the date of this Circular.</p> <p>Assuming full acceptances of the Proposed MO and no adjustments are made to the MKH Offer Price, the total consideration for the Proposed MO will be approximately RM591.8 million, to be satisfied in cash that will be funded via bank borrowings.</p> <p><u>Condition of the Proposed MO</u></p> <p>The Proposed MKH Acquisition, the Proposed MO and the Possible MO are subject to the approval of our shareholders at the forthcoming EGM. Further, the Proposed MO is also conditional upon the Acceptance Condition of the Proposed MO. The Acceptance Condition of the Proposed MO must be fulfilled by or prior to 5.00 p.m. on the sixtieth (60<sup>th</sup>) day of the posting of the Offer Document for MKH, failing which the Proposed MO shall lapse.</p>                                                                                                      |                            |
| <b>Details of the Possible MO</b> | <p>As at the date of the MKH Conditional SSA, MKH and the MKH Subsidiaries collectively hold 65.3% of the voting shares in MKHOP.</p> <p>Pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, a mandatory take-over offer may apply when there is an acquisition of more than 50% of an upstream entity thereby acquiring or consolidating control in a downstream company, if the downstream company is a significant part of the upstream entity or obtaining its control is a significant purpose of the acquisition. As such, should the Proposed MO become unconditional as to acceptances, the Offeror will be obliged to undertake the Possible MO, as MKHOP is a significant downstream company of MKH, where the earnings of the MKHOP Group constitute more than 50% of the earnings of the MKH Group.</p> <p>The Offeror will, in accordance with subparagraph 9.10(1)(b)(i) of the Rules, serve a written notice of its firm intention to undertake the Possible MO to the Board of Directors of MKHOP. The Offer Document for MKHOP will be despatched to the MKHOP Holders within twenty-one (21) days from the date of the notice of the Possible MO, in accordance with subparagraph 11.02(1) of the Rules.</p> | Section 2.5                |

| Key information | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Reference to this Circular |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                 | <p><u>Consideration for the Possible MO</u></p> <p>According to note 7 to paragraph 6.03 of the Rules, the MKHOP Offer Price will be based on the higher of the following:</p> <ul style="list-style-type: none"> <li>(i) VWAP of the downstream company for the last twenty (20) Market Days prior to the announcement of the take-over offer made under subparagraph 9.10(1) of the Rules. The SC reserves the right to disregard any unusually high or low traded prices within the relevant period.</li> </ul> <p>Notwithstanding the above, on 15 July 2026, a ruling has been obtained from the SC to modify the basis of determining the MKHOP Offer Price such that the MKHOP Offer Price is computed based on the VWAP of the MKHOP Shares for the last twenty (20) Market Days prior to 20 May 2026, being the date of announcement of among others, the Possible MO. In this regard, the MKHOP Offer Price is RM0.6626;</p> <ul style="list-style-type: none"> <li>(ii) proportion of the price paid for the upstream entity over the interest in the downstream company; or</li> <li>(iii) highest price paid for the voting shares or voting rights of the downstream company in accordance with subparagraph 6.03(1) of the Rules.</li> </ul> <p>Except as provided below, if MKHOP declares, makes or pays any Distributions and the MKHOP Holders are entitled to retain such Distributions, the Offeror shall reduce the MKHOP Offer Price by an amount equal to the net Distributions per MKHOP Share that the MKHOP Holders are entitled to retain.</p> <p>On 21 May 2026, MKHOP announced the 21 May 2026 MKHOP Dividend. Since the MKHOP Acquisitions were completed on 3 June 2026, the 21 May 2026 MKHOP Dividend attributable to the 39,153,474 MKHOP Shares acquired by Whitmore pursuant to the MKHOP Acquisitions shall accrue to and belong to Whitmore in accordance with the SSAs for the MKHOP Acquisitions. Accordingly, there shall be no adjustment to the cash consideration of RM0.648 per MKHOP Share paid by Whitmore to the Vendors pursuant to the MKHOP Acquisitions. In addition, no adjustment shall be made to the MKHOP Offer Price under the paragraph above in respect of the 21 May 2026 MKHOP Dividend.</p> <p>Assuming full acceptances of the Possible MO at the MKHOP Offer Price of RM0.6626 per MKHOP Offer Share, the total consideration for the Possible MO will be approximately RM207.0 million, to be satisfied in cash that will be funded via bank borrowings.</p> |                            |



## EXECUTIVE SUMMARY (Cont'd)

| Key information                                                     | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Reference to this Circular |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                                                                     | <p><u>Condition of the Possible MO</u></p> <p>As at the date of the MKH Conditional SSA, MKH and the MKH Subsidiaries collectively hold 65.3% of the voting shares in MKHOP. Accordingly, the Possible MO is not conditional upon any minimum level of acceptances.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |
| <b>Rationale and benefits of the Acquisitions and the Proposals</b> | <p>Upon completion of the Proposals and assuming full acceptances of the Proposed MO, our Group is expected to achieve the following benefits:</p> <ul style="list-style-type: none"><li>(i) broadening of our Group's earnings base and operational scale; and</li><li>(ii) creating potential value for our enlarged Group through synergistic initiatives.</li></ul> <p>Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, an acquirer who has obtained control in, among others, a listed corporation shall make a take-over offer for the remaining voting shares in such listed corporation. As such, the Proposed MO which is to be undertaken pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules provides an opportunity for Whitmore to further increase its shareholding in MKH, thereby further consolidating its control in MKH.</p> <p>Should the Proposed MO become unconditional as to acceptances, the Possible MO will be undertaken pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, which provides that the mandatory take-over offer applies where control of an upstream entity is acquired and the downstream entity is significant in relation to the upstream entity.</p> | Section 3                  |
| <b>Risk factors</b>                                                 | <p>The MKH Group is subject to risks inherent in the property development and oil palm plantation sectors which are broadly similar to those faced by the plantation and property development segments of our Group.</p> <p>Additionally, the MKH Group is further involved in the hotel and property investment industry which carries risks such as competition from other landlords and ability to secure or retain tenants, change of market rental rates, natural disasters or other causes of physical damage which may result in losses or damages in excess of insurance proceeds, and where applicable geopolitical climate affecting travel and tourism.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Section 5                  |

| Key information | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reference to this Circular |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                 | <p>The risks arising from or associated with the Acquisitions and the Proposals are as follows:</p> <p>(i) <b>Completion risk:</b> The completion of the Proposed MKH Acquisition is conditional upon the Condition Precedent being fulfilled. In the event the Condition Precedent is not fulfilled, the Proposed MKH Acquisition will not be completed and the benefits expected to be realised from the Proposed MKH Acquisition and consequently, the Proposed MO will not materialise.</p> <p>(ii) <b>Acquisition risk:</b> There can be no assurance that the anticipated benefits of the Proposed MKH Acquisition will be realised or that our Group will be able to generate sufficient revenue upon completion of the Proposed MKH Acquisition and assuming full acceptances for the Proposed MO to offset the associated acquisition costs incurred and the potential capital or operational expenditure to be committed.</p> <p>(iii) <b>Financing and interest rate risks:</b> The Acquisitions were, and the Proposed MKH Acquisition will be, financed by a combination of internally generated funds and bank borrowings whereas the Proposed MO and the Possible MO will be financed by bank borrowings. Therefore, our Group may be exposed to fluctuations in interest rate and repayment commitments. Any adverse movement in interest rates may lead to higher borrowing costs which consequently may adversely affect the cash flows of our Group and our Group's financial performance in the future and ability to service our financial obligations.</p> <p>(iv) <b>Geographical risks:</b> Our Group, through our subsidiary, Kuala Lumpur Kepong Berhad, and the MKH Group, through the MKHOP Group, own and operate oil palm plantation portfolio in Indonesia and as such, changes in the political, economic and regulatory environment in Indonesia may adversely affect our enlarged Group's ownership, operations and profitability of the oil palm plantation assets.</p> <p>(v) <b>Geopolitical risks:</b> Our enlarged Group may be adversely affected by geopolitical uncertainties, including the ongoing conflict involving Iran, which may disrupt global supply chains and cause volatility in the prices and availability of inputs used in our enlarged Group's operations. Any significant increase in the cost of such inputs may result in higher operating costs for our enlarged Group. There can be no assurance that our enlarged Group will be able to fully pass on such increased costs to customers.</p> |                            |

| Key information                                                               | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Reference to this Circular |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                                                                               | <p>As a result, any sustained increase in input costs may adversely affect our enlarged Group's profit margin and financial performance.</p> <p>(vi) <b>Merger control risks:</b> As there is currently no general merger control regime in Malaysia (save for specific sectors such as the aviation and telecommunications sectors), the Acquisitions and the Proposals will not give rise to competition law concerns under the Competition Act 2010. Nevertheless, the MKH Group and our Group have entities involved in the plantation business, with operations in Indonesia. The Acquisitions and the Proposals have met the relevant double-nexus test, control test and financial thresholds and hence, are subject to post-transaction notification to the Indonesia Competition Commission. Failure to submit the required notification within the prescribed period may result in the imposition of monetary penalties.</p> <p>(vii) <b>Integration risks:</b> As set out in <b>Section 2.5.4</b> of this Circular, if the Offeror and the Ultimate Offeror are able to invoke the provisions of subsection 222(1) of the CMSA relating to compulsory acquisitions which results in the privatisation of MKH, our enlarged Group's business operations and financial position could be materially affected if the existing businesses of both our Group and the MKH Group are not integrated effectively or in a timely manner. This may result in the expected benefits and synergies of the Acquisitions and the Proposals being lesser than estimated.</p> |                            |
| Interests of Directors, Major Shareholders and/or persons connected with them | <p>None of our Directors and Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Acquisitions and the Proposals.</p> <p>Save as disclosed in <b>Sections 2.5</b> and <b>2.6</b> of this Circular, none of the directors, major shareholders of Whitmore and persons connected with them have any interest, direct or indirect, in the Acquisitions and Proposals.</p> <p>JQSJ, being a director of Whitmore and the Chief Financial Officer and joint secretary of our Company, holds 225,000 MKH Shares, which represents approximately 0.04% of the total number of MKH Shares in issue (excluding treasury shares). Accordingly, JQSJ has abstained and will voluntarily abstain from deliberating and voting on the Acquisitions and the Proposals at the relevant board meetings of Whitmore. He will also voluntarily abstain from voting in respect of his direct and/or indirect shareholding in our Company, if any, on the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Section 10                 |

## EXECUTIVE SUMMARY (Cont'd)

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| Key information                                | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reference to this Circular |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Directors' statement and recommendation</b> | <p>Our Board, after having considered all aspects of the Acquisitions and the Proposals including, but not limited to, the salient terms of the MKH Conditional SSA, the Acquisitions Consideration and the Proposed MKH Consideration, rationale and benefits as well as the effects of the Acquisitions and the Proposals, is of the view that the Acquisitions and the Proposals are in the best interests of our Company.</p> <p>Accordingly, our Board recommends that you <b>vote in favour</b> of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.</p> | Section 11                 |
| <b>Estimated timeframe for completion</b>      | Barring any unforeseen circumstances and subject to the relevant required approvals being obtained, the Proposals are expected to be completed by the second half of 2026.                                                                                                                                                                                                                                                                                                                                                                                                                   | Section 13                 |

# BATU KAWAN BERHAD

Registration No. 196501000504 (6292-U)  
(Incorporated in Malaysia)

## Registered office

Wisma Taiko  
No.1, Jalan S.P. Seenivasagam  
30000 Ipoh  
Perak Darul Ridzuan  
Malaysia

20 July 2026

## Board of Directors

Tan Sri Dato' Seri Lee Oi Hian (*Chairman/Non-Independent Non-Executive Director*)  
Dato' Lee Hau Hian (*Managing Director/Executive Director*)  
Mr. Lee Yuan Zhang (*Chief Operating Officer/Executive Director*)  
Dato' Yeoh Eng Khoon (*Non-Independent Non-Executive Director*)  
Dr. Tunku Alina Binti Raja Muhd Alias (*Senior Independent Non-Executive Director*)  
Mr. Lim Ban Aik (*Independent Non-Executive Director*)  
Ms. Susan Yuen Su Min (*Independent Non-Executive Director*)  
Mr. Yeoh Keat Seng (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

## THE ACQUISITIONS AND THE PROPOSALS

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### 1. INTRODUCTION

On 20 May 2026, Maybank IB had, on behalf of our Board, announced that Whitmore, our wholly-owned subsidiary, has entered into the following agreements:

- (i) unconditional SSAs with CCSR for the following:
  - (a) the MKH Acquisition; and
  - (b) the MKHOP Acquisition 1;
- (ii) unconditional SSA with TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest for the MKHOP Acquisition 2; and
- (iii) the MKH Conditional SSA with the Vendors for the Proposed MKH Acquisition.

On 28 May 2026, Maybank IB had, on behalf of our Board, announced that:

- (i) the parties to the Acquisitions had, via the Letters of Agreement, agreed on the following instead of completing the Acquisitions simultaneously:
  - (a) in respect of the MKH Acquisition, the completion of the sale and purchase of 170,444,796 MKH Shares shall be effected by way of DBT in two (2) tranches, i.e. the 1st Tranche MKH Shares and the 2nd Tranche MKH Shares; and

- (b) in respect of the MKHOP Acquisition 1 and the MKHOP Acquisition 2, the MKHOP Consideration was revised from RM0.6478 to RM0.648 per MKHOP Share in order to comply with the Rules of Bursa Securities governing DBTs; and
- (ii) the acquisition of the 1st Tranche MKH Shares was effected on 28 May 2026 by way of DBT for a total consideration of RM297,489,592 or RM2.00 per MKH Share whereas the acquisition of the 2nd Tranche MKH Shares will be effected by way of DBT within thirty (30) days from the date of the SSA, in accordance with the terms of the SSA and the corresponding Letter of Agreement. In addition, the MKHOP Acquisition 1 and the MKHOP Acquisition 2 were effected on 28 May 2026 by way of DBT in accordance with the terms of the SSAs and the Letters of Agreement for a total consideration of RM25,371,451.15 or RM0.648 per MKHOP Share.

On 9 June 2026, Maybank IB had, on behalf of our Board, announced that the acquisition of the 2nd Tranche MKH Shares has been completed. Following the completion of the acquisitions of the 1st Tranche MKH Shares, the MKHOP Acquisition 1 and the MKHOP Acquisition 2 on 3 June 2026, and the 2nd Tranche MKH Shares on 9 June 2026, the Acquisitions were completed on 9 June 2026. With the completion of the Acquisitions, the direct shareholding of Whitmore has increased from nil to 29.6% in MKH (excluding treasury shares) and from nil to 3.9% in MKHOP (excluding treasury shares), respectively.

The acquisition of the MKH Shares on a staggered basis through the MKH Acquisition (comprising the 1st Tranche MKH Shares and the 2nd Tranche MKH Shares) and the Proposed MKH Acquisition was negotiated and mutually agreed between Whitmore and the Vendors after taking into consideration, among others, the requirement to obtain our shareholders' approval for the Proposed MKH Acquisition and the anticipated timing for the completion of the Proposed MKH Acquisition.

On 16 June 2026, our Company announced that Whitmore had on 15 June 2026 acquired 6,000,000 MKH Shares, representing 1.0% of the total number of MKH Shares in issue (excluding treasury shares) from the open market for RM1.94 per MKH Share, which has increased the direct shareholding of Whitmore in MKH from 29.6% to 30.6% (excluding treasury shares). The acquisition was completed on 18 June 2026.

On 15 July 2026, Maybank IB had, on behalf our Board, announced that the SC had, vide its letter dated 15 July 2026, approved the application for a ruling pursuant to subsection 217(4) of the CMSA to modify the basis for determining the MKHOP Offer Price such that the MKHOP Offer Price is computed based on the VWAP of the MKHOP Shares for the last twenty (20) Market Days prior to 20 May 2026, being the date of announcement of among others, the Possible MO.

On 16 July 2026, our Company announced that Whitmore had on 15 July 2026 acquired 2,000,000 MKH Shares, representing 0.3% of the total number of MKH Shares in issue (excluding treasury shares) from the open market for RM1.96 per MKH Share, which has increased the direct shareholding of Whitmore in MKH from 30.6% to 30.9% (excluding treasury shares). The acquisition was completed on 17 July 2026.

On 17 July 2026, our Company announced that Whitmore had on 16 July 2026 acquired 557,400 MKH Shares, representing 0.10% of the total number of MKH Shares in issue (excluding treasury shares) from the open market for RM1.96 per MKH Share, which will further increase the direct shareholding of Whitmore in MKH from 30.9% to 31.0% (excluding treasury shares). The acquisition will complete on 20 July 2026.

As at the LPD, the direct shareholding of Whitmore in MKH is 30.6% (excluding treasury shares). Upon completion of the Proposed MKH Acquisition, the direct shareholding of Whitmore in MKH will further increase to 48.7% (excluding treasury shares).

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror will be obliged to extend the Proposed MO, where the MKH Offer Price would be the price per MKH Share pursuant to the Proposed MKH Acquisition. Should the MKH Conditional SSA become unconditional, the Offeror will serve the notice of the Proposed MO to the Board of Directors of MKH, in accordance with subparagraph 9.10(1)(b)(i) of the Rules.

Should the Proposed MO become unconditional as to acceptances and pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, the Offeror will be obliged to undertake the Possible MO as MKHOP is a significant downstream company of MKH, where the earnings of the MKHOP Group constitute more than 50% of the earnings to the MKH Group.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE ACQUISITIONS AND THE PROPOSALS**

### **2.1 Background information on the Acquisitions**

The MKH Acquisition entailed the acquisition by Whitmore of 170,444,796 MKH Shares from CCSR for the MKH Consideration, whereas the MKHOP Acquisitions entailed the acquisitions by Whitmore of a total of 39,153,474 MKHOP Shares from the Vendors for the MKHOP Consideration.

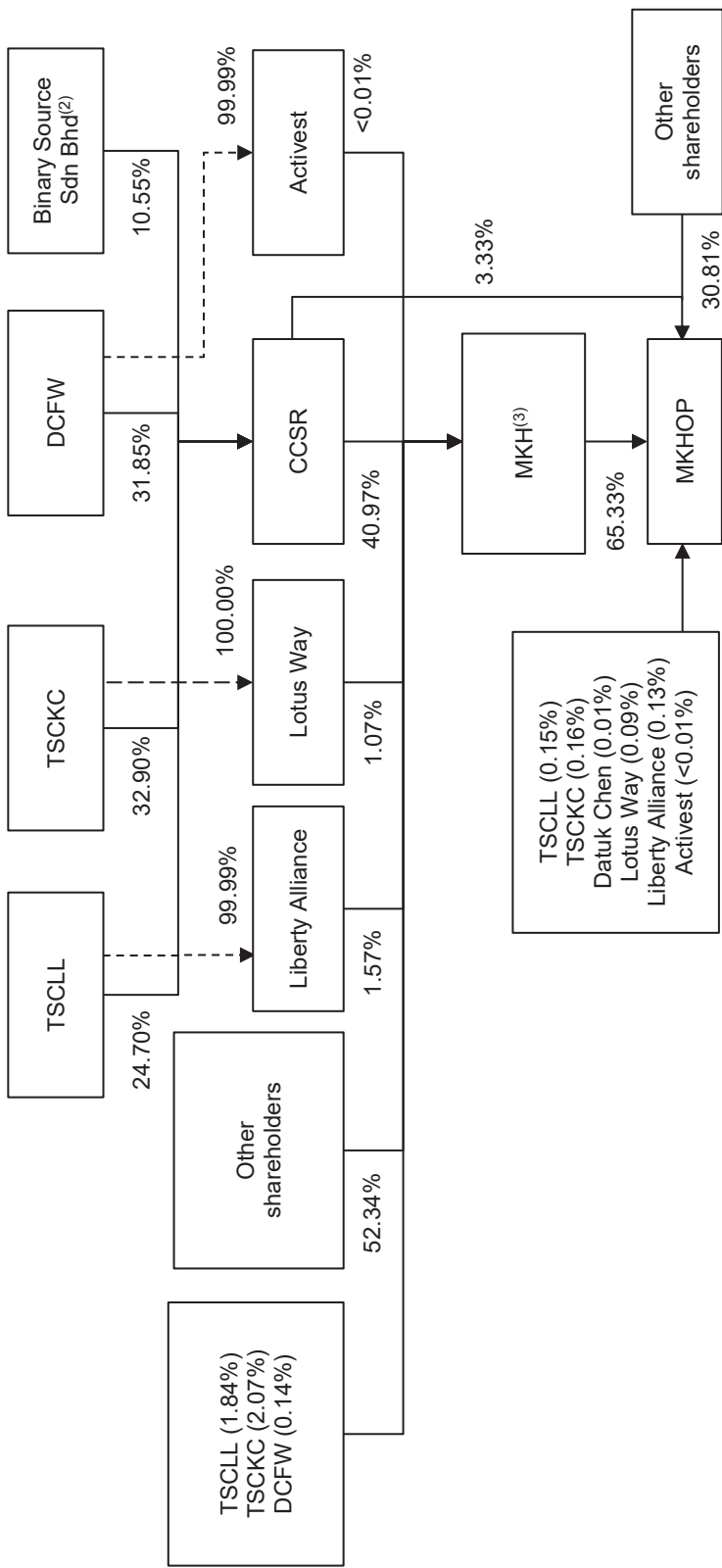
The acquisition of the 1st Tranche MKH Shares was effected on 28 May 2026 by way of DBT for a total cash consideration of RM297,489,592 or RM2.00 per MKH Share and completed on 3 June 2026, whereas the acquisition of the 2nd Tranche MKH Shares was effected by way of DBT on 5 June 2026 for a total cash consideration of RM43,400,000 or RM2.00 per MKH Share and completed on 9 June 2026, in accordance with the terms of the SSA for the MKH Acquisition and the corresponding Letter of Agreement.

In addition, the MKHOP Acquisitions were effected on 28 May 2026 by way of DBT and completed on 3 June 2026 for a total cash consideration of RM25,371,451.15 or RM0.648 per MKHOP Share, in accordance with the terms of the SSAs for the MKHOP Acquisitions and the corresponding Letters of Agreement.

With the completion of the Acquisitions, the direct shareholding of Whitmore has increased from nil to 29.6% in MKH (excluding treasury shares) and from nil to 3.9% in MKHOP (excluding treasury shares), respectively.

2.2 Shareholding structure of MKH and MKHOP respectively before and after the Acquisitions and the Proposals

2.2.1 As at the LTD<sup>(1)</sup>

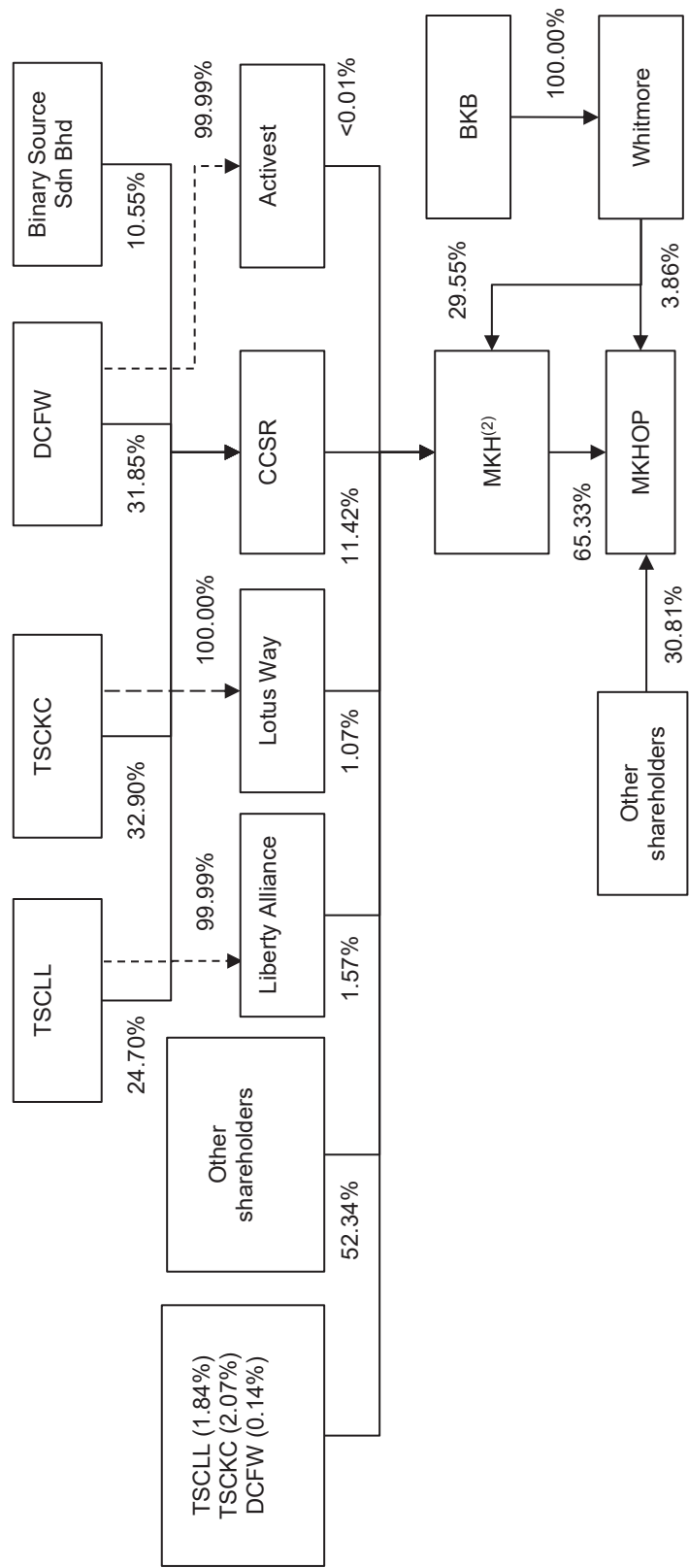


Notes:

- (1) Being the last trading day before Whitmore entered into the SSAs for the Acquisitions and the Proposed MKH Acquisition and based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) and the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LTD.
- (2) Binary Source Sdn Bhd holds 240,000 redeemable convertible non-cumulative preference shares in CCSR.
- (3) The equity interest of 65.33% in MKHOP (excluding treasury shares), comprising 662,667,482 MKHOP Shares, are held by MKH (28.94%) and the MKH Subsidiaries, namely Metro Kajang (Oversea) Sdn Bhd (31.20%), MKH Plantation Sdn Bhd (5.12%) and Maha Usaha Sdn Bhd (0.07%).



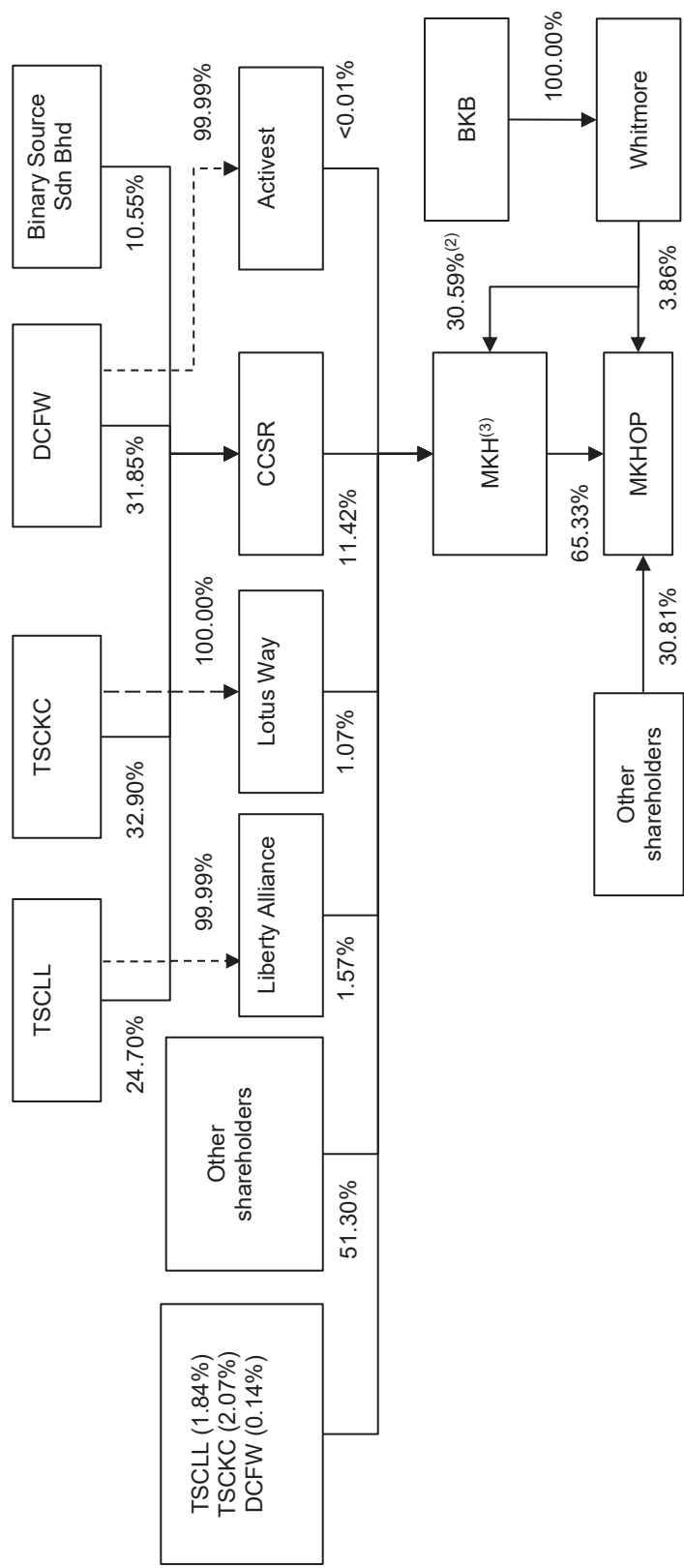
2.2.2 After the Acquisitions<sup>(1)</sup>



Notes:

- (1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) and the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at 10 June 2026, being the date immediately after the completion of the Acquisitions.
- (2) The equity interest of 65.33% in MKHOP (excluding treasury shares), comprising 662,667,482 MKHOP Shares, are held by MKH (28.94%) and the MKH Subsidiaries, namely Metro Kajang (Oversea) Sdn Bhd (31.20%), MKH Plantation Sdn Bhd (5.12%) and Maha Usaha Sdn Bhd (0.07%).

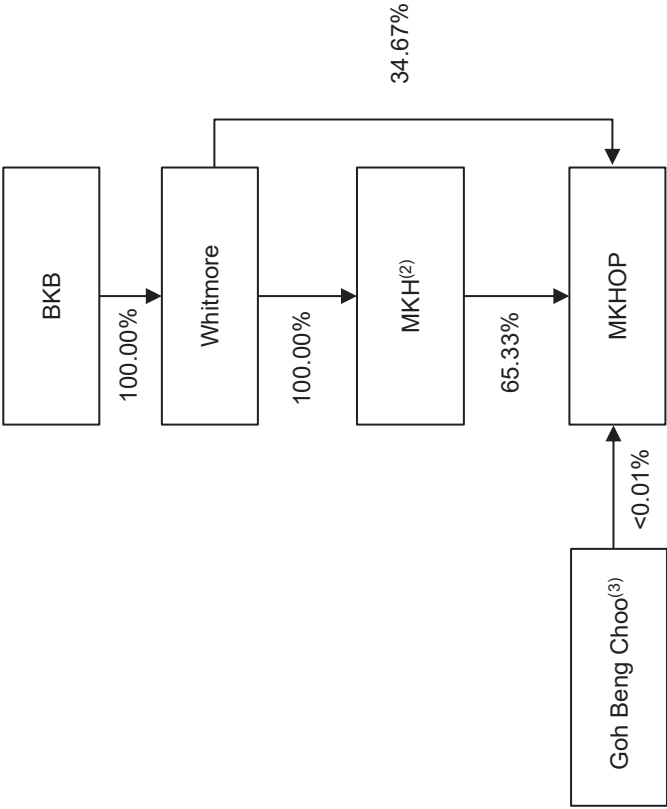
2.2.3 As at the LPD<sup>(1)</sup>



Notes:

- (1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) and the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.
- (2) On 15 June 2026, Whitmore had acquired 6,000,000 MKH Shares, representing 1.0% of the total number of MKH Shares in issue (excluding treasury shares) from the open market for RM1.94 per MKH Share, which increased the direct shareholding of Whitmore in MKH to 30.6% (excluding treasury shares). The acquisition was completed on 18 June 2026.
- (3) The equity interest of 65.33% in MKHOP (excluding treasury shares), comprising 662,667,482 MKHOP Shares, are held by MKH (28.94%) and the MKH Subsidiaries, namely Metro Kajang (Oversea) Sdn Bhd (31.20%), MKH Plantation Sdn Bhd (5.12%) and Maha Usaha Sdn Bhd (0.07%).

2.2.4 After the Proposals<sup>(1)</sup>



Notes:

- (1) Assuming full acceptances under the Proposed MO and the Possible MO upon completion of the Proposed MKH Acquisition and based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) and the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.
- (2) The equity interest of 65.33% in MKHOP (excluding treasury shares), comprising 662,667,482 MKHOP Shares, are held by MKH (28.94%) and the MKH Subsidiaries, namely Metro Kajang (Oversea) Sdn Bhd (31.20%), MKH Plantation Sdn Bhd (5.12%) and Maha Usaha Sdn Bhd (0.07%).
- (3) As the Possible MO will not be extended to persons acting in concert with the Offeror and the Ultimate Offeror in connection with the Possible MO, Goh Beng Choo, being a PAC, will continue to hold her 79,900 MKHOP Shares, representing less than 0.01% of the total number of MKHOP Shares in issue (excluding treasury shares).

## 2.3 Background information on the Proposed MKH Acquisition

The Proposed MKH Acquisition entails the acquisition by Whitmore of the MKH Sale Shares for the Proposed MKH Consideration to be satisfied fully in cash, as follows, subject to the terms and conditions of the MKH Conditional SSA:

| <u>Vendor</u>    | <u>No. of MKH Sale Shares to be acquired</u> | <u>% of equity interest to be acquired<sup>(1)</sup></u> | <u>Consideration (RM)</u> |
|------------------|----------------------------------------------|----------------------------------------------------------|---------------------------|
| CCSR             | 65,880,658                                   | 11.4                                                     | 131,761,316               |
| TSCKC            | 11,912,080                                   | 2.1                                                      | 23,824,160                |
| Lotus Way        | 6,169,204                                    | 1.1                                                      | 12,338,408                |
| TSCLL            | 10,602,844                                   | 1.8                                                      | 21,205,688                |
| Liberty Alliance | 9,049,333                                    | 1.6                                                      | 18,098,666                |
| DCFW             | 807,254                                      | 0.1                                                      | 1,614,508                 |
| Activest         | 12,000                                       | ~*                                                       | 24,000                    |
| <b>Total</b>     | <b>104,433,373</b>                           | <b>18.1</b>                                              | <b>208,866,746</b>        |

### Notes:

\* Less than 0.1%

(1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LPD.

The MKH Sale Shares will be acquired free from any encumbrances and with all rights, benefits and entitlements attached to them.

Any dividends or distributions declared, made or paid by MKH on the MKH Sale Shares on or after 20 May 2026, being the date of the MKH Conditional SSA shall accrue to and belong to Whitmore.

The salient terms of the MKH Conditional SSA are set out in **Appendix I** of this Circular.

## 2.4 Basis and justification for the Acquisitions Consideration and the Proposed MKH Consideration

### 2.4.1 MKH Consideration and the Proposed MKH Consideration

The MKH Consideration and the Proposed MKH Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, among others, the following:

- (i) historical and prevailing market price of MKH Shares;
- (ii) audited consolidated NA attributable to the owners of MKH of RM1,879.2 million as at 30 September 2025; and
- (iii) audited consolidated PATAMI of MKH of RM89.6 million for the FYE 30 September 2025.

The MKH Consideration and the Proposed MKH Consideration or RM2.00 per MKH Share represents the following premium over the last traded price and VWAP of MKH Shares up to and including the LTD:

|                                                            | <b>Price</b> | <b>Premium</b> |          |
|------------------------------------------------------------|--------------|----------------|----------|
|                                                            | <b>RM</b>    | <b>RM</b>      | <b>%</b> |
| Last traded price of MKH Shares as at the LTD              | 1.6600       | 0.3400         | 20.48    |
| VWAP of MKH Shares up to and including the LTD as follows: |              |                |          |
| 5-day                                                      | 1.4562       | 0.5438         | 37.34    |
| 1-month                                                    | 1.4313       | 0.5687         | 39.73    |
| 3-month                                                    | 1.3778       | 0.6222         | 45.16    |
| 6-month                                                    | 1.3275       | 0.6725         | 50.66    |
| 12-month                                                   | 1.2721       | 0.7279         | 57.22    |

(Source : Bloomberg)

The MKH Consideration and the Proposed MKH Consideration translate to the following:

- (i) implied PE multiple of 12.9 times<sup>(1)</sup> based on the audited consolidated PATAMI of MKH for the FYE 30 September 2025 of RM89.6 million; and
- (ii) implied PB multiple of 0.6 time<sup>(2)</sup> based on the audited consolidated NA attributable to the owners of MKH as at 30 September 2025 of RM1,879.2 million.

**Notes:**

- (1) The implied PE multiple was arrived at as follows:

| <b>Implied 100% equity value of MKH<sup>(a)</sup></b> | <b>Audited consolidated PATAMI of MKH for the FYE 30 September 2025</b> | <b>Implied PE multiple</b> |
|-------------------------------------------------------|-------------------------------------------------------------------------|----------------------------|
| <b>(RM'million)</b>                                   | <b>(RM'million)</b>                                                     | <b>(times)</b>             |
| 1,153.6                                               | 89.6                                                                    | 12.9                       |

- (a) Computed based on RM2.00 per MKH Share and 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LTD.

- (2) The implied PB multiple was arrived at as follows:

| <b>Implied 100% equity value of MKH<sup>(a)</sup></b> | <b>Audited consolidated NA attributable to the owners of MKH as at 30 September 2025</b> | <b>Implied PB multiple</b> |
|-------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------|
| <b>(RM'million)</b>                                   | <b>(RM'million)</b>                                                                      | <b>(time)</b>              |
| 1,153.6                                               | 1,879.2                                                                                  | 0.6                        |

- (a) Computed based on RM2.00 per MKH Share and 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LTD.

The MKH Consideration and the Proposed MKH Consideration are justifiable after taking into consideration the following:

- (i) the implied PE multiple of 12.9 times is slightly above the range of the PE multiples of the MKH Comparable Companies;
- (ii) the implied PB multiple of 0.6 time falls within the range of the PB multiples of the MKH Comparable Companies;
- (iii) rationale and benefits of the Acquisitions and the Proposals as set out in **Section 3** of this Circular; and
- (iv) prospects of the MKH Group (including the MKHOP Group) as set out in **Section 4.3** of this Circular.

#### 2.4.2 MKHOP Consideration

The MKHOP Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, among others, the following:

- (i) historical and prevailing market prices of MKHOP Shares;
- (ii) audited consolidated NA of MKHOP as at 30 September 2025 of RM583.0 million; and
- (iii) audited consolidated PAT of MKHOP of RM79.8 million for the FYE 30 September 2025.

The MKHOP Consideration or RM0.648 per MKHOP Share represents the following premium/(discount) over the last traded price and VWAP of the MKHOP Shares up to and including the LTD:

|                                                              | Price<br>RM | Premium/(Discount)<br>RM | %      |
|--------------------------------------------------------------|-------------|--------------------------|--------|
| Last traded price of MKHOP Shares as at the LTD              | 0.6600      | (0.0120)                 | (1.82) |
| VWAP of MKHOP Shares up to and including the LTD as follows: |             |                          |        |
| 5-day                                                        | 0.6715      | (0.0235)                 | (3.56) |
| 1-month                                                      | 0.6622      | (0.0142)                 | (2.15) |
| 3-month                                                      | 0.6430      | 0.0050                   | 0.76   |
| 6-month                                                      | 0.6325      | 0.0155                   | 2.35   |
| 12-month                                                     | 0.6307      | 0.0173                   | 2.62   |

(Source : Bloomberg)

The MKHOP Consideration translates to the following:

- (i) implied PE multiple of 8.2 times<sup>(1)</sup>, based on the audited consolidated PAT of MKHOP for the FYE 30 September 2025 of RM79.8 million; and
- (ii) implied PB multiple of 1.1 times<sup>(2)</sup>, based on the audited consolidated NA of MKHOP as at 30 September 2025 of RM583.0 million.

**Notes:**

(1) The implied PE multiple was arrived at as follows:

| <i>Implied 100% equity value<br/>of MKHOP<sup>(a)</sup></i> | <i>Audited consolidated PAT of<br/>MKHOP for the FYE 30<br/>September 2025</i> | <i>Implied PE multiple</i> |
|-------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------|
| <i>(RM'million)</i>                                         | <i>(RM'million)</i>                                                            | <i>(times)</i>             |
| 657.3                                                       | 79.8                                                                           | 8.2                        |

(a) Computed based on RM0.648 per MKHOP Share and 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LTD.

(2) The implied PB multiple was arrived at as follows:

| <i>Implied 100% equity value<br/>of MKHOP<sup>(a)</sup></i> | <i>Audited consolidated NA of<br/>MKHOP as at 30 September 2025</i> | <i>Implied PB multiple</i> |
|-------------------------------------------------------------|---------------------------------------------------------------------|----------------------------|
| <i>(RM'million)</i>                                         | <i>(RM'million)</i>                                                 | <i>(times)</i>             |
| 657.3                                                       | 583.0                                                               | 1.1                        |

(a) Computed based on RM0.648 per MKHOP Share and 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LTD.

The MKHOP Consideration is justifiable after taking into consideration the following:

- (i) the implied PE multiple of 8.2 times falls within the range of the PE multiples of the MKHOP Comparable Companies;
- (ii) the implied PB multiple of 1.1 times falls within the range of the PB multiples of the MKHOP Comparable Companies;
- (iii) rationale and benefits of the Acquisitions and the Proposals as set out in **Section 3** of this Circular; and
- (iv) prospects of the MKH Group (including the MKHOP Group) as set out in **Section 4.3** of this Circular.

### 2.4.3 Peer analysis

#### **MKH Comparable Companies**

The MKH Comparable Companies were selected based on the following criteria:

- (i) principally involved in the property and development and construction business as the property development and construction business constituted the largest operating segment of the MKH Group (where the segment assets from the property development and construction business represents more than 50% of the total segment assets of the MKH Group as at 30 September 2025);
- (ii) listed on the Main Market of Bursa Securities; and
- (iii) market capitalisation of between RM500.0 million to RM5,000.0 million<sup>(1)</sup>.

| <b>Comparable company<sup>(2)</sup></b>                  | <b>Market capitalisation<br/>as at the LTD<br/>(RM'million)</b> | <b>PE multiple<br/>(times)</b> | <b>PB multiple<br/>(times)</b> |
|----------------------------------------------------------|-----------------------------------------------------------------|--------------------------------|--------------------------------|
| Ibraco Berhad                                            | 644.3                                                           | 9.0                            | 1.1                            |
| Plenitude Berhad                                         | 644.8                                                           | 5.5                            | 0.4                            |
| Matrix Concepts Holdings Berhad                          | 2,534.0                                                         | 11.8                           | 1.1                            |
| NCT Alliance Berhad                                      | 1,237.5                                                         | 25.0*                          | 1.7                            |
| Lagenda Properties Berhad                                | 1,248.6                                                         | 7.0                            | 0.9                            |
| <b>High</b>                                              |                                                                 | <b>11.8*</b>                   | <b>1.7</b>                     |
| <b>Low</b>                                               |                                                                 | <b>5.5*</b>                    | <b>0.4</b>                     |
| <b>Average</b>                                           |                                                                 | <b>7.1*</b>                    | <b>1.1</b>                     |
| <b>MKH (based on the Proposed MKH<br/>Consideration)</b> |                                                                 | <b>12.9</b>                    | <b>0.6</b>                     |

**Notes:**

\* Excluding NCT Alliance Berhad which is an outlier as its PE multiple is considerably higher than the market average.

(1) As at the LTD, the market capitalisation of MKH is RM957.5 million.

(2) It should be noted that the list of comparable companies is not exhaustive. Further, the comparable companies have been identified based on the criteria listed above only and as such may differ from MKH in one or more aspects due to various factors which include, among others, capital and shareholding structure, geographical and coverage of business activities, operating history, profit track record, financial strength, risk profile and marketability of their securities. The MKH Comparable Companies have also been identified on a best effort basis based on publicly available information and were selected for illustrative purposes only.

**MKHOP Comparable Companies**

The MKHOP Comparable Companies were selected based on the following criteria:

- (i) principally involved in the oil palm cultivation business in Indonesia (East Kalimantan); and
- (ii) market capitalisation of between RM500.0 million to RM5,000.0 million<sup>(1)</sup>.



| Comparable company <sup>(2)</sup>               | Country of listing | Market capitalisation as at the LTD<br>(RM'million) | PE multiple<br>(times) | PB multiple<br>(times) |
|-------------------------------------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| Anglo-Eastern Plantations Plc                   | United Kingdom     | 4,551.2                                             | 12.6                   | 2.0                    |
| PT Austindo Nusantara Jaya Tbk ("PT Austindo")  | Indonesia          | 1,294.3                                             | 33.7*                  | 0.8                    |
| PT Teladan Prima Agro Tbk                       | Indonesia          | 1,665.4                                             | 6.7                    | 2.0                    |
| PT Jaya Agra Wattie Tbk ("PT Jaya")             | Indonesia          | 529.6                                               | Not meaningful*        | 1.8                    |
| <b>High</b>                                     |                    |                                                     | <b>12.6*</b>           | <b>2.0</b>             |
| <b>Low</b>                                      |                    |                                                     | <b>6.7*</b>            | <b>0.8</b>             |
| <b>Average</b>                                  |                    |                                                     | <b>9.6*</b>            | <b>1.7</b>             |
| <b>MKHOP (based on the MKHOP Consideration)</b> |                    |                                                     | <b>8.2</b>             | <b>1.1</b>             |

**Notes:**

\* Excluding PT Austindo which is an outlier as its PE multiple is considerably higher than market average and excluding PT Jaya due to reported losses.

(1) As at the LTD, the market capitalisation of MKHOP is RM669.4 million.

(2) It should be noted that the list of comparable companies is not exhaustive. Further, the comparable companies have been identified based on the criteria listed above only and as such may differ from MKHOP in one or more aspects due to various factors which include, among others, country of listing, capital and shareholding structure, geographical and coverage of business activities, operating history, profit track record, financial strength, risk profile and marketability of their securities. The MKHOP Comparable Companies have also been identified on a best effort basis based on publicly available information and were selected for illustrative purposes only.

## 2.5 Details of the Proposed MO

Following the completion of the acquisition of the 1st Tranche MKH Shares on 3 June 2026, the direct shareholding of the Offeror in MKH increased from nil to 25.8% (excluding treasury shares), and following the completion of the acquisition of the 2nd Tranche MKH Shares on 9 June 2026, the direct shareholding of the Offeror in MKH has further increased from 25.8% to 29.6% in MKH (excluding treasury shares). The subsequent acquisition of 6,000,000 MKH Shares from the open market which was completed on 18 June 2026 further increased the direct shareholding of the Offeror in MKH from 29.6% to 30.6% (excluding treasury shares).

As at the LPD, the direct shareholding of the Offeror in MKH is 30.6% (excluding treasury shares). Upon completion of the Proposed MKH Acquisition, the direct shareholding of the Offeror in MKH will further increase to 48.7% (excluding treasury shares).

As at the LPD, the direct and indirect shareholding of the Offeror, the Ultimate Offeror and the PACs in MKH are as follows:

|                                | Description of relationship                                    | Direct            |      | Indirect                   |      |
|--------------------------------|----------------------------------------------------------------|-------------------|------|----------------------------|------|
|                                |                                                                | No. of MKH Shares | %(1) | No. of MKH Shares          | %(1) |
| <b><u>Ultimate Offeror</u></b> |                                                                |                   |      |                            |      |
| BKB                            | -                                                              | -                 | -    | 176,444,796 <sup>(2)</sup> | 30.6 |
| <b><u>Offeror</u></b>          |                                                                |                   |      |                            |      |
| Whitmore                       | Our direct wholly-owned subsidiary                             | 176,444,796       | 30.6 | -(3)                       | -    |
| <b><u>PACs</u></b>             |                                                                |                   |      |                            |      |
| JQSJ                           | Director of Whitmore <sup>(4)</sup>                            | 225,000           | *    | -                          | -    |
| Goh Beng Choo                  | Mother of JQSJ <sup>(4)</sup>                                  | 559,300           | 0.1  | -                          | -    |
| Lim Peng Hong                  | Brother-in-law of TSLOH <sup>(5)</sup> and DLHH <sup>(6)</sup> | 2                 | *    | -                          | -    |
| Arusha Enterprise Sdn Bhd      | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| Wan Hin Investments Sdn Berhad | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| Di-Yi Sdn Bhd                  | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| High Quest Holdings Sdn Bhd    | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| TSLOH                          | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(8)</sup> | 30.6 |
| DLHH                           | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(9)</sup> | 30.6 |
| Grateful Blessings Inc.        | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| Grateful Blessings Foundation  | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| Cubic Crystal Corporation      | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |
| High Quest Anstalt             | Our Major Shareholder                                          | -                 | -    | 176,444,796 <sup>(7)</sup> | 30.6 |

**Notes:**

\* Less than 0.1%

(1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LPD.

(2) Deemed interest by virtue of its interest held through Whitmore pursuant to Section 8(4) of the Act.

- (3) *On 22 May 2026, Whitmore, BKB, Arusha Enterprise Sdn Bhd, Wan Hin Investments Sdn Berhad, Di-Yi Sdn Bhd, High Quest Holdings Sdn Bhd, TSLOH, DLHH, Grateful Blessings Inc., Grateful Blessings Foundation, Cubic Crystal Corporation and High Quest Anstalt filed Notices of Interest of Substantial Shareholder with the Companies Commission of Malaysia and served copies on MKH. These filings were made pursuant to Section 8(6)(a) of the Act, reflecting Whitmore's deemed interest in 104,433,373 MKH Shares, representing 18.1% of the total number of MKH Shares in issue (excluding treasury shares) arising from Whitmore's entry into the MKH Conditional SSA. Consequently, Whitmore, BKB, Arusha Enterprise Sdn Bhd, Wan Hin Investments Sdn Berhad, Di-Yi Sdn Bhd, High Quest Holdings Sdn Bhd, TSLOH, DLHH, Grateful Blessings Inc., Grateful Blessings Foundation, Cubic Crystal Corporation and High Quest Anstalt are considered as having a deemed interest in 18.1% of the total number of MKH Shares in issue (excluding treasury shares). The MKH Conditional SSA remains conditional on the approval of our shareholders at the forthcoming EGM.*
- (4) *JQSJ is a director of Whitmore. He is also the Chief Financial Officer and joint secretary of our Company.*
- (5) *TSLOH is our Chairman/Non-Independent Non-Executive Director.*
- (6) *DLHH is our Managing Director/Executive Director.*
- (7) *Deemed interest by virtue of its interest held through BKB pursuant to Section 8(4) of the Act.*
- (8) *Deemed interest in BKB Shares held by his children and a company by virtue of Section 8(4) of the Act. TSLOH is also deemed to have an interest by virtue of Section 8(4) of the Act via other companies. Nevertheless, he does not have any economic or beneficial interest in BKB Shares as his deemed interest is held via the interest of his family members as discretionary beneficiaries of Grateful Blessings Foundation (which said family members' interest is held subject to the discretion of Grateful Blessings Foundation Council).*
- (9) *Deemed interest in BKB Shares held by his child and by virtue of Section 8(4) of the Act.*

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror will be obliged to extend the Proposed MO where the MKH Offer Price would be the price per MKH Share pursuant to the Proposed MKH Acquisition. The Proposed MO will also be extended to persons acting in concert with the Offeror and the Ultimate Offeror in connection with the Proposed MO, where applicable, as allowed under the Rules.

Should the MKH Conditional SSA become unconditional, the Offeror will serve the notice of the Proposed MO to the Board of Directors of MKH, in accordance with subparagraph 9.10(1)(b)(i) of the Rules and the Offer Document for MKH will be despatched to the MKH Holders within twenty-one (21) days from the date of the notice of the Proposed MO, in accordance with subparagraph 11.02(1) of the Rules.

## **2.5.1 Consideration for the Proposed MO**

The MKH Offer Price is the price to be paid for each MKH Sale Share pursuant to the Proposed MKH Acquisition, subject to any adjustment, where applicable, which will be set out in the Offer Document for MKH.

According to subparagraph 6.03(1) of the Rules, the MKH Offer Price must also not be lower than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror, the Ultimate Offeror and persons acting in concert with them for the purchase of MKH Shares during the MKH Offer Period and within six (6) months prior to the commencement of the MKH Offer Period.

If MKH declares, makes or pays any Distributions and the MKH Holders are entitled to retain such Distributions, the Offeror shall reduce the MKH Offer Price by the amount of the net Distributions per MKH Share that the MKH Holders are entitled to retain. As at the LPD, MKH has not announced any Distributions that is payable on or after the date of this Circular.

Assuming full acceptances of the Proposed MO and no adjustments are made to the MKH Offer Price, the total consideration for the Proposed MO will be approximately RM591.8 million, to be satisfied in cash that will be funded via bank borrowings.

#### **2.5.2 Condition of the Proposed MO**

The Proposed MKH Acquisition, the Proposed MO and the Possible MO are subject to the approval of our shareholders at the forthcoming EGM. Further, the Proposed MO is also conditional upon the Acceptance Condition of the Proposed MO. The Acceptance Condition of the Proposed MO must be fulfilled by or prior to 5.00 p.m. on the sixtieth (60<sup>th</sup>) day of the posting of the Offer Document for MKH, failing which the Proposed MO shall lapse.

#### **2.5.3 Listing status of MKH**

In the event that the Offeror receives valid acceptances under the Proposed MO and/or acquire MKH Offer Shares resulting in the Offeror, the Ultimate Offeror and their associates holding in aggregate 90% or more of the total number of MKH Shares in issue (excluding treasury shares), the Offeror and the Ultimate Offeror do not intend to maintain the listing status of MKH on the Main Market of Bursa Securities and will procure MKH to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities in accordance with Paragraph 16.07 of the Listing Requirements.

However, in the event that the Offeror receives valid acceptances under the Proposed MO and/or acquire MKH Offer Shares resulting in the Offeror, the Ultimate Offeror and their associates holding in aggregate over 75% but not more than 90% of the total number of MKH Shares in issue (excluding treasury shares), the Offeror and the Ultimate Offeror intend to maintain the listing status of MKH on the Main Market of Bursa Securities. Accordingly, the Offeror and the Ultimate Offeror shall work together with MKH to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement.

#### **2.5.4 Compulsory acquisition**

In the event the Offeror receives valid acceptances of not less than nine-tenths (9/10) in the nominal value of the MKH Offer Shares (excluding MKH Shares already held by the Offeror, the Ultimate Offeror and persons acting in concert with them as at the date of the Proposed MO) on or before the closing date of the Proposed MO, the Offeror and the Ultimate Offeror intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining MKH Offer Shares from the MKH Holders who have not accepted the Proposed MO.

In such instance, all the MKH Offer Shares that are compulsorily acquired will, subject to subsection 224(1) of the CMSA, be acquired on the same terms and conditions as stated in the Offer Document for MKH and in accordance with subsection 222(1) of the CMSA.

#### **2.6 Details of the Possible MO**

As at the date of the MKH Conditional SSA, MKH and the MKH Subsidiaries collectively hold 65.3% of the voting shares in MKHOP.

Following the completion of the MKHOP Acquisitions, the direct shareholding of the Offeror in MKHOP has increased from nil to 3.9% (excluding treasury shares).

As at the LPD, the direct and indirect shareholding of the Offeror, the Ultimate Offeror and the PACs in MKHOP following the completion of the MKHOP Acquisitions are as follows:

|                                |  | Description of relationship        | Direct              |                  | Indirect                   |                  |
|--------------------------------|--|------------------------------------|---------------------|------------------|----------------------------|------------------|
|                                |  |                                    | No. of MKHOP Shares | % <sup>(1)</sup> | No. of MKHOP Shares        | % <sup>(1)</sup> |
| <b><u>Ultimate Offeror</u></b> |  |                                    |                     |                  |                            |                  |
| BKB                            |  | -                                  | -                   | -                | 701,820,956 <sup>(2)</sup> | 69.2             |
| <b><u>Offeror</u></b>          |  |                                    |                     |                  |                            |                  |
| Whitmore                       |  | Our direct wholly-owned subsidiary | 39,153,474          | 3.9              | 662,667,482 <sup>(3)</sup> | 65.3             |
| <b><u>PACs</u></b>             |  |                                    |                     |                  |                            |                  |
| Goh Beng Choo                  |  | Mother of JQSJ <sup>(4)</sup>      | 79,900              | *                | -                          | -                |
| Arusha Enterprise Sdn Bhd      |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Wan Hin Investments Sdn Berhad |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Di-Yi Sdn Bhd                  |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| High Quest Holdings Sdn Bhd    |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| TSLOH                          |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(6)</sup> | 69.2             |
| DLHH                           |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(7)</sup> | 69.2             |
| Grateful Blessings Inc.        |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Grateful Blessings Foundation  |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Cubic Crystal Corporation      |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| High Quest Anstalt             |  | Our Major Shareholder              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| MKH                            |  | Our associate company              | 293,520,019         | 28.9             | 369,147,463 <sup>(8)</sup> | 36.4             |

**Notes:**

\* Less than 0.1%

(1) Based on the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.

(2) Deemed interest by virtue of its interest held through Whitmore pursuant to Section 8(4) of the Act.

(3) Deemed interest by virtue of its interest held through MKH and the MKH Subsidiaries pursuant to Section 8(4) of the Act.

(4) JQSJ is a director of Whitmore. He is also the Chief Financial Officer and joint secretary of our Company.

(5) Deemed interest by virtue of its interest held through BKB pursuant to Section 8(4) of the Act.

- (6) *Deemed interest in BKB Shares held by his children and a company by virtue of Section 8(4) of the Act. TSLOH is also deemed to have an interest by virtue of Section 8(4) of the Act via other companies. Nevertheless, he does not have any economic or beneficial interest in BKB Shares as his deemed interest is held via the interest of his family members as discretionary beneficiaries of Grateful Blessings Foundation (which said family members' interest is held subject to the discretion of Grateful Blessings Foundation Council).*
- (7) *Deemed interest in BKB Shares held by his child and by virtue of Section 8(4) of the Act.*
- (8) *Deemed interest by virtue of its interest held through the MKH Subsidiaries pursuant to Section 8(4) of the Act.*

Should the Proposed MO become unconditional as to acceptances, and pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, the Offeror will be obliged to undertake the Possible MO as MKHOP is a significant downstream company of MKH, where the earnings of the MKHOP Group constitute more than 50% of the earnings to the MKH Group. The Offeror will serve the notice of the Possible MO to the Board of Directors of MKHOP, in accordance with subparagraph 9.10(1)(b)(i) of the Rules and the Offer Document for MKHOP will be despatched to the MKHOP Holders within twenty-one (21) days from the date of the notice of the Possible MO, in accordance with subparagraph 11.02(1) of the Rules.

## 2.6.1 Consideration for the Possible MO

According to note 7 to paragraph 6.03 of the Rules, the MKHOP Offer Price will be based on the higher of the following:

- (i) **VWAP of the downstream company for the last twenty (20) Market Days prior to the announcement of the take-over offer made under subparagraph 9.10(1) of the Rules. The SC reserves the right to disregard any unusually high or low traded prices within the relevant period**

Notwithstanding the above, on 15 July 2026, a ruling has been obtained from the SC to modify the basis of determining the MKHOP Offer Price such that the MKHOP Offer Price is computed based on the VWAP of the MKHOP Shares for the last twenty (20) Market Days prior to 20 May 2026, being the date of announcement of among others, the Possible MO. In this regard, the MKHOP Offer Price is **RM0.6626**.

- (ii) **proportion of the price paid for the upstream entity over the interest in the downstream company**

The following formula was applied to compute the proportion of price paid for MKH (upstream) over its interest held in MKHOP (downstream):

$$\frac{\text{NA of MKHOP} \times \text{MKH's shareholding in MKHOP}}{\text{NA of MKH}} \times \frac{\text{MKH Offer Price} \times \text{Total number of MKH Shares in issue}}{\text{No. of MKHOP Shares held by MKH and the MKH Subsidiaries}}$$

Based on the latest audited consolidated financial statements of MKH and MKHOP for the FYE 30 September 2025, the computation is as follows:

$$\frac{\text{RM582,980,785} \times 65.33\%}{\text{RM1,879,181,719}} \times \frac{\text{RM2.00} \times 576,777,868 \text{ MKH Shares}}{662,644,702 \text{ MKHOP Shares}}$$

= RM0.3528

Based on the latest unaudited consolidated financial statements of MKH and MKHOP for the FPE 31 March 2026, the computation is as follows:

$$\frac{\text{RM563,089,000} \times 65.33\%}{\text{RM1,881,889,000}} \times \frac{\text{RM2.00} \times 576,777,868 \text{ MKH Shares}}{662,644,702 \text{ MKHOP Shares}}$$

= RM0.3403

**(iii) highest price paid for the voting shares or voting rights of the downstream company in accordance with subparagraph 6.03(1) of the Rules**

Save for the MKHOP Acquisitions, the Offeror, the Ultimate Offeror and the persons acting in concert with them have not acquired or agreed to acquire any MKHOP Offer Shares within six (6) months prior to the beginning of the offer period which commenced on 20 May 2026, being the date of the MKH Conditional SSA which gives rise to the Possible MO ("**MKHOP Offer Period**").

The highest price paid for each MKHOP Share during the MKHOP Offer Period or within the six (6) months prior to the beginning of the MKHOP Offer Period will be based on the acquisition price for each MKHOP Share pursuant to the SSAs for the MKHOP Acquisitions and the Letters of Agreement, which is RM0.648.

The ruling sought and obtained from the SC to modify the basis for determining the MKHOP Offer Price provides certainty in terms of the acquisition cost for the Possible MO and the effects of the Possible MO (as set out in **Section 6** of this Circular), which in turn will allow our shareholders to make an informed decision in respect of the Possible MO.

Except as provided below, if MKHOP declares, makes or pays any Distributions and the MKHOP Holders are entitled to retain such Distributions, the Offeror shall reduce the MKHOP Offer Price by an amount equal to the net Distributions per MKHOP Share that the MKHOP Holders are entitled to retain.

On 21 May 2026, MKHOP announced the 21 May 2026 MKHOP Dividend. Since the MKHOP Acquisitions were completed on 3 June 2026, the 21 May 2026 MKHOP Dividend attributable to the 39,153,474 MKHOP Shares acquired by Whitmore pursuant to the MKHOP Acquisitions shall accrue to and belong to Whitmore in accordance with the SSAs for the MKHOP Acquisitions. Accordingly, there shall be no adjustment to the cash consideration of RM0.648 per MKHOP Share paid by Whitmore to the Vendors pursuant to the MKHOP Acquisitions. In addition, no adjustment shall be made to the MKHOP Offer Price under the paragraph above in respect of the 21 May 2026 MKHOP Dividend.

Assuming full acceptances of the Possible MO at the MKHOP Offer Price of RM0.6626 per MKHOP Offer Share, the total consideration for the Possible MO will be approximately RM207.0 million, to be satisfied in cash that will be funded via bank borrowings.



## **2.6.2 Condition of the Possible MO**

As at the date of the MKH Conditional SSA, MKH and the MKH Subsidiaries collectively hold 65.3% of the voting shares in MKHOP. Accordingly, the Possible MO is not conditional upon any minimum level of acceptances.

## **2.6.3 Listing status of MKHOP**

The Offeror and the Ultimate Offeror intend to maintain the listing status of MKHOP on the Main Market of Bursa Securities. The primary objective of the Offeror and the Ultimate Offeror was to obtain statutory control of MKH and to delist MKH if the Offeror and the Ultimate Offeror are able to invoke the provision of compulsory acquisitions as set out in **Section 2.5.4** of this Circular. The Possible MO is undertaken by the Offeror to comply with its legal obligation arising from note 3 to subparagraph 4.01(a) of the Rules. Accordingly, in the event MKHOP does not comply with the Public Spread Requirement as a result of the Possible MO, the Offeror and the Ultimate Offeror shall work together with MKHOP to explore options to rectify its non-compliance with the Public Spread Requirement.

## **2.7 Liabilities to be assumed**

There are no liabilities, including contingent liabilities and guarantees, to be assumed by our Group pursuant to the Acquisitions and the Proposals.

The liabilities of the MKH Group (including the MKHOP Group) will be consolidated as a result of MKH becoming our subsidiary following the successful completion of the Proposed MO.

## **2.8 Source of funding**

The Acquisitions were, and the Proposed MKH Acquisition will be, funded by a combination of internally generated funds and bank borrowings whereas the Proposed MO and the Possible MO will be financed by bank borrowings. The proportions will be determined later after taking into consideration our Group's gearing level, interest costs and cash reserves. Based on the latest audited consolidated statement of financial position of BKB as at 30 September 2025, the cash and bank balances of our Group is RM1,174.8 million.

## **2.9 Additional financial commitment**

Our Group does not expect to incur any additional financial commitment to put the businesses of the MKH Group and the MKHOP Group on-stream as the businesses of the MKH Group and the MKHOP Group are already on-going.

## **2.10 Information on MKH and MKHOP**

### **2.10.1 Information on MKH**

MKH is a public company limited by shares incorporated in Malaysia and is listed on the Main Market of Bursa Securities.

MKH is principally involved in investment holding and providing management services while the principal activities of its subsidiaries are property development, oil palm plantation, property investment, building and civil works, contracting and project management services, money lending, secretarial services, insurance agency, trading of building materials and hotel business.

As at the LPD, the issued share capital of MKH is RM654,458,655 comprising 586,548,168 MKH Shares (including 9,770,300 treasury shares).

Further information on MKH is set out in **Appendix II** of this Circular.



### 2.10.2 Information on MKHOP

MKHOP is a public company limited by shares incorporated in Malaysia and is listed on the Main Market of Bursa Securities.

MKHOP is principally involved in investment holding and management services. Through its subsidiaries, it is involved in the cultivation of oil palm and production and sale of CPO, PK and CPKO.

As at the LPD, the issued share capital of MKHOP is RM387,215,243 comprising 1,023,590,845 MKHOP Shares (including 9,287,000 treasury shares).

Further information on MKHOP is set out in **Appendix IV** of this Circular.

### 2.11 Information on the Vendors

Information on the Vendors is set out in **Appendix VI** of this Circular.

## 3. RATIONALE AND BENEFITS OF THE ACQUISITIONS AND THE PROPOSALS

Upon completion of the Proposals and assuming full acceptances of the Proposed MO, our Group is expected to achieve the following benefits:

### (i) Broadening of our Group's earnings base and operational scale

The combination of our Group's financial strength and extensive experience in the plantation and property development business through our listed subsidiary with the MKH Group's established track record in property development and plantation business in East Kalimantan, Indonesia, is expected to broaden our Group's earnings base and enhance our operational scale.

On a proforma basis, upon completion of the Acquisitions, the Proposed MKH Acquisition and assuming full acceptances of the Proposed MO, the proforma revenue and PBT of our enlarged Group are as follows:

|         | <b>Audited for the FYE 30<br/>September 2025</b> | <b>Upon completion of the<br/>Acquisitions, the Proposed<br/>MKH Acquisition and the<br/>Proposed MO</b> |
|---------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|         | <b>RM'billion</b>                                | <b>RM'billion</b>                                                                                        |
| Revenue | 25.72                                            | 26.68 <sup>(1)</sup>                                                                                     |
| PBT     | 1.61                                             | 1.78 <sup>(2)</sup>                                                                                      |

#### Notes:

(1) Computed based on the audited consolidated revenue of our Company and MKH for the FYE 30 September 2025 of RM25.72 billion and RM0.95 billion respectively.

(2) Computed based on the audited consolidated PBT of our Company and MKH for the FYE 30 September 2025 of RM1.61 billion and RM0.17 billion respectively.

Upon completion of the Acquisitions, the Proposed MKH Acquisition and assuming full acceptances of the Proposed MO, our enlarged Group is expected to capture:

- (a) a market share of 0.4% of the property development industry, represented by our enlarged Group's share of revenue derived from the property development segment; and
- (b) a market share of 2.1% and 1.2% of the plantation industry in Malaysia and Indonesia respectively, represented by our enlarged Group's share of total planted area in Malaysia/Indonesia,

as illustrated below:

|                                      | Before the<br>Acquisitions, the<br>Proposed MKH<br>Acquisition and the<br>Proposed MO | Upon completion of<br>the Acquisitions,<br>the Proposed MKH<br>Acquisition and the<br>Proposed MO |
|--------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
|                                      | Market share                                                                          | Expected market<br>share                                                                          |
|                                      | (%)                                                                                   | (%)                                                                                               |
| <b>Property development industry</b> | 0.1 <sup>(1)</sup>                                                                    | 0.4 <sup>(1)</sup>                                                                                |
| <b>Plantation industry</b>           |                                                                                       |                                                                                                   |
| - Malaysia                           | 2.1 <sup>(2)</sup>                                                                    | 2.1 <sup>(2)</sup>                                                                                |
| - Indonesia                          | 1.1 <sup>(2)</sup>                                                                    | 1.2 <sup>(2)</sup>                                                                                |

**Notes:**

- (1) Computed based our Group's/enlarged Group's revenue derived from the property development segment over the total residential and commercial property transaction value in Malaysia, as follows:

|                                                      | FYE 30 September 2025 |                  |                                    |
|------------------------------------------------------|-----------------------|------------------|------------------------------------|
|                                                      | Our Group<br>[A]      | MKH Group<br>[B] | Our enlarged<br>Group<br>[A] + [B] |
|                                                      | (RM'million)          | (RM'million)     | (RM'million)                       |
| Revenue derived from property<br>development segment | 182.9                 | 469.2            | 652.1                              |

(Source : Our Company's 2025 Annual Report and MKH's 2025 Annual Report)

|                                                                                    | RM'million |
|------------------------------------------------------------------------------------|------------|
| Total residential and commercial property transaction value in<br>Malaysia in 2025 | 166,970.0  |

(Source : National Property Information Centre)

- (2) Computed based on our Group's/enlarged Group's total planted area in Malaysia/Indonesia over the total planted area in Malaysia/Indonesia, as follows:

|                           | <b>As at 30 September 2025</b> |                  |                     |
|---------------------------|--------------------------------|------------------|---------------------|
|                           | <b>Our Group</b>               | <b>MKH Group</b> | <b>Our enlarged</b> |
|                           | <b>[A]</b>                     | <b>[B]</b>       | <b>Group</b>        |
|                           | <b>(hectare)</b>               | <b>(hectare)</b> | <b>[A] + [B]</b>    |
| <b>Plantation segment</b> |                                |                  |                     |
| <b>Total planted area</b> |                                |                  |                     |
| - Malaysia                | 120,710                        | -                | 120,710             |
| - Indonesia               | 168,563                        | 17,009           | 185,572             |

(Source : Our Company's 2025 Annual Report and MKH's 2025 Annual Report)

| <b>Total planted area</b> | <b>2025</b>      |
|---------------------------|------------------|
|                           | <b>(hectare)</b> |
| - Malaysia                | 5,700,050        |
| - Indonesia               | -*               |

\* As the statistics for the total planted area in Indonesia in 2025 is not available, the computation is based on the total planted area in Indonesia in 2024 of 16,013,039 hectares.

(Source : Malaysia Palm Oil Board, Badan Pusat Statistik Indonesia, Indonesian Palm Oil Association)

## (ii) **Creating potential value for our enlarged Group through synergistic initiatives**

Our enlarged Group will, where applicable, subject to our shareholders' approval for the Proposed MKH Acquisition, be able to pursue synergistic initiatives aimed at achieving greater economies of scale, cost synergistic benefits through savings on capital and operational expenditure, access to a larger pool of talent and expertise and adoption of best practices currently used by each group.

Our Group may leverage on the MKH Group's landbank, project management capabilities and construction ecosystem to unlock value for future development opportunities. Further, the addition of the MKH Group's plantation estates would enlarge our Group's plantation footprint within East Kalimantan, Indonesia and enable operational synergies through the sharing of agronomic expertise, sustainability practices and supply chain efficiencies alongside our Group's existing plantation operations.

The integration of overlapping business areas is expected to allow our Group to implement more consistent processes, adopt best practices, share agronomic expertise and sustainability practices, accelerate decision-making and realise cost savings across the organisation.

Our Company currently does not have a specific dividend policy other than our Board aims to pay dividend every year. Our Company has consistently paid dividends to our shareholders over the past five (5) financial years. Notwithstanding that the Acquisitions and the Proposals are expected to have a positive impact on the retained earnings and earnings of our Group as well as on EPS, as illustrated in **Section 6** of this Circular, any declaration and payment of dividends will remain subject to the sole discretion of our Board after taking into consideration among others, the expected financial performance, cash flow position and working capital requirements of our Group.

The Proposed MO which is to be undertaken pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules provides an opportunity for Whitmore to further increase its shareholding in MKH, thereby further consolidating its control in MKH.

Should the Proposed MO become unconditional as to acceptances, the Possible MO will be undertaken pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules.

#### **4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS**

##### **4.1 Overview and outlook of the palm oil industry in Indonesia**

CPO production in 2025 reached 51,660 thousand tons, an increase of 7.26% compared to 48,164 thousand tons in 2024. CPKO production also increased by 6.41% to 4,893 thousand tons from 4,598 thousand tons in 2024. Therefore, CPO and CPKO production in 2025 reached 56,553 thousand tons, an increase of 7.18% from 52,762 thousand tons in 2024.

Total domestic consumption rose by 3.82% from 23,859 thousand tons in 2024 to 24,772 thousand tons in 2025. The largest increase was seen in consumption for biodiesel, which rose 10.97% from 11,447 thousand tons in 2024 to 12,704 thousand tons in 2025. The increase in biodiesel consumption was driven by an increase in the blend from 35% to 40%. The consumption for oleochemical increased by 1.22% from 2,207,000 tons to 2,234,000 tons. However, consumption for foods decreased by 3.64% from 10,205,000 tons in 2024 to 9,834,000 tons in 2025.

Total exports in 2025 rose 9.51% from 29,535 thousand tons in 2024 to 32,343 thousand tons in 2025. The largest export increase was seen in the processed palm oil– from 20,451 thousand tons in 2024 to 22,727 thousand tons in 2025, followed by processed palm kernel oil– from 1,262 thousand tons to 1,560 thousand tons, oleochemicals– from 4,796 thousand tons to 5,076 thousand tons, and CPO– from 2,916 thousand tons to 2,964 thousand tons.

By destination, exports to Africa in 2025 rose by +991 thousand tons, China +644 thousand tons, Malaysia +516 thousand tons, Bangladesh +503 thousand tons, and Pakistan +214 thousand tons as compared to the previous year. Meanwhile, exports declined to India (-859 thousand tons), the EU-27 (-97 thousand tons), and the USA (-15 thousand tons).

Export value in 2025 was realised at United States Dollar 35.87 billion (approximately IDR590 trillion), 29.23% higher than the United States Dollar 27.76 billion (approximately IDR440 trillion) in 2024. The increase in export value in 2025 was not just caused by the increase of export volume, but also because of the rise of average cost, insurance and freight (CIF) Rotterdam price to United States Dollar 1,221 per ton, as compared to the average price in 2024 at United States Dollar 1,084 per ton.

With production, consumption, and exports as described above, final stock of CPO and CPKO in 2025 amounted to 2,068 thousand tons, a decrease of 19.79% from the final stock of 2,577 thousand tons in 2024.

*(Source : Press release dated 12 March 2026, the Indonesian Palm Oil Association)*

## 4.2 Overview and outlook of property development in Malaysia

The property market's trajectory in 2026 is expected to remain resilient, underpinned by market activity, stable price movement and variation of construction activity. Residential demand is shifting toward more high-value and affordable units. Nevertheless, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Budget 2026. While policy support and selective demand drivers provide a foundation for stability, the broader outlook remains vulnerable to external economic shifts and domestic affordability constraints. Meanwhile, the non-residential subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas.

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2026, among others:

- (i) the full stamp duty exemption on the instrument of transfer and loan agreement for first-time homebuyers of the priced up to RM500,000 by Malaysian citizens has been extended until 31 December 2027;
- (ii) the stamp duty on instruments of transfer for non-citizens, non-permanent residents, and foreign companies, raising it from 4% to 8%, depending on the property's value;
- (iii) increase government guarantees of up to RM20 billion under Housing Credit Guarantee Scheme (SJKP) on housing financing for the benefit of 80,000 home buyers;
- (iv) the Step-Up Financing Scheme under SJKP was introduced as a government guarantee of up to RM10 billion specifically for young people seeking to own their first home, with lower loan repayments for the first five years;
- (v) allocation of RM672 million for construction of Rakyat Housing; and
- (vi) allocation of RM100 million for construction of Program Residensi MADANI at several locations.

As the national economy is projected to expand by 4.0% to 4.5% in 2026, the property market is expected to maintain its modest growth trajectory with caution, considering global economic challenges, domestic demand fluctuations, and an unpredictable external risk. Budget 2026 will be instrumental in guiding the nation's economic trajectory and laying the pathway towards realising the targets set forth under the Thirteenth Malaysian Plan. The implementation of the Ekonomi MADANI framework, supported by the rollout of strategies from a cohesive policy and action plan in the Budget 2026 and the Thirteenth Malaysian Plan, will boost Malaysia's economy and further drive growth in the property market. Furthermore, ongoing government support, coupled with Malaysia's strong economic performance, is expected to continue stimulating the expansion of the property market.

*(Source : Annual Property Market Report 2025, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)*

#### 4.3 Prospects of the MKH Group (including the MKHOP Group)

The segmental revenue and PAT of the MKH Group for the FYE 30 September 2023 to the FYE 30 September 2025 are as follows:

##### Revenue

| Segment                               | Audited FYE 30 September |              |                |              |              |              |
|---------------------------------------|--------------------------|--------------|----------------|--------------|--------------|--------------|
|                                       | 2023                     |              | 2024           |              | 2025         |              |
|                                       | RM'million               | %            | RM'million     | %            | RM'million   | %            |
| Plantation                            | 338.0                    | 31.8         | 352.2          | 33.2         | 363.2        | 38.2         |
| Property development and construction | 587.6                    | 55.2         | 580.0          | 54.8         | 469.2        | 49.3         |
| Trading                               | 100.1                    | 9.4          | 89.9           | 8.5          | 80.7         | 8.5          |
| Hotel and property investment         | 32.5                     | 3.1          | 32.9           | 3.1          | 35.7         | 3.7          |
| Others <sup>(1)</sup>                 | 5.6                      | 0.5          | 4.0            | 0.4          | 2.7          | 0.3          |
| <b>Total</b>                          | <b>1,063.8</b>           | <b>100.0</b> | <b>1,059.0</b> | <b>100.0</b> | <b>951.5</b> | <b>100.0</b> |

##### PAT

| Segment                               | Audited FYE 30 September |              |              |              |              |              |
|---------------------------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|
|                                       | 2023                     |              | 2024         |              | 2025         |              |
|                                       | RM'million               | %            | RM'million   | %            | RM'million   | %            |
| Plantation                            | 27.7                     | 34.1         | 62.5         | 61.7         | 80.9         | 72.4         |
| Property development and construction | 39.1                     | 48.1         | 23.6         | 23.3         | 22.8         | 20.4         |
| Trading                               | 2.6                      | 3.2          | 2.1          | 2.1          | 1.9          | 1.7          |
| Hotel and property investment         | 7.4                      | 9.1          | 16.8         | 16.6         | 14.1         | 12.6         |
| Others <sup>(1)</sup>                 | 4.5                      | 5.5          | (3.7)        | (3.7)        | (7.9)        | (7.1)        |
| <b>Total</b>                          | <b>81.3</b>              | <b>100.0</b> | <b>101.3</b> | <b>100.0</b> | <b>111.8</b> | <b>100.0</b> |

##### **Note:**

(1) Includes the manufacturing segment, investment holding segment and other non-reportable segments of the MKH Group, where applicable.

(Source : MKH's 2023, 2024 and 2025 Annual Reports)

**(i) Plantation**

The MKH Group's plantation segment in Indonesia remains well-supported with market demand and positive price trend for CPO, which is currently trading at approximately RM3,500/MT to RM3,700/MT (nett of export levy and duty) in Indonesia. The MKH Group continues to undertake proactive measures on its operations including enhancing its water management system and maximising crop collection and quality via on-going mechanisation efforts. Further, the MKH Group has optimised the utilisation of software apps to track FFB evacuation from fields to mill so as to further increase their production efficiency and oil extraction rate, so as in maintaining competitiveness amidst rising labour costs.

**(ii) Property development and construction**

The MKH Group's planned launches in 2026 comprising landed residential development known as Annya @ Kajang 2 Precinct 3 (phase 3), low-rise apartment development known as Residensi Pinang @ Hillpark Shah Alam and high-rise service apartments known as Residensi Naluri (Block C) and Gaya Residency (Tower B) with a total estimated gross development value of approximately RM432.0 million will be launched and opened in accordance to prevailing market sentiments.

The MKH Group's unbilled sales, the unreleased balance units in Residensi Naluri and Gaya Residency, and the above upcoming launches which are strategically located in Shah Alam and Cheras/Kajang will further strengthen the MKH Group's future unbilled sales.

**(iii) Trading**

For the trading division, approximately 70% of the sales of building materials are contributed from the MKH Group's development projects and it will continue to supply building materials to the MKH Group's ongoing and future development projects.

**(iv) Hotel and property investment**

The MKH Group's retail properties, namely, Plaza Metro Kajang and Metro Point Complex, and RHR Hotel continue to record better performances through increased business activities.

Their 3-star hotel, namely, RHR Hotel @ Kajang has achieved an average occupancy rate of 51% and continues to be supported by domestic business travellers and agencies.

Our Company does not have any immediate plan to introduce any major change to the existing businesses of the MKH Group after the completion of the Proposals. Our Company also intends to retain the existing management team of the MKH Group who will continue to perform their operational role, while our Company oversees and monitors the integration process.

Nevertheless, our Company may from time to time undertake a review of the MKH Group's businesses and operations to formulate future plans and strategies for the MKH Group, if necessary.

## **5. RISK FACTORS**

The MKH Group is subject to risks inherent in the property development and oil palm plantation sectors which are broadly similar to those faced by the plantation and property development segments of our Group such as (a) in respect of property development, competition from other property developers, risks of construction defects, natural disasters, and rising interest rates and inflation which may adversely affect business and financing costs as well as the terms on which mortgages are available to property buyers; and (b) in respect of oil palm plantation, adverse changes in CPO prices, changes in global demand for edible oils and fats, adverse climate conditions, fluctuation in foreign exchange rates and labour and production costs.

Additionally, the MKH Group is further involved in the hotel and property investment industry, which carries risks such as competition from other landlords and ability to secure or retain tenants, change of market rental rates, natural disasters or other causes of physical damage which may result in losses or damages in excess of insurance proceeds, and where applicable geopolitical climate affecting travel and tourism.

The risks arising from or associated with the Acquisitions and the Proposals are as follows:

### **5.1 Completion risk**

The completion of the Proposed MKH Acquisition is conditional upon the Condition Precedent being fulfilled. In the event the Condition Precedent is not fulfilled, the Proposed MKH Acquisition will not be completed and the benefits expected to be realised from the Proposed MKH Acquisition and consequently, the Proposed MO will not materialise.

### **5.2 Acquisition risk**

The MKH Group is principally involved in plantation, property development and hotel and property investment, and is therefore subject to risks inherent in these industries. There can be no assurance that the anticipated benefits of the Proposed MKH Acquisition will be realised or that our Group will be able to generate sufficient revenue upon completion of the Proposed MKH Acquisition and assuming full acceptances for the Proposed MO to offset the associated acquisition costs incurred and the potential capital or operational expenditure to be committed.

Our Group through our listed subsidiary operates in similar businesses as that of the MKH Group and is therefore familiar with the risks involved and the business environment.

### **5.3 Financing and interest rate risks**

The Acquisitions were, and the Proposed MKH Acquisition will be, financed by a combination of internally generated funds and bank borrowings whereas the Proposed MO and the Possible MO will be financed by bank borrowings. Therefore, our Group may be exposed to fluctuations in interest rate and repayment commitments. Any adverse movement in interest rates may lead to higher borrowing costs which consequently may adversely affect the cash flows of our Group and our Group's financial performance in the future and ability to service our financial obligations.

For the FYE 30 September 2025, our Group's finance costs was RM509.3 million. Following the Acquisitions, the Proposed MKH Acquisition and assuming full acceptances for the Proposed MO and the Possible MO, our Group is expected to incur additional finance costs of approximately RM44.0 million.

Nevertheless, our Group will continue to monitor and review our debt portfolio which takes into consideration our Group's gearing level, financing currency, interest costs as well as cash flows to ensure that our financial position and credit profile remains strong and sustainable.



## **5.4 Geographical risks**

Our Group, through our subsidiary, Kuala Lumpur Kepong Berhad, and the MKH Group, through the MKHOP Group, own and operate oil palm plantation portfolio in Indonesia and as such, changes in the political, economic and regulatory environment in Indonesia may adversely affect our enlarged Group's ownership, operations and profitability of the oil palm plantation assets.

In particular, our enlarged Group may be exposed to risks associated with land ownership and land use rights in Indonesia. In 2025, the Indonesian Government established a task force to reclaim forest areas deemed to have been illegally occupied or used for commercial activities, including oil palm plantations. Recovered land is transferred to the state-owned palm oil company. As at the LPD, neither our Group nor the MKH Group has been materially affected by this regulatory development. However, there can be no assurance that our enlarged Group's rights over the plantation lands in Indonesia will not be affected by future changes in laws and regulations, administrative policies, government actions or disputes relating to land use, boundaries, concessions or utilisation rights. Any restriction, seizure or compulsory acquisition of the plantation lands by the relevant authorities, or any challenges by third parties in respect of our enlarged Group's land rights, may result in disruptions to our enlarged Group's plantation operations in Indonesia.

The Indonesian Government may also introduce or implement more restrictive policies affecting the export of palm oil and its related products, including the centralisation or increased control of palm oil exports and imposition of new taxes or levies. Such measures may disrupt the MKH Group's supply chain, limit our ability to export products, affect pricing mechanisms, and adversely impact revenue and profitability.

Our enlarged Group will continue to implement measures to manage and mitigate these risks, including compliance with applicable laws and regulations and monitoring developments affecting our Indonesian operations. However, there can be no assurance that such measures will be sufficient to eliminate all risks arising from such geographical exposure. Any adverse developments in Indonesia may materially and adversely affect our enlarged Group's business operations, financial performance and prospects.

## **5.5 Geopolitical risks**

Our enlarged Group may be adversely affected by geopolitical uncertainties, including the ongoing conflict involving Iran, which may disrupt global supply chains and cause volatility in the prices and availability of inputs used in our enlarged Group's operations. In particular, our enlarged Group may be exposed to fluctuations in the supply and prices of agricultural inputs and other essential materials, including fertilisers, chemicals and fuel, all of which may be subject to supply disruptions, shipping delays and increase freight charges. Any significant increase in the cost of such inputs may result in higher operating costs for our enlarged Group. There can be no assurance that our enlarged Group will be able to fully pass on such increased costs to customers. As a result, any sustained increase in input costs may adversely affect our enlarged Group's profit margin and financial performance.

Our enlarged Group will continue to monitor geopolitical developments and take appropriate measures to mitigate such risks, including sourcing from alternative suppliers where feasible and managing inventory levels. However, there can be no assurance that these measures will be sufficient to fully mitigate the impact of prolonged geopolitical uncertainties.

## **5.6 Merger control risks**

As there is currently no general merger control regime in Malaysia (save for specific sectors such as the aviation and telecommunications sectors), the Acquisitions and the Proposals will not give rise to competition law concerns under the Competition Act 2010.

Nevertheless, the MKH Group and our Group have entities involved in the plantation business, with operations in Indonesia. The Acquisitions and the Proposals have met the relevant double-nexus test, control test and financial thresholds and hence, are subject to the Indonesian merger control regime governed under the Law of the Republic of Indonesia No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition as amended by the Job Creation Law ("**Anti-Monopoly Law**") which prohibits a business entity from conducting mergers, consolidations or acquisitions that may result in monopolistic practices or unfair business competition.

The Anti-Monopoly Law is enforced by the Indonesian Competition Commission (Komisi Pengawas Persaingan Usaha or "**KPPU**"), which requires notification to be submitted to the KPPU within thirty (30) business days from the date the transaction becomes legally effective. Although the notification is made on a post-completion basis, the KPPU has the authority to conduct a substantive review of the Acquisitions and the Proposals to determine whether the transactions may result in monopolistic practices or unfair business competition in Indonesia.

In addition, failure to submit the required notification within the prescribed period may result in the imposition of monetary penalties. Our Company intends to ensure that the required notification is submitted within the applicable statutory timeframe and to comply with all applicable Indonesian competition law requirements.

## **5.7 Integration risks**

As set out in **Section 2.5.4** of this Circular, if the Offeror and the Ultimate Offeror are able to invoke the provisions of subsection 222(1) of the CMSA relating to compulsory acquisitions which results in the privatisation of MKH, our enlarged Group's business operations and financial position could be materially affected if the existing businesses of both our Group and the MKH Group are not integrated effectively or in a timely manner. This may result in the expected benefits and synergies of the Acquisitions and the Proposals being lesser than estimated.

Any failure to achieve the expected synergies may impact our enlarged Group's financial performance in the future. Potential factors that may influence a successful integration include:

- (i) disruption to business continuity and ongoing operations which could affect our enlarged Group's ability to deliver our products and services to our customers, timeliness in responding to competition and ability to maintain our market position;
- (ii) higher than anticipated integration complexities and costs, for example the integration of information technology platforms and systems;
- (iii) unintended loss of key personnel or skilled or technical personnel or reduced employee effectiveness and productivity due to uncertainties during the integration phase; and
- (iv) unexpected issues that may lead to the integration execution taking longer time or costing more than anticipated.

At the appropriate time, our enlarged Group may undertake the necessary efforts, including undertaking proper studies to formulate and implement integration initiatives, and if necessary, establish a management team to oversee and ensure a successful integration exercise.

## **6. EFFECTS OF THE ACQUISITIONS AND THE PROPOSALS**

### **6.1 Issued share capital and substantial shareholders' shareholdings**

The Acquisitions and the Proposals will not have any effect on our issued share capital and substantial shareholders' shareholding as it does not involve any issuance of new BKB Shares.

## 6.2 NA, NA per BKB Share and gearing

For illustrative purposes only, based on:

- (i) the latest audited consolidated statement of financial position of BKB as at 30 September 2025;
- (ii) the latest audited consolidated statement of financial position of MKH as at 30 September 2025;
- (iii) the assumption that the Acquisitions were, and the Proposed MKH Acquisition will be, funded by internally generated funds of RM130.0 million and borrowings of RM445.1 million, while the Proposed MO and the Possible MO will be funded by borrowings of RM798.8 million; and
- (iv) the acquisition via open market on 15 June 2026 was funded by internally generated funds of RM11.6 million,

the proforma effects of the Acquisitions and the Proposals on the NA, NA per BKB Share and gearing of our Group assuming that the Acquisitions and the Proposals had been effected on 30 September 2025 are as follows:

|                                                                  |                                       | (I)                                                              | (II)                                            | (III)                                               |
|------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
|                                                                  | Audited as at<br>30 September<br>2025 | After the<br>Acquisitions and<br>the Proposed<br>MKH Acquisition | After (I) and the<br>Proposed MO <sup>(1)</sup> | After (II) and<br>the Possible<br>MO <sup>(2)</sup> |
|                                                                  | RM'000                                | RM'000                                                           | RM'000                                          | RM'000                                              |
| Share capital                                                    | 507,587                               | 507,587                                                          | 507,587                                         | 507,587                                             |
| Other reserves                                                   | 1,490,902                             | 1,490,902                                                        | 1,490,902                                       | 1,490,902                                           |
| Retained earnings                                                | 5,773,605                             | 5,768,605 <sup>(3)</sup>                                         | 6,491,538 <sup>(4)</sup>                        | 6,469,512 <sup>(5)</sup>                            |
| Treasury shares                                                  | (202,737)                             | (202,737)                                                        | (202,737)                                       | (202,737)                                           |
| <b>NA/Equity attributable to the<br/>owners of BKB</b>           | <b>7,569,357</b>                      | <b>7,564,357</b>                                                 | <b>8,287,290</b>                                | <b>8,265,264</b>                                    |
| No. of BKB Shares in issue<br>(excluding treasury shares) ('000) | 388,807                               | 388,807                                                          | 388,807                                         | 388,807                                             |
| NA per BKB Share (RM) <sup>(6)</sup>                             | 19.47                                 | 19.46                                                            | 21.31                                           | 21.26                                               |
| Total equity                                                     | 16,241,347                            | 16,236,347                                                       | 17,218,652                                      | 17,011,601                                          |
| Total borrowings                                                 | 12,202,903                            | 12,648,030 <sup>(7)</sup>                                        | 13,723,537 <sup>(8)</sup>                       | 13,930,588 <sup>(9)</sup>                           |
| Gearing (times) <sup>(10)</sup>                                  | 0.75                                  | 0.78                                                             | 0.80                                            | 0.82                                                |

### Notes:

- (1) Assuming full acceptances under the Proposed MO.
- (2) Assuming full acceptances under the Possible MO.
- (3) After taking into account the estimated expenses relating to the Proposals of approximately RM5.0 million, which comprise professional fees, regulatory fees and other incidental expenses such as printing and despatch costs, advertising costs and EGM costs.
- (4) After taking into account the estimated gain of approximately RM726.0 million arising from the difference between the purchase consideration of RM1,153.2 million for MKH and the audited consolidated NA attributable to the owners of MKH acquired of RM1,879.2 million, assuming no fair value adjustment and effects on changes in shareholding resulting from the step-acquisition of MKH to 100.0% effective equity interest.
- (5) After taking into account the step-acquisition of MKHOP from 69.2% effective equity interest to 100.0% effective equity interest.

- (6) *Computed as NA/equity attributable to the owners of BKB divided by number of BKB Shares in issue (excluding treasury shares).*
- (7) *Includes the borrowings of approximately RM445.1 million obtained to finance the Acquisitions and the Proposed MKH Acquisition.*
- (8) *Includes the borrowings of the MKH Group of approximately RM483.7 million as at 30 September 2025 and borrowings of approximately RM591.8 million obtained to finance the Proposed MO.*
- (9) *Includes the borrowings of approximately RM207.0 million obtained to finance the Possible MO.*
- (10) *Computed as total borrowings divided by total equity.*

### 6.3 Earnings and EPS

The Acquisitions and the Proposals are expected to improve the earnings of our Group and EPS going forward.

For illustrative purposes only, based on:

- (i) the latest audited consolidated statement of profit or loss of BKB for the FYE 30 September 2025;
- (ii) the latest audited consolidated statement of profit or loss of MKH and MKHOP for the FYE 30 September 2025;
- (iii) the assumption that the Acquisitions were, and the Proposed MKH Acquisition will be, funded by internally generated funds of RM130.0 million and borrowings of RM445.1 million, while the Proposed MO and the Possible MO will be funded by borrowings of RM798.8 million; and
- (iv) the acquisition via open market on 15 June 2026 was funded by internally generated funds of RM11.6 million,

the proforma effects of the Acquisitions and the Proposals on the earnings of our Group and EPS based on the following scenarios assuming that the Acquisitions and the Proposals had been effected on 1 October 2024, being the beginning of the FYE 30 September 2025, are as follows:

- Scenario 1** : Assuming Whitmore does not receive any valid acceptances under the Proposed MO and Whitmore only holds 48.7% equity interest in MKH (excluding treasury shares) and 3.9% equity interest in MKHOP (excluding treasury shares) upon completion of the Proposals (excluding the Possible MO which will not be implemented)
- Scenario 2** : Assuming Whitmore receives full acceptances under the Proposed MO and Whitmore holds 100.0% equity interest in MKH (excluding treasury shares) only (excluding the Possible MO)
- Scenario 3** : Assuming Whitmore receives full acceptances under both the Proposed MO and the Possible MO

|                                                               | Audited for the<br>FYE 30<br>September<br>2025 | Scenario 1            | Scenario 2            | Scenario 3            |
|---------------------------------------------------------------|------------------------------------------------|-----------------------|-----------------------|-----------------------|
|                                                               | RM'000                                         | RM'000                | RM'000                | RM'000                |
| Consolidated PATAMI of BKB                                    | 467,750                                        | 467,750               | 467,750               | 467,750               |
| Add: Consolidated PATAMI of MKH                               | -                                              | 43,637 <sup>(1)</sup> | 89,603 <sup>(2)</sup> | 89,603 <sup>(2)</sup> |
| Add: Consolidated PAT of MKHOP                                | -                                              | 3,080 <sup>(3)</sup>  | 3,080 <sup>(3)</sup>  | 27,663 <sup>(4)</sup> |
| Less: Interest expense                                        | -                                              | 15,624 <sup>(5)</sup> | 36,396 <sup>(6)</sup> | 43,664 <sup>(7)</sup> |
| Less: Loss of interest income                                 | -                                              | 4,249 <sup>(8)</sup>  | 4,249 <sup>(8)</sup>  | 4,249 <sup>(8)</sup>  |
| Less: Estimated expenses                                      | -                                              | 5,000                 | 5,000                 | 5,000                 |
| <b>Proforma consolidated PATAMI of BKB</b>                    | <b>467,750</b>                                 | <b>489,594</b>        | <b>514,788</b>        | <b>532,103</b>        |
| No. of BKB Shares in issue (excluding treasury shares) ('000) | 388,807                                        | 388,807               | 388,807               | 388,807               |
| EPS (sen)                                                     | 120.3                                          | 125.9                 | 132.4                 | 136.9                 |

**Notes:**

- (1) Being 48.7% of the audited consolidated PATAMI of MKH for the FYE 30 September 2025 of RM89.6 million.
- (2) Being 100.0% of the audited consolidated PATAMI of MKH for the FYE 30 September 2025 of RM89.6 million.
- (3) Being 3.9% of the audited consolidated PAT of MKHOP for the FYE 30 September 2025 of RM79.8 million.
- (4) Being the remaining 34.8% of the audited consolidated PAT of MKHOP for the FYE 30 September 2025 of RM79.8 million.
- (5) Computed based on approximately RM445.1 million borrowings to finance the Acquisitions and the Proposed MKH Acquisition at an assumed interest rate of 3.5% per annum.
- (6) Computed based on approximately RM1,036.9 million borrowings to finance the Acquisitions, the Proposed MKH Acquisition and the Proposed MO, at an assumed interest rate of 3.5% per annum.
- (7) Computed based on approximately RM1,243.9 million borrowings to finance the Acquisitions, the Proposed MKH Acquisition, the Proposed MO and the Possible MO, at an assumed interest rate of 3.5% per annum.
- (8) Computed based on an assumed interest rate of 3.0% per annum in respect of RM141.6 million internally generated funds of our Group utilised for the Acquisitions and the acquisition via open market on 15 June 2026.

#### 6.4 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

## **7. APPROVAL/CONSENT REQUIRED**

The Proposals are subject to the approval of our shareholders at the forthcoming EGM.

Our Major Shareholders namely, Arusha Enterprise Sdn Bhd, Wan Hin Investments Sdn Berhad, Di-Yi Sdn Bhd, High Quest Holdings Sdn Bhd, TSLOH and DLHH, who collectively own approximately 59.8% direct and indirect equity interests in our Company (excluding treasury shares), have agreed to vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

## **8. CONDITIONALITY OF THE PROPOSALS**

The Proposed MO is conditional upon the Proposed MKH Acquisition becoming unconditional. The Possible MO is conditional upon the Proposed MO becoming unconditional as to acceptances.

The Proposals are not conditional upon any other corporate exercise/scheme of our Company.

## **9. HIGHEST PERCENTAGE RATIO**

The highest aggregated percentage ratio applicable to the Acquisitions and the Proposals pursuant to Paragraph 10.02(g) of the Listing Requirements is 27.5% which was arrived at based on the aggregate of the following:

- (i) the highest percentage ratio applicable to the MKH Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements of 7.3%, computed based on 29.6% of the audited consolidated NA of MKH as at 30 September 2025 compared with the audited consolidated NA of BKB as at 30 September 2025;
- (ii) the highest percentage ratio applicable to the MKHOP Acquisition 1 and the MKHOP Acquisition 2 pursuant to Paragraph 10.02(g) of the Listing Requirements of 0.3%, computed based on 3.9% of the audited consolidated NA of MKHOP as at 30 September 2025 compared with the audited consolidated NA of BKB as at 30 September 2025;
- (iii) the highest percentage ratio applicable to the Proposed MKH Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements of 4.5%, computed based on 18.1% of the audited consolidated NA of MKH as at 30 September 2025 compared with the audited consolidated NA of BKB as at 30 September 2025;
- (iv) the highest percentage ratio applicable to the Proposed MO pursuant to Paragraph 10.02(g) of the Listing Requirements of 13.0%, computed based on 52.3% of the audited consolidated NA of MKH as at 30 September 2025 compared with the audited consolidated NA of BKB as at 30 September 2025 (assuming full acceptances under the Proposed MO); and
- (v) the highest percentage ratio applicable to the Possible MO pursuant to Paragraph 10.02(g) of the Listing Requirements of 2.4%, computed based on 30.8% of the audited consolidated NA of MKHOP as at 30 September 2025 compared with the audited consolidated NA of BKB as at 30 September 2025 (assuming full acceptances under the Possible MO).

Pursuant to Paragraph 10.12 of the Listing Requirements, the individual percentage ratios for the MKH Acquisition, the MKHOP Acquisitions, the Proposed MKH Acquisition, the Proposed MO and the Possible MO have been aggregated as these transactions are entered into with the same party or with parties connected with one another (i.e. the Vendors) and the transactions involve the acquisition of securities in MKH and MKHOP. Based on the principles of aggregation, the applicable percentage ratio in respect of the Proposals will be aggregated with those of the Acquisitions. Accordingly, our shareholders' approval will be required for the Proposals in accordance with Paragraph 10.07 of the Listing Requirements.

The summary of the percentage ratios for the Acquisitions and the Proposals is as follows:

| <b>Transaction</b>                                                        | <b>Relevant percentage ratio<br/>(%)</b> |
|---------------------------------------------------------------------------|------------------------------------------|
| MKH Acquisition                                                           | 7.3                                      |
| MKHOP Acquisitions                                                        | 0.3                                      |
| <b>Aggregated percentage ratio for the Acquisitions</b>                   | <b>7.6</b>                               |
| Proposed MKH Acquisition                                                  | 4.5                                      |
| Proposed MO                                                               | 13.0                                     |
| Possible MO                                                               | 2.4                                      |
| <b>Aggregated percentage ratio for the Proposals</b>                      | <b>19.9</b>                              |
| <b>Aggregated percentage ratio for the Acquisitions and the Proposals</b> | <b>27.5</b>                              |

#### 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our Directors and Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Acquisitions and the Proposals.

In addition, save as disclosed in **Sections 2.5** and **2.6** of this Circular, none of our Directors, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in MKH and MKHOP.

As disclosed in **Section 2.5** of this Circular, JQSJ<sup>(1)</sup> is a director of Whitmore and holds 225,000 MKH Shares, which represents approximately 0.04% of the total number of MKH Shares in issue (excluding treasury shares). Accordingly, JQSJ has abstained and will voluntarily abstain from deliberating and voting on the Acquisitions and the Proposals at the relevant board meetings of Whitmore. He will also voluntarily abstain from voting in respect of his direct and/or indirect shareholding in our Company, if any, on the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

**Note:**

(1) *He is also the Chief Financial Officer and joint secretary of our Company.*

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Acquisitions and the Proposals including, but not limited to, the salient terms of the MKH Conditional SSA, the Acquisitions Consideration and the Proposed MKH Consideration, rationale and benefits as well as the effects of the Acquisitions and the Proposals, is of the view that the Acquisitions and the Proposals are in the best interests of our Company.

Accordingly, our Board recommends that you **vote in favour** of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

## 12. OTHER CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and as disclosed below, there are no other corporate exercises/schemes which have been announced by our Company but remain pending completion prior to the printing of this Circular.

On 12 June 2026, our Board announced that our Company received a non-binding letter of intent from TMK Chemical Bhd to acquire 100% equity interest in Chemical Company of Malaysia Berhad ("**CCM**"), our wholly-owned subsidiary, including the full economic interest of CCM in respect of CCM's subsidiaries and associated companies (save for certain assets comprising an associate company of CCM and two (2) parcels of land held by CCM) ("**CCM Group**") at an indicative purchase consideration of RM920.0 million on a cash-free, debt-free basis ("**Indicative Non-Binding Offer**"). Our Board (save for the interested Directors) has resolved to accept-in-principle the Indicative Non-Binding Offer, subject to among others, the advice from an independent adviser to be appointed, the completion of the customary due diligence exercise on the CCM Group and the execution of a sale and purchase agreement between the parties.

## 13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the relevant required approvals being obtained, the Proposals are expected to be completed by the second half of 2026.

The tentative timetable for the implementation of the Proposals is as follows:

| Timing             | Event                                                                                                                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 August 2026      | <ul style="list-style-type: none"><li>EGM to approve the Proposals</li></ul>                                                                                                                                                           |
| 6 August 2026      | <ul style="list-style-type: none"><li>MKH Conditional SSA becomes unconditional</li><li>Serving of notice of the Proposed MO to the Board of Directors of MKH</li></ul>                                                                |
| Early August 2026  | <ul style="list-style-type: none"><li>Completion of the Proposed MKH Acquisition</li><li>Proposed MO becomes unconditional as to acceptances</li><li>Serving of notice of the Possible MO to the Board of Directors of MKHOP</li></ul> |
| End August 2026    | <ul style="list-style-type: none"><li>Despatch of the Offer Document for MKH</li><li>Despatch of the Offer Document for MKHOP</li></ul>                                                                                                |
| Mid September 2026 | <ul style="list-style-type: none"><li>Closing Date for the Proposed MO<sup>(1)</sup></li><li>Closing Date for the Possible MO<sup>(2)</sup></li></ul>                                                                                  |



**Notes:**

- (1) *Being the First Closing Date for the Proposed MO, unless extended or revised in accordance with the Rules and the terms and conditions of the Offer Document for MKH as the Offeror and the Ultimate Offeror may decide and as Maybank IB may announce, on behalf of the Offeror and the Ultimate Offeror, at least two (2) days before the Closing Date for the Proposed MO. Excludes acquisition of MKH Shares pursuant to section 222 and section 223 of the CMSA, if applicable.*
- (2) *Being the First Closing Date for the Possible MO, unless extended or revised in accordance with the Rules and the terms and conditions of the Offer Document for MKHOP as the Offeror and the Ultimate Offeror may decide and as Maybank IB may announce, on behalf of the Offeror and the Ultimate Offeror, at least two (2) days before the Closing Date for the Possible MO.*

**14. EGM**

The forthcoming EGM, the notice of which is enclosed with this Circular, will be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Wednesday, 5 August 2026 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposals.

In the event you wish to appoint a proxy, please complete, sign and return the Proxy Form not less than twenty-four (24) hours before the time appointed for taking of the poll or any adjournment thereof, in accordance with the instructions printed therein. The duly completed Proxy Form should be deposited to our Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, electronically lodged through Boardroom's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or emailed to Boardroom at [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com). The completion, signing and returning of Proxy Form will not, however, preclude you from attending and voting at the EGM should you find that you are subsequently able to do so.

**15. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**BATU KAWAN BERHAD**

**TAN SRI DATO' SERI LEE OI HIAN**  
Chairman/Non-Independent Non-Executive Director

## SALIENT TERMS OF THE MKH CONDITIONAL SSA

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### 1. CONDITION PRECEDENT

The completion is conditional upon the following Condition Precedent being fulfilled or completed within three (3) months after the date of the MKH Conditional SSA, or such later date as Whitmore and the Vendors may mutually agree upon in writing:

- (a) our Company having obtained the passing of an ordinary resolution at the EGM approving the following:
  - (i) the acquisition by Whitmore of the MKH Sale Shares from the Vendors upon the terms and subject to the MKH Conditional SSA;
  - (ii) the Proposed MO;
  - (iii) the Possible MO; and
  - (iv) the board of directors of Whitmore and our Company be empowered and authorised to do all acts, deeds and things as they may consider necessary or expedient in the best interests of Whitmore and BKB with the full powers to amend and/or assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities, and to take all steps to implement the transactions contemplated in the MKH Conditional SSA.

The MKH Conditional SSA shall become unconditional on the next Market Day after the Condition Precedent has been fulfilled or completed and after Whitmore has informed the designated representative of the Vendors of such satisfaction ("**Unconditional Date**").

Whitmore shall notify the Vendors within three (3) Business Days of satisfying the Condition Precedent.

"**Business Day**" means a day on which commercial banks are open for normal banking business in the Federal Territory of Kuala Lumpur and Perak, Malaysia (excluding Saturdays, Sundays and public holidays in the Federal Territory of Kuala Lumpur and Perak, Malaysia).

### 2. COMPLETION

The completion date shall be the date of actual completion of all the matters required for completion of the direct business transaction, which shall be effected by the Vendors and Whitmore on a Market Day falling within seven (7) days after the Unconditional Date ("**Completion Date**").

### 3. CONSIDERATION

The consideration for the Proposed MKH Acquisition shall be RM208,866,746 based on a value of RM2.00 for each of the MKH Sale Shares, together with all rights, benefits and entitlement attaching thereto as at the date of the MKH Conditional SSA (including the right to receive all dividends or distributions declared, made or paid on or after the date of the MKH Conditional SSA). Any dividends or distributions declared, made or paid by MKH on the MKH Sale Shares, on or after the date of the MKH Conditional SSA shall accrue to and belong to Whitmore.

**SALIENT TERMS OF THE MKH CONDITIONAL SSA (Cont'd)**

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**4. TERMINATION RIGHTS**

Whitmore shall be entitled to terminate the MKH Conditional SSA by giving written notice to the designated representative of the Vendors before the Completion Date if:

- (a) there is a material breach of any Vendor's warranties which will result in such Vendor not being able to complete the transaction as contemplated under the MKH Conditional SSA, which if capable of being remedied is not remedied within fourteen (14) days from the date of written notification by Whitmore to such Vendor;
- (b) the Condition Precedent is not satisfied for any reason whatsoever; or
- (c) the purchase of all the MKH Sale Shares free from any and all encumbrances from the purchase of all Vendors is not completed simultaneously in accordance with the MKH Conditional SSA; and
- (d) the SSAs in respect of the Acquisitions have not been completed.

## INFORMATION ON MKH

## 1. HISTORY AND BUSINESS

MKH was incorporated in Malaysia as a private limited company under the name of Srijang Bena Sdn Bhd on 27 September 1979 and commenced business operations in the same year. In 1987, it changed its name to Srijang Holdings Sdn Bhd before subsequently being renamed to Metro Kajang Holdings Sdn Bhd in 1993. In conjunction with its listing on the Main Market of Bursa Securities in 1995, it was renamed Metro Kajang Holdings Berhad before subsequently rebranding as MKH Berhad in 2011.

MKH is principally involved in investment holding and providing management services. The principal activities of its subsidiaries are property development, oil palm plantation, property investment, building and civil works, contracting and project management services, money lending, secretarial services, insurance agency, trading of building materials and hotel business.

The details of the core businesses of the MKH Group are as follows:

## (i) Property development

Since MKH's establishment in 1979, the property development segment remains as one of its main growth-contributor to-date. MKH offers a diverse portfolio of projects, including transit-oriented developments, integrated townships, commercial development and high-rise residential buildings strategically located across the Klang Valley. MKH's developments are designed with transit-oriented features and seamless access to public transportation to enhance mobility and convenience for residents. Notable examples include MKH Boulevard II, located adjacent to the Kajang mass rapid transit (MRT)-Keretapi Tanah Melayu (KTM) Komuter stations interchange and Nexus @ Kajang Station.

As at 31 March 2026, the MKH Group achieved take up rates for the launched development projects with gross development value ("GDV") as follows:

| Project name                  | Type of development                 | No. of units | GDV<br>(Approximately)<br>(RM'million) | Launch date    | Expected completion date | Take-up rate<br>(Approximately)<br>(%) |
|-------------------------------|-------------------------------------|--------------|----------------------------------------|----------------|--------------------------|----------------------------------------|
| <b>TR2 Residence</b>          | Service apartments and retail space | <b>918</b>   | 506.0                                  |                | December 2026            | 90*                                    |
| • Block A                     |                                     | 455          |                                        | November 2021  |                          |                                        |
| • Block B                     |                                     | 463          |                                        | June 2022      |                          |                                        |
| <b>Residensi Naluri</b>       | Service apartments and retail shops | <b>765</b>   | 230.2                                  |                | January 2029             | 66                                     |
| • Block A & B                 |                                     | 733          |                                        | September 2024 |                          |                                        |
| • Retail shops                |                                     | 32           | 30.5                                   | September 2024 |                          | 100                                    |
| <b>Gaya Residency</b>         | Service apartments and retail shops | <b>572</b>   | 165.5                                  |                | January 2029             | 57                                     |
| • Tower C                     |                                     | 494          |                                        | September 2024 |                          |                                        |
| • Retail shops                |                                     | 78           | 60.6                                   | March 2026     |                          | 8                                      |
| <b>Kajang Precinct Avenue</b> | Double-storey shops                 | <b>33</b>    | 33.8                                   | July 2025      | January 2028             | 100                                    |

## INFORMATION ON MKH (Cont'd)

| Project name        | Type of development | No. of units | GDV<br>(Approximately)<br>(RM'million) | Launch date | Expected completion date | Take-up rate<br>(Approximately)<br>(%) |
|---------------------|---------------------|--------------|----------------------------------------|-------------|--------------------------|----------------------------------------|
| <b>MKH Avenue 2</b> | Double-storey shops | <b>50</b>    | 120.3                                  | March 2026  | September 2028           | 11                                     |

**Note:**

\* Balance 10% are landowner's entitlement in units.

**(ii) Oil palm plantation**

Established in 2008, the MKH Group's oil palm plantation is the youngest addition to the MKH Group's business portfolio. Nevertheless, the oil palm plantation segment has since evolved into one of the main contributors to the MKH Group's earnings.

The MKH Group's oil palm plantation portfolio comprises mainly two oil palm estates, namely PT Maju Kalimantan Hadapan and PT Sawit Prima Sakti, which produces and sells quality Indonesian Sustainable Palm Oil (ISPO)-certified CPO as well as PK and CPKO from its 18,205 hectares (44,986 acres) plantation in East Kalimantan, Indonesia, comprising 17,009 hectares of planted area and 1,196 hectares of infrastructure and support facilities.

MKHOP, a subsidiary of the MKH owns two ISPO-certified plantation estates and operates a 90 MT/hour CPO mill, a PK crushing facility with a processing capacity of 90 MT/day, and supporting jetty facilities in East Kalimantan, Indonesia.

In addition, pursuant to a conditional shares sale and purchase agreement dated 26 August 2025, MKHOP and its wholly owned subsidiary, Hala Maju, agreed to acquire 999 ordinary shares and 1 ordinary share, respectively, out of the 1,000 shares held by PT Sinar Reka Murni in PT Tunas. On 14 October 2025, MKHOP and Hala Maju acquired 456 ordinary shares and 1 ordinary share, respectively, pursuant to the said agreement.

PT Tunas obtained approval from the Ministry of Law, Republic of Indonesia on 20 October 2025, to transition from a domestic local company to a foreign-owned entity after MKHOP and Hala Maju subscribed to an additional 18,001 and 999 ordinary shares, respectively, in PT Tunas, on 14 October 2025. PT Tunas became a subsidiary of MKHOP effective from 20 October 2025.

PT Tunas has been granted Plantation Business Permit for approximately 3,097 hectares of land for oil palm plantation in East Kalimantan, Indonesia.

The following table summarises the performance of the plantation division of the MKH Group for the past 3 years:

|                                                        | FYE 30<br>September<br>2023 | FYE 30<br>September<br>2024 | FYE 30<br>September<br>2025 |
|--------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| FFB production (MT)                                    | 410,230                     | 406,658                     | 385,718                     |
| CPO production (MT)*                                   | 89,017                      | 91,635                      | 85,975                      |
| Average CPO price (RM per MT)                          | 3,348                       | 3,494                       | 3,785                       |
| Oil extraction rate (%)                                | 20.6                        | 21.2                        | 20.7                        |
| FFB yield / Hectare per year (Overall)<br>(MT/hectare) | 24.1                        | 23.9                        | 22.7                        |

## INFORMATION ON MKH (Cont'd)

**Note:**

\* *Figures exclude CPO purchased from outside parties for resale.*

The land clearing at the PT Tunas plantation is currently underway, with initial planting having commenced in May 2026. As at 30 June 2026, PT Tunas has planted approximately 50 hectares of land with oil palm seedlings and is targeting to clear and plant approximately 300 hectares of land with oil palm seedlings by the end of September 2026, depending on the progress of land release. The first harvest typically occurs 24 months after planting, and an additional 6 months is needed to achieve the desired FFB yield for harvesting. For the FYE 30 September 2026, no contribution to FFB production from PT Tunas is expected.

**(iii) Property investment**

Since 1996, the property investment segment represents one of the MKH Group's growth contributors. This segment has maintained average annual rental yield within a range of 3% to 5% from managing various commercial properties located in Kajang and across the Klang Valley.

Mainly contributed by two shopping complexes located in the Kajang town centre, Plaza Metro Kajang and Metro Point Complex, which are approximately 29 and 19 years old respectively, offer an extensive range of leisure and eatery conveniences to over 100,000 households in the Kajang community, with a total net lettable area of 415,000 square feet and a relatively good tenant occupancy rate of more than 95%.

Besides commercial malls, the MKH Group also owns retail outlets, shop-offices, parking spaces and a 6-storey hotel, namely RHR Hotel, which is approximately 32 years old.

The principal markets of the MKH Group are Malaysia and Republic of Indonesia. For the FYE 30 September 2025, 61.8% of the MKH Group's revenue was derived from Malaysia and the remaining 38.2% was derived from its operations in Republic of Indonesia.

*(Source : MKH's website, MKH's 2024 and 2025 Annual Reports)*

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of MKH is RM654,458,655 comprising 586,548,168 ordinary shares (including 9,770,300 treasury shares).

**3. DIRECTORS**

As at the LPD, the directors of MKH and their respective shareholding in MKH are as follows:

| Name | Nationality | Designation              | Direct            |                  | Indirect                  |      |
|------|-------------|--------------------------|-------------------|------------------|---------------------------|------|
|      |             |                          | No. of MKH Shares | % <sup>(1)</sup> | No. of MKH Shares         | %    |
| TCKC | Malaysian   | Group Executive Chairman | 1,277,080         | 0.2              | 82,684,862 <sup>(2)</sup> | 14.3 |
| TCLL | Malaysian   | Group Managing Director  | 10,602,844        | 1.8              | 74,929,991 <sup>(3)</sup> | 13.0 |
| DCFW | Malaysian   | Deputy Managing Director | 163,354           | *                | 66,536,558 <sup>(4)</sup> | 11.5 |

## INFORMATION ON MKH (Cont'd)

| Name                 | Nationality | Designation                               | Direct            |                  | Indirect          |   |
|----------------------|-------------|-------------------------------------------|-------------------|------------------|-------------------|---|
|                      |             |                                           | No. of MKH Shares | % <sup>(1)</sup> | No. of MKH Shares | % |
| Dato' Lim Hong Shuan | Malaysian   | Senior Independent Non-Executive Director | -                 | -                | -                 | - |
| Hoon Shat Mei        | Malaysian   | Independent Non-Executive Director        | -                 | -                | -                 | - |
| Lee Pei Yee          | Malaysian   | Independent Non-Executive Director        | -                 | -                | -                 | - |
| Jeffrey bin Bosra    | Malaysian   | Non-Independent Non-Executive Director    | -                 | -                | -                 | - |

**Notes:**

\* Less than 0.1%

(1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LPD.

(2) Deemed interested through shares held in CCSR, Lotus Way and a nominee company.

(3) Deemed interested through shares held in CCSR and a nominee company.

(4) Deemed interested through shares held in CCSR, Activest and a nominee company.

**4. SUBSTANTIAL SHAREHOLDERS**

As at the LPD, the substantial shareholders of MKH and their respective shareholding in MKH are as follows:

| Name                           | Country of incorporation / Nationality | Direct            |                  | Indirect                   |                  |
|--------------------------------|----------------------------------------|-------------------|------------------|----------------------------|------------------|
|                                |                                        | No. of MKH Shares | % <sup>(1)</sup> | No. of MKH Shares          | % <sup>(1)</sup> |
| Whitmore                       | Malaysia                               | 176,444,796       | 30.6             | -(2)                       | -                |
| BKB                            | Malaysia                               | -                 | -                | 176,444,796 <sup>(3)</sup> | 30.6             |
| Arusha Enterprise Sdn Bhd      | Malaysia                               | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| Di-Yi Sdn Bhd                  | Malaysia                               | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| High Quest Holdings Sdn Bhd    | Malaysia                               | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| Wan Hin Investments Sdn Berhad | Malaysia                               | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| Cubic Crystal Corporation      | Virgin Islands, British                | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |

## INFORMATION ON MKH (Cont'd)

| Name                                                 | Country of incorporation / Nationality | Direct            |                  | Indirect                   |                  |
|------------------------------------------------------|----------------------------------------|-------------------|------------------|----------------------------|------------------|
|                                                      |                                        | No. of MKH Shares | % <sup>(1)</sup> | No. of MKH Shares          | % <sup>(1)</sup> |
| Grateful Blessings Foundation                        | Jersey                                 | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| Grateful Blessings Inc.                              | Virgin Islands, British                | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| High Quest Anstalt                                   | Liechtenstein                          | -                 | -                | 176,444,796 <sup>(4)</sup> | 30.6             |
| CCSR                                                 | Malaysia                               | 65,880,658        | 11.4             | -                          | -                |
| DLHH                                                 | Malaysian                              | -                 | -                | 176,444,796 <sup>(5)</sup> | 30.6             |
| TSLOH                                                | Malaysian                              | -                 | -                | 176,444,796 <sup>(6)</sup> | 30.6             |
| TSCKC                                                | Malaysian                              | 1,277,080         | 0.2              | 82,684,862 <sup>(7)</sup>  | 14.3             |
| TSCLL                                                | Malaysian                              | 10,602,844        | 1.8              | 74,929,991 <sup>(8)</sup>  | 13.0             |
| DCFW                                                 | Malaysian                              | 163,354           | *                | 66,536,558 <sup>(9)</sup>  | 11.5             |
| Public Bank Group Officers' Retirement Benefits Fund | Malaysia                               | -                 | -                | 53,352,059 <sup>(10)</sup> | 9.2              |

**Notes:**

\* Less than 0.1%

(1) Based on the total number of 576,777,868 MKH Shares in issue (excluding treasury shares) as at the LPD.

(2) On 22 May 2026, Whitmore, BKB, Arusha Enterprise Sdn Bhd, Wan Hin Investments Sdn Berhad, Di-Yi Sdn Bhd, High Quest Holdings Sdn Bhd, TSLOH, DLHH, Grateful Blessings Inc., Grateful Blessings Foundation, Cubic Crystal Corporation and High Quest Anstalt filed Notices of Interest of Substantial Shareholder with the Companies Commission of Malaysia and served copies on MKH. These filings were made pursuant to Section 8(6)(a) of the Act, reflecting Whitmore's deemed interest in 104,433,373 MKH Shares, representing 18.1% of the total number of MKH Shares in issue (excluding treasury shares) arising from Whitmore's entry into the MKH Conditional SSA. Consequently, Whitmore, BKB, Arusha Enterprise Sdn Bhd, Wan Hin Investments Sdn Berhad, Di-Yi Sdn Bhd, High Quest Holdings Sdn Bhd, TSLOH, DLHH, Grateful Blessings Inc., Grateful Blessings Foundation, Cubic Crystal Corporation and High Quest Anstalt are considered as having a deemed interest in 18.1% of the total number of MKH Shares in issue (excluding treasury shares). The MKH Conditional SSA remains conditional on the approval of our shareholders at the forthcoming EGM.

(3) Deemed interested by virtue of its/his interest in Whitmore pursuant to Section 8(4) of the Act.

(4) Deemed interested by virtue of its/his interest in BKB pursuant to Section 8(4) of the Act.

(5) Deemed interest in the shares held by his child and by virtue of Section 8(4) of the Act.

(6) Deemed interest in BKB Shares held by his children and a company by virtue of Section 8(4) of the Act. TSLOH is also deemed to have an interest by virtue of Section 8(4) of the Act via other companies. Nevertheless, he does not have any economic or beneficial interest in BKB Shares as his deemed interest is held via the interest of his family members as discretionary beneficiaries of Grateful Blessings Foundation (which said family members' interest is held subject to the discretion of Grateful Blessings Foundation Council).

(7) Deemed interested through shares held in CCSR, Lotus Way and a nominee company.

(8) Deemed interested through shares held in CCSR and a nominee company.



**INFORMATION ON MKH (Cont'd)**

(9) Deemed interested through shares held in CCSR, Activest and a nominee company.

(10) Deemed interested through shares held in nominee companies.

**5. SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the LPD, the subsidiaries of MKH are as follows:

| <b>Name of subsidiary</b>                                          | <b>Date and country of incorporation</b> | <b>Issued share capital</b> | <b>Effective equity interest (%)</b> | <b>Principal activity</b>                                        |
|--------------------------------------------------------------------|------------------------------------------|-----------------------------|--------------------------------------|------------------------------------------------------------------|
| Achieve Acres Sdn Bhd                                              | 12 June 2013 / Malaysia                  | RM250,000                   | 85.0 <sup>(1)</sup>                  | Property development                                             |
| Aliran Perkasa Sdn Bhd                                             | 3 March 1992 / Malaysia                  | RM30,000,000                | 100.0                                | Property development                                             |
| Amona MKH Ventures Sdn Bhd                                         | 29 November 2013 / Malaysia              | RM10,000,000                | 50.00001 <sup>(1)</sup>              | Property development                                             |
| Anya Wellness Sdn Bhd                                              | 26 December 2025 / Malaysia              | RM300,000                   | 100.0                                | Health care and wellness services                                |
| Budi Bidara Sdn Bhd                                                | 2 December 1993 / Malaysia               | RM40,000,000                | 100.0                                | Property development and property investment                     |
| Dapat Jaya Builder Sdn Bhd ( <b>"Dapat Jaya Builder"</b> )         | 29 October 1983 / Malaysia               | RM16,000,000                | 100.0                                | Investment holding                                               |
| Everland Asia Development Sdn Bhd                                  | 21 November 2003 / Malaysia              | RM100,000                   | 100.0                                | Property development                                             |
| Gabung Wajib Sdn Bhd ( <b>"Gabung Wajib"</b> )                     | 19 July 1995 / Malaysia                  | RM10,500,000                | 100.0                                | Investment holding and management services                       |
| Gerak Teguh Sdn Bhd                                                | 9 November 1989 / Malaysia               | RM10,000,000                | 100.0                                | Property development and property investment                     |
| GK Resort Berhad ( <b>"GK Resort"</b> )                            | 24 October 1983 / Malaysia               | RM5,000,000                 | 100.0                                | Investment holding                                               |
| Intelek Kekal (M) Sdn Bhd                                          | 6 April 1995 / Malaysia                  | RM750,000                   | 100.0                                | Management services                                              |
| Intelek Murni (M) Berhad                                           | 5 August 1995 / Malaysia                 | RM12,800,000                | 100.0                                | Property management                                              |
| Intra Tegas (M) Sdn Bhd ( <b>"Intra Tegas"</b> )                   | 20 November 1996 / Malaysia              | RM1,000,000                 | 100.0                                | Investment holding and management services                       |
| Kajang Resources Corporation Sdn Bhd ( <b>"Kajang Resources"</b> ) | 7 January 1984 / Malaysia                | RM31,000,000                | 100.0                                | Property development, investment holding and management services |

## INFORMATION ON MKH (Cont'd)

| Name of subsidiary                                                 | Date and country of incorporation | Issued share capital | Effective equity interest (%) | Principal activity                                                                       |
|--------------------------------------------------------------------|-----------------------------------|----------------------|-------------------------------|------------------------------------------------------------------------------------------|
| Kumpulan Indah Bersatu Sdn Bhd ( <b>"Kumpulan Indah Bersatu"</b> ) | 10 November 1983 / Malaysia       | RM5,250,000          | 100.0                         | Investment holding                                                                       |
| Metro Kajang Construction Sdn Bhd                                  | 12 January 1984 / Malaysia        | RM100,000            | 100.0                         | Building and civil works contracting, project and building management services           |
| Metro Kajang (Oversea) Sdn Bhd ( <b>"Metro Kajang Oversea"</b> )   | 22 July 1993 / Malaysia           | RM490,000,000        | 100.0                         | Investment holding and treasury management services                                      |
| Metro K.L. City Sdn Bhd                                            | 2 May 1996 / Malaysia             | RM10,000,000         | 100.0                         | Property development                                                                     |
| Metro Nusantara Sdn Bhd                                            | 16 January 1992 / Malaysia        | RM10,500,000         | 100.0                         | Dormant                                                                                  |
| Metro Readymix Sdn Bhd                                             | 5 October 2017 / Malaysia         | RM500,000            | 100.0                         | Trading of precast concrete, cement or artificial stone articles for use in construction |
| Metro Tiara (M) Sdn Bhd                                            | 22 August 1996 / Malaysia         | RM28,370,000         | 100.0                         | Property management and property investment                                              |
| MKH Building Materials Sdn Bhd ( <b>"MKH Building Materials"</b> ) | 11 January 1983 / Malaysia        | RM1,200,000          | 100.0                         | Trading of building materials and household related products                             |
| MKH Credit Corporation Sdn Bhd                                     | 25 January 1985 / Malaysia        | RM9,000,000          | 100.0                         | Money lending                                                                            |
| MKH Development Sdn Bhd                                            | 19 July 2005 / Malaysia           | RM20,000,000         | 100.0                         | Property development                                                                     |
| MKH Food Sdn Bhd                                                   | 8 October 1991 / Malaysia         | RM50,000             | 100.0                         | Dormant                                                                                  |
| MKH Healthcare Sdn Bhd                                             | 3 March 1997 / Malaysia           | RM100,000            | 100.0                         | Health care services, investment holding and property development                        |
| MKH Innovate Sdn Bhd                                               | 5 June 2015 / Malaysia            | RM3,618,090          | 80.1 <sup>(1)</sup>           | Property development                                                                     |
| MKH Management Sdn Bhd                                             | 23 August 1984 / Malaysia         | RM100,000            | 100.0                         | Management, secretarial services and insurance agency                                    |

## INFORMATION ON MKH (Cont'd)

| Name of subsidiary                                                   | Date and country of incorporation | Issued share capital | Effective equity interest (%) | Principal activity                                              |
|----------------------------------------------------------------------|-----------------------------------|----------------------|-------------------------------|-----------------------------------------------------------------|
| MKHOP                                                                | 10 August 2004 / Malaysia         | RM387,215,243        | 65.3                          | Investment holding and management services                      |
| MKH Plantation Sdn Bhd                                               | 15 June 2006 / Malaysia           | RM70,670,000         | 100.0                         | Investment holding                                              |
| MKH Resources Sdn Bhd                                                | 1 October 1991 / Malaysia         | RM100,000            | 100.0                         | Management services                                             |
| Nexus Starship Sdn Bhd ( <b>"Nexus Starship"</b> )                   | 19 September 2018 / Malaysia      | RM250,000            | 100.0                         | Investment holding                                              |
| Pelangi Binaraya Sdn Bhd                                             | 14 May 2014 / Malaysia            | RM250,001            | 50.0002 <sup>(1)</sup>        | Property development                                            |
| Pelangi Seri Alam Development Sdn Bhd ( <b>"Pelangi Seri Alam"</b> ) | 12 September 2005 / Malaysia      | RM16,000,000         | 100.0                         | Investment holding                                              |
| Perkasa Bernas (M) Sdn Bhd ( <b>"Perkasa Bernas (M)"</b> )           | 6 July 1995 / Malaysia            | RM17,000,000         | 100.0                         | Property development and management services                    |
| Petik Mekar Sdn Bhd                                                  | 26 September 2011 / Malaysia      | RM50,000,000         | 100.0                         | Property development                                            |
| Serba Sentosa Sdn Bhd                                                | 28 November 1989 / Malaysia       | RM15,000,000         | 100.0                         | Property development and property investment                    |
| Serentak Maju Corporation Sdn Bhd                                    | 8 June 1989 / Malaysia            | RM100,000            | 100.0                         | Property development                                            |
| Srijang Indah Sdn Bhd ( <b>"Srijang Indah"</b> )                     | 20 February 1981 / Malaysia       | RM91,000,000         | 100.0                         | Property management, property investment and investment holding |
| Srijang Kemajuan Sdn Bhd                                             | 21 February 1980 / Malaysia       | RM251,400,006        | 99.99 <sup>(1)</sup>          | Property development and property investment                    |
| Stand Allied Corporation Sdn Bhd                                     | 28 November 1989 / Malaysia       | RM20,000,000         | 100.0                         | Property development                                            |
| Sumber Lengkap Sdn Bhd                                               | 10 January 1987 / Malaysia        | RM2,350,000          | 100.0                         | Property development                                            |
| Suria Villa Sdn Bhd                                                  | 8 July 2014 / Malaysia            | RM236,000,000        | 100.0                         | Property development                                            |
| Vista Haruman Development Sdn Bhd                                    | 1 April 2013 / Malaysia           | RM1,000,000          | 55.0 <sup>(1)</sup>           | Property development                                            |

## INFORMATION ON MKH (Cont'd)

| <u>Name subsidiary</u>                             | <u>of</u>        | <u>Date and country of incorporation</u> | <u>Issued share capital</u> | <u>Effective equity interest (%)</u> | <u>Principal activity</u>         |
|----------------------------------------------------|------------------|------------------------------------------|-----------------------------|--------------------------------------|-----------------------------------|
| <b><u>Subsidiaries of MKHOP</u></b>                |                  |                                          |                             |                                      |                                   |
| PT Kalimantan Hadapan                              | Maju             | 9 September 2005 / Republic of Indonesia | IDR340,190,000,000          | 65.3 <sup>(1)</sup>                  | Oil palm plantation, CPO and CPKO |
| PT Sawit Sakti                                     | Prima            | 20 October 2004 / Republic of Indonesia  | IDR9,300,000,000            | 65.3 <sup>(1)</sup>                  | Oil palm plantation               |
| Hala Maju                                          |                  | 1 November 2023 / Malaysia               | RM200,000                   | 65.3 <sup>(1)</sup>                  | Investment holding                |
| PT Tunas                                           |                  | 4 September 2023 / Republic of Indonesia | IDR10,000,000,000           | 63.5 <sup>(1)</sup>                  | Oil palm plantation               |
| <b><u>Subsidiaries of Gabung Wajib</u></b>         |                  |                                          |                             |                                      |                                   |
| Amona Development Bhd ("Amona Metro")              | Metro Sdn Bhd    | 12 November 2007 / Malaysia              | RM2,000,000                 | 60.0 <sup>(1)</sup>                  | Property development              |
| Alif Mesra Sdn Bhd                                 |                  | 3 October 2013 / Malaysia                | RM1,000,000                 | 65.0 <sup>(1)</sup>                  | Property development              |
| Danau Sdn Bhd                                      | Saujana          | 30 June 2014 / Malaysia                  | RM10,000,000                | 65.0 <sup>(1)</sup>                  | Property development              |
| <b><u>Subsidiary of GK Resort</u></b>              |                  |                                          |                             |                                      |                                   |
| PNSB-GK Sdn Bhd                                    | Resort           | 11 June 2008 / Malaysia                  | RM250,000                   | 70.0 <sup>(1)</sup>                  | Property development              |
| <b><u>Subsidiary of Kajang Resources</u></b>       |                  |                                          |                             |                                      |                                   |
| MKH Ventures Sdn Bhd                               | Property Sdn Bhd | 10 January 2018 / Malaysia               | RM89,590,000                | 51.0 <sup>(1)</sup>                  | Property development              |
| <b><u>Subsidiary of Kumpulan Indah Bersatu</u></b> |                  |                                          |                             |                                      |                                   |
| Palga Sdn Bhd ("Palga")                            |                  | 26 August 1982 / Malaysia                | RM100,000                   | 100.0                                | Investment holding                |
| <b><u>Subsidiary of Intra Tegas</u></b>            |                  |                                          |                             |                                      |                                   |
| Knowledge Sdn Bhd                                  | Builder          | 24 March 2017 / Malaysia                 | RM10,000,000                | 60.0 <sup>(1)</sup>                  | Property development              |

## INFORMATION ON MKH (Cont'd)

| <u>Name of subsidiary</u>                          | <u>Date and country of incorporation</u> | <u>Issued share capital</u> | <u>Effective equity interest (%)</u> | <u>Principal activity</u>                   |
|----------------------------------------------------|------------------------------------------|-----------------------------|--------------------------------------|---------------------------------------------|
| <b><u>Subsidiaries of Metro Kajang Oversea</u></b> |                                          |                             |                                      |                                             |
| PT Nusantara Makmur Jaya                           | 16 November 2010 / Republic of Indonesia | IDR16,020,000,000           | 100.0                                | Dormant                                     |
| Restu Mesra Sdn Bhd                                | 6 January 2022 / Malaysia                | RM50,000                    | 100.0                                | Investment holding                          |
| <b><u>Subsidiary of Nexus Starship</u></b>         |                                          |                             |                                      |                                             |
| Quantum Density Sdn Bhd                            | 25 October 2018 / Malaysia               | RM250,000                   | 50.0004 <sup>(1)</sup>               | Property development                        |
| <b><u>Subsidiary of Pelangi Seri Alam</u></b>      |                                          |                             |                                      |                                             |
| Hillpark Resources Sdn Bhd                         | 26 September 2001 / Malaysia             | RM1,200,000                 | 100.0                                | Property development                        |
| <b><u>Subsidiary of Palga</u></b>                  |                                          |                             |                                      |                                             |
| Hiliran Juara Sdn Bhd                              | 22 November 1995 / Malaysia              | RM11,760,000                | 100.0                                | Property development                        |
| <b><u>Subsidiary of Amona Metro</u></b>            |                                          |                             |                                      |                                             |
| Temara Pekeliling Sdn Bhd                          | 26 June 1989 / Malaysia                  | RM1,000,680                 | 50.4 <sup>(1)</sup>                  | Property development                        |
| <b><u>Subsidiaries of Srijang Indah</u></b>        |                                          |                             |                                      |                                             |
| Laju Jaya Sdn Bhd                                  | 11 January 1984 / Malaysia               | RM7,500,000                 | 100.0                                | Property investment and hotel business      |
| Maha Usaha Sdn Bhd                                 | 21 August 1985 / Malaysia                | RM1,000,000                 | 100.0                                | Property management and property investment |

**Note:**

- (1) The remaining equity interests are held by third parties (i.e. parties which are not connected to the Vendors).

**INFORMATION ON MKH (Cont'd)**

As at the LPD, the associated companies of MKH are as follows:

| <b>Name of associated company</b>    | <b>Date and country of incorporation</b> | <b>Issued share capital</b> | <b>Effective equity interest (%)</b> | <b>Principal activity</b>                    |
|--------------------------------------|------------------------------------------|-----------------------------|--------------------------------------|----------------------------------------------|
| Daksina Harta Sdn Bhd                | 21 September 2010 / Malaysia             | RM12,250,000                | 40.0 <sup>(1)</sup>                  | Property development and property investment |
| Panasonic Homes MKH Malaysia Sdn Bhd | 17 December 2015 / Malaysia              | RM19,000,000                | 49.0 <sup>(2)</sup>                  | General construction                         |
| Rimbunan Melati Sdn Bhd              | 13 June 1994 / Malaysia                  | RM6,159,091                 | 45.0 <sup>(3)</sup>                  | Property development                         |
| Sunway MKH Marketing Sdn Bhd         | 3 February 2021 / Malaysia               | RM100,000                   | 49.0 <sup>(4)</sup>                  | Trading and supply of building materials     |

**Notes:**

- (1) Interest held through *Perkasa Bernas (M)*.  
(2) Interest held through *Kajang Resources*.  
(3) Interest held through *Dapat Jaya Builder*.  
(4) Interest held through *MKH Building Materials*.

**6. HISTORICAL FINANCIAL INFORMATION**

A summary of the historical financial information of the MKH Group based on its audited consolidated financial statements for the FYE 30 September 2023 to the FYE 30 September 2025 and the unaudited consolidated financial statements for the 6-months FPE 31 March 2025 and 31 March 2026 is set out below:

|                                            | <b>Audited FYE 30 September</b> |               |               | <b>Unaudited FPE 31 March</b> |               |
|--------------------------------------------|---------------------------------|---------------|---------------|-------------------------------|---------------|
|                                            | <b>2023</b>                     | <b>2024</b>   | <b>2025</b>   | <b>2025</b>                   | <b>2026</b>   |
|                                            | <b>RM'000</b>                   | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>                 | <b>RM'000</b> |
| Revenue                                    | 1,063,796                       | 1,059,025     | 951,457       | 467,892                       | 321,657       |
| Gross profit                               | 244,672                         | 294,558       | 323,593       | 150,888                       | 91,866        |
| PBT                                        | 117,197                         | 143,833       | 165,480       | 85,720                        | 53,207        |
| PAT                                        | 81,278                          | 101,281       | 111,778       | 61,091                        | 42,193        |
| Earnings per MKH Share <sup>(1)</sup> (RM) | 0.14                            | 0.18          | 0.19          | 0.11                          | 0.07          |
| Share capital                              | 654,459                         | 654,459       | 654,459       | 654,459                       | 654,459       |
| NA/Equity attributable to owners of MKH    | 1,860,686                       | 1,826,111     | 1,879,182     | 1,841,556                     | 1,881,889     |
| Total equity                               | 1,950,253                       | 2,114,654     | 2,160,871     | 2,131,826                     | 2,153,131     |

## INFORMATION ON MKH (Cont'd)

|                                                               | Audited FYE 30 September |         |         | Unaudited FPE 31 March |         |
|---------------------------------------------------------------|--------------------------|---------|---------|------------------------|---------|
|                                                               | 2023                     | 2024    | 2025    | 2025                   | 2026    |
|                                                               | RM'000                   | RM'000  | RM'000  | RM'000                 | RM'000  |
| No. of MKH Shares in issue (excluding treasury shares) ('000) | 577,416                  | 577,394 | 576,888 | 577,131                | 576,806 |
| NA per MKH Share <sup>(2)</sup> (RM)                          | 3.2                      | 3.2     | 3.3     | 3.2                    | 3.3     |
| Total borrowings                                              | 359,610                  | 434,330 | 483,708 | 466,199                | 451,238 |
| Current ratio (times) <sup>(3)</sup>                          | 1.6                      | 2.0     | 1.9     | 2.2                    | 2.1     |
| Gearing (times) <sup>(4)</sup>                                | 0.2                      | 0.2     | 0.3     | 0.2                    | 0.2     |

**Notes:**

- (1) Computed based on PAT divided by number of MKH Shares in issue (excluding treasury shares).
- (2) Computed based on NA divided by number of MKH Shares in issue (excluding treasury shares).
- (3) Computed based on total current assets divided by total current liabilities.
- (4) Computed based on total borrowings divided by total equity.

**Accounting policies and audit qualification**

Based on MKH's audited consolidated financial statements for the FYE 30 September 2023, FYE 30 September 2024 and FYE 30 September 2025:

- (a) there were no exceptional or extraordinary items;
- (b) there were no accounting policies adopted by MKH which are peculiar to the MKH Group due to the nature of its business or the industry it operates in; and
- (c) there were no audit qualifications on the consolidated financial statements of MKH.

**Commentary on past financial performance**FYE 30 September 2024 vs FYE 30 September 2023

Revenue decreased by RM4.7 million or approximately 0.4% to RM1,059.0 million for the FYE 30 September 2024 (FYE 30 September 2023: RM1,063.8 million). The decrease in revenue was mainly due to lower building materials sales by the trading segment to the MKH Group's external contractors and subcontractors for its development projects.

PAT increased by RM20.0 million or approximately 24.6% to RM101.3 million for the FYE 30 September 2024 (FYE 30 September 2023: RM81.3 million). The increase in PAT was mainly due to:

- (a) higher gross profit from the plantation division due to higher CPO production as a result of higher oil extraction rate ("OER") of 21.2% (FYE 30 September 2023: 20.6%);
- (b) higher average CPO and PK selling price per MT;
- (c) lower average CPO production cost per MT as a result of the decrease in fertiliser costs from its peak in the FYE 30 September 2023 and lower field maintenance cost; and
- (d) inclusion of changes in fair value gains on investment properties of RM7.7 million.

**INFORMATION ON MKH (Cont'd)**

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FYE 30 September 2025 vs FYE 30 September 2024

Revenue decreased by RM107.6 million or approximately 10.2% to RM951.5 million for the FYE 30 September 2025 (FYE 30 September 2024: RM1,059 million). The decrease in revenue was mainly due to:

- (a) delay in the work progress of the TR2 Residence @ Jalan Tun Razak by the non-performing contractor arising from labour shortage and escalation of construction cost, post COVID-19 period; and
- (b) launch of new projects namely, Residensi Naluri and Gaya Residency, which are still at the preliminary stage of development.

PAT increased by RM10.5 million or approximately 10.4% to RM111.8 million for the FYE 30 September 2025 (FYE 30 September 2024: RM101.3 million). The increase in PAT was mainly due to:

- (a) higher average selling price for CPO and PK coupled with the commencement of sale of CPKO in February 2025 from the plantation segment; and
- (b) higher interest income by RM6.4 million from bank balances, term deposits and short-term placements (i.e. investment in highly liquid market funds such as money market funds).

FPE 31 March 2026 vs FPE 31 March 2025

Revenue decreased by RM146.2 million or approximately 31.2% to RM321.7 million for the FPE 31 March 2026 (FPE 31 March 2025: RM467.9 million). The decrease in revenue was mainly due to:

- (a) delay in the work progress of the TR2 Residence @ Jalan Tun Razak by the non-performing contractor arising from labour shortage and escalation of construction cost, post COVID-19 period; and
- (b) launch of new projects namely, Residensi Naluri, Gaya Residency Kajang 2 Precinct 3 Avenue and MKH Avenue 2, which are still at the preliminary stage of development.

PAT decreased by RM18.9 million or approximately 30.9% to RM42.2 million for the FPE 31 March 2026 (FPE 31 March 2025: RM61.1 million). The decrease in PAT was mainly due to:

- (a) decrease in revenue as explained above; and
- (b) depreciation of the IDR which affected the translation of the Indonesia subsidiaries' financial statement into the MKH Group's presentation currency in RM, which resulted in unfavourable translation effects.

**7. MATERIAL CONTRACTS**

The MKH Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Circular.



## INFORMATION ON MKH (Cont'd)

### 8. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the MKH Group is not engaged in any other material litigation, claim or arbitration, either as plaintiff or defendant and directors of MKH have no knowledge of any proceedings pending or threatened against the MKH Group or of any facts likely to give rise to any proceedings, which might materially affect the financial position and/or business of the MKH Group:

- (i) On 2 December 2025, MKH and Hillpark Resources Sdn Bhd ("**HRSB**"), a wholly-owned subsidiary of MKH ("**Defendants**") received the Writ of Summons and Statement of Claim by Mohd Zikri bin Md. Zaini and 46 others ("**Plaintiffs**") ("**Suit**"). A summary of the claims by the Plaintiffs is as follows:
  - (a) the Defendants failed to comply with their legal and engineering duties in the construction, modification and maintenance of the retention pond constructed by HRSB, with regards to the flood incidents on 29 December 2024 and 23 April 2025 at the area of the Plaintiffs' property;
  - (b) the Defendants are jointly and/or severally liable to compensate the Plaintiffs for the damage and losses suffered by the Plaintiffs;
  - (c) the Defendants reconstruct the retention pond in accordance with the design and engineering standards approved by the Department of Irrigation and Drainage ("**JPS**"), prepare a comprehensive flood mitigation plan approved by the local authority and appoint an independent engineering consultant certified by JPS to conduct a technical audit of the structure of the retention pond and to report the findings of such audit to JPS;
  - (d) special damages in the sum of RM1,025,609.44;
  - (e) general damages in the amount of RM500,000 for each house or a total sum of RM14,000,000 (i.e. RM500,000 x 28 units) or such other amount as the High Court of Shah Alam ("**High Court**") deems fit;
  - (f) exemplary damages in a reasonable sum to be determined by the High Court;
  - (g) interest at the rate of 5% per annum;
  - (h) costs on client and solicitor basis;
  - (i) costs of this action; and
  - (j) any other relief and/or orders as the High Court may deem fit.

The above retention pond was constructed by HRSB, the developer for Bandar Hillpark, Shah Alam project.

Based on the legal opinion obtained:

- (1) MKH is of the opinion that it has good grounds to oppose the Suit as MKH is not the developer for the Bandar Hillpark, Shah Alam project and was not involved in the construction of the retention pond. MKH will take the necessary legal action to oppose the Suit; and
- (2) HRSB has engaged its solicitors to defend the Suit. Based on HRSB's preliminary assessment, the retention pond was constructed in accordance and in compliance with the authority's requirements and upon seeking proper professional advice during its construction.

**INFORMATION ON MKH (Cont'd)**

On 16 January 2026, MKH and HRSB has filed a defence to the abovementioned Writ of Summons and Statement of Claim. On 12 March 2026, the High Court allowed MKH's application to strike out the Plaintiffs' suit against MKH, with costs of RM1,500 awarded to MKH and payable by the Plaintiffs.

Pursuant to the case management on 1 July 2026, the High Court has fixed the next case management on 3 September 2026 and scheduled the trial to be held in the fourth quarter of 2027. Based on the legal opinion from HRSB's lawyer and the merits of HRSB's defence, the management of HRSB does not expect the matter to result in any material financial exposure or disruption to the MKH Group's operations.

**9. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****9.1 Material commitments**

Save as disclosed below, based on the latest unaudited consolidated financial statements of MKH for the FPE 31 March 2026, there is no other material commitments incurred or known to be incurred by the MKH Group which may have a material impact on the profits or NA of the MKH Group:

|                                                                  | <b>RM'000</b> |
|------------------------------------------------------------------|---------------|
| Approved, contracted but not provided for:                       |               |
| - Property, plant and equipment for plantation division          | 18,557        |
| Approved, but not contracted and not contracted for:             |               |
| - Property, plant and equipment for plantation division          | 39,658        |
| - Investment property for hotel and property investment division | 14,283        |
|                                                                  | <b>72,498</b> |

**9.2 Contingent liabilities**

Save as disclosed below, based on the latest unaudited consolidated financial statements of MKH for the FPE 31 March 2026, there is no other contingent liability, which upon becoming enforceable, may have a material impact on the profits or NA of the MKH Group:

|                                                                      | <b>RM'000</b> |
|----------------------------------------------------------------------|---------------|
| Corporate guarantees in favour of subsidiary companies and associate | 925,800       |

**10. ASSETS OWNED**

Based on the latest unaudited consolidated financial statements of MKH for the FPE 31 March 2026, the MKH Group's total assets amounting to RM3,274.9 million comprises the following:

|                                       | <b>RM'000</b>    |
|---------------------------------------|------------------|
| <b><u>Non-current assets</u></b>      |                  |
| Property, plant and equipment         | 280,946          |
| Right-of-use asset                    | 16,317           |
| Intangible assets                     | 67,672           |
| Prepaid lease payments                | 43,168           |
| Investment properties                 | 408,156          |
| Investment in associates              | 46,146           |
| Other investment                      | 1,004            |
| Land held for property development    | 757,767          |
| Deferred tax assets                   | 14,808           |
| Receivables, deposits and prepayments | 22,078           |
| <b>Subtotal</b>                       | <b>1,658,062</b> |

## INFORMATION ON MKH (Cont'd)

|                                                              | <b>RM'000</b>    |
|--------------------------------------------------------------|------------------|
| <b><u>Current assets</u></b>                                 |                  |
| Property development costs                                   | 408,013          |
| Inventories                                                  | 138,170          |
| Contract assets                                              | 103,416          |
| Contract cost assets                                         | 16,233           |
| Biological assets                                            | 10,749           |
| Receivables, deposits and prepayments                        | 310,549          |
| Current tax assets                                           | 16,087           |
| Cash, bank balances, term deposits and short-term placements | 613,646          |
| <b>Subtotal</b>                                              | <b>1,616,863</b> |
| <b>Total</b>                                                 | <b>3,274,925</b> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025**

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Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
Registration No. 197901006663 (50948 - T)  
(Incorporated in Malaysia)

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30 SEPTEMBER 2025**  
(In Ringgit Malaysia)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The directors have pleasure in presenting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2025.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and providing management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each of the subsidiaries are as disclosed in Note 16 to the financial statements.

**RESULTS OF OPERATIONS**

The results of operations of the Group and of the Company for the financial year are as follows:

|                                | <b>The Group<br/>RM</b> | <b>The Company<br/>RM</b> |
|--------------------------------|-------------------------|---------------------------|
| Profit for the financial year: |                         |                           |
| From continuing operations     | 111,778,216             | 47,135,952                |
| From discontinued operation    | <u>1,084,766</u>        | <u>-</u>                  |
|                                | <u>112,862,982</u>      | <u>47,135,952</u>         |
| Profit attributable to:        |                         |                           |
| Owners of the parent           | 89,603,342              | 47,135,952                |
| Non-controlling interests      | <u>23,259,640</u>       | <u>-</u>                  |
|                                | <u>112,862,982</u>      | <u>47,135,952</u>         |

**DIVIDEND**

Since the end of the previous financial year, a first interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2024 amounting to RM23,087,315 was declared on 28 November 2024 and paid on 10 January 2025 as reported in the directors' report of that year.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 197901006663 (50948 - T)

A first interim single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 September 2025 amounting to RM17,306,648 was declared on 27 November 2025 and is to be paid on 9 January 2026. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2026.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2025.

**ISSUE OF SHARES**

The Company has not issued any new shares or debentures during the financial year.

**DIRECTORS**

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngı Chong  
 Tan Sri Datuk Chen Lok Loi  
 Datuk Chen Fook Wah  
 Dato' Lim Hong Shuan  
 Hoon Shat Mei  
 Lee Pei Yee  
 Jeffrey bin Bosra

**LIST OF DIRECTORS OF SUBSIDIARIES**

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngı Chong  
 Tan Sri Datuk Chen Lok Loi  
 Datuk Chen Fook Wah  
 Dato' Chong Yong Han  
 Dato' Chen Way Kian  
 Dato' Lee Khee Meng  
 Dato' Mazbar bin Abu Bakar  
 Datuk Wira Hj. Johan bin Abd Aziz  
 Chen Wei Chyong  
 Chen Way Liang  
 Chen Yunn Shin  
 Tan Wan San

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Tang Hee Teik  
 Teh Lee Lean  
 Ahmad Yani bin Sulaiman  
 Kok Siew Yin  
 Datuk Muztaza bin Mohamad  
 Ra Adrina binti Muztaza  
 Dzulkeflee bin Khairuddin  
 Yap Yoon Soong  
 Abd Manaf bin Ahmad  
 Mohd Adib bin Othman  
 Hafiz bin Othman  
 Datuk Che Hasnadi bin Che Hassan  
 Morlifa Elanda  
 Issa Suzuki  
 Kazuhiko Tanaka (Resigned on 2 September 2025)  
 G. Premman a/l R.S Gopal  
 Kaisyah binti Abu Khalil  
 YM Raja Ahmad Shahrir Iskandar bin Raja Salim  
 Leong Sow Yoke  
 Yeo Kiat Seng  
 Tan Hoe Hing  
 Hasuria binti Che Omar  
 Yahya bin Ariffin  
 Ong Kim Pin  
 Shanaz Azwin binti Muztaza  
 Chen Ying @ Chin Ying  
 Yap Teak Sing  
 Syed Muhamad Hafiz bin Syed Ahmad  
 Atsushi Higuchi (Appointed on 2 September 2025)  
 Mohd Fadil bin Nasir (Appointed on 14 October 2025)



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**DIRECTORS' INTERESTS**

The shareholdings and deemed shareholdings in the ordinary shares of the Company and of its related corporations of those who were directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

|                                     | Number of ordinary shares |                   |                         |                            |
|-------------------------------------|---------------------------|-------------------|-------------------------|----------------------------|
|                                     | At<br>1 October<br>2024   | Bought/<br>(Sold) | Transferred<br>In/(Out) | At<br>30 September<br>2025 |
| <b>Shareholdings in the Company</b> |                           |                   |                         |                            |
| <b>Direct interest:</b>             |                           |                   |                         |                            |
| Tan Sri Dato' Chen Kooi Chiew       |                           |                   |                         |                            |
| @ Cheng Ngai Chong                  | 1,277,080                 | -                 | -                       | 1,277,080                  |
| Tan Sri Datuk Chen Lok Loi          | 10,602,844                | -                 | -                       | 10,602,844                 |
| Datuk Chen Fook Wah                 | 163,354                   | -                 | -                       | 163,354                    |
| <b>Deemed interest:</b>             |                           |                   |                         |                            |
| Tan Sri Dato' Chen Kooi Chiew       |                           |                   |                         |                            |
| @ Cheng Ngai Chong^                 | 253,129,658               | -                 | -                       | 253,129,658                |
| Tan Sri Datuk Chen Lok Loi#         | 245,374,787               | -                 | -                       | 245,374,787                |
| Datuk Chen Fook Wah*                | 236,981,354               | -                 | -                       | 236,981,354                |

<sup>^</sup> Deemed interest through shares held in Chen Choy & Sons Realty Sdn. Bhd. ("CCSR"), Lotus Way Sdn. Bhd. and a nominee company.

<sup>#</sup> Deemed interest through shares held in CCSR and a nominee company.

<sup>\*</sup> Deemed interest through shares held in CCSR, Activest Sdn. Bhd. and a nominee company.

|                                                       | Number of ordinary shares |                   |                         |                            |
|-------------------------------------------------------|---------------------------|-------------------|-------------------------|----------------------------|
|                                                       | At<br>1 October<br>2024   | Bought/<br>(Sold) | Transferred<br>In/(Out) | At<br>30 September<br>2025 |
| Shareholdings in the listed subsidiary of the Company |                           |                   |                         |                            |
| - MKH Oil Palm (East Kalimantan) Berhad (“MKHOP”)     |                           |                   |                         |                            |
| Direct interest:                                      |                           |                   |                         |                            |
| Tan Sri Dato’ Chen Kooi Chiew                         |                           |                   |                         |                            |
| @ Cheng Ngai Chong                                    | 39,582                    | 50,000            | -                       | 89,582                     |
| Tan Sri Datuk Chen Lok Loi                            | 1,514,692                 | -                 | -                       | 1,514,692                  |
| Datuk Chen Fook Wah                                   | 23,336                    | -                 | -                       | 23,336                     |
| Hoon Shat Mei                                         | 10,000                    | (10,000)          | -                       | -                          |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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|                                                              | Number of ordinary shares |                   |                            |
|--------------------------------------------------------------|---------------------------|-------------------|----------------------------|
|                                                              | At<br>1 October<br>2024   | Bought/<br>(Sold) | At<br>30 September<br>2025 |
| <b>Shareholdings in the listed subsidiary of the Company</b> |                           |                   |                            |
| <b>- MKH Oil Palm (East Kalimantan) Berhad ("MKHOP")</b>     |                           |                   |                            |
| <b>Deemed interest:</b>                                      |                           |                   |                            |
| Tan Sri Dato' Chen Kooi Chiew                                |                           |                   |                            |
| @ Cheng Ngi Chong <sup>(1)(2)</sup>                          | 698,863,357               | (34,500)          | -                          |
| Tan Sri Datuk Chen Lok Loi <sup>(1)(3)</sup>                 | 697,733,548               | (34,500)          | -                          |
| Datuk Chen Fook Wah <sup>(1)(4)</sup>                        | 696,556,457               | (34,500)          | -                          |

- (1) Deemed interest by virtue of his shareholdings in CCSR, the controlling shareholder of the Company, whereby MKHOP is a subsidiary of the Company.
- (2) Deemed interest by virtue of his shareholdings in Lotus Way Sdn. Bhd. and shareholdings held through a nominee company.
- (3) Deemed interest by virtue of his shareholdings held through a nominee company.
- (4) Deemed interest by virtue of his shareholdings in Activest Sdn. Bhd. and shareholdings held through a nominee company.

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah, who are the directors in office at the financial year end who have an interest in the shares of the Company and the listed subsidiary, are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company and the controlling shareholder of the Company have an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year held shares or had beneficial interest in the Company or its subsidiaries during or at the beginning and end of the financial year.

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full time employee of the Company or its related corporations as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to have arisen from transactions entered into in the ordinary course of business as disclosed in Note 37 to the financial statements.

The directors' benefits are as follows:

|                                              | <b>The Group<br/>RM</b> | <b>The Company<br/>RM</b> |
|----------------------------------------------|-------------------------|---------------------------|
| <b>Directors of the Company</b>              |                         |                           |
| Executive Directors:                         |                         |                           |
| Fees                                         | 730,000                 | -                         |
| Other emoluments                             | 15,918,449              | -                         |
| Estimated monetary value of benefits-in-kind | 80,976                  | -                         |
|                                              | <b>16,729,425</b>       | <b>-</b>                  |
| Non-Executive Directors:                     |                         |                           |
| Fees                                         | 240,000                 | 240,000                   |
| Other emoluments                             | 55,000                  | 55,000                    |
|                                              | <b>295,000</b>          | <b>295,000</b>            |
|                                              | <b>17,024,425</b>       | <b>295,000</b>            |
| <b>Directors of subsidiaries</b>             |                         |                           |
| Directors:                                   |                         |                           |
| Fees                                         | 310,000                 | -                         |
| Other emoluments                             | 7,412,099               | -                         |
| Estimated monetary value of benefits-in-kind | 158,444                 | -                         |
|                                              | <b>7,880,543</b>        | <b>295,000</b>            |
|                                              | <b>24,904,968</b>       | <b>295,000</b>            |

**RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

Before financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

**TREASURY SHARES**

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127(4)(b) of the Companies Act, 2016 in Malaysia.

During the financial year, the Company repurchased 506,600 of its issued ordinary shares from the open market at an average price of RM1.09 per share. The total consideration paid for the repurchase including transaction costs was RM554,427.

As at 30 September 2025, the Company held 9,659,900 treasury shares out of its 586,548,168 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM11,694,217. Further details are disclosed in Note 28 to the financial statements.

**INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the financial year, which provides appropriate insurance coverage for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM55,414.

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS TO THE END OF THE FINANCIAL YEAR**

Details of significant events during the financial year and subsequent events to the end of the financial year are disclosed in Note 39 to the financial statements.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**AUDITORS**

The auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), have expressed their willingness to continue in office.

**AUDITORS' REMUNERATION**

The amount paid or payable by the Group and by the Company as remuneration of the auditors for statutory audit for the financial year ended 30 September 2025 amounted to RM886,051 and RM93,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 December 2025.



TAN SRI DATO' CHEN KOOI CHIEW  
@ CHENG NGI CHONG



TAN SRI DATUK CHEN LOK LOI

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

We, **TAN SRI DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG** and **TAN SRI DATUK CHEN LOK LOI**, being two of the directors of the Company, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 18 to 182, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 December 2025.



**TAN SRI DATO' CHEN KOOI CHIEW**  
**@ CHENG NGI CHONG**



**TAN SRI DATUK CHEN LOK LOI**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

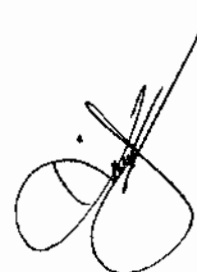
Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION  
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016**

I, **KOK SIEW YIN**, being the person primarily responsible for the financial management of **MKH BERHAD**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 18 to 182, in my opinion, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed  
at Kajang in the State of Selangor on 23 December 2025.



**KOK SIEW YIN**  
MIA MEMBERSHIP NO: 15343

Before me



No. 47D, Tingkat 1,  
Jalan Sulaiman,  
43000 Kajang, Selangor.  
012-2852486



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

# Deloitte.

Deloitte Malaysia PLT  
(formerly known as Deloitte PLT)  
201706000019 (LLP0010145-LCA)  
Chartered Accountants (AF0080)  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MKH BERHAD**  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **MKH BERHAD**, which comprise the statements of financial position as at 30 September 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 to 182.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are described further in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters are addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>How the matter was addressed in the audit</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue from property development activities</b></p> <p>The Group recognises property development revenue using the cost-based input method, which is measured on the basis of the Group's efforts or inputs to the property development costs incurred to date relative to the total expected property development costs.</p> <p>Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs are different from the estimated total property development costs, such differences will impact the property development profits recognised.</p> <p>Refer to "Significant accounting estimates and judgements" in Note 2(c)(i) to the financial statements.</p> | <p>Our audit procedures consisted of, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate the design and implementation and tested operating effectiveness of such controls.</li> <li>• Challenged management assumptions used in the preparation of the respective management-prepared property development budgets ("budgets") and performed a retrospective review to establish the reliability of the budgets and considered the implication of any changes in assumption used in the budgets.</li> <li>• Challenged the stage of completion by taking into account the development costs recognised up to the end of the financial year over the budgeted cost.</li> <li>• Performed test of details on actual development costs incurred during the financial year by vouching to the relevant supporting documentation such as contractors' claim certificates, surveyor certificates, architect certificates and others, to determine whether the development costs recorded are valid and in the correct accounting period.</li> <li>• Performed site visits for individually significant projects to arrive at an overall assessment as to whether information provided by management is reasonable.</li> </ul> |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

| <i>Key audit matter</i> | <i>How the matter was addressed in the audit</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <ul style="list-style-type: none"> <li>• Verified the gross development value by reviewing the sale &amp; purchase agreements ("SPA") entered into between the purchasers and the Group. In respect of loan financial purchasers, further verified that there is an approved loan offer letter from licensed financial institution for each SPA signed.</li> <li>• Performed test check for subsequent cancellation of SPA to determine whether there is any significant reversal in the amount of cumulative revenue recognised up to the end of the financial year.</li> <li>• Checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimate.</li> </ul> |

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 16 to the financial statements.

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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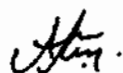
Registration No. 197901006663 (50948 - T)

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**DELOITTE MALAYSIA PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF0080)**



**ALVIN CHANG SHU-WEI**  
**Partner - 03480/01/2026 J**  
**Chartered Accountant**

23 December 2025

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

|                                                                 |             | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|-----------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                                                                 | <b>Note</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>Continuing operations</b>                                    |             |                    |                    |                    |                    |
| Revenue                                                         | 4           | 951,457,031        | 1,059,024,971      | 68,339,501         | 13,382,900         |
| Cost of sales                                                   | 5           | (627,863,792)      | (764,466,633)      | -                  | -                  |
| <b>Gross profit</b>                                             |             | <b>323,593,239</b> | <b>294,558,338</b> | <b>68,339,501</b>  | <b>13,382,900</b>  |
| Other income                                                    |             | 38,661,895         | 27,047,510         | 810,314            | 1,321,422          |
| Sales and marketing expenses                                    |             | (31,241,627)       | (19,911,838)       | -                  | -                  |
| Administrative expenses                                         |             | (107,674,816)      | (98,782,602)       | (2,991,974)        | (4,017,886)        |
| Other expenses                                                  |             | (39,957,143)       | (35,815,112)       | (8,570,547)        | (143,724)          |
| <b>Profit from operations</b>                                   |             | <b>183,381,548</b> | <b>167,096,296</b> | <b>57,587,294</b>  | <b>10,542,712</b>  |
| Finance costs                                                   |             | (29,888,117)       | (27,405,573)       | (10,062,607)       | (8,416,155)        |
| Share of results of associates                                  | 17          | 11,986,522         | 4,142,481          | -                  | -                  |
| <b>Profit before tax from continuing operations</b>             |             | <b>165,479,953</b> | <b>143,833,204</b> | <b>47,524,687</b>  | <b>2,126,557</b>   |
| Tax expense                                                     | 8           | (53,701,737)       | (42,552,681)       | (388,735)          | (217,566)          |
| <b>Profit for the financial year from continuing operations</b> |             | <b>111,778,216</b> | <b>101,280,523</b> | <b>47,135,952</b>  | <b>1,908,991</b>   |
| <b>Discontinued operation</b>                                   |             |                    |                    |                    |                    |
| <b>Profit for the year from discontinued operation</b>          | 9           | <b>1,084,766</b>   | <b>621,006</b>     | <b>-</b>           | <b>-</b>           |
| <b>Profit for the financial year</b>                            |             | <b>112,862,982</b> | <b>101,901,529</b> | <b>47,135,952</b>  | <b>1,908,991</b>   |
| (Forward)                                                       |             |                    |                    |                    |                    |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                               |      | The Group    |              | The Company |            |
|-------------------------------------------------------------------------------|------|--------------|--------------|-------------|------------|
|                                                                               | Note | 2025<br>RM   | 2024<br>RM   | 2025<br>RM  | 2024<br>RM |
| <b>Other comprehensive income/(loss)</b>                                      |      |              |              |             |            |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>    |      |              |              |             |            |
| Remeasurement gains on defined benefit plans                                  | 30   | 227,254      | 1,087,745    | -           | -          |
| Income tax relating to remeasurement gains on defined benefit plans           | 8    | (49,996)     | (239,304)    | -           | -          |
| Revaluation surplus of land and buildings                                     |      | 14,228,684   | -            | 287,045     | -          |
| Income tax relating to surplus arising from revaluation of land and buildings | 8    | (3,146,231)  | -            | (38,791)    | -          |
|                                                                               |      | 11,259,711   | 848,441      | 248,254     | -          |
| <i>Items that may be reclassified subsequently to profit or loss:</i>         |      |              |              |             |            |
| Foreign currency translation differences                                      |      | (32,649,109) | (38,347,859) | -           | -          |
| <b>Total comprehensive income for the financial year</b>                      |      | 91,473,584   | 64,402,111   | 47,384,206  | 1,908,991  |

(Forward)



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                       |      | The Group          |                    | The Company       |                  |
|-------------------------------------------------------|------|--------------------|--------------------|-------------------|------------------|
|                                                       | Note | 2025<br>RM         | 2024<br>RM         | 2025<br>RM        | 2024<br>RM       |
| <b>Profit for the financial year attributable to:</b> |      |                    |                    |                   |                  |
| Owners of the parent                                  |      | 89,603,342         | 76,117,596         | 47,135,952        | 1,908,991        |
| Non-controlling interests                             |      | <u>23,259,640</u>  | <u>25,783,933</u>  | <u>-</u>          | <u>-</u>         |
|                                                       |      | <u>112,862,982</u> | <u>101,901,529</u> | <u>47,135,952</u> | <u>1,908,991</u> |
| <b>Total comprehensive income attributable to:</b>    |      |                    |                    |                   |                  |
| Owners of the parent                                  |      | 76,840,770         | 50,643,001         | 47,384,206        | 1,908,991        |
| Non-controlling interests                             |      | <u>14,632,814</u>  | <u>13,759,110</u>  | <u>-</u>          | <u>-</u>         |
|                                                       |      | <u>91,473,584</u>  | <u>64,402,111</u>  | <u>47,384,206</u> | <u>1,908,991</u> |
| <b>Basic and diluted earnings per share (sen)</b>     |      |                    |                    |                   |                  |
| From continuing operations                            | 10   | 15.34              | 13.07              |                   |                  |
| From discontinued operation                           | 10   | <u>0.19</u>        | <u>0.11</u>        |                   |                  |
| From continuing and discontinued operations           | 10   | 15.53              | 13.18              |                   |                  |

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2025**

|                                       |             | <b>The Group</b>     |                      | <b>The Company</b>   |                      |
|---------------------------------------|-------------|----------------------|----------------------|----------------------|----------------------|
|                                       | <b>Note</b> | <b>2025<br/>RM</b>   | <b>2024<br/>RM</b>   | <b>2025<br/>RM</b>   | <b>2024<br/>RM</b>   |
| <b>ASSETS</b>                         |             |                      |                      |                      |                      |
| <b>Non-Current Assets</b>             |             |                      |                      |                      |                      |
| Property, plant and equipment         | 11          | 304,479,271          | 336,503,732          | 1,450,003            | 1,176,367            |
| Right-of-use asset                    | 12          | 16,478,087           | 16,800,134           | -                    | -                    |
| Intangible assets                     | 13          | 73,803,572           | 75,261,876           | -                    | -                    |
| Prepaid lease payments                | 14          | 31,159,614           | 35,450,411           | -                    | -                    |
| Investment properties                 | 15          | 406,508,700          | 402,163,125          | -                    | -                    |
| Investment in subsidiaries            | 16          | -                    | -                    | 1,355,635,270        | 1,353,013,642        |
| Investment in associates              | 17          | 41,758,454           | 29,771,932           | -                    | -                    |
| Other investment                      | 18          | 1,162,902            | 1,075,269            | -                    | -                    |
| Land held for property development    | 19          | 773,464,975          | 778,920,830          | -                    | -                    |
| Deferred tax assets                   | 20          | 15,984,656           | 18,293,598           | -                    | -                    |
| Receivables, deposits and prepayments | 21          | 26,293,265           | 58,701,804           | -                    | -                    |
| <b>Total Non-Current Assets</b>       |             | <b>1,691,093,496</b> | <b>1,752,942,711</b> | <b>1,357,085,273</b> | <b>1,354,190,009</b> |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                              |             | <b>The Group</b>     |                      | <b>The Company</b>   |                      |
|--------------------------------------------------------------|-------------|----------------------|----------------------|----------------------|----------------------|
|                                                              | <b>Note</b> | <b>2025<br/>RM</b>   | <b>2024<br/>RM</b>   | <b>2025<br/>RM</b>   | <b>2024<br/>RM</b>   |
| <b>Current Assets</b>                                        |             |                      |                      |                      |                      |
| Property development costs                                   | 22          | 395,584,734          | 479,933,087          | -                    | -                    |
| Inventories                                                  | 23          | 142,188,872          | 97,162,812           | -                    | -                    |
| Contract assets                                              | 24          | 173,272,251          | 293,775,202          | -                    | -                    |
| Contract cost assets                                         | 25          | 17,261,160           | 16,296,324           | -                    | -                    |
| Biological assets                                            | 26          | 9,875,602            | 8,268,800            | -                    | -                    |
| Receivables, deposits and prepayments                        | 21          | 327,523,690          | 256,258,379          | 140,699,969          | 71,017,568           |
| Current tax assets                                           |             | 9,438,847            | 11,719,373           | 739,336              | 993,303              |
| Cash, bank balances, term deposits and short-term placements | 27          | <u>597,462,578</u>   | <u>508,526,848</u>   | <u>927,805</u>       | <u>4,667,496</u>     |
|                                                              |             | 1,672,607,734        | 1,671,940,825        | 142,367,110          | 76,678,367           |
| Assets of disposal group classified as held for sale         | 9           | <u>23,808,452</u>    | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| <b>Total Current Assets</b>                                  |             | <u>1,696,416,186</u> | <u>1,671,940,825</u> | <u>142,367,110</u>   | <u>76,678,367</u>    |
| <b>Total Assets</b>                                          |             | <u>3,387,509,682</u> | <u>3,424,883,536</u> | <u>1,499,452,383</u> | <u>1,430,868,376</u> |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                        |      | The Group            |                      | The Company          |                      |
|--------------------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                                        | Note | 2025<br>RM           | 2024<br>RM           | 2025<br>RM           | 2024<br>RM           |
| <b>EQUITY AND LIABILITIES</b>                          |      |                      |                      |                      |                      |
| <b>Capital and Reserves</b>                            |      |                      |                      |                      |                      |
| Share capital                                          | 28   | 654,458,655          | 654,458,655          | 654,458,655          | 654,458,655          |
| Treasury shares                                        | 28   | (11,694,217)         | (11,139,790)         | (11,694,217)         | (11,139,790)         |
| Reserves                                               | 29   | 1,228,331,487        | 1,182,791,712        | 634,701,888          | 610,404,997          |
| Reserves of disposal group classified as held for sale | 9    | 8,085,794            | -                    | -                    | -                    |
| Equity attributable to owners of the parent            |      | 1,879,181,719        | 1,826,110,577        | 1,277,466,326        | 1,253,723,862        |
| Non-controlling interests                              | 16   | 281,689,503          | 288,543,334          | -                    | -                    |
| <b>Total Equity</b>                                    |      | <u>2,160,871,222</u> | <u>2,114,653,911</u> | <u>1,277,466,326</u> | <u>1,253,723,862</u> |
| <b>Non-Current Liabilities</b>                         |      |                      |                      |                      |                      |
| Deferred tax liabilities                               | 20   | 44,578,817           | 44,433,818           | 153,219              | 114,428              |
| Provisions                                             | 30   | 19,617,911           | 18,731,306           | -                    | -                    |
| Payables and accruals                                  | 31   | 183,442,596          | 277,735,199          | -                    | -                    |
| Lease liability                                        | 32   | 19,900,682           | 19,554,814           | -                    | -                    |
| Loans and borrowings                                   | 33   | 84,971,905           | 121,493,460          | -                    | -                    |
| <b>Total Non-Current Liabilities</b>                   |      | 352,511,911          | 481,948,597          | 153,219              | 114,428              |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                           | Note | The Group            |                      | The Company          |                      |
|-----------------------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                                           |      | 2025<br>RM           | 2024<br>RM           | 2025<br>RM           | 2024<br>RM           |
| <b>Current Liabilities</b>                                |      |                      |                      |                      |                      |
| Provisions                                                | 30   | 28,948,074           | 21,904,397           | -                    | -                    |
| Contract liabilities                                      | 24   | 2,222,434            | 13,950,359           | -                    | -                    |
| Payables and accruals                                     | 31   | 429,800,675          | 474,516,936          | 1,279,413            | 1,126,199            |
| Lease liability                                           | 32   | 422,243              | 441,287              | -                    | -                    |
| Loans and borrowings                                      | 33   | 398,735,677          | 312,836,948          | 220,553,425          | 175,903,887          |
| Current tax liabilities                                   |      | 8,834,605            | 4,631,101            | -                    | -                    |
|                                                           |      | <u>868,963,708</u>   | <u>828,281,028</u>   | <u>221,832,838</u>   | <u>177,030,086</u>   |
| Liabilities of disposal group classified as held for sale | 9    | <u>5,162,841</u>     | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| <b>Total Current Liabilities</b>                          |      | <u>874,126,549</u>   | <u>828,281,028</u>   | <u>221,832,838</u>   | <u>177,030,086</u>   |
| <b>Total Liabilities</b>                                  |      | <u>1,226,638,460</u> | <u>1,310,229,625</u> | <u>221,986,057</u>   | <u>177,144,514</u>   |
| <b>Total Equity and Liabilities</b>                       |      | <u>3,387,509,682</u> | <u>3,424,883,536</u> | <u>1,499,452,383</u> | <u>1,430,868,376</u> |
| <b>Net assets per share (RM)</b>                          |      | <u>3.26</u>          | <u>3.16</u>          |                      |                      |

The accompanying notes form an integral part of the financial statements.

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

| The Group                                                 | Share capital | Treasury shares | Translation reserve | Non-distributable   |    | Reserves of disposal group classified as held for sale | Distributable Retained earnings | Attributable to owners of the parent | Non - controlling interests | Total equity  |
|-----------------------------------------------------------|---------------|-----------------|---------------------|---------------------|----|--------------------------------------------------------|---------------------------------|--------------------------------------|-----------------------------|---------------|
|                                                           | RM            | RM              | RM                  | Revaluation reserve | RM | RM                                                     | RM                              | RM                                   | RM                          | RM            |
| As at 1 October 2024                                      | 654,458,655   | (11,139,790)    | (20,387,074)        | 25,215,341          | -  | -                                                      | 1,177,963,445                   | 1,826,110,577                        | 288,543,334                 | 2,114,653,911 |
| Comprehensive income                                      | -             | -               | -                   | -                   | -  | -                                                      | 89,603,342                      | 89,603,342                           | 23,259,640                  | 112,862,982   |
| Profit for the financial year                             | -             | -               | -                   | -                   | -  | -                                                      | -                               | -                                    | -                           | -             |
| Other comprehensive (loss)/income                         | -             | -               | (21,524,367)        | -                   | -  | -                                                      | -                               | (21,524,367)                         | (11,124,742)                | (32,649,109)  |
| Foreign currency translation differences                  | -             | -               | -                   | -                   | -  | -                                                      | -                               | -                                    | -                           | -             |
| Revaluation surplus on land and building - net of tax     | -             | -               | -                   | 8,646,174           | -  | -                                                      | -                               | 8,646,174                            | 2,436,279                   | 11,082,453    |
| Remeasurement gains on defined benefit plans - net of tax | -             | -               | -                   | -                   | -  | -                                                      | 115,621                         | 115,621                              | 61,637                      | 177,258       |
| Total comprehensive (loss)/income                         | -             | -               | (21,524,367)        | 8,646,174           | -  | -                                                      | 89,718,963                      | 76,840,770                           | 14,632,814                  | 91,473,584    |

(Forward)

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| The Group                                                           | Note  | Share capital      | Treasury shares     | Translation reserve | Non-distributable Revaluation reserve | Reserves of disposal group classified as held for sale | Distributable Retained earnings | Attributable to owners of the parent | Non - controlling interests | Total equity         |
|---------------------------------------------------------------------|-------|--------------------|---------------------|---------------------|---------------------------------------|--------------------------------------------------------|---------------------------------|--------------------------------------|-----------------------------|----------------------|
|                                                                     |       | RM                 | RM                  | RM                  | RM                                    | RM                                                     | RM                              | RM                                   | RM                          | RM                   |
| <b>Transactions with owners</b>                                     |       |                    |                     |                     |                                       |                                                        |                                 |                                      |                             |                      |
| Changes of ownership interests in subsidiaries                      |       | -                  | -                   | (121,316)           | 26,133                                | -                                                      | (32,703)                        | (127,886)                            | 127,886                     | -                    |
| Reserves attributable to disposal group classified as held for sale | 9     | -                  | -                   | (2,030,740)         | (6,055,054)                           | 8,085,794                                              | -                               | -                                    | -                           | -                    |
| Shares buy back                                                     | 28    | -                  | (554,427)           | -                   | -                                     | -                                                      | -                               | (554,427)                            | -                           | (554,427)            |
| Shares buy back by a subsidiary                                     | 16(a) | -                  | -                   | -                   | -                                     | -                                                      | -                               | -                                    | (3,398,944)                 | (3,398,944)          |
| Dividends paid to non-controlling interests                         |       | -                  | -                   | -                   | -                                     | -                                                      | -                               | -                                    | (18,215,587)                | (18,215,587)         |
| Dividends paid                                                      | 34    | -                  | -                   | -                   | -                                     | -                                                      | (23,087,315)                    | (23,087,315)                         | -                           | (23,087,315)         |
| Total transactions with owners                                      |       | -                  | (554,427)           | (2,152,056)         | (6,028,921)                           | 8,085,794                                              | (23,120,018)                    | (23,769,628)                         | (21,486,645)                | (45,256,273)         |
| <b>As at 30 September 2025</b>                                      |       | <b>654,458,655</b> | <b>(11,694,217)</b> | <b>(44,063,497)</b> | <b>27,832,594</b>                     | <b>8,085,794</b>                                       | <b>1,244,562,390</b>            | <b>1,879,181,719</b>                 | <b>281,689,503</b>          | <b>2,160,871,222</b> |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| The Group                                                      | Note  | Share capital<br>RM | Treasury shares<br>RM | Non-distributable<br>Translation reserve<br>RM | Revaluation reserve<br>RM | Distributable<br>Retained earnings<br>RM | Attributable<br>to owners of the parent<br>RM | Non -<br>controlling interests<br>RM | Total equity<br>RM   |
|----------------------------------------------------------------|-------|---------------------|-----------------------|------------------------------------------------|---------------------------|------------------------------------------|-----------------------------------------------|--------------------------------------|----------------------|
| As at 1 October 2023                                           |       | 654,458,655         | (11,112,278)          | 9,353,413                                      | 27,359,331                | 1,180,626,707                            | 1,860,685,828                                 | 89,567,469                           | 1,950,253,297        |
| <b>Comprehensive income</b>                                    |       |                     |                       |                                                |                           |                                          |                                               |                                      |                      |
| Profit for the financial year                                  |       | -                   | -                     | -                                              | -                         | 76,117,596                               | 76,117,596                                    | 25,783,933                           | 101,901,529          |
| <b>Other comprehensive (loss)/income</b>                       |       |                     |                       |                                                |                           |                                          |                                               |                                      |                      |
| Foreign currency translation differences                       |       | -                   | -                     | (26,323,036)                                   | -                         | -                                        | (26,323,036)                                  | (12,024,823)                         | (38,347,859)         |
| Remeasurement gains on defined benefit plans - net of tax      |       | -                   | -                     | -                                              | -                         | 848,441                                  | 848,441                                       | -                                    | 848,441              |
| <b>Total comprehensive (loss)/income</b>                       |       | -                   | -                     | (26,323,036)                                   | -                         | 76,966,037                               | 50,643,001                                    | 13,759,110                           | 64,402,111           |
| <b>Transactions with owners</b>                                |       |                     |                       |                                                |                           |                                          |                                               |                                      |                      |
| Non-controlling interest in respect of subsidiary acquired     | 16(c) | -                   | -                     | -                                              | -                         | -                                        | -                                             | 3,989,364                            | 3,989,364            |
| Changes of ownership interests in subsidiaries                 |       | -                   | -                     | (3,417,451)                                    | (2,143,990)               | (56,532,664)                             | (62,094,105)                                  | 62,094,105                           | -                    |
| Issuance of shares by subsidiaries to non-controlling interest |       | -                   | -                     | -                                              | -                         | -                                        | -                                             | 130,891,344                          | 130,891,344          |
| Shares buy back                                                | 28    | -                   | (27,512)              | -                                              | -                         | -                                        | (27,512)                                      | -                                    | (27,512)             |
| Shares buy back by a subsidiary                                | 16(a) | -                   | -                     | -                                              | -                         | -                                        | -                                             | (1,125,681)                          | (1,125,681)          |
| Dividends paid to non-controlling interests                    |       | -                   | -                     | -                                              | -                         | -                                        | -                                             | (10,632,377)                         | (10,632,377)         |
| Dividends paid                                                 | 34    | -                   | -                     | -                                              | -                         | (23,096,635)                             | (23,096,635)                                  | -                                    | (23,096,635)         |
| <b>Total transactions with owners</b>                          |       | -                   | (27,512)              | (3,417,451)                                    | (2,143,990)               | (79,629,299)                             | (85,218,252)                                  | 185,216,755                          | 99,998,503           |
| <b>As at 30 September 2024</b>                                 |       | <b>654,458,655</b>  | <b>(11,139,790)</b>   | <b>(20,387,074)</b>                            | <b>25,215,341</b>         | <b>1,177,963,445</b>                     | <b>1,826,110,577</b>                          | <b>288,543,334</b>                   | <b>2,114,653,911</b> |



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

| The Company                                            | Note | Share capital<br>RM | Treasury shares<br>RM | Non-distributable<br>Revaluation reserve<br>RM | Distributable<br>Retained earnings<br>RM | Total equity<br>RM |
|--------------------------------------------------------|------|---------------------|-----------------------|------------------------------------------------|------------------------------------------|--------------------|
| <b>As at 1 October 2024</b>                            |      | 654,458,655         | (11,139,790)          | 671,520                                        | 609,733,477                              | 1,253,723,862      |
| <b>Comprehensive income</b>                            |      |                     |                       |                                                |                                          |                    |
| Profit for the financial year                          |      | -                   | -                     | -                                              | 47,135,952                               | 47,135,952         |
| <b>Other comprehensive income</b>                      |      |                     |                       |                                                |                                          |                    |
| Revaluation surplus of land and buildings - net of tax |      | -                   | -                     | 248,254                                        | -                                        | 248,254            |
| <b>Transactions with owners</b>                        |      |                     |                       |                                                |                                          |                    |
| Share buy back                                         | 28   | -                   | (554,427)             | -                                              | -                                        | (554,427)          |
| Dividends paid                                         | 34   | -                   | -                     | -                                              | (23,087,315)                             | (23,087,315)       |
| <b>As at 30 September 2025</b>                         |      | 654,458,655         | (11,694,217)          | 919,774                                        | 633,782,114                              | 1,277,466,326      |

(Forward)

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| The Company                     | Note | Share capital<br>RM | Treasury shares<br>RM | Non-distributable<br>Revaluation reserve<br>RM | Distributable<br>Retained earnings<br>RM | Total equity<br>RM   |
|---------------------------------|------|---------------------|-----------------------|------------------------------------------------|------------------------------------------|----------------------|
| <b>As at 1 October 2023</b>     |      | 654,458,655         | (11,112,278)          | 671,520                                        | 630,921,121                              | 1,274,939,018        |
| <b>Comprehensive income</b>     |      |                     |                       |                                                |                                          |                      |
| Profit for the financial year   |      | -                   | -                     | -                                              | 1,908,991                                | 1,908,991            |
| <b>Transactions with owners</b> |      |                     |                       |                                                |                                          |                      |
| Share buy back                  | 28   | -                   | (27,512)              | -                                              | -                                        | (27,512)             |
| Dividends paid                  | 34   | -                   | -                     | -                                              | (23,096,635)                             | (23,096,635)         |
| <b>As at 30 September 2024</b>  |      | <u>654,458,655</u>  | <u>(11,139,790)</u>   | <u>671,520</u>                                 | <u>609,733,477</u>                       | <u>1,253,723,862</u> |

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**MKH BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

|                                                                         | <b>The Group</b> |             | <b>The Company</b> |              |
|-------------------------------------------------------------------------|------------------|-------------|--------------------|--------------|
|                                                                         | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b>  |
|                                                                         | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>    |
| <b>CASH FLOWS FROM/<br/>(USED IN) OPERATING<br/>ACTIVITIES</b>          |                  |             |                    |              |
| Profit before tax - continuing operations                               | 165,479,953      | 143,833,204 | 47,524,687         | 2,126,557    |
| Profit before tax - discontinuing operation                             | 1,290,972        | 827,884     | -                  | -            |
| Profit before tax                                                       | 166,770,925      | 144,661,088 | 47,524,687         | 2,126,557    |
| Adjustments for:                                                        |                  |             |                    |              |
| Amortisation of prepaid lease payments                                  | 1,495,490        | 1,513,220   | -                  | -            |
| Amortisation of intangible assets                                       | 1,124,554        | 1,166,138   | -                  | -            |
| Bad debts written off                                                   | 15,913           | 66,987      | -                  | -            |
| Changes in fair values of:                                              |                  |             |                    |              |
| Biological assets                                                       | (2,362,091)      | (2,848,371) | -                  | -            |
| Investment properties                                                   | (8,430,000)      | (7,729,620) | -                  | -            |
| Other investment                                                        | 2,743            | 6,299       | -                  | -            |
| Deposits written off                                                    | 143,560          | 6,500       | -                  | -            |
| Depreciation of:                                                        |                  |             |                    |              |
| Property, plant and equipment                                           | 36,795,076       | 36,928,451  | 13,409             | 13,409       |
| Right-of-use asset                                                      | 322,047          | 322,047     | -                  | -            |
| Development expenditure expensed off                                    | -                | 1,090,931   | -                  | -            |
| Land cost allocation expensed off                                       | 6,429,549        | -           | -                  | -            |
| Dividend income from:                                                   |                  |             |                    |              |
| Investment in subsidiaries                                              | -                | -           | (68,339,501)       | (13,382,900) |
| Other investment                                                        | (31,518)         | (18,004)    | -                  | -            |
| Fair value losses from transfer of inventories to investment properties | -                | 242,460     | -                  | -            |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                             | <b>The Group</b> |              | <b>The Company</b> |             |
|-----------------------------------------------------------------------------|------------------|--------------|--------------------|-------------|
|                                                                             | <b>2025</b>      | <b>2024</b>  | <b>2025</b>        | <b>2024</b> |
|                                                                             | <b>RM</b>        | <b>RM</b>    | <b>RM</b>          | <b>RM</b>   |
| Gain on disposal of:                                                        |                  |              |                    |             |
| Other investment                                                            | (37,678)         | (141,009)    | -                  | -           |
| Property, plant and equipment                                               | (56,647)         | (5,561)      | -                  | -           |
| Impairment loss on:                                                         |                  |              |                    |             |
| Investment in subsidiaries                                                  | -                | -            | 8,378,372          | -           |
| Trade receivables                                                           | 204,552          | 93,090       | -                  | -           |
| Other receivables                                                           | -                | -            | 19,943             | -           |
| Impairment loss no longer required on:                                      |                  |              |                    |             |
| Loan receivables                                                            | (101,000)        | (38,000)     | -                  | -           |
| Trade receivables                                                           | (103,142)        | (411,903)    | -                  | -           |
| Other receivables                                                           | -                | (8,672)      | -                  | -           |
| Intangible asset written off                                                | -                | 2,910,371    | -                  | -           |
| Interest expense                                                            | 29,888,117       | 27,405,573   | 10,062,607         | 8,416,155   |
| Interest income                                                             | (16,662,669)     | (10,820,183) | (810,073)          | (1,321,422) |
| Inventories written down                                                    | 4,689,105        | 92,111       | -                  | -           |
| Inventories written off                                                     | 360              | 10,947       | -                  | -           |
| Property, plant and equipment written off                                   | 911,270          | 801,030      | -                  | -           |
| Provision for foreseeable loss                                              | 530,776          | 942,025      | -                  | -           |
| Provision for liquidated ascertained damages                                | 7,043,677        | -            | -                  | -           |
| Provision for post-employment benefit obligations                           | 4,948,751        | 4,965,494    | -                  | -           |
| Reversal of impairment loss on revaluation of property, plant and equipment | (65,310)         | -            | -                  | -           |
| Share of results of associates                                              | (11,986,522)     | (4,142,481)  | -                  | -           |
| Unrealised losses on foreign exchange – net                                 | 74,353           | 851,353      | -                  | -           |
| Operating Profit/(Loss) Before Changes in Working Capital                   | 221,554,241      | 197,912,311  | (3,150,556)        | (4,148,201) |
| (Forward)                                                                   |                  |              |                    |             |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                  | <b>The Group</b>     |                      | <b>The Company</b>  |                     |
|------------------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|
|                                                                  | <b>2025</b>          | <b>2024</b>          | <b>2025</b>         | <b>2024</b>         |
|                                                                  | <b>RM</b>            | <b>RM</b>            | <b>RM</b>           | <b>RM</b>           |
| Change in property development costs                             | 65,726,662           | 45,295,479           | -                   | -                   |
| Change in inventories                                            | 15,498,813           | 14,211,728           | -                   | -                   |
| Change in contract assets                                        | 120,502,951          | 29,854,728           | -                   | -                   |
| Change in contract costs assets                                  | (964,836)            | 10,321,057           | -                   | -                   |
| Change in receivables, deposits and prepayments                  | (7,819,542)          | 9,652,767            | -                   | 295,029             |
| Change in contract liabilities                                   | (11,727,925)         | 8,452,388            | -                   | -                   |
| Change in payables and accruals                                  | <u>(141,558,726)</u> | <u>(148,011,690)</u> | <u>153,214</u>      | <u>(10,098,113)</u> |
| Cash Generated From/ (Used In) Operations                        | 261,211,638          | 167,688,768          | (2,997,342)         | (13,951,285)        |
| Interest received                                                | 16,268,641           | 9,684,522            | 810,073             | 1,321,422           |
| Interest paid                                                    | (25,139,941)         | (23,097,838)         | (10,062,607)        | (8,416,155)         |
| Tax paid                                                         | (49,532,070)         | (43,612,172)         | (253,540)           | (250,000)           |
| Tax refunded                                                     | 4,153,934            | 5,994,578            | 118,772             | -                   |
| Retirement benefit obligations paid                              | <u>(2,348,898)</u>   | <u>(1,694,113)</u>   | <u>-</u>            | <u>-</u>            |
| Net Cash From/(Used In) Operating Activities                     | <u>204,613,304</u>   | <u>114,963,745</u>   | <u>(12,384,644)</u> | <u>(21,296,018)</u> |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                   |                      |                      |                     |                     |
| Advances to subsidiaries                                         | -                    | -                    | (80,702,344)        | (13,803,369)        |
| Acquisition of shares in a subsidiary - net of cash (Note 16(c)) | -                    | (16,996,817)         | -                   | -                   |
| Acquisition of other investment                                  | (377,147)            | (920,908)            | -                   | -                   |
| Acquisition of property, plant and equipment                     | (16,074,419)         | (24,932,937)         | -                   | -                   |
| Additions to land held for property development                  | (12,706,595)         | (35,481,623)         | -                   | -                   |
| Deposit paid for acquisition of a subsidiary                     | (4,208,165)          | -                    | -                   | -                   |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                                                                          | <b>The Group</b>    |                      | <b>The Company</b>  |                    |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|---------------------|--------------------|
|                                                                                                                          | <b>2025</b>         | <b>2024</b>          | <b>2025</b>         | <b>2024</b>        |
|                                                                                                                          | <b>RM</b>           | <b>RM</b>            | <b>RM</b>           | <b>RM</b>          |
| Deposits and consideration paid for the acquisition of development lands through joint venture classified as prepayments | (36,293,921)        | (58,506,636)         | -                   | -                  |
| Deposits paid for the acquisition of development land                                                                    | (29,102,500)        | -                    | -                   | -                  |
| Dividends received from:                                                                                                 |                     |                      |                     |                    |
| Subsidiaries                                                                                                             | -                   | -                    | 68,339,501          | 9,370,400          |
| Other investment                                                                                                         | 31,518              | 18,004               | -                   | -                  |
| Withdrawal/(Placement) of term deposits                                                                                  | 3,577,500           | (290,626)            | -                   | -                  |
| Proceeds from disposal of:                                                                                               |                     |                      |                     |                    |
| Other investment                                                                                                         | 324,449             | 736,586              | -                   | -                  |
| Property, plant and equipment                                                                                            | 56,651              | 31,380               | -                   | -                  |
| Proceed from capital reduction from subsidiaries                                                                         | -                   | -                    | -                   | 1,300,000          |
| <b>Net Cash Used In Investing Activities</b>                                                                             | <b>(94,772,629)</b> | <b>(136,343,577)</b> | <b>(12,362,843)</b> | <b>(3,132,969)</b> |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>                                                                    |                     |                      |                     |                    |
| Dividends paid to non-controlling interests                                                                              | (18,215,587)        | (10,632,377)         | -                   | -                  |
| Dividends paid                                                                                                           | (23,087,315)        | (23,096,635)         | (23,087,315)        | (23,096,635)       |
| Drawdowns of bridging loan                                                                                               | 10,234,169          | 18,393,056           | -                   | -                  |
| Drawdowns of revolving credits                                                                                           | 97,900,000          | 343,859,985          | 184,600,000         | 267,553,425        |
| Drawdowns of term loans                                                                                                  | 28,002,100          | 22,115,172           | -                   | -                  |
| Payments of hire-purchase liabilities                                                                                    | (802,843)           | (741,851)            | -                   | -                  |
| Payments of lease liability                                                                                              | (575,000)           | (575,000)            | -                   | -                  |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                                   | <b>The Group</b>          |                           | <b>The Company</b>    |                         |
|-----------------------------------------------------------------------------------|---------------------------|---------------------------|-----------------------|-------------------------|
|                                                                                   | <b>2025</b>               | <b>2024</b>               | <b>2025</b>           | <b>2024</b>             |
|                                                                                   | <b>RM</b>                 | <b>RM</b>                 | <b>RM</b>             | <b>RM</b>               |
| Net proceeds from issuance of shares by subsidiaries to non-controlling interests | -                         | 130,891,344               | -                     | -                       |
| Repayments of revolving credits                                                   | (51,436,560)              | (267,150,000)             | (136,000,000)         | (220,700,000)           |
| Repayments of term loans                                                          | (31,243,230)              | (36,682,128)              | -                     | -                       |
| Shares buy back                                                                   | (554,427)                 | (27,512)                  | (554,427)             | (27,512)                |
| Shares buy back by a subsidiary                                                   | <u>(3,398,944)</u>        | <u>(1,125,681)</u>        | <u>-</u>              | <u>-</u>                |
| Net Cash From Financing Activities                                                | <u>6,822,363</u>          | <u>175,228,373</u>        | <u>24,958,258</u>     | <u>23,729,278</u>       |
| <b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                      | <b>116,663,038</b>        | <b>153,848,541</b>        | <b>210,771</b>        | <b>(699,709)</b>        |
| Effect of exchange rate fluctuations                                              | (15,632,386)              | (5,940,111)               | -                     | -                       |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>               | <u><b>497,816,686</b></u> | <u><b>349,908,256</b></u> | <u><b>717,034</b></u> | <u><b>1,416,743</b></u> |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note (i))</b>          | <u><b>598,847,338</b></u> | <u><b>497,816,686</b></u> | <u><b>927,805</b></u> | <u><b>717,034</b></u>   |

(Forward)



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**Note (i)**
**Cash and cash equivalents**

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

|                                                | <b>The Group</b> |             | <b>The Company</b> |             |
|------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| <b>Continuing operations</b>                   |                  |             |                    |             |
| Term deposits                                  | 4,530,000        | 12,637,700  | -                  | -           |
| Cash and bank balances                         | 255,642,049      | 241,736,738 | 927,805            | 4,667,496   |
| Cash held under housing development accounts   | 132,488,408      | 99,934,102  | -                  | -           |
| Short-term placements                          | 204,802,121      | 154,218,308 | -                  | -           |
|                                                | 597,462,578      | 508,526,848 | 927,805            | 4,667,496   |
| Less:                                          |                  |             |                    |             |
| Bank overdrafts                                | -                | (3,950,462) | -                  | (3,950,462) |
| Non short-term and highly liquid term deposits | (2,000,000)      | (6,759,700) | -                  | -           |
| Restricted cash                                | (1,182,200)      | -           | -                  | -           |
|                                                | 594,280,378      | 497,816,686 | 927,805            | 717,034     |
| <b>Discontinued operation</b>                  |                  |             |                    |             |
| Cash and bank balances                         | 1,518,119        | -           | -                  | -           |
| Short-term placements                          | 3,048,841        | -           | -                  | -           |
|                                                | 4,566,960        | -           | -                  | -           |
|                                                | 598,847,338      | 497,816,686 | 927,805            | 717,034     |

**Note (ii)**
**Acquisition of property, plant and equipment**

During the financial year, the Group acquired property, plant and equipment by the following means:

|                           | <b>The Group</b> |             |
|---------------------------|------------------|-------------|
|                           | <b>2025</b>      | <b>2024</b> |
|                           | <b>RM</b>        | <b>RM</b>   |
| Hire-purchase arrangement | 674,000          | 413,000     |
| Cash payments             | 16,074,419       | 24,932,937  |
|                           | 16,748,419       | 25,345,937  |



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

## Reconciliation of liabilities arising from financing activities

|                           | As at<br>1.10.2024<br>RM | Financing<br>cash flows<br>RM | Acquisition of<br>property, plant<br>and equipment by<br>hire-purchase<br>arrangement<br>RM | Non-cash<br>changes<br>(Note 6)<br>RM | As at<br>30.9.2025<br>RM |
|---------------------------|--------------------------|-------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------|--------------------------|
| <b>The Group</b>          |                          |                               |                                                                                             |                                       |                          |
| Term loans                | 23,601,791               | (3,241,130)                   | -                                                                                           | -                                     | 20,360,661               |
| Bridging loan             | 22,812,479               | 10,234,169                    | -                                                                                           | -                                     | 33,046,648               |
| Revolving credits         | 381,526,985              | 46,463,440                    | -                                                                                           | -                                     | 427,990,425              |
| Hire-purchase liabilities | 2,438,691                | (802,843)                     | 674,000                                                                                     | -                                     | 2,309,848                |
| Lease liability           | 19,996,101               | (575,000)                     | -                                                                                           | 901,824                               | 20,322,925               |
|                           | <u>450,376,047</u>       | <u>52,078,636</u>             | <u>674,000</u>                                                                              | <u>901,824</u>                        | <u>504,030,507</u>       |
| <b>The Company</b>        |                          |                               |                                                                                             |                                       |                          |
| Revolving credits         | <u>171,953,425</u>       | <u>48,600,000</u>             | <u>-</u>                                                                                    | <u>-</u>                              | <u>220,553,425</u>       |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

|                           | As at<br>1.10.2023<br>RM | Financing<br>cash flows<br>RM | Acquisition of<br>property, plant<br>and equipment<br>by hire-purchase<br>arrangement<br>RM | Non-cash<br>changes<br>(Note 6)<br>RM | Effect of<br>movements<br>in exchange<br>rate<br>RM | As at<br>30.9.2024<br>RM |
|---------------------------|--------------------------|-------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------|--------------------------|
| <b>The Group</b>          |                          |                               |                                                                                             |                                       |                                                     |                          |
| Term loans                | 38,197,296               | (14,566,956)                  | -                                                                                           | -                                     | (28,549)                                            | 23,601,791               |
| Bridging loan             | 4,419,423                | 18,393,056                    | -                                                                                           | -                                     | -                                                   | 22,812,479               |
| Revolving credits         | 304,817,000              | 76,709,985                    | -                                                                                           | -                                     | -                                                   | 381,526,985              |
| Hire-purchase liabilities | 2,767,542                | (741,851)                     | 413,000                                                                                     | -                                     | -                                                   | 2,438,691                |
| Lease liability           | 19,683,381               | (575,000)                     | -                                                                                           | 887,720                               | -                                                   | 19,996,101               |
|                           | <u>369,884,642</u>       | <u>79,219,234</u>             | <u>413,000</u>                                                                              | <u>887,720</u>                        | <u>(28,549)</u>                                     | <u>450,376,047</u>       |
| <b>The Company</b>        |                          |                               |                                                                                             |                                       |                                                     |                          |
| Revolving credits         | <u>125,100,000</u>       | <u>46,853,425</u>             | <u>-</u>                                                                                    | <u>-</u>                              | <u>-</u>                                            | <u>171,953,425</u>       |

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

**MKH BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

**1. GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and providing management services.

The information on the name, country of incorporation, principal activities, and percentage of issued share capital held by the Company in each of the subsidiaries are as disclosed in Note 16.

The registered office of the Company is located at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The principal place of business of the Company is located at 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 23 December 2025.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis except as otherwise stated in the financial statements.

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The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

**Adoption of New and Amendments to MFRSs**

In the current financial year, the Group and the Company have adopted all the new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual financial periods beginning on or after 1 October 2024 as follows:

**Amendments to:**

|                        |                                                         |
|------------------------|---------------------------------------------------------|
| MFRS 7 and<br>MFRS 107 | Supplier Finance Arrangements                           |
| MFRS 16                | Lease Liability in a Sale and Leaseback                 |
| MFRS 101               | Classification of Liabilities as Current or Non-current |
| MFRS 101               | Non-current Liabilities with Covenants                  |

The adoption of these new and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company, and has no significant effect on the financial performance or position of the Group and of the Company.

**New and Amendments to MFRS in Issue But Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

|                      |                                                                                                                                                                                                  |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MFRS 18              | Presentation and Disclosure in Financial Statements <sup>3</sup>                                                                                                                                 |
| MFRS 19              | Subsidiaries without Public Accountability: Disclosure <sup>3</sup>                                                                                                                              |
| Amendments to:       |                                                                                                                                                                                                  |
| MFRS 7 and<br>MFRS 9 | Contracts Referencing Nature-dependent Electricity <sup>2</sup>                                                                                                                                  |
| MFRS 9 and<br>MFRS 7 | Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> ) <sup>2</sup> |

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|                      |                                                                                                    |
|----------------------|----------------------------------------------------------------------------------------------------|
| MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup> |
| MFRS 19              | Subsidiaries without Public Accountability: Disclosures <sup>3</sup>                               |
| MFRS 121             | Lack of Exchangeability <sup>1</sup>                                                               |
| MFRSs                | Annual improvements to MFRS Accounting Standards - Volume 11 <sup>2</sup>                          |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginnings on or after 1 January 2027, with earlier application permitted.

<sup>4</sup> Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned new and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective. The adoption of these new and amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effects from the adoption of the said new and amendments to MFRSs until the Group and the Company undertake a detailed review.

**(b) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

**(c) Significant accounting estimates and judgements**

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following paragraphs:

- (i) Revenue and cost of sales recognition (Notes 4 and 5) - revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.



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The Group recognises revenue from property development over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation, based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

As at 30 September 2025, the Group recognised revenue of RM434,749,024 (2024: RM566,469,922) and cost of RM340,923,769 (2024: RM442,731,400) respectively arising from the property development activities over time using the cost-based input method.

- (ii) Tax expense (Note 8) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the tax expense. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known. As such, significant judgement is required in determining the tax litigation status in Indonesia as a tax refund may be recognised when it is probable that an inflow of economic benefits will be received by the Group.
- (iii) Valuation of land and buildings (Note 11) - the valuation of land and buildings performed by management is based on independent professional valuations with reference to:
  - Direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and when necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences; and
  - Cost method of valuation, being assumed to have a direct relationship with its cost of construction, which is then adjusted to allow for cost of finance, profit, physical, functional, economic obsolescence and demand to reflect its probable present market value.

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Management believes that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's and of the Company's land and buildings.

- (iv) Impairment of property, plant and equipment (Note 11) - the Group and the Company assess impairment of property, plant and equipment when there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies. In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU such as discount rate, revenue growth and costs of sales could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and results.
- (v) Depreciation of property, plant and equipment (Note 11) - the cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives and lease term respectively. Management estimates the useful lives of these property, plant and equipment to be within 4 to 99 years (2024: 4 to 99 years) based on past experience with similar assets or/and common life expectancies of the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation or amortisation charges. Depreciation of bearer plants is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years (2024: 20 years) or over the lease period, whichever is shorter.
- (vi) Fair values of investment properties (Note 15) - the measurement of the fair values for investment properties performed by management is based on independent professional valuations with reference to:
  - direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences;
  - investment method, being the projected net income and other benefits that the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property; and

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- cost method of valuation, being assumed to have a direct relationship with its cost of construction, which is then adjusted to allow for cost of finance, profit, physical, functional, economic obsolescence and demand to reflect its profitable present market value.

Management believes that the chosen valuation techniques and assumptions are appropriate in determining the fair values of the Group's investment properties.

(vii) Impairment of investment in subsidiaries

Management reviews the investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by using the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. Significant estimation has been applied in determining the key assumptions used in the cash flow projections, which includes the revenue growth rates, discount rate and terminal year growth rate. Impairment losses are recognised when the carrying amount of the investment in subsidiaries exceed their recoverable amount.

The details of the carrying amount of the investment in subsidiaries of the Company are disclosed in Note 16.

(viii) Deferred tax assets (Note 20) - deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances based on the projected future taxable profits of the Group to the extent that is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.

(ix) Impairment loss on receivables (Note 21) - the Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. The Group uses a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit loss ("ECL") for trade receivables, contract assets and loan receivables.



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- (x) Inventories (Note 23) - the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.
- (xi) Fair values of biological assets (Note 26) - to arrive at the fair value of fresh fruit bunches ("FFB"), the management considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest to be negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flows to be generated.
- (xii) Provision of post-employment benefit obligations (Note 30) - the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, future salary increase, mortality rates, resignation rate, disability rate and normal retirement age. As such, this estimated provision amount is subject to significant uncertainty.
- (xiii) Liquidated ascertained damages in relation to the construction of KTM Komuter Station (Note 30(c)) – significant estimate is required in determining the potential liquidated ascertained damages. This estimate is based on the correspondences received, and updates on the legal assessment status from time to time. The details of provision are disclosed in Note 30(c).

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**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group and by the Company, unless otherwise stated.

**(a) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**(b) Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences accumulated in equity at the date of disposal of the subsidiary is reclassified to the consolidated profit or loss.

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**(c) Investment in subsidiaries**

Investment in subsidiaries which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

**(d) Investment in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

**(e) Revenue recognition**

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

**(i) Development properties**

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation, based on cost-input method is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

**(ii) Sales of completed properties**

Revenue from sales of completed properties is recognised at a point in time upon the finalisation of sale and purchase agreements and when the control of the properties has been passed to the customers.

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(iii) **Sales of goods**

Revenue from sales of goods, crude palm oil, crude palm kernel oil and palm kernel is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised by the Group at a point in time when control of the goods underlying the performance obligation is transferred to the buyers.

(iv) **Services**

Revenue from services is recognised as and when services are rendered.

(v) **Rental income**

Rental income is recognised on a straight-line basis over the lease terms.

(vi) **Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

Interest income from term loan is recognised on an accrual basis and calculated on a monthly rest basis.

(vii) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

(viii) **Income from short-term placement**

Income from short-term placement is recognised when the right to receive payment is established.

(f) **Borrowing costs**

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.



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The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or completed.

**(g) Leases**

**(i) The Group as lessee**

**(a) Recognition and initial measurement**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and to remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**(b) Subsequent measurement**

The right-of-use asset is subsequently measured at cost, less accumulated depreciation and impairment loss (if any) in accordance with MFRS 136. The right-of-use asset is depreciated on a straight-line basis over the asset's remaining useful life.

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**(ii) The Group as lessor**

Leases in which the Group do not transfer substantially all the risk and benefits of ownership of an asset are classified as operating assets. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased assets and recognised over the lease term.

**Determination of lease term**

In determining the lease term upon the lease commencement, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise a termination option.

**(h) Taxes**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle the current tax assets and current tax liabilities on a net basis.

**(i) Property, plant and equipment**

**(i) Recognition and measurement**

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any, except for long-term leasehold land, freehold land and buildings.

Freehold land stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any.

Long-term leasehold land and buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its land and building every five years from the last date of valuation or at shorter intervals whenever the fair values of the said assets is expected to differ substantially from their carrying amounts.

Surplus arising from revaluation are transferred to revaluation reserve. Any deficits are offset against the previously recognised revaluation surplus to the extent of a previous increase for the same property and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any unutilised revaluation reserve relating to the particular asset is transferred to retained earnings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of the property, plant and equipment are recognised in profit or loss as incurred.



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(iii) **Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and the principal annual rates are as follows:

|                                     |                                               |
|-------------------------------------|-----------------------------------------------|
| Long-term leasehold land            | Over lease period of 78 to 99 years           |
| Buildings                           | 2% to 12.5%                                   |
| Motor vehicles, plant and machinery | 5% to 20%                                     |
| Furniture, fittings and equipment   | 10% to 25%                                    |
| Plantation infrastructure           | 12.5%                                         |
| Bearer plants                       | 20 years, or over the lease period if shorter |

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until these assets are ready for their intended use.

Bearer plants are classified as immature until it is available for harvest. At that point, bearer plants are measured at amortised cost and depreciated over their useful life.

The residual values useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(j) **Property, plant and equipment under hire-purchase arrangement**

Property, plant and equipment acquired under hire-purchase arrangement are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase obligations.

(k) **Prepaid lease payments**

The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments that are stated at cost less accumulated amortisation, are amortised over the lease term on a straight-line basis, except for leasehold land classified as investment property.

(l) **Intangible assets**

(i) **Goodwill**

Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

(ii) **Other intangible assets**

Other intangible assets acquired by the Group are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are finite and amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful lives are reviewed at least at each reporting date.

(m) **Biological assets**

Biological assets comprise produce growing on bearer plants. Biological assets are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

(n) **Investment properties**

Investment properties are properties which are owned or are held to earn rental income or for capital appreciation or for both. Properties that are occupied by the companies within the Group are accounted for as owner's occupied rather than as investment properties.

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All investment properties are measured initially and subsequently at fair value with any change therein recognised in profit or loss.

A property interest under an operating lease is classified and is accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

**(o) Land held for property development**

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) where development activities have commenced and where the development activities can be completed within the normal operating cycle.

**(p) Property development costs**

Property development costs are determined on a specific identification basis. Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that meet the definition of inventories are recognised as an asset and stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development costs of unsold unit is transferred to completed development unit once the development is completed.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

**(q) Inventories**

**(i) Completed properties**

Inventories are valued at the lower of cost and net realisable value. The cost of completed development properties is determined based on the specific identification basis and includes land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(ii) Crude palm oil, crude palm kernel oil and palm kernel**

Crude palm oil, crude palm kernel oil and palm kernel include direct labour, an appropriate share of production overheads and the fair value attributable to agriculture produce at year end in accordance with MFRS 141 *Agriculture*. The fair values of biological assets harvested from the Group's plantation and sold during the year are recorded as part of the biological assets movements in Note 26 and as part of changes in fair values of biological assets in determining profit.

**(iii) Materials and goods**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the specific identification, first-in first-out and weighted average principles, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(r) Contract assets and contract liabilities**

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date. Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liability is recognised as revenue when the Group fulfills its obligation under the contracts.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**(s) Contract costs assets**

The Group recognises the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incurred to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. These contract costs assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

**(t) Non-current assets classified as held for sale**

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

**(u) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

**(v) Financial instruments**

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in profit or loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or a loss in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**(i) Financial assets**

| <b>Measurement category</b>                                              | <b>Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                | <b>Financial assets</b>                                                                   |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Financial assets at amortised cost                                       | Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. | Receivables and deposits (Note 21)<br><br>Cash, bank balances and term deposits (Note 27) |
| Financial assets measured at fair value through profit or loss ("FVTPL") | Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.                                                                                                                                                                                                                                            | Other investment (Note 18)<br><br>Short-term placements (Note 27)                         |

**Impairment of financial assets and contract assets**

An impairment loss is recognised in profit or loss based on expected credit losses ("ECL") at the end of each reporting period.

The Group and the Company apply the simplified approach to measure the impairment of trade receivables, contract assets and loan receivables at lifetime ECL. The ECL are estimated based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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For other financial assets such as loan receivables, other receivables and amount due from intercompany, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without due cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward looking information.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(ii) **Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Financial liabilities

| Measurement category                    | Criteria                                                                                                                                                  | Financial liabilities                                                                                  |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Financial liabilities at amortised cost | Financial liabilities are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. | Payables and accruals (Note 31)<br><br>Lease liability (Note 32)<br><br>Loans and borrowings (Note 33) |

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

**(w) Cash and cash equivalents**

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents are short-term and highly liquid investments and are readily convertible to cash with insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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**(x) Provisions**

Provisions are made when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the management's best estimate of the amount required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

At the reporting date, provisions are reviewed by the management and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

**(y) Treasury shares**

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable costs are classified as treasury shares and presented as deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

**(z) Contingent liabilities**

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

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**4. REVENUE**

|                                                                      | <b>The Group</b> |               | <b>The Company</b> |             |
|----------------------------------------------------------------------|------------------|---------------|--------------------|-------------|
|                                                                      | <b>2025</b>      | <b>2024</b>   | <b>2025</b>        | <b>2024</b> |
|                                                                      | <b>RM</b>        | <b>RM</b>     | <b>RM</b>          | <b>RM</b>   |
| <b>Revenue from contracts with customers:</b>                        |                  |               |                    |             |
| Property development:                                                |                  |               |                    |             |
| Attributable revenue from sale of uncompleted development properties | 434,749,024      | 566,469,922   | -                  | -           |
| Attributable revenue from sale of completed development properties   | 31,066,862       | 12,834,829    | -                  | -           |
|                                                                      | 465,815,886      | 579,304,751   | -                  | -           |
| Sales of goods                                                       | 80,675,468       | 89,891,092    | -                  | -           |
| Sales of crude palm oil, crude palm kernel oil and palm kernel       | 363,189,716      | 352,217,484   | -                  | -           |
| Revenue from hotel operations                                        | 4,817,608        | 4,770,271     | -                  | -           |
| Services rendered                                                    | 1,275,544        | 1,640,448     | -                  | -           |
| Sale of land held for property development                           | 2,627,388        | -             | -                  | -           |
|                                                                      | 918,401,610      | 1,027,824,046 | -                  | -           |
| <b>Revenue from other sources:</b>                                   |                  |               |                    |             |
| Dividend income from subsidiaries                                    | -                | -             | 68,339,501         | 13,382,900  |
| Interest income from money lending                                   | 2,119,972        | 3,120,966     | -                  | -           |
| Other rental income                                                  | 146,392          | 44,573        | -                  | -           |
| Rental income from investment properties                             | 30,789,057       | 28,035,386    | -                  | -           |
|                                                                      | 951,457,031      | 1,059,024,971 | 68,339,501         | 13,382,900  |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Group revenue excludes intra-group transactions.

|                                      | <b>The Group</b>   |                      | <b>The Company</b> |             |
|--------------------------------------|--------------------|----------------------|--------------------|-------------|
|                                      | <b>2025</b>        | <b>2024</b>          | <b>2025</b>        | <b>2024</b> |
|                                      | <b>RM</b>          | <b>RM</b>            | <b>RM</b>          | <b>RM</b>   |
| <b>Timing of revenue recognition</b> |                    |                      |                    |             |
| Point in time                        | 483,652,586        | 461,354,124          | -                  | -           |
| Over time                            | 434,749,024        | 566,469,922          | -                  | -           |
|                                      | <u>918,401,610</u> | <u>1,027,824,046</u> | <u>-</u>           | <u>-</u>    |

Rental income from investment properties is generated from retail properties and an international school, with remaining non-cancellable lease period ranging from 1 year to 19 years (2024: 1 year to 15 years) under operating lease arrangement.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**5. COST OF SALES**

|                                                                               | <b>The Group</b>   |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                               | <b>2025</b>        | <b>2024</b>        |
|                                                                               | <b>RM</b>          | <b>RM</b>          |
| Attributable property development costs                                       | 340,923,769        | 442,731,400        |
| Attributable cost of completed development properties sold                    | 22,323,056         | 9,699,067          |
| Overprovision of property development costs for completed projects            | (32,824,789)       | (8,479,167)        |
| Direct operating expenses from investment properties generating rental income | 13,592,212         | 13,117,386         |
| Cost of goods sold                                                            | 76,340,362         | 85,045,823         |
| Cost of sales of crude palm oil, crude palm kernel oil and palm kernel        | 195,481,642        | 217,307,018        |
| Cost of services                                                              | 4,453,087          | 4,103,081          |
| Recognition of provision for foreseeable loss (Note 22)                       | 530,776            | 942,025            |
| Provision for liquidated ascertained damages (Note 30(c))                     | 7,043,677          | -                  |
|                                                                               | <u>627,863,792</u> | <u>764,466,633</u> |

During the financial year, total contract cost recognised by the Group as cost of sales in profit or loss amounting to RM15,312,031 (2024: RM18,531,279). Also, included in overprovision of property development costs, is an amount of RM28,042,524 (2024: RMNil) represents a reversal of provision of certain development costs no longer required in the township development.

**6. PROFIT BEFORE TAX**

|                                                        | <b>The Group</b> |             | <b>The Company</b> |             |
|--------------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                        | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                        | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| <b>Continuing operations</b>                           |                  |             |                    |             |
| <b>Profit before tax is arrived at after charging:</b> |                  |             |                    |             |
| Amortisation of prepaid lease payments                 | 1,387,767        | 1,397,824   | -                  | -           |
| Amortisation of intangible assets (Note 13.2)          | 1,124,554        | 1,166,138   | -                  | -           |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                                         | <b>The Group</b>  |                   | <b>The Company</b> |                  |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|--------------------|------------------|
|                                                                                         | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>      |
|                                                                                         | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>        |
| <b>Auditors' remuneration:</b>                                                          |                   |                   |                    |                  |
| Statutory audit                                                                         | 886,051           | 868,906           | 93,000             | 76,000           |
| Other services                                                                          | 58,000            | 72,000            | 18,000             | 17,000           |
| Bad debts written off                                                                   | 15,913            | 66,987            | -                  | -                |
| Changes in fair values of other investment (Note 18)                                    | 2,743             | 6,299             | -                  | -                |
| Deposit written off                                                                     | 143,560           | 6,500             | -                  | -                |
| <b>Depreciation of:</b>                                                                 |                   |                   |                    |                  |
| Property, plant and equipment                                                           | 36,174,173        | 36,265,345        | 13,409             | 13,409           |
| Right-of-use asset (Note 12)                                                            | 322,047           | 322,047           | -                  | -                |
| Land cost allocation expensed off (Note 19)                                             | 6,429,549         | -                 | -                  | -                |
| Development expenditure expensed off (Note 19)                                          | -                 | 1,090,931         | -                  | -                |
| Fair value losses arising on transfer of inventories to investment properties (Note 15) | -                 | 242,460           | -                  | -                |
| <b>Impairment loss on:</b>                                                              |                   |                   |                    |                  |
| Investment in subsidiaries (Note 16)                                                    | -                 | -                 | 8,378,372          | -                |
| Trade receivables (Note 21)                                                             | 204,552           | 93,090            | -                  | -                |
| Amount due from a subsidiary (Note 21)                                                  | -                 | -                 | 19,943             | -                |
| <b>Interest expense:</b>                                                                |                   |                   |                    |                  |
| Amount owing to a subsidiary (Note 37(c))                                               | -                 | -                 | 286,566            | -                |
| Amount owing to a landowner                                                             | -                 | 472,838           | -                  | -                |
| Former non-controlling interests (Note 37(d))                                           | 1,116,609         | 1,132,053         | -                  | -                |
| Lease liability                                                                         | 901,824           | 887,720           | -                  | -                |
| Loans and borrowings                                                                    | 24,023,332        | 21,492,947        | 9,776,041          | 8,416,155        |
| Unwinding of discount                                                                   | 3,846,352         | 3,420,015         | -                  | -                |
|                                                                                         | <u>29,888,117</u> | <u>27,405,573</u> | <u>10,062,607</u>  | <u>8,416,155</u> |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                             | <b>The Group</b> |             | <b>The Company</b> |             |
|-------------------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                             | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                             | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| Inventories written down                                    | 4,689,105        | 92,111      | -                  | -           |
| Inventories written off                                     | 360              | 10,947      | -                  | -           |
| Intangible assets written off (Note 13.2)                   | -                | 2,910,371   | -                  | -           |
| Net losses on foreign exchange:                             |                  |             |                    |             |
| Realised                                                    | 895,711          | 1,328,918   | -                  | 366         |
| Unrealised                                                  | 74,353           | 851,353     | -                  | -           |
| Personnel expenses (including key management personnel):    |                  |             |                    |             |
| Contributions to Employees' Provident Fund                  | 5,556,197        | 5,182,373   | -                  | -           |
| Provision for post-employment benefit obligations (Note 30) | 4,948,751        | 4,965,494   | -                  | -           |
| Wages, salaries and others                                  | 63,455,864       | 59,973,627  | 306,464            | 336,806     |
|                                                             | 73,960,812       | 70,121,494  | 306,464            | 336,806     |
| Property, plant and equipment written off                   | 888,187          | 801,030     | -                  | -           |
| Expenses relating to leases:                                |                  |             |                    |             |
| Short-term leases                                           | 362,368          | 330,681     | -                  | -           |
| Low-value assets                                            | 53,410           | 54,880      | -                  | -           |

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|                                                                             | <b>The Group</b> |             | <b>The Company</b> |             |
|-----------------------------------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                                             | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                                             | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| <b>And crediting:</b>                                                       |                  |             |                    |             |
| Changes in fair values of:                                                  |                  |             |                    |             |
| Biological assets (Note 26)                                                 | 2,362,091        | 2,848,371   | -                  | -           |
| Investment properties                                                       | 8,430,000        | 8,494,000   | -                  | -           |
| Dividend income from other investment                                       | 31,518           | 18,004      | -                  | -           |
| Gain on disposal of:                                                        |                  |             |                    |             |
| Other investment                                                            | 37,678           | 141,009     | -                  | -           |
| Property, plant and equipment                                               | 56,647           | 9,499       | -                  | -           |
| Impairment loss no longer required on:                                      |                  |             |                    |             |
| Loan receivables (Note 21)                                                  | 101,000          | 38,000      | -                  | -           |
| Trade receivables (Note 21)                                                 | 103,142          | 411,903     | -                  | -           |
| Other receivables (Note 21)                                                 | -                | 8,672       | -                  | -           |
| Interest income:                                                            |                  |             |                    |             |
| Advances to subsidiaries (Note 37(c))                                       | -                | -           | 681,544            | 1,220,275   |
| Bank balances, term deposits and short-term placements                      | 15,760,684       | 9,320,691   | 128,529            | 101,147     |
| Accretion of interest                                                       | 394,028          | 1,135,661   | -                  | -           |
|                                                                             | 16,154,712       | 10,456,352  | 810,073            | 1,321,422   |
| Realised gain on foreign exchange                                           | -                | -           | 53                 | -           |
| Rental income                                                               | 1,639,853        | 1,367,084   | -                  | -           |
| Reversal of impairment loss on revaluation of property, plant and equipment | 65,310           | -           | -                  | -           |

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**7. DIRECTORS' REMUNERATION**

|                                                     | <b>The Group</b>  |                   | <b>The Company</b> |                |
|-----------------------------------------------------|-------------------|-------------------|--------------------|----------------|
|                                                     | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>    |
|                                                     | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>      |
| <b>Directors of the Company</b>                     |                   |                   |                    |                |
| Executive Directors:                                |                   |                   |                    |                |
| Fees                                                | 730,000           | 730,000           | -                  | -              |
| Other emoluments                                    | 15,918,449        | 15,925,449        | -                  | -              |
|                                                     | <u>16,648,449</u> | <u>16,655,449</u> | <u>-</u>           | <u>-</u>       |
| Non-Executive Directors:                            |                   |                   |                    |                |
| Fees                                                | 240,000           | 240,000           | 240,000            | 240,000        |
| Other emoluments                                    | 55,000            | 65,000            | 55,000             | 65,000         |
|                                                     | <u>295,000</u>    | <u>305,000</u>    | <u>295,000</u>     | <u>305,000</u> |
|                                                     | 16,943,449        | 16,960,449        | 295,000            | 305,000        |
| <b>Directors of subsidiaries</b>                    |                   |                   |                    |                |
| Directors:                                          |                   |                   |                    |                |
| Fees                                                | 310,000           | 240,000           | -                  | -              |
| Other emoluments                                    | 7,412,099         | 5,912,445         | -                  | -              |
|                                                     | <u>7,722,099</u>  | <u>6,152,445</u>  | <u>-</u>           | <u>-</u>       |
|                                                     | 24,665,548        | 23,112,894        | 295,000            | 305,000        |
| <b>Estimated monetary value of benefits-in-kind</b> |                   |                   |                    |                |
| Directors of the Company                            |                   |                   |                    |                |
| - Executive Directors                               | 80,976            | 80,457            | -                  | -              |
| Directors of subsidiaries                           | 158,444           | 140,429           | -                  | -              |
|                                                     | <u>239,420</u>    | <u>220,886</u>    | <u>-</u>           | <u>-</u>       |
|                                                     | <u>24,904,968</u> | <u>23,333,780</u> | <u>295,000</u>     | <u>305,000</u> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**8. TAX EXPENSE**

|                                                   | <b>The Group</b>  |                   | <b>The Company</b> |                |
|---------------------------------------------------|-------------------|-------------------|--------------------|----------------|
|                                                   | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>    |
|                                                   | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>      |
| <b>Continuing operations:</b>                     |                   |                   |                    |                |
| <b>Current tax</b>                                |                   |                   |                    |                |
| Malaysia:                                         |                   |                   |                    |                |
| Current financial year                            | 22,662,142        | 21,726,569        | 364,300            | 218,900        |
| Under/(Over) provision in prior financial year    | 3,498,257         | 697,396           | 24,435             | (1,334)        |
| Overseas:                                         |                   |                   |                    |                |
| Current financial year                            | 24,358,991        | 18,781,488        | -                  | -              |
| Under provision in prior financial year           | 1,137,227         | 722,678           | -                  | -              |
|                                                   | <u>51,656,617</u> | <u>41,928,131</u> | <u>388,735</u>     | <u>217,566</u> |
| <b>Deferred tax (Note 20):</b>                    |                   |                   |                    |                |
| Origination and reversal of temporary differences | 1,957,620         | 3,033,796         | -                  | -              |
| Under/(Over) provision in prior financial year    | 87,500            | (2,409,246)       | -                  | -              |
|                                                   | <u>2,045,120</u>  | <u>624,550</u>    | <u>-</u>           | <u>-</u>       |
| <b>Tax expenses from continuing operations</b>    | <u>53,701,737</u> | <u>42,552,681</u> | <u>388,735</u>     | <u>217,566</u> |

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|                                                                              | <b>The Group</b> |             | <b>The Company</b> |             |
|------------------------------------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                                              | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                                              | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| <b>Discontinued operation:</b>                                               |                  |             |                    |             |
| Current financial year                                                       | 206,206          | 397,973     | -                  | -           |
| Origination and reversal<br>of temporary differences<br>(Note 20)            | -                | (191,095)   | -                  | -           |
| Tax expenses from<br>discontinued operation<br>(Note 9)                      | 206,206          | 206,878     | -                  | -           |
| Total tax expenses<br>recognised in profit or<br>loss                        | 53,907,943       | 42,759,559  | 388,735            | 217,566     |
| <b>Deferred tax related to<br/>other comprehensive<br/>income (Note 20):</b> |                  |             |                    |             |
| Remeasurement gain on<br>defined benefit plans                               | 49,996           | 239,304     | -                  | -           |
| Revaluation surplus of<br>land and buildings                                 | 3,146,231        | -           | 38,791             | -           |
|                                                                              | 3,196,227        | 239,304     | 38,791             | -           |

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A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

|                                                                            | <b>The Group</b>   |                    | <b>The Company</b> |                  |
|----------------------------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
|                                                                            | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>      |
|                                                                            | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>        |
| Profit before tax from continuing operations                               | 165,479,953        | 143,833,204        | 47,524,687         | 2,126,557        |
| Profit before tax from discontinued operation                              | 1,290,972          | 827,884            | -                  | -                |
| Profit before tax                                                          | <u>166,770,925</u> | <u>144,661,088</u> | <u>47,524,687</u>  | <u>2,126,557</u> |
| Tax calculated using Malaysian tax rate of 24% (2024: 24%)                 | 40,025,000         | 34,718,700         | 11,406,000         | 510,400          |
| Tax effects of:                                                            |                    |                    |                    |                  |
| Non-deductible expenses                                                    | 15,542,265         | 9,118,870          | 5,359,780          | 2,920,396        |
| Non-taxable income                                                         | (2,623,867)        | (3,003,622)        | (16,401,480)       | (3,211,896)      |
| Share of results of associates                                             | (2,876,765)        | (994,195)          | -                  | -                |
| Effect of difference in Real Property Gains Tax rate                       | (901,000)          | (960,340)          | -                  | -                |
| Effect of difference in overseas tax rate:                                 |                    |                    |                    |                  |
| The People's Republic of China                                             | 12,900             | 8,300              | -                  | -                |
| Republic of Indonesia                                                      | (1,995,763)        | (1,496,880)        | -                  | -                |
| Deferred tax assets not recognised                                         | 10,150,989         | 10,951,520         | -                  | -                |
| Realisation of deferred tax assets not recognised in prior financial years | (8,148,800)        | (4,593,622)        | -                  | -                |
| Under/(Over) provision in prior financial year:                            |                    |                    |                    |                  |
| Current tax                                                                | 4,635,484          | 1,420,074          | 24,435             | (1,334)          |
| Deferred tax                                                               | <u>87,500</u>      | <u>(2,409,246)</u> | <u>-</u>           | <u>-</u>         |
| Tax expense                                                                | <u>53,907,943</u>  | <u>42,759,559</u>  | <u>388,735</u>     | <u>217,566</u>   |

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As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As at 30 September 2025, the estimated amount of deductible temporary differences, unused tax losses and unused tax credits, for which the net deferred tax assets are not recognised in the financial statements due to uncertainty of realisation, are as follows:

|                               | <b>The Group</b>   |                    |
|-------------------------------|--------------------|--------------------|
|                               | <b>2025</b>        | <b>2024</b>        |
|                               | <b>RM</b>          | <b>RM</b>          |
| Unused tax losses             | 82,161,638         | 63,915,565         |
| Unabsorbed capital allowances | 78,290             | 85,659             |
| Other temporary differences   | <u>269,015,794</u> | <u>279,963,153</u> |
|                               | <u>351,255,722</u> | <u>343,964,377</u> |

Unused tax losses and expiry date of the Group, for which no deferred tax asset has been recognised, are as follows:

| <b>Business loss incurred<br/>in year of assessment<br/>("YA")</b> | <b>2025<br/>RM</b> | <b>Carried forward<br/>up to YA</b> | <b>Unutilised amount will<br/>be disregarded in YA</b> |
|--------------------------------------------------------------------|--------------------|-------------------------------------|--------------------------------------------------------|
| 2018                                                               | 16,471,929         | 2028                                | 2029                                                   |
| 2019                                                               | 8,318,292          | 2029                                | 2030                                                   |
| 2020                                                               | 3,676,318          | 2030                                | 2031                                                   |
| 2021                                                               | 5,352,263          | 2031                                | 2032                                                   |
| 2022                                                               | 1,859,954          | 2032                                | 2033                                                   |
| 2023                                                               | 5,255,382          | 2033                                | 2034                                                   |
| 2024                                                               | 16,278,127         | 2034                                | 2035                                                   |
| 2025                                                               | <u>17,111,053</u>  | 2035                                | 2036                                                   |
|                                                                    | <u>74,323,318</u>  |                                     |                                                        |

Under the Indonesia tax regulations, the unused tax losses can be utilised within 5 years after the losses were incurred.

| <b>Business loss incurred<br/>in YA</b> | <b>2025<br/>RM</b> | <b>Carried forward<br/>up to YA</b> | <b>Unutilised amount will<br/>be disregarded in YA</b> |
|-----------------------------------------|--------------------|-------------------------------------|--------------------------------------------------------|
| 2023                                    | 2,956,900          | 2028                                | 2029                                                   |
| 2024                                    | 3,746,400          | 2029                                | 2030                                                   |
| 2025                                    | <u>1,135,020</u>   | 2030                                | 2031                                                   |
|                                         | <u>7,838,320</u>   |                                     |                                                        |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Tax Assessments YA2019

On 7 January 2021, PT Maju Kalimantan Hadapan ("PTMKH"), a subsidiary of the Company, received a Notice of Tax Overpaid Assessment from the Indonesia's Director General of Tax ("DGT") amounting to IDR29,816 million, equivalent to RM7.54 million for the year of assessment 2019.

On 1 April 2021, PTMKH filed an objection letter in reply to the above Notice of Tax Overpaid Assessment, as management are of the opinion, PTMKH should have tax refund amounting to IDR35,281 million, equivalent to RM8.92 million. DGT has restricted the claim on management fee incurred by PTMKH amounted to IDR21,855 million, equivalent to RM5.53 million which resulted in an additional tax liability of IDR5,464 million, equal to RM1.38 million. On 24 December 2021, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia.

On 18 March 2022, PTMKH filed an appeal to tax court in Jakarta, Indonesia. On 24 August 2022, PTMKH received a notice of tax hearing from Jakarta's tax court to attend the said tax appeal on 7 September 2022. The Jakarta's tax court had requested PTMKH to provide additional analysis and summary report for the tax assessment during the tax hearing on 7 September 2022, 5 October 2022, 9 November 2022, 7 December 2022, 25 January 2023, 22 February 2023, 29 March 2023 and 17 May 2023. As at to date, the Jakarta's tax court has yet to make a conclusion on PTMKH appeal to the abovementioned.

Tax Assessments YA2023

On 16 January 2025, PTMKH received a Notice of Tax Overpaid Assessment from DGT amounting to IDR2,720 million, equivalent to RM0.68 million for the year of assessment 2023.

On 16 April 2025, PTMKH filed an objection letter in reply to the above Notice of Tax Overpaid Assessment, as management is of the opinion that PTMKH should have tax refund amounting to IDR11,679 million, equivalent to RM2.95 million. DGT has restricted the claim on management fee and interest expense on amount due to a related company incurred by PTMKH amounted to IDR40,723 million, equivalent to RM10.30 million which resulted in an additional tax liability of IDR8,959 million, equivalent to RM2.27 million. On 28 October 2025, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia. PTMKH will further proceed to file appeal to tax court in Jakarta, Indonesia.

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defence against DGT's assessment for YA2019 and YA2023. Accordingly, the Group has not made any adjustments in respect of the tax assessment in the financial statements of the Group.



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**9. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

On 17 September 2025, the Company's wholly-owned subsidiary, Metro Kajang (Oversea) Sdn. Bhd. ("MKO"), has entered into a Share Transfer Agreement ("STA") with a third party, Kunshan Meiao New Energy Technology Co., Ltd. ("KMNET") for the proposed disposal of 100% equity interest in Vast Furniture Manufacturing (Kunshan) Co., Ltd. ("Vast Kunshan") for a total cash consideration as disclosed in Note 39(c). Vast Kunshan is grouped under manufacturing business segment and its factory lot is grouped under property investment segment. The decision to divest this business segment is in line with the Group's objective of disposing of its non-core businesses and focus on its core businesses in property development, property investment and oil palm plantation.

As at 30 September 2025, the assets and liabilities related to Vast Kunshan have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The results of Vast Kunshan are presented separately on the consolidated statement of comprehensive income as "Profit for the financial year from discontinued operation". The comparative consolidated statement of comprehensive income has also been re-presented to show the discontinued operation separately from the continuing operations.

**Statement of financial position disclosure**

The major classes of assets and liabilities of Vast Kunshan classified as held for sale and the related reserves as at 30 September 2025 are as follows:

|                                                           | <b>The Group<br/>RM</b> |
|-----------------------------------------------------------|-------------------------|
| <b>Assets</b>                                             |                         |
| Property, plant and equipment (Note 11)                   | 8,115,084               |
| Prepaid lease payments (Note 14)                          | 2,484,802               |
| Investment properties (Note 15)                           | 7,418,541               |
| Inventories                                               | 158,699                 |
| Receivables, deposits and prepayments                     | 1,064,366               |
| Cash, bank balances and short-term placements             | <u>4,566,960</u>        |
| Assets of disposal group classified as held for sale      | <u>23,808,452</u>       |
| <b>Liabilities</b>                                        |                         |
| Deferred tax liabilities (Note 20)                        | 2,686,555               |
| Payables and accruals                                     | 2,475,629               |
| Current tax liabilities                                   | <u>657</u>              |
| Liabilities of disposal group classified as held for sale | <u>5,162,841</u>        |
| Net assets of disposal group classified as held for sale  | <u>18,645,611</u>       |

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|                                                            | <b>The Group<br/>RM</b> |
|------------------------------------------------------------|-------------------------|
| <b>Reserves</b>                                            |                         |
| Translation reserve                                        | 2,030,740               |
| Revaluation reserve                                        | <u>6,055,054</u>        |
| <br>Reserves of disposal group classified as held for sale | <br><u>8,085,794</u>    |

Statement of profit or loss disclosure

The results of Vast Kunshan for the financial year ended 30 September are as follows:

|                               | <b>The Group<br/>2025<br/>RM</b> | <b>2024<br/>RM</b> |
|-------------------------------|----------------------------------|--------------------|
| Revenue                       | 1,812,901                        | 1,855,744          |
| Cost of sales                 | <u>(855,213)</u>                 | <u>(1,036,212)</u> |
| Gross profit                  | 957,688                          | 819,532            |
| Other income                  | 3,034,549                        | 2,028,701          |
| Sales and marketing expenses  | (49,279)                         | (65,629)           |
| Administrative expenses       | (1,611,326)                      | (813,391)          |
| Other expenses                | <u>(1,040,660)</u>               | <u>(1,141,329)</u> |
| Profit before tax             | 1,290,972                        | 827,884            |
| Tax expenses (Note 8)         | <u>(206,206)</u>                 | <u>(206,878)</u>   |
| Profit for the financial year | <u>1,084,766</u>                 | <u>621,006</u>     |

Profit before tax from discontinued operation is arrived at after (charging)/crediting:

|                                                                           | <b>The Group<br/>2025<br/>RM</b> | <b>2024<br/>RM</b> |
|---------------------------------------------------------------------------|----------------------------------|--------------------|
| Amortisation of prepaid lease payments                                    | (107,723)                        | (115,396)          |
| Auditors' remuneration – statutory audit                                  | (8,348)                          | (8,930)            |
| Changes in fair value of investment properties                            | -                                | (764,380)          |
| Depreciation of property, plant and equipment                             | (620,903)                        | (663,106)          |
| Loss on disposal of property, plant and equipment                         | -                                | (3,938)            |
| Interest income on bank balances, term deposits and short-term placements | 507,957                          | 363,831            |
| Net gains on foreign exchange – realised                                  | 10,178                           | 7,490              |
| Personnel expenses (including compensation) – wages, salaries and others  | (1,295,618)                      | (681,047)          |
| Property, plant and equipment written off                                 | (23,083)                         | -                  |
| Rental income                                                             | <u>2,269,273</u>                 | <u>2,420,470</u>   |

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Statement of cash flows disclosure

The cash flows attributable to Vast Kunshan are as follows:

|                                                | <b>The Group</b>    |                    |
|------------------------------------------------|---------------------|--------------------|
|                                                | <b>2025<br/>RM</b>  | <b>2024<br/>RM</b> |
| Operating                                      | 2,329,395           | 1,738,907          |
| Investing                                      | 6,759,700           | (324,293)          |
| Financing (representing dividends paid to MKO) | <u>(17,016,267)</u> | <u>-</u>           |
| Net cash (outflow)/inflow                      | <u>(7,927,172)</u>  | <u>1,414,614</u>   |

Segment results

|                       | <b>The Group</b>   |                    |
|-----------------------|--------------------|--------------------|
|                       | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| Revenue               |                    |                    |
| - Property investment | 1,206,752          | 1,241,865          |
| - Manufacturing       | <u>606,149</u>     | <u>613,879</u>     |
|                       | <u>1,812,901</u>   | <u>1,855,744</u>   |
| Profit before tax     |                    |                    |
| - Property investment | 853,261            | 794,251            |
| - Manufacturing       | <u>437,711</u>     | <u>33,633</u>      |
|                       | <u>1,290,972</u>   | <u>827,884</u>     |
| Profit for the year   |                    |                    |
| - Property investment | 639,946            | 578,452            |
| - Manufacturing       | <u>444,820</u>     | <u>42,554</u>      |
|                       | <u>1,084,766</u>   | <u>621,006</u>     |

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**10. EARNINGS AND NET ASSETS PER SHARE**
**Basic earnings per share**

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the parent by the weighted average number of ordinary shares in issue, net of weighted average number of treasury shares during the financial year.

Basic earnings per share are calculated as follows:

|                                                     | <b>The Group</b>   |                    |
|-----------------------------------------------------|--------------------|--------------------|
|                                                     | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| Profit attributable to owners of the parent:        |                    |                    |
| From continuing operations                          | 88,518,576         | 75,496,590         |
| From discontinued operation                         | <u>1,084,766</u>   | <u>621,006</u>     |
|                                                     | <u>89,603,342</u>  | <u>76,117,596</u>  |
| Weighted average number of ordinary shares in issue | 586,548,168        | 586,548,168        |
| Adjusted weighted average number of treasury shares | <u>(9,431,633)</u> | <u>(9,144,065)</u> |
| Weighted average number of ordinary shares in issue | <u>577,116,535</u> | <u>577,404,103</u> |
| Basic earnings per share (sen):                     |                    |                    |
| From continuing operations                          | 15.34              | 13.07              |
| From discontinued operation                         | <u>0.19</u>        | <u>0.11</u>        |
|                                                     | <u>15.53</u>       | <u>13.18</u>       |

**Diluted earnings per share**

The basic and diluted earnings per share are the same as the Group has no potential dilutive equity instruments.

**Net assets per share**

The net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date as disclosed in Note 28.

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## 11. PROPERTY, PLANT AND EQUIPMENT

| The Group<br>2025                                                                | Freehold<br>land<br>RM | Long-term<br>leasehold<br>land<br>RM | Buildings<br>RM | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>equipment<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Under<br>construction<br>RM | Total<br>RM  |
|----------------------------------------------------------------------------------|------------------------|--------------------------------------|-----------------|----------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------|-----------------------------|--------------|
| <b>Cost/Valuation</b>                                                            |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 1 October 2024                                                             | 12,880,000             | 6,400,000                            | 80,708,820      | 132,235,226                                        | 43,929,408                                    | 49,643,929                         | 318,761,360            | 17,874,647                  | 662,433,390  |
| Additions                                                                        | -                      | -                                    | 375,060         | 5,336,904                                          | 2,236,413                                     | 16,194                             | -                      | 8,783,848                   | 16,748,419   |
| Disposals                                                                        | -                      | -                                    | -               | (480,165)                                          | -                                             | -                                  | -                      | -                           | (480,165)    |
| Write-offs                                                                       | -                      | -                                    | (551,465)       | (5,603,004)                                        | (1,014,180)                                   | -                                  | -                      | -                           | (7,168,649)  |
| Reclassification                                                                 | -                      | -                                    | 2,720,423       | 16,538,248                                         | 1,632,282                                     | -                                  | -                      | (20,890,953)                | -            |
| Revaluation                                                                      | 635,000                | 500,000                              | 17,017,216      | -                                                  | -                                             | -                                  | -                      | -                           | 18,152,216   |
| Transfer to assets for<br>disposal group classified<br>as held for sale (Note 9) | -                      | -                                    | (10,022,188)    | (1,427,804)                                        | (605,155)                                     | -                                  | -                      | -                           | (12,055,147) |
| Effect of movements in<br>exchange rates                                         | -                      | -                                    | (3,606,470)     | (7,595,392)                                        | (680,539)                                     | (3,467,870)                        | (21,704,539)           | (1,150,674)                 | (38,205,484) |
| As at 30 September 2025                                                          | 13,515,000             | 6,900,000                            | 86,641,396      | 139,004,013                                        | 45,498,229                                    | 46,192,253                         | 297,056,821            | 4,616,868                   | 639,424,580  |

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| The Group<br>2025                                                                   | Freehold<br>land<br>RM | Long-term<br>leasehold<br>land<br>RM | Buildings<br>RM | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>equipment<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Under<br>construction<br>RM | Total<br>RM  |
|-------------------------------------------------------------------------------------|------------------------|--------------------------------------|-----------------|----------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------|-----------------------------|--------------|
| <b>Accumulated<br/>Depreciation</b>                                                 |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 1 October 2024                                                                | -                      | 372,368                              | 26,698,344      | 78,850,805                                         | 33,809,823                                    | 27,484,432                         | 158,713,886            | -                           | 325,929,658  |
| Charge for the<br>financial year                                                    | -                      | 93,092                               | 4,488,657       | 11,482,519                                         | 2,940,368                                     | 2,224,445                          | 15,565,995             | -                           | 36,795,076   |
| Disposals                                                                           | -                      | -                                    | -               | (480,161)                                          | -                                             | -                                  | -                      | -                           | (480,161)    |
| Write-offs                                                                          | -                      | -                                    | (361,346)       | (4,912,695)                                        | (983,338)                                     | -                                  | -                      | -                           | (6,257,379)  |
| Revaluation                                                                         | -                      | (465,460)                            | 4,323,682       | -                                                  | -                                             | -                                  | -                      | -                           | 3,858,222    |
| Transfer to assets for<br>disposal group<br>classified as held for sale<br>(Note 9) | -                      | -                                    | (2,196,804)     | (1,407,158)                                        | (336,101)                                     | -                                  | -                      | -                           | (3,940,063)  |
| Effect of movements in<br>exchange rates                                            | -                      | -                                    | (1,610,161)     | (5,444,960)                                        | (480,716)                                     | (1,932,979)                        | (11,491,228)           | -                           | (20,960,044) |
| As at 30 September 2025                                                             | -                      | -                                    | 31,342,372      | 78,088,350                                         | 34,950,036                                    | 27,775,898                         | 162,788,653            | -                           | 334,945,309  |
| <b>Net Carrying Amounts</b>                                                         |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 30 September 2025                                                             | 13,515,000             | 6,900,000                            | 55,299,024      | 60,915,663                                         | 10,548,193                                    | 18,416,355                         | 134,268,168            | 4,616,868                   | 304,479,271  |

(Forward)



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| The Group<br>2024                        | Freehold<br>land<br>RM | Long-term<br>leasehold<br>land<br>RM | Buildings<br>RM | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>equipment<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Under<br>construction<br>RM | Total<br>RM  |
|------------------------------------------|------------------------|--------------------------------------|-----------------|----------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------|-----------------------------|--------------|
| <b>Cost/Valuation</b>                    |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 1 October 2023                     | 12,880,000             | 6,400,000                            | 80,105,229      | 139,668,893                                        | 42,863,891                                    | 55,302,596                         | 355,316,374            | 14,737,831                  | 707,274,814  |
| Additions                                | -                      | -                                    | -               | 5,140,102                                          | 2,665,233                                     | -                                  | -                      | 17,540,602                  | 25,345,937   |
| Disposals                                | -                      | -                                    | -               | (209,904)                                          | (88,865)                                      | -                                  | -                      | -                           | (298,769)    |
| Write-offs                               | -                      | -                                    | (129,283)       | (4,616,524)                                        | (572,579)                                     | -                                  | -                      | -                           | (5,318,386)  |
| Reclassification                         | -                      | -                                    | 6,539,266       | 5,843,396                                          | 239,483                                       | 164,008                            | -                      | (12,786,153)                | -            |
| Effect of movements in<br>exchange rates | -                      | -                                    | (5,806,392)     | (13,590,737)                                       | (1,177,755)                                   | (5,822,675)                        | (36,555,014)           | (1,617,633)                 | (64,570,206) |
| As at 30 September<br>2024               | 12,880,000             | 6,400,000                            | 80,708,820      | 132,235,226                                        | 43,929,408                                    | 49,643,929                         | 318,761,360            | 17,874,647                  | 662,433,390  |
| <b>Accumulated<br/>Depreciation</b>      |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 1 October 2023                     | -                      | 279,276                              | 24,914,577      | 81,382,346                                         | 32,505,696                                    | 28,034,814                         | 159,133,708            | -                           | 326,250,417  |
| Charge for the<br>financial year         | -                      | 93,092                               | 4,412,773       | 10,173,072                                         | 2,741,402                                     | 2,433,956                          | 17,074,156             | -                           | 36,928,451   |
| Disposals                                | -                      | -                                    | -               | (203,366)                                          | (69,584)                                      | -                                  | -                      | -                           | (272,950)    |
| Write-offs                               | -                      | -                                    | (115,610)       | (3,868,306)                                        | (533,440)                                     | -                                  | -                      | -                           | (4,517,356)  |
| Effect of movements in<br>exchange rates | -                      | -                                    | (2,513,396)     | (8,632,941)                                        | (834,251)                                     | (2,984,338)                        | (17,493,978)           | -                           | (32,458,904) |
| As at 30 September<br>2024               | -                      | 372,368                              | 26,698,344      | 78,850,805                                         | 33,809,823                                    | 27,484,432                         | 158,713,886            | -                           | 325,929,658  |
| <b>Net Carrying<br/>Amounts</b>          |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |              |
| As at 30 September<br>2024               | 12,880,000             | 6,027,632                            | 54,010,476      | 53,384,421                                         | 10,119,585                                    | 22,159,497                         | 160,047,474            | 17,874,647                  | 336,503,732  |

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## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

The freehold and leasehold land and buildings stated at valuation were revalued by the directors in September 2025 based on independent professional valuation on the market value basis using the cost and direct comparison of valuation methods, except for commercial buildings located at oil palm plantation with carrying amounts (including current year additions) totalling RM9,528,794 (2024: RM13,098,687) were not revalued as at 30 September 2025. The directors are of the view that it is not practicable to fair value these commercial buildings as these are mainly staff quarters and amenities which were built on oil palm plantation for use by the plantation workers and there is a lack of active market for the buildings.

| The Group<br>2025                    | Freehold<br>land<br>RM | Long-term<br>leasehold<br>land<br>RM | Buildings<br>RM | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>equipment<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Under<br>construction<br>RM | Total<br>RM |
|--------------------------------------|------------------------|--------------------------------------|-----------------|----------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------|-----------------------------|-------------|
| Analysis of<br>Cost and<br>Valuation |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |             |
| At valuation -<br>2025               | 13,515,000             | 6,900,000                            | 45,770,230      | -                                                  | -                                             | -                                  | -                      | -                           | 66,185,230  |
| At cost                              | -                      | -                                    | 40,871,166      | 139,004,013                                        | 45,498,229                                    | 46,192,253                         | 297,056,821            | 4,616,868                   | 573,239,350 |
|                                      | 13,515,000             | 6,900,000                            | 86,641,396      | 139,004,013                                        | 45,498,229                                    | 46,192,253                         | 297,056,821            | 4,616,868                   | 639,424,580 |
| Net Carrying<br>Amounts              |                        |                                      |                 |                                                    |                                               |                                    |                        |                             |             |
| At valuation -<br>2025               | 13,515,000             | 6,900,000                            | 45,770,230      | -                                                  | -                                             | -                                  | -                      | -                           | 66,185,230  |
| At cost                              | -                      | -                                    | 9,528,794       | 60,915,663                                         | 10,548,193                                    | 18,416,355                         | 134,268,168            | 4,616,868                   | 238,294,041 |
|                                      | 13,515,000             | 6,900,000                            | 55,299,024      | 60,915,663                                         | 10,548,193                                    | 18,416,355                         | 134,268,168            | 4,616,868                   | 304,479,271 |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| The Group<br>2024                    | Freehold<br>land<br>RM | Long-term<br>leasehold<br>land<br>RM | Buildings<br>RM   | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fixtures and<br>equipment<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Under<br>construction<br>RM | Total<br>RM        |
|--------------------------------------|------------------------|--------------------------------------|-------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------|-----------------------------|--------------------|
| Analysis of<br>Cost and<br>Valuation |                        |                                      |                   |                                                    |                                               |                                    |                        |                             |                    |
| At valuation -<br>2020               | 12,880,000             | 6,400,000                            | 52,714,668        | -                                                  | -                                             | -                                  | -                      | -                           | 71,994,668         |
| At cost                              | -                      | -                                    | 27,994,152        | 132,235,226                                        | 43,929,408                                    | 49,643,929                         | 318,761,360            | 17,874,647                  | 590,438,722        |
|                                      | <u>12,880,000</u>      | <u>6,400,000</u>                     | <u>80,708,820</u> | <u>132,235,226</u>                                 | <u>43,929,408</u>                             | <u>49,643,929</u>                  | <u>318,761,360</u>     | <u>17,874,647</u>           | <u>662,433,390</u> |
| Net Carrying<br>Amounts              |                        |                                      |                   |                                                    |                                               |                                    |                        |                             |                    |
| At valuation -<br>2020               | 12,880,000             | 6,027,632                            | 40,911,789        | -                                                  | -                                             | -                                  | -                      | -                           | 59,819,421         |
| At cost                              | -                      | -                                    | 13,098,687        | 53,384,421                                         | 10,119,585                                    | 22,159,497                         | 160,047,474            | 17,874,647                  | 276,684,311        |
|                                      | <u>12,880,000</u>      | <u>6,027,632</u>                     | <u>54,010,476</u> | <u>53,384,421</u>                                  | <u>10,119,585</u>                             | <u>22,159,497</u>                  | <u>160,047,474</u>     | <u>17,874,647</u>           | <u>336,503,732</u> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

| <b>The Company</b>                         | <b>Freehold<br/>land<br/>RM</b> | <b>Buildings<br/>RM</b> | <b>Furniture,<br/>fittings and<br/>equipment<br/>RM</b> | <b>Total<br/>RM</b> |
|--------------------------------------------|---------------------------------|-------------------------|---------------------------------------------------------|---------------------|
| <b>2025</b>                                |                                 |                         |                                                         |                     |
| <b>Cost/Valuation</b>                      |                                 |                         |                                                         |                     |
| As at 1 October 2024                       | 640,000                         | 590,000                 | 30,094                                                  | 1,260,094           |
| Revaluation                                | <u>215,000</u>                  | <u>5,000</u>            | <u>-</u>                                                | <u>220,000</u>      |
| As at 30 September 2025                    | <u>855,000</u>                  | <u>595,000</u>          | <u>30,094</u>                                           | <u>1,480,094</u>    |
| <b>Accumulated<br/>Depreciation</b>        |                                 |                         |                                                         |                     |
| As at 1 October 2024                       | -                               | 53,636                  | 30,091                                                  | 83,727              |
| Charge for the financial year              | -                               | 13,409                  | -                                                       | 13,409              |
| Revaluation                                | <u>-</u>                        | <u>(67,045)</u>         | <u>-</u>                                                | <u>(67,045)</u>     |
| As at 30 September 2025                    | <u>-</u>                        | <u>-</u>                | <u>30,091</u>                                           | <u>30,091</u>       |
| <b>Net Carrying Amounts</b>                |                                 |                         |                                                         |                     |
| As at 30 September 2025                    | <u>855,000</u>                  | <u>595,000</u>          | <u>3</u>                                                | <u>1,450,003</u>    |
| <b>2024</b>                                |                                 |                         |                                                         |                     |
| <b>Cost/Valuation</b>                      |                                 |                         |                                                         |                     |
| As at 1 October 2023/<br>30 September 2024 | <u>640,000</u>                  | <u>590,000</u>          | <u>30,094</u>                                           | <u>1,260,094</u>    |
| <b>Accumulated<br/>Depreciation</b>        |                                 |                         |                                                         |                     |
| As at 1 October 2023                       | -                               | 40,227                  | 30,091                                                  | 70,318              |
| Charge for the financial year              | <u>-</u>                        | <u>13,409</u>           | <u>-</u>                                                | <u>13,409</u>       |
| As at 30 September 2024                    | <u>-</u>                        | <u>53,636</u>           | <u>30,091</u>                                           | <u>83,727</u>       |
| <b>Net Carrying Amounts</b>                |                                 |                         |                                                         |                     |
| As at 30 September 2024                    | <u>640,000</u>                  | <u>536,364</u>          | <u>3</u>                                                | <u>1,176,367</u>    |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

| <b>The Company</b>                        | <b>Freehold<br/>land<br/>RM</b> | <b>Buildings<br/>RM</b> | <b>Furniture,<br/>fittings and<br/>equipment<br/>RM</b> | <b>Total<br/>RM</b> |
|-------------------------------------------|---------------------------------|-------------------------|---------------------------------------------------------|---------------------|
| <b>2025</b>                               |                                 |                         |                                                         |                     |
| <b>Analysis of Cost and<br/>Valuation</b> |                                 |                         |                                                         |                     |
| At valuation - 2025                       | 855,000                         | 595,000                 | -                                                       | 1,450,000           |
| At cost                                   | -                               | -                       | 30,094                                                  | 30,094              |
|                                           | <u>855,000</u>                  | <u>595,000</u>          | <u>30,094</u>                                           | <u>1,480,094</u>    |
| <b>Net Carrying Amounts</b>               |                                 |                         |                                                         |                     |
| At valuation - 2025                       | 855,000                         | 595,000                 | -                                                       | 1,450,000           |
| At cost                                   | -                               | -                       | 3                                                       | 3                   |
|                                           | <u>855,000</u>                  | <u>595,000</u>          | <u>3</u>                                                | <u>1,450,003</u>    |
| <b>2024</b>                               |                                 |                         |                                                         |                     |
| <b>Analysis of Cost and<br/>Valuation</b> |                                 |                         |                                                         |                     |
| At valuation - 2020                       | 640,000                         | 590,000                 | -                                                       | 1,230,000           |
| At cost                                   | -                               | -                       | 30,094                                                  | 30,094              |
|                                           | <u>640,000</u>                  | <u>590,000</u>          | <u>30,094</u>                                           | <u>1,260,094</u>    |
| <b>Net Carrying Amounts</b>               |                                 |                         |                                                         |                     |
| At valuation - 2020                       | 640,000                         | 536,364                 | -                                                       | 1,176,364           |
| At cost                                   | -                               | -                       | 3                                                       | 3                   |
|                                           | <u>640,000</u>                  | <u>536,364</u>          | <u>3</u>                                                | <u>1,176,367</u>    |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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The net carrying amount of revalued assets had they been carried at cost would have been as follows:

|                          | <b>The Group</b>  |                   | <b>The Company</b> |                |
|--------------------------|-------------------|-------------------|--------------------|----------------|
|                          | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>    |
|                          | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>      |
| Freehold land            | 666,424           | 666,424           | 110,000            | 110,000        |
| Long-term leasehold land | 867,246           | 880,850           | -                  | -              |
| Buildings                | <u>24,101,005</u> | <u>28,537,856</u> | <u>310,500</u>     | <u>319,700</u> |
|                          | <u>25,634,675</u> | <u>30,085,130</u> | <u>420,500</u>     | <u>429,700</u> |

Included in the above property, plant and equipment are:

(a) Motor vehicles, plant and machinery analysed as follows:

| <b>The Group</b>         | <b>Motor vehicles</b> | <b>Plant and machinery</b> | <b>Total</b>        |
|--------------------------|-----------------------|----------------------------|---------------------|
|                          | <b>RM</b>             | <b>RM</b>                  | <b>RM</b>           |
| <b>2025</b>              |                       |                            |                     |
| Cost                     | 22,600,753            | 116,403,260                | 139,004,013         |
| Accumulated depreciation | <u>(15,637,438)</u>   | <u>(62,450,912)</u>        | <u>(78,088,350)</u> |
| Net Carrying Amounts     | <u>6,963,315</u>      | <u>53,952,348</u>          | <u>60,915,663</u>   |
| <b>2024</b>              |                       |                            |                     |
| Cost                     | 21,958,282            | 110,276,944                | 132,235,226         |
| Accumulated depreciation | <u>(15,459,922)</u>   | <u>(63,390,883)</u>        | <u>(78,850,805)</u> |
| Net Carrying Amounts     | <u>6,498,360</u>      | <u>46,886,061</u>          | <u>53,384,421</u>   |

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- (b) Property, plant and equipment pledged as security for credit facilities granted to certain subsidiaries as disclosed in Note 33 are as follows:

|                             | <b>The Group</b>   |                    |
|-----------------------------|--------------------|--------------------|
|                             | <b>2025</b>        | <b>2024</b>        |
|                             | <b>RM</b>          | <b>RM</b>          |
| <b>Cost/Valuation</b>       |                    |                    |
| Buildings                   | 21,100,000         | 20,500,000         |
| Bearer plants               | <u>229,286,711</u> | <u>246,881,896</u> |
|                             | <u>250,386,711</u> | <u>267,381,896</u> |
| <b>Net Carrying Amounts</b> |                    |                    |
| Buildings                   | 21,100,000         | 18,222,080         |
| Bearer plants               | <u>88,283,032</u>  | <u>107,879,741</u> |
|                             | <u>109,383,032</u> | <u>126,101,821</u> |

- (c) Motor vehicles under hire-purchase arrangements are as follows:

|                      | <b>The Group</b> |                  |
|----------------------|------------------|------------------|
|                      | <b>2025</b>      | <b>2024</b>      |
|                      | <b>RM</b>        | <b>RM</b>        |
| Cost                 | <u>5,408,432</u> | <u>4,527,802</u> |
| Net Carrying Amounts | <u>2,418,192</u> | <u>2,497,248</u> |

- (d) Bearer plants comprise oil palm trees.
- (e) Property, plant and equipment under construction are mainly immature bearer plants, construction of buildings, plant and machinery and plantation infrastructure in oil palm plantation.
- (f) The long-term leasehold land of the Group has remaining unexpired lease period of 64 years (2024: 65 years).

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**12. RIGHT-OF-USE ASSET**

|                                 | <b>The Group</b>  |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <b>2025</b>       | <b>2024</b>       |
|                                 | <b>RM</b>         | <b>RM</b>         |
| <b>Cost</b>                     |                   |                   |
| At beginning and end of year    | <u>18,410,370</u> | <u>18,410,370</u> |
| <b>Accumulated Depreciation</b> |                   |                   |
| At beginning of year            | 1,610,236         | 1,288,189         |
| Charge for the year (Note 6)    | <u>322,047</u>    | <u>322,047</u>    |
| At end of year                  | <u>1,932,283</u>  | <u>1,610,236</u>  |
| <b>Net Carrying Amount</b>      |                   |                   |
| At end of year                  | <u>16,478,087</u> | <u>16,800,134</u> |

The Group's lease comprises land leased from Perbadanan Aset Keretapi ("PAK") with remaining lease period of 51 years (2024: 52 years) for future construction of a retail mall. The maturity analysis of lease liability is presented in Note 32.

The total cash outflow for the payment of lease liabilities amounted to RM575,000 (2024: RM575,000).

Amount recognised in statement of profit or loss:

|                                              | <b>The Group</b> |               |
|----------------------------------------------|------------------|---------------|
|                                              | <b>2025</b>      | <b>2024</b>   |
|                                              | <b>RM</b>        | <b>RM</b>     |
| Depreciation of right-of-use asset (Note 6)  | 322,047          | 322,047       |
| Interest expense on lease liability (Note 6) | 901,824          | 887,720       |
| Expenses relating to leases (Note 6):        |                  |               |
| Short-term leases                            | 362,368          | 330,681       |
| Low-value assets                             | <u>53,410</u>    | <u>54,880</u> |

**13. INTANGIBLE ASSETS**

|                                    | <b>The Group</b>  |                   |
|------------------------------------|-------------------|-------------------|
|                                    | <b>2025</b>       | <b>2024</b>       |
|                                    | <b>RM</b>         | <b>RM</b>         |
| Goodwill (Note 13.1)               | 5,214,287         | 5,548,037         |
| Other intangible asset (Note 13.2) | <u>68,589,285</u> | <u>69,713,839</u> |
| <b>Net Carrying Amount</b>         | <u>73,803,572</u> | <u>75,261,876</u> |



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**13.1 Goodwill**

|                                          | <b>The Group</b> |                  |
|------------------------------------------|------------------|------------------|
|                                          | <b>2025</b>      | <b>2024</b>      |
|                                          | <b>RM</b>        | <b>RM</b>        |
| <b>Goodwill on acquisition - At cost</b> |                  |                  |
| At beginning of year                     | 5,652,265        | 6,214,372        |
| Effect of movements in exchange rate     | (333,750)        | (562,107)        |
| At end of year                           | 5,318,515        | 5,652,265        |
| <b>Accumulated impairment loss</b>       |                  |                  |
| At beginning and end of year             | (104,228)        | (104,228)        |
| <b>Net Carrying Amount</b>               | <b>5,214,287</b> | <b>5,548,037</b> |

**Impairment test of goodwill**

Goodwill on acquisition is allocated to the Group's cash-generating units ("CGUs"), business segments as follows:

|                      | <b>The Group</b> |                  |
|----------------------|------------------|------------------|
|                      | <b>2025</b>      | <b>2024</b>      |
|                      | <b>RM</b>        | <b>RM</b>        |
| Plantation           | 5,181,918        | 5,515,668        |
| Property development | 32,369           | 32,369           |
|                      | <b>5,214,287</b> | <b>5,548,037</b> |

The goodwill allocated to property development segment is not significant in comparison with the Group's total carrying amount of goodwill.

Key assumptions used in the value-in-use calculations based on 17 years (2024: 6 years) cash flows projection in respect of impairment test for goodwill on the plantation segment are:

- (i) discount rate of 9.0% (2024: 11.0%) which is pre-tax and reflected specific risks of the plantation segment in Indonesia;
- (ii) oil palm trees with an average life of 25 years (2024: 25 years) with the first three years as immature and remaining years as mature which is the average life cycle of the trees;
- (iii) crude palm oil ("CPO") average selling price of RM3,500 (2024: RM3,500) per metric tonne based on the management's estimate;

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- (iv) average CPO extraction rate of 21.0% (2024: 21.5%) based on the industry trend and past performance;
- (v) average annual oil palm yield per hectare of 21 to 25 metric tonnes (2024: 21 to 25 metric tonnes) based on management's estimate and historical yield; and
- (vi) replanting cost, including cost to maturity of RM30,000 per hectare (2024: Nil) based on the management's estimate.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill to materially exceed its recoverable amounts. During the financial year, the management take into consideration of replanting when the oil palm trees reach the age of 25 years which is within the first lease term of the prepaid lease payments as part of the assumptions in assessing the full value-in-use calculation for CGU. Accordingly, the value-in-use calculations reflect the remaining unexpired lease period of the prepaid lease payments.

**13.2 Other intangible assets**

|                        | <b>The Group</b>                                    |                                      |                     |
|------------------------|-----------------------------------------------------|--------------------------------------|---------------------|
|                        | <b>Capitalised<br/>development<br/>costs<br/>RM</b> | <b>Development<br/>rights<br/>RM</b> | <b>Total<br/>RM</b> |
| <b>2025</b>            |                                                     |                                      |                     |
| At beginning of year   | 58,697,885                                          | 11,015,954                           | 69,713,839          |
| Amortisation (Note 6)  | <u>(1,124,554)</u>                                  | <u>-</u>                             | <u>(1,124,554)</u>  |
| At end of year         | <u>57,573,331</u>                                   | <u>11,015,954</u>                    | <u>68,589,285</u>   |
| <b>2024</b>            |                                                     |                                      |                     |
| At beginning of year   | 62,774,394                                          | -                                    | 62,774,394          |
| Additions (Note 16(c)) | -                                                   | 11,015,954                           | 11,015,954          |
| Written off (Note 6)   | (2,910,371)                                         | -                                    | (2,910,371)         |
| Amortisation (Note 6)  | <u>(1,166,138)</u>                                  | <u>-</u>                             | <u>(1,166,138)</u>  |
| At end of year         | <u>58,697,885</u>                                   | <u>11,015,954</u>                    | <u>69,713,839</u>   |

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- (i) Capitalised development costs represent expenditure incurred to construct a commuter station for Perbadanan Aset Keretapi (“PAK”) in consideration for the right to lease a plot of land from PAK for a period of 60 years (2024: 60 years) and its remaining lease period is as disclosed in Note 12. SKSB has handed over the vacant possession of the commuter station to PAK on 13 March 2023.

The amortisation of the capitalised development costs is amortised on a straight-line basis over the remaining lease period of 51 years (2024: 52 years).

- (ii) Development rights represents the rights to develop two (2) parcels of leasehold land granted to a subsidiary of the Company. The development rights is acquired through a business combination in previous financial year as disclosed in Note 16(c).

The development rights is amortised over the construction period based on percentage of completion method of the future project allocated on the said parcels of land.

**14. PREPAID LEASE PAYMENTS**

|                                                                            | <b>The Group</b>  |                   |
|----------------------------------------------------------------------------|-------------------|-------------------|
|                                                                            | <b>2025</b>       | <b>2024</b>       |
|                                                                            | <b>RM</b>         | <b>RM</b>         |
| At beginning of year                                                       | 35,450,411        | 37,758,391        |
| Transfer to assets for disposal group classified as held for sale (Note 9) | (2,484,802)       | -                 |
| Amortisation for the financial year                                        | (1,495,490)       | (1,513,220)       |
| Effect of movements in exchange rate                                       | (310,505)         | (794,760)         |
| At end of year                                                             | <u>31,159,614</u> | <u>35,450,411</u> |

The above is leasehold land with remaining unexpired lease period ranging from 12 years to 20 years (2024: 13 to 25 years).

The leasehold land of RM16,290,743 (2024: RM17,168,535) is pledged as security for credit facilities granted to the Group as disclosed in Note 33.

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**15. INVESTMENT PROPERTIES**

|                                                                               | <b>Completed<br/>investment<br/>properties<br/>RM</b> | <b>The Group<br/>2025<br/>Investment<br/>property<br/>under<br/>construction<br/>("IPUC")<br/>RM</b> | <b>Total<br/>RM</b> |
|-------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------|
| At beginning of year                                                          | 402,163,125                                           | -                                                                                                    | 402,163,125         |
| Transfer from land held for<br>property development (Note 19)                 | -                                                     | 3,292,700                                                                                            | 3,292,700           |
| Transfer to assets for disposal group<br>classified as held for sale (Note 9) | (7,418,541)                                           | -                                                                                                    | (7,418,541)         |
| Changes in fair values                                                        | 8,430,000                                             | -                                                                                                    | 8,430,000           |
| Effect of movements in exchange rate                                          | 41,416                                                | -                                                                                                    | 41,416              |
| At end of year                                                                | <u>403,216,000</u>                                    | <u>3,292,700</u>                                                                                     | <u>406,508,700</u>  |

|                                                                                     | <b>The Group<br/>2024<br/>Completed<br/>investment<br/>properties<br/>RM</b> |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| At beginning of year                                                                | 375,369,000                                                                  |
| Transfer from inventories (Note 23)                                                 | 20,051,460                                                                   |
| Fair value losses from transfer of inventories to investment properties<br>(Note 6) | (242,460)                                                                    |
| Changes in fair values                                                              | 7,729,620                                                                    |
| Effect of movements in exchange rate                                                | <u>(744,495)</u>                                                             |
| At end of year                                                                      | <u>402,163,125</u>                                                           |

IPUC comprises a piece of freehold land measuring approximately 13,069 square meters held under H.S.(D) 157778, PT76621, Bandar Kajang, Daerah Ulu Langat, Negeri Selangor. The said land is for construction of boarding facilities and soccer field to be leased to an international school. The construction is still at preliminary stage.

The IPUC is carried at cost as the management believes that due to the nature an amount of remaining project risks, its fair value cannot be reliably determined.

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Included in the above completed investment properties are:

|                                                                  | <b>The Group</b> |             |
|------------------------------------------------------------------|------------------|-------------|
|                                                                  | <b>2025</b>      | <b>2024</b> |
|                                                                  | <b>RM</b>        | <b>RM</b>   |
| <b>Freehold land and buildings - at fair value</b>               |                  |             |
| Freehold land                                                    | 56,300,000       | 51,800,000  |
| Buildings                                                        | 100,915,000      | 98,985,000  |
|                                                                  | 157,215,000      | 150,785,000 |
| <b>Leasehold land and buildings - at fair value</b>              |                  |             |
| Leasehold land with unexpired lease period of more than 50 years | 71,370,000       | 71,370,000  |
| Buildings                                                        | 174,631,000      | 180,008,125 |
|                                                                  | 246,001,000      | 251,378,125 |
|                                                                  | 403,216,000      | 402,163,125 |

Fair value measurement disclosures for investment properties are disclosed in Note 43.

Included in the above are land and buildings amounting to RM181,300,000 (2024: RM180,300,000) pledged for credit facilities granted to subsidiaries as disclosed in Note 33.

**16. INVESTMENT IN SUBSIDIARIES**

|                                                   | <b>The Company</b> |               |
|---------------------------------------------------|--------------------|---------------|
|                                                   | <b>2025</b>        | <b>2024</b>   |
|                                                   | <b>RM</b>          | <b>RM</b>     |
| <b>At cost</b>                                    |                    |               |
| Quoted shares in Malaysia                         | 62,669,698         | 62,669,698    |
| Unquoted shares                                   | 1,042,780,570      | 1,031,780,570 |
| Redeemable convertible preference shares ("RCPS") | 270,000,000        | 270,000,000   |
|                                                   | 1,375,450,268      | 1,364,450,268 |
| <b>Accumulated impairment loss</b>                |                    |               |
| At beginning of year                              | (11,436,626)       | (11,436,626)  |
| Additions (Note 6)                                | (8,378,372)        | -             |
| At end of year                                    | (19,814,998)       | (11,436,626)  |
| <b>Net carrying amount</b>                        | 1,355,635,270      | 1,353,013,642 |
| <b>Market value of quoted shares</b>              | 184,917,612        | 177,579,611   |

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Details of the subsidiaries are as follows:

|     | Name of subsidiary                  | Country of incorporation | Principal activities                         | Proportion of ownership interest and voting power held by the Group |           |
|-----|-------------------------------------|--------------------------|----------------------------------------------|---------------------------------------------------------------------|-----------|
|     |                                     |                          |                                              | 2025                                                                | 2024      |
| #   | Achieve Acres Sdn. Bhd.             | Malaysia                 | Property development                         | 85%                                                                 | 85%       |
|     | Aliran Perkasa Sdn. Bhd.            | Malaysia                 | Property development                         | 100%                                                                | 100%      |
|     | Amona MKH Ventures Sdn. Bhd.        | Malaysia                 | Property development                         | 50.00001%                                                           | 50.00001% |
|     | Budi Bidara Sdn. Bhd.               | Malaysia                 | Property development and property investment | 100%                                                                | 100%      |
| #   | Dapat Jaya Builder Sdn. Bhd.        | Malaysia                 | Investment holding                           | 100%                                                                | 100%      |
| ^ # | Everland Asia Development Sdn. Bhd. | Malaysia                 | Property development                         | 100%                                                                | 100%      |
| #   | Gabung Wajib Sdn. Bhd.              | Malaysia                 | Investment holding and management services   | 100%                                                                | 100%      |
|     | Gerak Teguh Sdn. Bhd.               | Malaysia                 | Property development and property investment | 100%                                                                | 100%      |
| #   | GK Resort Berhad                    | Malaysia                 | Investment holding                           | 100%                                                                | 100%      |
|     | Intelek Kekal (M) Sdn. Bhd.         | Malaysia                 | Management services                          | 100%                                                                | 100%      |
| #   | Intelek Murni (M) Berhad            | Malaysia                 | Property management                          | 100%                                                                | 100%      |

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| # | Name of subsidiary                     | Country of incorporation | Principal activities                                                                     | Proportion of ownership interest and voting power held by the Group |      |
|---|----------------------------------------|--------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------|
|   |                                        |                          |                                                                                          | 2025                                                                | 2024 |
| # | Intra Tegas (M) Sdn. Bhd.              | Malaysia                 | Property development, investment holding and management services                         | 100%                                                                | 100% |
|   | Kajang Resources Corporation Sdn. Bhd. | Malaysia                 | Property development, investment holding and management services                         | 100%                                                                | 100% |
| # | Kumpulan Indah Bersatu Sdn. Bhd.       | Malaysia                 | Investment holding                                                                       | 100%                                                                | 100% |
| # | Metro Kajang Construction Sdn. Bhd.    | Malaysia                 | Building and civil works contracting, project and building management services           | 100%                                                                | 100% |
|   | Metro Kajang (Oversea) Sdn. Bhd.       | Malaysia                 | Investment holding and treasury management services                                      | 100%                                                                | 100% |
|   | Metro K.L. City Sdn. Bhd.              | Malaysia                 | Property development                                                                     | 100%                                                                | 100% |
| # | Metro Nusantara Sdn. Bhd.              | Malaysia                 | Dormant                                                                                  | 100%                                                                | 100% |
| # | Metro Readymix Sdn. Bhd.               | Malaysia                 | Trading of precast concrete, cement or artificial stone articles for use in construction | 100%                                                                | 100% |
|   | Metro Tiara (M) Sdn. Bhd.              | Malaysia                 | Property management and property investment                                              | 100%                                                                | 100% |

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|          | Name of subsidiary                    | Country of incorporation | Principal activities                                              | Proportion of ownership interest and voting power held by the Group |        |
|----------|---------------------------------------|--------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|--------|
|          |                                       |                          |                                                                   | 2025                                                                | 2024   |
|          | MKH Building Materials Sdn. Bhd.      | Malaysia                 | Trading of building materials and household related products      | 100%                                                                | 100%   |
|          | MKH Credit Corporation Sdn. Bhd.      | Malaysia                 | Money lending                                                     | 100%                                                                | 100%   |
|          | MKH Development Sdn. Bhd.             | Malaysia                 | Property development                                              | 100%                                                                | 100%   |
| #        | MKH Food Sdn. Bhd.                    | Malaysia                 | Dormant                                                           | 100%                                                                | 100%   |
| #        | MKH Healthcare Sdn. Bhd.              | Malaysia                 | Property development, health care services and investment holding | 100%                                                                | 100%   |
|          | MKH Innovate Sdn. Bhd.                | Malaysia                 | Property development                                              | 100%                                                                | 100%   |
| !        | MKH Land (Aust) Pty Ltd.              | Australia                | Dormant                                                           | 100%                                                                | 100%   |
| #        | MKH Management Sdn. Bhd.              | Malaysia                 | Management, secretarial services and insurance agency             | 100%                                                                | 100%   |
| @<br>(a) | MKH Oil Palm (East Kalimantan) Berhad | Malaysia                 | Investment holding and management services                        | 65.23%                                                              | 64.86% |
|          | MKH Plantation Sdn. Bhd.              | Malaysia                 | Investment holding                                                | 100%                                                                | 100%   |

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|     | Name of subsidiary                      | Country of incorporation | Principal activities                                            | Proportion of ownership interest and voting power held by the Group |          |
|-----|-----------------------------------------|--------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------|----------|
|     |                                         |                          |                                                                 | 2025                                                                | 2024     |
|     | MKH Resources Sdn. Bhd.                 | Malaysia                 | Management services                                             | 100%                                                                | 100%     |
| #   | Nexus Starship Sdn. Bhd.                | Malaysia                 | Investment holding                                              | 100%                                                                | 100%     |
| #   | Pelangi Binaraya Sdn. Bhd.              | Malaysia                 | Property development                                            | 50.0002%                                                            | 50.0002% |
| #   | Pelangi Seri Alam Development Sdn. Bhd. | Malaysia                 | Investment holding                                              | 100%                                                                | 100%     |
| #   | Perkasa Bernas (M) Sdn. Bhd.            | Malaysia                 | Property development and management services                    | 100%                                                                | 100%     |
|     | Petik Mekar Sdn. Bhd.                   | Malaysia                 | Property development                                            | 100%                                                                | 100%     |
|     | Serba Sentosa Sdn. Bhd.                 | Malaysia                 | Property development and property investment                    | 100%                                                                | 100%     |
| ^ # | Serentak Maju Corporation Sdn. Bhd.     | Malaysia                 | Property development                                            | 100%                                                                | 100%     |
|     | Srijang Indah Sdn. Bhd.                 | Malaysia                 | Property management, property investment and investment holding | 100%                                                                | 100%     |
| €   | Srijang Kemajuan Sdn. Bhd.              | Malaysia                 | Property development and property investment                    | 99.99%                                                              | 99.99%   |
|     | Stand Allied Corporation Sdn. Bhd.      | Malaysia                 | Property development                                            | 100%                                                                | 100%     |
| #   | Sumber Lengkap Sdn. Bhd.                | Malaysia                 | Property development                                            | 100%                                                                | 100%     |

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|     | Name of subsidiary                                           | Country of incorporation | Principal activities                                          | Proportion of ownership interest and voting power held by the Group |        |
|-----|--------------------------------------------------------------|--------------------------|---------------------------------------------------------------|---------------------------------------------------------------------|--------|
|     |                                                              |                          |                                                               | 2025                                                                | 2024   |
| €   | Suria Villa Sdn. Bhd.                                        | Malaysia                 | Property development                                          | 100%                                                                | 100%   |
|     | Vista Haruman Development Sdn. Bhd.                          | Malaysia                 | Property development                                          | 55%                                                                 | 55%    |
|     | <b>Subsidiaries of MKH Oil Palm (East Kalimantan) Berhad</b> |                          |                                                               |                                                                     |        |
| @ & | PT Maju Kalimantan Hadapan                                   | Republic of Indonesia    | Oil palm plantation, crude palm oil and crude palm kernel oil | 65.23%                                                              | 64.86% |
| &   | PT Sawit Prima Sakti                                         | Republic of Indonesia    | Oil palm plantation                                           | 65.23%                                                              | 64.86% |
| (b) | Hala Maju Sdn. Bhd.                                          | Malaysia                 | Investment holding                                            | 65.23%                                                              | 64.86% |
|     | <b>Subsidiaries of Gabung Wajib Sdn. Bhd.</b>                |                          |                                                               |                                                                     |        |
|     | Amona Metro Development Sdn. Bhd.                            | Malaysia                 | Property development                                          | 60%                                                                 | 60%    |
|     | Alif Mesra Sdn. Bhd.                                         | Malaysia                 | Property development                                          | 65%                                                                 | 65%    |
|     | Danau Saujana Sdn. Bhd.                                      | Malaysia                 | Property development                                          | 65%                                                                 | 65%    |

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|     |                                                             |                                 | <b>Proportion of ownership interest and voting power held by the Group</b> |                       |
|-----|-------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------|-----------------------|
|     | <b>Name of subsidiary</b>                                   | <b>Country of incorporation</b> | <b>Principal activities</b>                                                | <b>2025      2024</b> |
|     | <b>Subsidiary of GK Resort Berhad</b>                       |                                 |                                                                            |                       |
| #   | PNSB-GK Resort Sdn. Bhd.                                    | Malaysia                        | Property development                                                       | 70%      70%          |
|     | <b>Subsidiary of Kajang Resources Corporation Sdn. Bhd.</b> |                                 |                                                                            |                       |
|     | MKH Property Ventures Sdn. Bhd.                             | Malaysia                        | Property development                                                       | 51%      51%          |
|     | <b>Subsidiary of Kumpulan Indah Bersatu Sdn. Bhd.</b>       |                                 |                                                                            |                       |
| #   | Palga Sdn. Bhd.                                             | Malaysia                        | Investment holding                                                         | 100%      100%        |
|     | <b>Subsidiary of Intra Tegas (M) Sdn. Bhd.</b>              |                                 |                                                                            |                       |
| (c) | Knowledge Builder Sdn. Bhd.                                 | Malaysia                        | Property development                                                       | 60%      60%          |
|     | <b>Subsidiaries of Metro Kajang (Oversea) Sdn. Bhd.</b>     |                                 |                                                                            |                       |
| # * | Vast Furniture Manufacturing (Kunshan) Co., Ltd.            | The People's Republic of China  | Furniture manufacturing                                                    | 100%      100%        |
| #   | PT Nusantara Makmur Jaya                                    | Republic of Indonesia           | Dormant                                                                    | 100%      100%        |
| #   | Restu Mesra Sdn. Bhd.                                       | Malaysia                        | Investment holding                                                         | 100%      100%        |

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|                                                       |                              |                      | Proportion of ownership interest and voting power held by the Group |                   |
|-------------------------------------------------------|------------------------------|----------------------|---------------------------------------------------------------------|-------------------|
|                                                       | Country of incorporation     | Principal activities | 2025                                                                | 2024              |
| Subsidiary of Nexus Starship Sdn. Bhd.                |                              |                      |                                                                     |                   |
|                                                       | Quantum Density Sdn. Bhd.    | Malaysia             | Property development                                                | 50.0004% 50.0004% |
| Subsidiary of Pelangi Seri Alam Development Sdn. Bhd. |                              |                      |                                                                     |                   |
|                                                       | Hillpark Resources Sdn. Bhd. | Malaysia             | Property development                                                | 100% 100%         |
| Subsidiary of Palga Sdn. Bhd.                         |                              |                      |                                                                     |                   |
| #                                                     | Hiliran Juara Sdn. Bhd.      | Malaysia             | Property development                                                | 100% 100%         |
| Subsidiary of Amona Metro Development Sdn. Bhd.       |                              |                      |                                                                     |                   |
|                                                       | Temara Pekeliling Sdn. Bhd.  | Malaysia             | Property development                                                | 50.4% 50.4%       |
| Subsidiaries of Srijang Indah Sdn. Bhd.               |                              |                      |                                                                     |                   |
|                                                       | Laju Jaya Sdn. Bhd.          | Malaysia             | Property investment and hotel business                              | 100% 100%         |
|                                                       | Maha Usaha Sdn. Bhd.         | Malaysia             | Property management and property investment                         | 100% 100%         |

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- € During the financial year, the Company subscribed for an additional 11,000,000 (2024: 25,000,000) new ordinary shares in Suria Villa Sdn. Bhd. and Nil (2024: 1,000,000) new ordinary shares in Srijang Kemajuan Sdn. Bhd.. The said additional subscription did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
- ^ In the previous financial year, Serentak Maju Corporation Sdn. Bhd. had reduced its share capital from RM500,000 to RM100,000 via cash distribution of RM400,000 to the Company, and Everland Asia Development Sdn. Bhd. which had reduced its share capital from RM1,000,000 to RM100,000 via a cash distribution of RM900,000 to the Company. The reduction in the share capital did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
- # Subsidiaries audited by firms of auditors other than Deloitte Malaysia PLT (formerly known as Deloitte PLT).
- & Subsidiaries audited by a member firm of Deloitte Malaysia PLT.
- @ The investment in shares have been pledged as security for credit facilities granted to a subsidiary as disclosed in Note 33.
- \* The subsidiary is presented as discontinued operation and disposal group classified as held for sale as disclosed in Note 9.
- ! The subsidiary is not audited by Deloitte Malaysia PLT. As the subsidiary is dormant, no statutory audit is required under the Australian Corporations Act.

**(a) Changes in proportion of ownership interest**

**MKH Oil Palm (East Kalimantan) Berhad ("MKHOP")**

In the previous financial year, the shareholders of the Company had approved the Proposed Listing of MKHOP on the Main Market of Bursa Malaysia Securities Berhad.

MKHOP had undertaken the Pre-Initial Public Offering comprising:

- (i) On 29 November 2023, MKHOP completed the share split by the subdivision of every one (1) existing MKHOP share into six (6) new MKHOP shares;
- (ii) On 20 December 2023, MKHOP increased its issued and fully paid-up capital by way of issuance of 67,255,894 new ordinary shares at an issue price of RM1.21 each for a total consideration otherwise than cash of RM81,379,632 as full and final settlement of the purchase consideration of 5.67% equity interest in PT Maju Kalimantan Hadapan ("PTMKH") from Metro Kajang (Oversea) Sdn. Bhd. ("MKO"), a wholly-owned subsidiary of the Company and third party, and 100% equity interest in PT Sawit Prima Sakti ("PTSPS") from MKH Plantation Sdn. Bhd. ("MKH Plantation"), a wholly-owned subsidiary of the Company and third parties; and



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- (iii) On 11 January 2024, MKHOP increased its issued and fully paid-up capital by way of issuance of 73,526,951 new ordinary shares at an issue price of RM1.21 each for a total consideration otherwise than cash of RM88,967,612 as partial debt settlement for the amount due from MKO and MKH Plantation, both are wholly-owned subsidiaries of the Company.

As a result of (i), (ii) and (iii) above, the Group's equity interest in MKHOP diluted to 94.43%.

On 15 February 2024, the Company distributed 82,487,981 MKHOP shares, representing approximately 10.26% of equity interest in MKHOP to the entitled shareholders of the Company by way of dividend-in-specie, on the basis of one (1) MKHOP share for every seven (7) Company shares held on the entitlement date. As a result, the Group's equity interest in MKHOP further diluted to 84.16%.

On 30 April 2024, MKHOP completed the Initial Public Offering of 220,000,000 new ordinary shares and an offer for sale of 30,707,700 existing ordinary shares held by MKO at an issue price of RM0.62 per ordinary share. As a result, the Group's equity interest in MKHOP further diluted to 63.07%.

Subsequently, MKO, MKH Plantation and Maha Usaha Sdn. Bhd., which are wholly-owned subsidiaries of the Company acquired 17,093,000 MKHOP shares through purchases on the Bursa Malaysia Securities Berhad. As a result, the Group's equity interest in MKHOP increased to 64.74%.

On 10 September 2024, the shareholders of MKHOP approved the Proposed Authority for MKHOP to purchase its own ordinary shares.

During the financial year, MKHOP has acquired 5,536,700 (2024: 1,900,000) of its own shares through purchases on the Bursa Malaysia Securities Berhad for total consideration paid of RM3,398,944 (2024: RM1,125,681), which resulted in the Group's equity interest in MKHOP to become 65.23% (2024: 64.86%).

**(b) Acquisition of Hala Maju Sdn. Bhd.**

In the previous financial year, MKHOP, a subsidiary of the Company acquired 1 ordinary share representing 100% of equity interest of Hala Maju Sdn. Bhd. ("HMSB") for a cash consideration of RM1. The said acquisition did not give rise to a material impact on the financial statements of the Group.



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**(c) Acquisition of Knowledge Builder Sdn. Bhd.**

In the previous financial year, Intra Tegas (M) Sdn. Bhd. ("ITSB"), a wholly-owned subsidiary of the Company completed the acquisition of 6,000,000 ordinary shares representing 60% of equity of Knowledge Builder Sdn. Bhd. ("KBSB") for a cash consideration of RM17,000,000.

The fair value of the assets acquired and liabilities assumed at the effective date of acquisition are as follows:

|                                                                | <b>The Group<br/>2024<br/>RM</b> |
|----------------------------------------------------------------|----------------------------------|
| Intangible assets - development right<br>(Note 13.2)           | 11,015,954                       |
| Joint venture deposits for land development<br>(Note 21(f)(i)) | 10,000,000                       |
| Cash and bank balances                                         | 3,183                            |
| Payables and accruals                                          | <u>(29,773)</u>                  |
| Total identifiable net assets                                  | 20,989,364                       |
| Non-controlling interests                                      | <u>(3,989,364)</u>               |
| Equity attributable to owner of the parent                     | 17,000,000                       |
| Goodwill on acquisition                                        | <u>-</u>                         |
| Total purchase consideration paid in cash                      | 17,000,000                       |
| Cash and bank balances of subsidiary<br>acquired               | <u>(3,183)</u>                   |
| Acquisition of subsidiary, net of cash<br>acquired             | <u>16,996,817</u>                |

**Redeemable Convertible Preference Shares**

The salient features of the Redeemable Convertible Preference Shares ("RCPS") of the subsidiaries are as follows:

**(a) Dividends**

The holder has the right to be paid, out of such profits of the subsidiary available for distribution determined by the directors at their discretion to be distributed in respect of each financial year or other accounting period of the subsidiary, a dividend at a rate as the Board of Directors shall determine from time to time.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 197901006663 (50948 - T)

(b) Voting rights

The RCPS carry rights to vote at any general meeting of the subsidiary if:

- (i) any resolution is proposed for the winding up of the subsidiary, in which case the holder of the RCPS may only then vote at such general meeting on the election of a chairman, any motion for adjournment and the resolution for winding up; or
- (ii) the meeting is convened for the purpose of considering the reduction of the capital of the subsidiary; or
- (iii) the meeting is relating to any dividend or part thereof unpaid on any RCPS; or
- (iv) the proposition which is submitted to the meeting proposes to abrogate or vary or otherwise directly affects the special rights and privileges attaching to the RCPS; in which event the holder of the RCPS shall have such number of votes for each RCPS registered in his name equivalent to the number of ordinary shares, which solely for the purpose of calculating the number of votes of the holder of the RCPS is entitled to, one RCPS held by the holder of RCPS shall be deemed to be equivalent to one of ordinary share of the subsidiary. The holder of the RCPS shall further be entitled to speak, demand a poll, to move resolutions and participate in the meeting of the shareholders of RCPS of the subsidiary.

(c) Redemption

- (i) Subject to the provision of Section 72 of the Companies Act, 2016, the subsidiary shall have the right to redeem all or any of the RCPS at RM100 only per RCPS at anytime after the date of issuance of RCPS; and
- (ii) no RCPS redeemed by the subsidiary shall be capable of reissue.

(d) Conversion

The subsidiary is entitled, at any time during the period commencing on the date of issuance of RCPS to convert all or any of the RCPS registered in the name of each holder of the RCPS. Each RCPS is convertible into 100 ordinary shares in the share capital of the subsidiary.

(e) Capital

The holder has the right on winding up or other return of capital (other than on the redemption of the RCPS) to receive, in priority to the holders of any other class of shares in the capital of the subsidiary.

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

**Non-controlling interests**

The subsidiaries that have material non-controlling interests ("NCI") are as follows:

|                                                                | Amona<br>Metro<br>Development<br>Sdn. Bhd.<br>RM | MKH Oil<br>Palm (East<br>Kalimantan)<br>Berhad<br>RM | Danau<br>Saujana<br>Sdn. Bhd.<br>RM | Temara<br>Pekeliling<br>Sdn. Bhd.<br>RM | Vista<br>Haruman<br>Development<br>Sdn. Bhd.<br>RM | MKH<br>Property<br>Ventures<br>Sdn. Bhd.<br>RM | Amona<br>MKH<br>Ventures<br>Sdn. Bhd.<br>RM | Knowledge<br>Builder<br>Sdn. Bhd.<br>RM | Individually<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
|----------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------|--------------------------------------------------|-------------|
| 2025                                                           |                                                  |                                                      |                                     |                                         |                                                    |                                                |                                             |                                         |                                                  |             |
| NCI percentage<br>of ownership<br>interest and<br>voting power | 40%                                              | 35%                                                  | 35%                                 | 16%                                     | 45%                                                | 49%                                            | 50%                                         | 40%                                     | -                                                | -           |
| Carrying amount<br>of NCI                                      | 2,444,166                                        | 202,717,637                                          | 1,323,508                           | 905,496                                 | 8,161,865                                          | 59,600,698                                     | 5,088,735                                   | 1,985,938                               | (538,540)                                        | 281,689,503 |
| Profit/(Loss)<br>allocated to<br>NCI                           | 17,143                                           | 27,765,725                                           | (1,376,651)                         | 18,889                                  | (2,156)                                            | 36,242                                         | 18,869                                      | (1,823,106)                             | (1,395,315)                                      | 23,259,640  |
| Total<br>comprehensive<br>income/(loss)<br>allocated to<br>NCI | 17,143                                           | 19,138,899                                           | (1,376,651)                         | 18,889                                  | (2,156)                                            | 36,242                                         | 18,869                                      | (1,823,106)                             | (1,395,315)                                      | 14,632,814  |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

2024

NCI percentage  
of ownership  
interest and  
voting power

| Amona<br>Metro<br>Development<br>Sdn. Bhd.<br>RM | MKH Oil<br>Palm (East<br>Kalimantan)<br>Berhad<br>RM | Alif Mesra<br>Sdn. Bhd.<br>RM | Temara<br>Pekeliling<br>Sdn. Bhd.<br>RM | Vista<br>Haruman<br>Development<br>Sdn. Bhd.<br>RM | MKH<br>Property<br>Ventures<br>Sdn. Bhd.<br>RM | Amona<br>MKH<br>Ventures<br>Sdn. Bhd.<br>RM | Knowledge<br>Builder<br>Sdn. Bhd.<br>RM | Individually<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
|--------------------------------------------------|------------------------------------------------------|-------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------|--------------------------------------------------|-------------|
|--------------------------------------------------|------------------------------------------------------|-------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------|--------------------------------------------------|-------------|

40%

35%

16%

45%

49%

50%

40%

-

Carrying amount  
of NCI

|           |             |           |           |           |            |           |           |           |             |
|-----------|-------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-------------|
| 5,182,223 | 200,998,178 | 1,356,187 | 2,198,607 | 8,164,021 | 59,564,456 | 5,069,866 | 3,809,044 | 2,200,752 | 288,543,334 |
|-----------|-------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-------------|

Profit/(Loss)  
allocated to  
NCI

|         |            |        |         |         |            |        |           |             |            |
|---------|------------|--------|---------|---------|------------|--------|-----------|-------------|------------|
| 345,202 | 14,983,220 | 79,052 | 168,710 | 204,496 | 11,433,898 | 40,750 | (180,320) | (1,291,075) | 25,783,933 |
|---------|------------|--------|---------|---------|------------|--------|-----------|-------------|------------|

Total  
comprehensive  
income/(loss)  
allocated to  
NCI

|         |           |        |         |         |            |        |           |             |            |
|---------|-----------|--------|---------|---------|------------|--------|-----------|-------------|------------|
| 345,202 | 2,965,419 | 79,052 | 168,710 | 204,496 | 11,433,898 | 40,750 | (180,320) | (1,298,097) | 13,759,110 |
|---------|-----------|--------|---------|---------|------------|--------|-----------|-------------|------------|

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

The financial information of the subsidiaries that have material NCI before intra-group elimination is as follows:

| 2025                                                     | Amona Metro<br>Development<br>Sdn. Bhd.<br>RM | MKH Oil<br>Palm (East<br>Kalimantan)<br>Berhad<br>RM | Danau<br>Saujana<br>Sdn. Bhd.<br>RM | Temara<br>Pekeliling<br>Sdn. Bhd.<br>RM | Vista<br>Haruman<br>Development<br>Sdn. Bhd.<br>RM | MKH<br>Property<br>Ventures<br>Sdn. Bhd.<br>RM | Amona<br>MKH<br>Ventures<br>Sdn. Bhd.<br>RM | Knowledge<br>Builder<br>Sdn. Bhd.<br>RM |
|----------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>Assets and liabilities</b>                            |                                               |                                                      |                                     |                                         |                                                    |                                                |                                             |                                         |
| Non-current assets                                       | 79,900                                        | 316,013,941                                          | 1,885,200                           | 79,900                                  | -                                                  | 2,978,852                                      | -                                           | -                                       |
| Current assets                                           | 7,513,928                                     | 336,747,737                                          | 95,883,432                          | 5,697,979                               | 21,456,966                                         | 249,694,510                                    | 10,191,458                                  | 71,704,424                              |
| Non-current liabilities                                  | -                                             | (37,496,828)                                         | (19,513,934)                        | -                                       | -                                                  | (10,614,298)                                   | -                                           | (45,344,612)                            |
| Current liabilities                                      | (577,924)                                     | (32,284,065)                                         | (74,473,247)                        | (118,530)                               | (3,319,491)                                        | (120,424,986)                                  | (13,984)                                    | (21,394,967)                            |
| Non-controlling interests                                | (905,496)                                     | -                                                    | -                                   | -                                       | -                                                  | -                                              | -                                           | -                                       |
| <b>Net assets</b>                                        | <b>6,110,408</b>                              | <b>582,980,785</b>                                   | <b>3,781,451</b>                    | <b>5,659,349</b>                        | <b>18,137,475</b>                                  | <b>121,634,078</b>                             | <b>10,177,474</b>                           | <b>4,964,845</b>                        |
| <b>Results</b>                                           |                                               |                                                      |                                     |                                         |                                                    |                                                |                                             |                                         |
| Revenue                                                  | 669,423                                       | 363,189,716                                          | 9,474,677                           | 669,423                                 | -                                                  | 67,283,616                                     | -                                           | -                                       |
| Profit/(Loss) for the financial year                     | 42,857                                        | 79,789,373                                           | (3,933,288)                         | 118,054                                 | (4,791)                                            | 73,963                                         | 37,739                                      | (4,557,766)                             |
| Total comprehensive income/(loss) for the financial year | 42,857                                        | 54,989,218                                           | (3,933,288)                         | 118,054                                 | (4,791)                                            | 73,963                                         | 37,739                                      | (4,557,766)                             |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2024                                                              | Amona Metro<br>Development<br>Sdn. Bhd.<br>RM | MKH Oil<br>Palm (East<br>Kalimantan)<br>Berhad<br>RM | Alif Mesra<br>Sdn. Bhd.<br>RM | Temara<br>Pekeliling<br>Sdn. Bhd.<br>RM | Vista<br>Haruman<br>Development<br>Sdn. Bhd.<br>RM | MKH<br>Property<br>Ventures<br>Sdn. Bhd.<br>RM | Amona<br>MKH<br>Ventures<br>Sdn. Bhd.<br>RM | Knowledge<br>Builder<br>Sdn. Bhd.<br>RM |
|-------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|-------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>Assets and<br/>liabilities</b>                                 |                                               |                                                      |                               |                                         |                                                    |                                                |                                             |                                         |
| Non-current assets                                                | 89,100                                        | 348,289,705                                          | 24,200                        | 89,100                                  | -                                                  | 1,650,400                                      | -                                           | -                                       |
| Current assets                                                    | 15,877,127                                    | 290,557,341                                          | 10,105,826                    | 14,004,529                              | 21,483,246                                         | 309,997,333                                    | 10,152,805                                  | 34,752,595                              |
| Non-current<br>liabilities                                        | -                                             | (34,585,647)                                         | -                             | -                                       | -                                                  | (15,700,747)                                   | -                                           | (25,200,000)                            |
| Current liabilities                                               | (812,069)                                     | (32,215,802)                                         | (6,255,205)                   | (352,334)                               | (3,340,980)                                        | (174,386,871)                                  | (13,070)                                    | (29,984)                                |
| Non-controlling<br>interests                                      | (2,198,607)                                   | -                                                    | -                             | -                                       | -                                                  | -                                              | -                                           | -                                       |
| <b>Net assets</b>                                                 | <b>12,955,551</b>                             | <b>572,045,597</b>                                   | <b>3,874,821</b>              | <b>13,741,295</b>                       | <b>18,142,266</b>                                  | <b>121,560,115</b>                             | <b>10,139,735</b>                           | <b>9,522,611</b>                        |
| <b>Results</b>                                                    |                                               |                                                      |                               |                                         |                                                    |                                                |                                             |                                         |
| Revenue                                                           | 451,923                                       | 352,217,484                                          | 810,164                       | 451,923                                 | -                                                  | 255,894,561                                    | -                                           | -                                       |
| Profit/(Loss) for<br>the financial year                           | 863,006                                       | 63,563,373                                           | 225,862                       | 1,054,441                               | 454,435                                            | 23,334,486                                     | 81,500                                      | (450,858)                               |
| Total<br>comprehensive<br>income/(loss) for<br>the financial year | 863,006                                       | 21,070,891                                           | 225,862                       | 1,054,441                               | 454,435                                            | 23,334,486                                     | 81,500                                      | (450,858)                               |



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

**2025****Cash flows**

(used in)/from:

Operating activities

Investing activities

Financing activities

|  | Amona Metro<br>Development<br>Sdn. Bhd.<br>RM | MKH Oil<br>Palm (East<br>Kalimantan)<br>Berhad<br>RM | Danau<br>Saujana<br>Sdn. Bhd.<br>RM | Temara<br>Pekeliling<br>Sdn. Bhd.<br>RM | Vista<br>Haruman<br>Development<br>Sdn. Bhd.<br>RM | MKH<br>Property<br>Ventures Sdn.<br>Bhd.<br>RM | Amona MKH<br>Ventures<br>Sdn. Bhd.<br>RM | Knowledge<br>Builder<br>Sdn. Bhd.<br>RM |
|--|-----------------------------------------------|------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------------|
|--|-----------------------------------------------|------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------------|

|  |             |              |              |             |         |            |             |              |
|--|-------------|--------------|--------------|-------------|---------|------------|-------------|--------------|
|  | 752,141     | 93,884,580   | (10,470,389) | 811,620     | 419,746 | 53,434,900 | (1,961,347) | (3,890,617)  |
|  | -           | (17,641,365) | -            | -           | -       | (166,416)  | -           | (36,283,921) |
|  | (8,200,000) | (44,274,767) | 16,691,888   | (8,200,000) | -       | 2,622,582  | -           | 40,100,000   |

Net (decrease)/increase  
in cash and cash  
equivalents

Dividends paid to NCI

Share buy back  
from non-  
controlling  
shareholders

|  |             |            |           |             |         |            |             |          |
|--|-------------|------------|-----------|-------------|---------|------------|-------------|----------|
|  | (7,447,859) | 31,968,448 | 6,221,499 | (7,388,380) | 419,746 | 55,891,066 | (1,961,347) | (74,538) |
|  | 2,755,200   | 14,148,387 | -         | 1,312,000   | -       | -          | -           | -        |
|  | -           | 3,398,944  | -         | -           | -       | -          | -           | -        |



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2024                                                 | MKH Oil                              |                                  | Vista                   |                            | MKH                              |                                | Knowledge Builder Sdn. Bhd. RM |
|------------------------------------------------------|--------------------------------------|----------------------------------|-------------------------|----------------------------|----------------------------------|--------------------------------|--------------------------------|
|                                                      | Amona Metro Development Sdn. Bhd. RM | Palm (East Kalimantan) Berhad RM | Alif Mesra Sdn. Bhd. RM | Temara Peking Sdn. Bhd. RM | Haruman Development Sdn. Bhd. RM | Property Ventures Sdn. Bhd. RM |                                |
| Cash flows (used in)/from:                           |                                      |                                  |                         |                            |                                  |                                |                                |
| Operating activities                                 | (6,827,279)                          | 113,732,720                      | 9,207,639               | (6,756,465)                | (768,833)                        | (5,012,318)                    | 19,170,614                     |
| Investing activities                                 | -                                    | (19,947,402)                     | -                       | -                          | -                                | -                              | (37,890,462)                   |
| Financing activities                                 | -                                    | 73,407,458                       | (9,750,000)             | -                          | -                                | 20,000,000                     | 20,000,000                     |
| Net (decrease)/increase in cash and cash equivalents | (6,827,279)                          | 167,192,776                      | (542,361)               | (6,756,465)                | (768,833)                        | 14,987,682                     | 1,280,152                      |
| Dividends paid to NCI                                | -                                    | 7,219,877                        | 3,412,500               | -                          | -                                | -                              | -                              |
| Share buy back from non-controlling shareholders     | -                                    | 1,125,681                        | -                       | -                          | -                                | -                              | -                              |

There are no significant restrictions on the Company's ability to access or use the assets and to settle the liabilities of the Group.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**17. INVESTMENT IN ASSOCIATES**

|                                    | <b>The Group</b>  |                   |
|------------------------------------|-------------------|-------------------|
|                                    | <b>2025</b>       | <b>2024</b>       |
|                                    | <b>RM</b>         | <b>RM</b>         |
| <b>At cost:</b>                    |                   |                   |
| Unquoted shares                    | 21,733,996        | 21,733,996        |
| Share of post-acquisition reserves | <u>20,024,458</u> | <u>8,037,936</u>  |
|                                    | <u>41,758,454</u> | <u>29,771,932</u> |

The details of the associates, incorporated in Malaysia, are as follows:

|                                                     |                                                              |  | <b>Proportion of ownership interest and voting power held by the Group</b> |             | <b>Financial year end</b> |
|-----------------------------------------------------|--------------------------------------------------------------|--|----------------------------------------------------------------------------|-------------|---------------------------|
|                                                     |                                                              |  | <b>2025</b>                                                                | <b>2024</b> |                           |
| <b>Name of associate</b>                            | <b>Principal activities</b>                                  |  |                                                                            |             |                           |
| Ω # Daksina Harta Sdn. Bhd. ("DHSB")                | Property development and property investment                 |  | 40%                                                                        | 40%         | 31 December               |
| ~ Panasonic Homes MKH Malaysia Sdn. Bhd. ("PHMMSB") | General construction                                         |  | 49%                                                                        | 49%         | 31 March                  |
| * # Rimbunan Melati Sdn. Bhd. ("RMSB")              | Property development                                         |  | 45%                                                                        | 45%         | 31 December               |
| Δ # Sunway MKH Marketing Sdn. Bhd. ("SMMSB")        | Trading of building materials and household related products |  | 49%                                                                        | 49%         | 31 December               |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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- Ω Interest held through Perkasa Bernas (M) Sdn. Bhd..
- ~ Interest held through Kajang Resources Corporation Sdn. Bhd..
- \* Interest held through Dapat Jaya Builder Sdn. Bhd..
- Δ Interest held through MKH Building Materials Sdn. Bhd..
- # Audited by firms of auditors other than Deloitte Malaysia PLT.

The above associates are accounted for using the equity method in the consolidated financial statements.

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

|                                                          | <b>DHSB<br/>RM</b> | <b>The Group<br/>PHMMSB<br/>RM</b> | <b>RMSB<br/>RM</b> | <b>SMMSB<br/>RM</b> |
|----------------------------------------------------------|--------------------|------------------------------------|--------------------|---------------------|
| <b>2025</b>                                              |                    |                                    |                    |                     |
| Non-current assets                                       | 2,628,957          | 244,857                            | 50                 | -                   |
| Current assets                                           | 178,722,237        | 55,126,805                         | 3,532,419          | 1,338,869           |
| Non-current liabilities                                  | (31,116,124)       | -                                  | -                  | -                   |
| Current liabilities                                      | (103,306,295)      | (30,307,792)                       | (166,859)          | (318,293)           |
| <b>Net assets</b>                                        | <b>46,928,775</b>  | <b>25,063,870</b>                  | <b>3,365,610</b>   | <b>1,020,576</b>    |
| <b>Results</b>                                           |                    |                                    |                    |                     |
| Revenue                                                  | 39,683,133         | 17,755,920                         | -                  | 5,050,537           |
| Profit/(Loss) for the financial year                     | 31,583,045         | 204,313                            | (125,797)          | 357,731             |
| Total comprehensive income/(loss) for the financial year | <u>31,583,045</u>  | <u>204,313</u>                     | <u>(125,797)</u>   | <u>357,731</u>      |
| <b>2024</b>                                              |                    |                                    |                    |                     |
| Non-current assets                                       | 3,388,696          | 319,354                            | 51                 | -                   |
| Current assets                                           | 194,149,924        | 84,880,426                         | 3,572,546          | 2,562,994           |
| Non-current liabilities                                  | (147,689,275)      | -                                  | -                  | -                   |
| Current liabilities                                      | (34,503,615)       | (60,340,225)                       | (81,192)           | (1,900,150)         |
| <b>Net assets</b>                                        | <b>15,345,730</b>  | <b>24,859,555</b>                  | <b>3,491,405</b>   | <b>662,844</b>      |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                          | <b>DHSB<br/>RM</b> | <b>PHMMSB<br/>RM</b> | <b>The Group<br/>RMSB<br/>RM</b> | <b>SMMSB<br/>RM</b> |
|----------------------------------------------------------|--------------------|----------------------|----------------------------------|---------------------|
| <b>Results</b>                                           |                    |                      |                                  |                     |
| Revenue                                                  | 40,096,229         | 94,731,755           | -                                | 6,944,718           |
| Profit/(Loss) for the financial year                     | 11,205,713         | 4,493,635            | (265,010)                        | 518,318             |
| Total comprehensive income/(loss) for the financial year | <u>11,205,713</u>  | <u>4,493,635</u>     | <u>(265,010)</u>                 | <u>518,318</u>      |

The reconciliation of net assets to carrying amount of the associates is as follows:

|                                        | <b>DHSB<br/>RM</b> | <b>PHMMSB<br/>RM</b> | <b>RMSB<br/>RM</b> | <b>SMMSB<br/>RM</b> | <b>Total<br/>RM</b> |
|----------------------------------------|--------------------|----------------------|--------------------|---------------------|---------------------|
| <b>2025</b>                            |                    |                      |                    |                     |                     |
| Group's share of net assets            | <u>27,462,553</u>  | <u>12,281,295</u>    | <u>1,514,525</u>   | <u>500,081</u>      | <u>41,758,454</u>   |
| Group's share of results of associates | <u>11,767,730</u>  | <u>100,113</u>       | <u>(56,609)</u>    | <u>175,288</u>      | <u>11,986,522</u>   |
| <b>2024</b>                            |                    |                      |                    |                     |                     |
| Group's share of net assets            | <u>15,694,823</u>  | <u>12,181,182</u>    | <u>1,571,134</u>   | <u>324,793</u>      | <u>29,771,932</u>   |
| Group's share of results of associates | <u>1,805,877</u>   | <u>2,201,883</u>     | <u>(119,255)</u>   | <u>253,976</u>      | <u>4,142,481</u>    |

**18. OTHER INVESTMENT**

|                                                              | <b>The Group</b>   |                    |
|--------------------------------------------------------------|--------------------|--------------------|
|                                                              | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>Financial assets at fair value through profit or loss</b> |                    |                    |
| <b>Quoted shares in Malaysia and overseas</b>                |                    |                    |
| At beginning of year                                         | 1,075,269          | 756,237            |
| Additions during the year                                    | 377,147            | 920,908            |
| Disposal during the year                                     | (286,771)          | (595,577)          |
| Changes in fair value (Note 6)                               | <u>(2,743)</u>     | <u>(6,299)</u>     |
| At end of year                                               | <u>1,162,902</u>   | <u>1,075,269</u>   |

Fair value hierarchy for other investment has been disclosed in Note 43.

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**19. LAND HELD FOR PROPERTY DEVELOPMENT**

|                                                   | <b>The Group</b>   |                    |
|---------------------------------------------------|--------------------|--------------------|
|                                                   | <b>2025</b>        | <b>2024</b>        |
|                                                   | <b>RM</b>          | <b>RM</b>          |
| <b>Freehold land</b>                              |                    |                    |
| At beginning of year                              | 351,519,489        | 446,431,811        |
| Additions                                         | 3,863,400          | 5,122,986          |
| Reversal of provision for landowners' entitlement | (756,118)          | -                  |
| Transfer to property development costs (Note 22)  | (18,959,169)       | (100,035,308)      |
| Transfer to investment properties (Note 15)       | (1,555,611)        | -                  |
| At end of year                                    | 334,111,991        | 351,519,489        |
| <b>Leasehold land</b>                             |                    |                    |
| At beginning of year                              | 136,039,884        | 136,040,384        |
| Additions/(Reversal)                              | 12,500             | (500)              |
| Transfer from prepayment (Note 21(h)(ii))         | 37,258,624         | -                  |
| Land cost allocation expensed off (Note 6)        | (6,429,549)        | -                  |
| Transfer to property development costs (Note 22)  | (3,389,547)        | -                  |
| At end of year                                    | 163,491,912        | 136,039,884        |
| <b>Total land</b>                                 | 497,603,903        | 487,559,373        |
| <b>Development costs</b>                          |                    |                    |
| At beginning of year                              | 296,821,548        | 292,621,138        |
| Additions                                         | 8,830,695          | 30,359,137         |
| Development expenditure expensed off (Note 6)     | -                  | (1,090,931)        |
| Transfer from prepayment (Note 21(h)(ii))         | 84,483             | -                  |
| Transfer to investment properties (Note 15)       | (1,737,089)        | -                  |
| Transfer to property development costs (Note 22)  | (22,678,474)       | (25,067,796)       |
| At end of year                                    | 281,321,163        | 296,821,548        |
| <b>Total land and development costs</b>           | 778,925,066        | 784,380,921        |
| <b>Less: Accumulated impairment loss</b>          |                    |                    |
| At beginning and end of year                      | (5,460,091)        | (5,460,091)        |
|                                                   | <u>773,464,975</u> | <u>778,920,830</u> |

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Included in land held for property development are:

- (i) freehold land amounting to RM78,407,328 (2024: RM79,962,939) that has been pledged for term loan and revolving credit facilities granted to certain subsidiaries as disclosed in Note 33;
- (ii) leasehold land amounting to RM19,040,009 (2024: RM19,039,509) that has been charged for revolving credit facility granted to a subsidiary as disclosed in Note 33;
- (iii) the title of the freehold land amounting to RM5,620,016 (2024: RM19,241,720) that has been deposited with a financial institution for term loan facilities granted to a subsidiary as disclosed in Note 33; and
- (iv) freehold and leasehold land amounting to RM192,594,267 (2024: RM193,921,649) that represents entitlements of the landowners pursuant to joint land development agreements to undertake property development projects. The titles to the development land will be transferred directly from landowners to the property purchasers.

**20. DEFERRED TAX ASSETS AND LIABILITIES**

|                                       | <b>The Group</b>   |                    | <b>The Company</b> |             |
|---------------------------------------|--------------------|--------------------|--------------------|-------------|
|                                       | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b> |
|                                       | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>   |
| <b>Deferred tax assets</b>            |                    |                    |                    |             |
| At beginning of year                  | 18,293,598         | 24,228,580         | -                  | -           |
| Recognised in profit or loss (Note 8) | <u>(2,308,942)</u> | <u>(5,934,982)</u> | <u>-</u>           | <u>-</u>    |
| At end of year                        | <u>15,984,656</u>  | <u>18,293,598</u>  | <u>-</u>           | <u>-</u>    |

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|                                                                                 | <b>The Group</b>    |                     | <b>The Company</b> |                  |
|---------------------------------------------------------------------------------|---------------------|---------------------|--------------------|------------------|
|                                                                                 | <b>2025</b>         | <b>2024</b>         | <b>2025</b>        | <b>2024</b>      |
|                                                                                 | <b>RM</b>           | <b>RM</b>           | <b>RM</b>          | <b>RM</b>        |
| <b>Deferred tax liabilities</b>                                                 |                     |                     |                    |                  |
| At beginning of year                                                            | (44,433,818)        | (50,046,493)        | (114,428)          | (114,428)        |
| Recognised in profit or loss (Note 8)                                           | 263,822             | 5,501,527           | -                  | -                |
| Transfer to liabilities for disposal group classified as held for sale (Note 9) | 2,686,555           | -                   | -                  | -                |
| Recognised in other comprehensive income (Note 8)                               | (3,196,227)         | (239,304)           | (38,791)           | -                |
| Effect of movements in exchange rate                                            | 100,851             | 350,452             | -                  | -                |
| At end of year                                                                  | <u>(44,578,817)</u> | <u>(44,433,818)</u> | <u>(153,219)</u>   | <u>(114,428)</u> |

Deferred tax assets and deferred tax liabilities are attributable to the following:

|                                                | <b>The Group</b>  |                   |
|------------------------------------------------|-------------------|-------------------|
|                                                | <b>2025</b>       | <b>2024</b>       |
|                                                | <b>RM</b>         | <b>RM</b>         |
| <b>Deferred tax assets</b>                     |                   |                   |
| Deductible temporary differences arising from: |                   |                   |
| Property, plant and equipment                  | (22,147)          | (4,940)           |
| Property development costs                     | 9,305,600         | 11,354,800        |
| Receivables and deposits                       | 352,503           | 590,638           |
| Payables and accruals                          | 5,240,000         | 5,244,400         |
| Unused tax losses                              | 1,108,700         | 1,108,700         |
|                                                | <u>15,984,656</u> | <u>18,293,598</u> |



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|                                                           | <b>The Group</b>    |                     | <b>The Company</b> |                  |
|-----------------------------------------------------------|---------------------|---------------------|--------------------|------------------|
|                                                           | <b>2025</b>         | <b>2024</b>         | <b>2025</b>        | <b>2024</b>      |
|                                                           | <b>RM</b>           | <b>RM</b>           | <b>RM</b>          | <b>RM</b>        |
| <b>Deferred tax liabilities</b>                           |                     |                     |                    |                  |
| Taxable temporary differences arising from:               |                     |                     |                    |                  |
| Property, plant and equipment                             | (3,012,288)         | (3,038,562)         | (166)              | (166)            |
| Investment properties                                     | (144,000)           | (579,500)           | -                  | -                |
| Property development costs                                | 307,020             | 307,020             | -                  | -                |
| Inventories                                               | (1,862,405)         | (1,492,566)         | -                  | -                |
| Biological assets                                         | (2,172,633)         | (1,819,136)         | -                  | -                |
| Receivables and deposits                                  | (586,900)           | (396,800)           | -                  | -                |
| Provisions                                                | 4,315,941           | 4,120,887           | -                  | -                |
| Payables and accruals                                     | (878,700)           | (888,700)           | -                  | -                |
| Surplus arising from revaluation of land and buildings    | (6,706,541)         | (6,310,118)         | (153,053)          | (114,262)        |
| Fair value adjustment in respect of investment properties | (12,570,493)        | (11,728,193)        | -                  | -                |
| Fair value adjustment in respect of subsidiaries acquired | (21,850,818)        | (23,557,650)        | -                  | -                |
| Unused tax losses                                         | -                   | 174,500             | -                  | -                |
| Unabsorbed capital allowances                             | 583,000             | 775,000             | -                  | -                |
|                                                           | <u>(44,578,817)</u> | <u>(44,433,818)</u> | <u>(153,219)</u>   | <u>(114,428)</u> |

The deferred tax assets and deferred tax liabilities are not available for set-off as they arise from different taxable entities within the Group.

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**21. RECEIVABLES, DEPOSITS AND PREPAYMENTS**

|                                     |      | The Group   |             | The Company |            |
|-------------------------------------|------|-------------|-------------|-------------|------------|
|                                     | Note | 2025<br>RM  | 2024<br>RM  | 2025<br>RM  | 2024<br>RM |
| <b>Non-current</b>                  |      |             |             |             |            |
| <b>Trade</b>                        |      |             |             |             |            |
| Loan receivables                    | (a)  | 12,736,409  | 44,577,912  | -           | -          |
| <b>Non-trade</b>                    |      |             |             |             |            |
| Prepayments                         | (c)  | 13,547,234  | 14,082,455  | -           | -          |
| Other receivables                   |      | 9,622       | 41,437      | -           | -          |
| Total non-current                   |      | 26,293,265  | 58,701,804  | -           | -          |
| <b>Current</b>                      |      |             |             |             |            |
| <b>Trade</b>                        |      |             |             |             |            |
| Trade receivables                   |      | 135,208,868 | 105,777,451 | -           | -          |
| Less: Allowance for impairment loss |      | (281,355)   | (184,062)   | -           | -          |
|                                     | (d)  | 134,927,513 | 105,593,389 | -           | -          |

(Forward)

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|                                             | Note | The Group   |             | The Company |            |
|---------------------------------------------|------|-------------|-------------|-------------|------------|
|                                             |      | 2025<br>RM  | 2024<br>RM  | 2025<br>RM  | 2024<br>RM |
| Loan receivables                            | (a)  | 116,676     | 3,046,521   | -           | -          |
| Less:                                       |      |             |             |             |            |
| Allowance for impairment loss               |      | (22,277)    | (123,277)   | -           | -          |
|                                             |      | 94,399      | 2,923,244   | -           | -          |
|                                             |      | 135,021,912 | 108,516,633 | -           | -          |
| <b>Non-trade</b>                            |      |             |             |             |            |
| Amount due from subsidiaries                | (b)  | -           | -           | 140,867,912 | 71,165,568 |
| Less:                                       |      |             |             |             |            |
| Allowance for impairment loss               |      | -           | -           | (197,943)   | (178,000)  |
|                                             |      | -           | -           | 140,669,969 | 70,987,568 |
| Other receivables                           | (e)  | 36,294,271  | 30,336,168  | 16,154      | 16,154     |
| Less:                                       |      |             |             |             |            |
| Allowance for impairment loss               |      | (190,494)   | (206,648)   | (16,154)    | (16,154)   |
|                                             |      | 36,103,777  | 30,129,520  | -           | -          |
| Deposits for development land acquisition   |      | 100,000     | 100,000     | -           | -          |
| Joint venture deposits for land development | (f)  | 5,650,000   | 15,650,000  | -           | -          |
| Other deposits                              | (g)  | 62,193,498  | 28,804,556  | 30,000      | 30,000     |
| Prepayments                                 | (h)  | 88,454,503  | 73,057,670  | -           | -          |
| Total current                               |      | 327,523,690 | 256,258,379 | 140,699,969 | 71,017,568 |
| Total receivables, deposits and prepayments |      | 353,816,955 | 314,960,183 | 140,699,969 | 71,017,568 |

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(a) Included in the loan receivables are:

- (i) an amount of RM4,000,000 (2024: RM38,500,000) pertaining to the loan granted by a subsidiary of the Company to a third party in respect of a joint venture land development agreement entered between the third party and another subsidiary of the Company; and
- (ii) an amount of RM1,402,313 (2024: RM3,642,100) pertaining to a loan granted by a subsidiary of the Company to a director of another subsidiary of the Company.

The maturity profile of loan receivables is as follows:

|                                                     | <b>The Group</b>  |                   |
|-----------------------------------------------------|-------------------|-------------------|
|                                                     | <b>2025</b>       | <b>2024</b>       |
|                                                     | <b>RM</b>         | <b>RM</b>         |
| <b>Fixed rate instruments</b>                       |                   |                   |
| Receivable within 1 year                            | 116,676           | 3,046,521         |
| Receivable after 1 year but not later than 2 years  | 7,466,336         | 19,374,668        |
| Receivable after 2 years but not later than 3 years | 94,960            | 8,511,144         |
| Receivable after 3 years but not later than 4 years | 4,142,400         | 16,692,100        |
| Receivable more than 4 years                        | 1,032,713         | -                 |
|                                                     | <u>12,853,085</u> | <u>47,624,433</u> |

The loan receivables bear effective interest at rates ranging from 4.1% to 7.0% (2024: 5.0% to 8.5%) per annum.

The movement of allowance account used to record the impairment of loan receivables is as follows:

|                             | <b>The Group</b> |                 |
|-----------------------------|------------------|-----------------|
|                             | <b>2025</b>      | <b>2024</b>     |
|                             | <b>RM</b>        | <b>RM</b>       |
| At beginning of year        | 123,277          | 161,277         |
| No longer required (Note 6) | <u>(101,000)</u> | <u>(38,000)</u> |
| At end of year              | <u>22,277</u>    | <u>123,277</u>  |

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- (b) Included in amount due from subsidiaries are unsecured amounts of:
- (i) RM8,000,000 (2024: RM4,117,869) which bears interest at 5.51% (2024: 5.76%) per annum and is repayable on demand;
  - (ii) RM132,669,969 (2024: RM62,857,199) which is interest-free and repayable on demand; and
  - (iii) prior year dividend receivable from a subsidiary of RM4,012,500, which has been received on 17 October 2024.

The movement of allowance account used to record the impairment of amount due from subsidiaries is as follows:

|                      | <b>The Company</b> |                |
|----------------------|--------------------|----------------|
|                      | <b>2025</b>        | <b>2024</b>    |
|                      | <b>RM</b>          | <b>RM</b>      |
| At beginning of year | 178,000            | 178,000        |
| Additions (Note 6)   | 19,943             | -              |
| At end of year       | <u>197,943</u>     | <u>178,000</u> |

- (c) Included in non-current prepayments of the Group is an amount of RM13,241,493 (2024: RM13,034,164) in respect of property infrastructure costs incurred on a plot of land leased from PAK for a period of 60 years (2024: 60 years) for future construction of a retail mall.

- (d) Trade receivables

- (i) The Group's normal trade credit term ranges from 7 to 90 days (2024: 7 to 90 days).
- (ii) The ageing analysis of the Group's trade receivables is as follows:

|                                          | <b>The Group</b>   |                    |
|------------------------------------------|--------------------|--------------------|
|                                          | <b>2025</b>        | <b>2024</b>        |
|                                          | <b>RM</b>          | <b>RM</b>          |
| Neither past due nor impaired            | 106,203,044        | 81,116,005         |
| 1 to 30 days past due not impaired       | 14,979,361         | 8,450,106          |
| 31 to 60 days past due not impaired      | 12,008,308         | 6,154,778          |
| 61 to 90 days past due not impaired      | 825,159            | 3,036,678          |
| 91 to 120 days past due not impaired     | 545,042            | 4,809,666          |
| More than 120 days past due not impaired | 366,599            | 2,026,156          |
| Past due and impaired                    | <u>28,724,469</u>  | <u>24,477,384</u>  |
|                                          | <u>281,355</u>     | <u>184,062</u>     |
|                                          | <u>135,208,868</u> | <u>105,777,451</u> |

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Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy customers with good payment records.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM28,724,469 (2024: RM24,477,384) are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Receivables that are impaired

The movement of allowance accounts used to record the impairment is as follows:

|                             | <b>The Group</b> |                |
|-----------------------------|------------------|----------------|
|                             | <b>2025</b>      | <b>2024</b>    |
|                             | <b>RM</b>        | <b>RM</b>      |
| At beginning of year        | 184,062          | 903,051        |
| Additions (Note 6)          | 204,552          | 93,090         |
| No longer required (Note 6) | (103,142)        | (411,903)      |
| Written off                 | (4,117)          | (400,176)      |
| At end of year              | <u>281,355</u>   | <u>184,062</u> |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs").

The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

- (iii) Included in trade receivables of the Group are:
  - (a) retention sums amounting to RM60,478,525 (2024: RM49,029,585) held by stakeholders; and
  - (b) an amount of RMNil (2024: RM251,833) due from indirect corporate shareholders of subsidiaries in respect of purchase of development properties from the Group which include retention sum of RMNil (2024: RM210,733) held by stakeholders.
- (e) Included in other receivables of the Group and of the Company are:
  - (i) an amount of RM4,846,131 (2024: RM5,355,494) being unbilled rental income receivables;
  - (ii) an amount of RM22,265,090 (2024: RM10,456,645) being indirect taxes paid in advance to tax authorities.

**Income Tax Article 26**

In January 2025, PTMKH received a Letter of Tax Underpayment Assessment from DGT for indirect income tax article 26 for the financial year 2023 amounting to IDR11,051 million, equivalent to RM2.80 million. In March 2025, PTMKH made the full payment of the underpayment amounting to IDR11,051 million, equivalent to RM2.80 million. In April 2025, the Company submitted the objection letter to the tax office.

On 28 October 2025, DGT partially accepted the objection letter to refund IDR5,571 million, equivalent to RM1.41 million to PTMKH. As at to date, PTMKH is still in process of preparing an appeal to the tax courts regarding the remaining amount of IDR5,480 million, equivalent to RM1.39 million.

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defence against DGT's assessments for indirect income tax article 26 for the financial year 2023. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements of the Group and PTMKH.



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Value Added Tax

In October 2025, PTMKH received and accepted a Letter of Refund of Excess Tax Payment for value added tax relating to the September 2024 tax period, in respect of an overpayment of IDR34,900 million, equivalent to RM8.83 million.

- (iii) an amount of RM2,727,087 (2024: RM2,110,539) being amount due from Plasma Farmers Cooperative in Indonesia.

The movement of allowance account used to record the impairment of other receivables is as follows:

|                                | <b>The Group</b> |                    | <b>The Company</b> |               |
|--------------------------------|------------------|--------------------|--------------------|---------------|
|                                | <b>2025</b>      | <b>2024</b>        | <b>2025</b>        | <b>2024</b>   |
|                                | <b>RM</b>        | <b>RM</b>          | <b>RM</b>          | <b>RM</b>     |
| At beginning of year           | 206,648          | 5,400,510          | 16,154             | 16,154        |
| No longer required<br>(Note 6) | -                | (8,672)            | -                  | -             |
| Written off                    | <u>(16,154)</u>  | <u>(5,185,190)</u> | <u>-</u>           | <u>-</u>      |
| At end of year                 | <u>190,494</u>   | <u>206,648</u>     | <u>16,154</u>      | <u>16,154</u> |

The impaired other receivables at the reporting date relate to debtors that have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

- (f) The joint venture deposits of the Group are paid to landowners in respect of Joint Venture Agreements ("Agreements") whereby the Group is responsible to implement and undertake the overall development projects on the land owned by the third parties upon fulfilment of the terms and conditions as stipulated in the Agreements.
- (i) Included in the joint venture deposits of the Group in the previous year, was an addition in respect of a subsidiary acquired as disclosed in Note 16, being a deposit paid to landowners amounting to RM10,000,000 in respect of development right agreement ("DRA") whereby the Group is responsible to implement and undertake the overall development project on the two (2) parcels of leasehold lands owned by the third party upon fulfilment of the terms and conditions as stipulated in the DRA. The deposit paid is to be accounted for as part payment of the returns to landowners as stipulated in the DRA. During the financial year, the deposit has been reclassified to prepayment of development costs in respect of future property development projects.

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- (ii) In the previous financial year, the Group reclassified joint venture deposits which amounted to RM10,000,000 to property development costs upon fulfilment of terms and conditions stipulated in the Agreements as disclosed in Note 22.
- (g) Included in other deposits of the Group are:
  - (i) an amount of RM21,123,318 (2024: RM18,792,117) paid to the relevant authorities for property development projects;
  - (ii) an amount of RM29,102,500 (2024: RMNil) paid as partial purchase consideration for acquisition of a parcel of freehold land as disclosed in Note 39(a); and
  - (iii) an amount of RM4,208,165 (2024: RMNil) paid as partial purchase consideration for acquisition of a subsidiary as disclosed in Note 39(b).
- (h) Included in prepayments of the Group are:
  - (i) RM70,848,462 (2024: RM24,785,893) development costs incurred in respect of upcoming property development project;
  - (ii) during the financial year, the Group reclassified prepayments amounting to RM37,343,107 (2024: RMNil) to land held for property development upon fulfilment of terms and conditions stipulated in the development rights agreement as disclosed in Note 19;
  - (iii) an amount of RM11,104,361 (2024: RM9,108,993) paid to Trustee accounts for joint development of infrastructure projects with other developers; and
  - (iv) in the previous financial year, the Group reclassified prepayments amounting to RM2,031,444 to property development costs upon fulfilment of terms and conditions stipulated in the Agreements as disclosed in Note 22.

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**22. PROPERTY DEVELOPMENT COSTS**

|                                                            | <b>The Group</b> |              |
|------------------------------------------------------------|------------------|--------------|
|                                                            | <b>2025</b>      | <b>2024</b>  |
|                                                            | <b>RM</b>        | <b>RM</b>    |
| <b>At cost:</b>                                            |                  |              |
| <b>Freehold land</b>                                       |                  |              |
| At beginning of year                                       | 253,372,644      | 178,639,356  |
| Additions                                                  | 4,477,418        | 3,980,397    |
| Provision for landowners' entitlement                      | 2,305,631        | 27,120,248   |
| Reclassify from deposit (Note 21(f)(ii))                   | -                | 10,000,000   |
| Reclassify from prepayment (Note 21(h)(iv))                | -                | 25,000       |
| Transfer from land held for property development (Note 19) | 18,959,169       | 100,035,308  |
| Transfer to inventories                                    | (14,322,681)     | (3,137,297)  |
| Reversal of completed projects                             | (47,236,839)     | (63,290,368) |
| At end of year                                             | 217,555,342      | 253,372,644  |
| <b>Leasehold land</b>                                      |                  |              |
| At beginning of year                                       | 148,904,115      | 176,604,944  |
| Additions                                                  | 437,090          | 2,963,899    |
| Reversal of provision for landowners' entitlement          | (50,699)         | -            |
| Transfer from land held for property development (Note 19) | 3,389,547        | -            |
| Reversal of completed projects                             | (16,971,365)     | (30,664,728) |
| At end of year                                             | 135,708,688      | 148,904,115  |
| (Forward)                                                  |                  |              |

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|                                                               | <b>The Group</b>   |                    |
|---------------------------------------------------------------|--------------------|--------------------|
|                                                               | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>Development costs</b>                                      |                    |                    |
| At beginning of year                                          | 750,875,552        | 725,372,680        |
| Additions                                                     | 254,970,568        | 371,960,346        |
| Transfer from land held for property development (Note 19)    | 22,678,474         | 25,067,796         |
| Transfer to inventories                                       | (51,050,356)       | (17,221,165)       |
| Reclassify from prepayment (Note 21(h)(iv))                   | -                  | 2,006,444          |
| Reversal of completed projects                                | (552,246,668)      | (356,310,549)      |
| At end of year                                                | 425,227,570        | 750,875,552        |
| <b>Total land and development costs</b>                       | 778,491,600        | 1,153,152,311      |
| <b>Less: Provision for foreseeable loss</b>                   |                    |                    |
| At beginning of year                                          | (609,502)          | (2,080,070)        |
| Additions (Note 5)                                            | (530,776)          | (942,025)          |
| Incurred during the year                                      | 1,140,278          | 2,412,593          |
| At end of year                                                | -                  | (609,502)          |
| <b>Less: Costs recognised as an expense in profit or loss</b> |                    |                    |
| At beginning of year                                          | (672,609,722)      | (696,262,653)      |
| Additions                                                     | (326,752,016)      | (426,612,714)      |
| Reversal of completed projects                                | 616,454,872        | 450,265,645        |
| At end of year                                                | (382,906,866)      | (672,609,722)      |
|                                                               | <u>395,584,734</u> | <u>479,933,087</u> |

Included in the above are:

- (i) titles of freehold land amounting to RM18,816,422 (2024: RM41,515,212) have been deposited for term loan facility granted to a subsidiary as disclosed in Note 33; and
- (ii) freehold and leasehold land amounting to RM318,521,180 (2024: RM290,007,428) represents entitlements of the landowners pursuant to joint venture and joint land development agreements to undertake property development projects. The titles to the development land will be transferred from landowners to the property purchasers.

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**23. INVENTORIES**

|                                                       | <b>The Group</b>          |                          |
|-------------------------------------------------------|---------------------------|--------------------------|
|                                                       | <b>2025</b>               | <b>2024</b>              |
|                                                       | <b>RM</b>                 | <b>RM</b>                |
| <b>At lower of cost and net realisable value:</b>     |                           |                          |
| Raw materials                                         | -                         | 78,528                   |
| Work-in-progress                                      | -                         | 43,191                   |
| Finished goods                                        | 714,631                   | 895,346                  |
| Food and beverages                                    | 8,011                     | 5,332                    |
| Plantation consumables                                | 13,781,293                | 14,952,582               |
| Fertilisers                                           | 6,449,798                 | 4,086,494                |
| Crude palm oil, crude palm kernel oil and palm kernel | 28,145,343                | 17,211,068               |
| Completed development properties                      | <u>93,089,796</u>         | <u>59,890,271</u>        |
|                                                       | <u><b>142,188,872</b></u> | <u><b>97,162,812</b></u> |

During the financial year, the cost of inventories recognised as an expense in cost of sales of the Group is RM294,145,060 (2024: RM312,051,908).

In the previous financial year, the Group has transferred completed inventories amounting to RM20,051,460 to investment properties as disclosed in Note 15 due to the change in use.

**24. CONTRACT ASSETS AND CONTRACT LIABILITIES**

|                                             | <b>The Group</b>          |                           |
|---------------------------------------------|---------------------------|---------------------------|
|                                             | <b>2025</b>               | <b>2024</b>               |
|                                             | <b>RM</b>                 | <b>RM</b>                 |
| Contract assets                             | 173,272,251               | 293,775,202               |
| Contract liabilities                        | <u>(2,222,434)</u>        | <u>(13,950,359)</u>       |
| Net                                         | <u><b>171,049,817</b></u> | <u><b>279,824,843</b></u> |
| At beginning of year                        | 279,824,843               | 318,131,959               |
| Consideration paid/payable to customers     | 62,738,690                | 31,252,774                |
| Revenue recognised during the year (Note 4) | 468,443,274               | 579,304,751               |
| Progress billing during the year            | <u>(639,956,990)</u>      | <u>(648,864,641)</u>      |
| At end of year                              | <u><b>171,049,817</b></u> | <u><b>279,824,843</b></u> |

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

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The transaction price allocated to the unsatisfied performance obligations as at 30 September 2025 is RM471,335,988 (2024: RM547,257,479). The remaining performance obligations are expected to be recognised within the remaining 4 years (2024: 4 years).

There was no impairment loss recognised on contract assets at the reporting date.

**25. CONTRACT COST ASSETS**

|                                    | <b>The Group</b>    |                     |
|------------------------------------|---------------------|---------------------|
|                                    | <b>2025</b>         | <b>2024</b>         |
|                                    | <b>RM</b>           | <b>RM</b>           |
| At beginning of year               | 16,296,324          | 26,617,381          |
| Additions during the year          | 16,276,867          | 8,210,222           |
| Amortised during the year (Note 5) | <u>(15,312,031)</u> | <u>(18,531,279)</u> |
| At end of year                     | <u>17,261,160</u>   | <u>16,296,324</u>   |

Contract costs consist of sales commission and agency fees paid to intermediaries to secure contracts with customers. These costs are subsequently expensed off as cost of sales by reference to the performance completed to date, consistent with the revenue recognition pattern.

There was no impairment loss in relation to the cost capitalised.

**26. BIOLOGICAL ASSETS**

|                                      | <b>The Group</b> |                  |
|--------------------------------------|------------------|------------------|
|                                      | <b>2025</b>      | <b>2024</b>      |
|                                      | <b>RM</b>        | <b>RM</b>        |
| <b>Net Book Value</b>                |                  |                  |
| At beginning of year                 | 8,268,800        | 6,231,392        |
| Changes in fair value (Note 6)       | 2,362,091        | 2,848,371        |
| Effect of movements in exchange rate | <u>(755,289)</u> | <u>(810,963)</u> |
| At end of year                       | <u>9,875,602</u> | <u>8,268,800</u> |



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The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. Management has considered FFB less than 15 days before harvesting in the calculation of fair value. FFB more than 15 days before harvesting are excluded from the valuation as their fair values are considered negligible.

The fair value measurement of the biological assets is valued using present value of net cashflows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 2 of the fair value hierarchy is disclosed in Note 43.

During the financial year, the Group harvested approximately 385,718 metric tonnes ("MT") of FFB (2024: 406,658 MT).

**27. CASH, BANK BALANCES, TERM DEPOSITS AND SHORT-TERM PLACEMENTS**

|                                              | Note | The Group          |                    | The Company    |                  |
|----------------------------------------------|------|--------------------|--------------------|----------------|------------------|
|                                              |      | 2025<br>RM         | 2024<br>RM         | 2025<br>RM     | 2024<br>RM       |
| Term deposits                                | (a)  | 4,530,000          | 12,637,700         | -              | -                |
| Cash and bank balances                       |      | 255,642,049        | 241,736,738        | 927,805        | 4,667,496        |
| Cash held under housing development accounts | (b)  | 132,488,408        | 99,934,102         | -              | -                |
| Short-term placements                        | (c)  | 204,802,121        | 154,218,308        | -              | -                |
|                                              |      | <u>597,462,578</u> | <u>508,526,848</u> | <u>927,805</u> | <u>4,667,496</u> |

(a) The term deposits bear effective interest at rates ranging from 3.70% to 5.75% (2024: 1.30% to 3.00%) per annum with maturity period ranging from 30 days to 9 months (2024: 90 days to 3 years).

(b) Cash held under housing development accounts represent amounts placed in Housing Development Accounts ("HDA") in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Housing Development (Control and Licensing) Act, 1966.



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(c) Short-term placements of the Group represent:

- (i) investment in trust funds managed by licensed investment management companies, which are tax exempt, fixed-deposit-linked and allows prompt redemption at any time; and
- (ii) investment in highly liquid money market funds, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

The short-term placements earn returns at effective rate ranging from 3.27% to 3.62% (2024: 1.50% to 3.81%) per annum.

The non-short term and highly liquid deposits of RM2,000,000 (2024: RM6,759,700) included in term deposits have maturity period of more than 3 months.

Included in cash and bank balances is an amount of RM1,182,200 (2024: RMNil) deposited into a joint controlled account with the third party for the proposed disposal of a wholly-owned subsidiary as disclosed in Note 39(c). The amount is restricted for use until the completion of the transaction.

**28. SHARE CAPITAL**

|                      | The Group and The Company                      |                    |                                                      |                          |
|----------------------|------------------------------------------------|--------------------|------------------------------------------------------|--------------------------|
|                      | Number of shares                               |                    | Amount                                               |                          |
|                      | Share capital<br>(issued and<br>fully paid-up) | Treasury<br>shares | Share capital<br>(issued and<br>fully paid-up)<br>RM | Treasury<br>shares<br>RM |
| <b>2025</b>          |                                                |                    |                                                      |                          |
| At beginning of year | 586,548,168                                    | (9,153,300)        | 654,458,655                                          | (11,139,790)             |
| Share buy back       | -                                              | (506,600)          | -                                                    | (554,427)                |
| At end of year       | <u>586,548,168</u>                             | <u>(9,659,900)</u> | <u>654,458,655</u>                                   | <u>(11,694,217)</u>      |
| <b>2024</b>          |                                                |                    |                                                      |                          |
| At beginning of year | 586,548,168                                    | (9,132,300)        | 654,458,655                                          | (11,112,278)             |
| Share buy back       | -                                              | (21,000)           | -                                                    | (27,512)                 |
| At end of year       | <u>586,548,168</u>                             | <u>(9,153,300)</u> | <u>654,458,655</u>                                   | <u>(11,139,790)</u>      |

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**(a) Share capital**

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

**(b) Treasury shares**

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 506,600 (2024: 21,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the shares including transaction costs was RM554,427 (2024: RM27,512) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

**29. RESERVES**

|                          | <b>The Group</b>     |                      | <b>The Company</b> |                    |
|--------------------------|----------------------|----------------------|--------------------|--------------------|
|                          | <b>2025</b>          | <b>2024</b>          | <b>2025</b>        | <b>2024</b>        |
|                          | <b>RM</b>            | <b>RM</b>            | <b>RM</b>          | <b>RM</b>          |
| <b>Non-distributable</b> |                      |                      |                    |                    |
| Translation reserve      | (44,063,497)         | (20,387,074)         | -                  | -                  |
| Revaluation reserve      | 27,832,594           | 25,215,341           | 919,774            | 671,520            |
|                          | (16,230,903)         | 4,828,267            | 919,774            | 671,520            |
| <b>Distributable</b>     |                      |                      |                    |                    |
| Retained earnings        | 1,244,562,390        | 1,177,963,445        | 633,782,114        | 609,733,477        |
|                          | <u>1,228,331,487</u> | <u>1,182,791,712</u> | <u>634,701,888</u> | <u>610,404,997</u> |

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**Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the assets and liabilities of foreign operations which are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. This form part of the Group's net investment in foreign operations upon consolidation. The exchange differences arising on transaction for consolidation are recognised in other comprehensive income.

**Revaluation reserve**

The revaluation reserve relates to the revaluation of land and buildings.

**Retained earnings**

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available to be distributed as single tier dividends to the shareholders of the Company.

**30. PROVISIONS**

|                  | <b>Post-<br/>employment<br/>benefit<br/>obligations<br/>RM</b> | <b>Retirement<br/>gratuity<br/>RM</b> | <b>Liquidated<br/>ascertained<br/>damages<br/>RM</b> | <b>Total<br/>RM</b> |
|------------------|----------------------------------------------------------------|---------------------------------------|------------------------------------------------------|---------------------|
| <b>The Group</b> |                                                                |                                       |                                                      |                     |
| <b>2025</b>      |                                                                |                                       |                                                      |                     |
| Non-current      | 19,617,911                                                     | -                                     | -                                                    | 19,617,911          |
| Current          | -                                                              | 21,904,397                            | 7,043,677                                            | 28,948,074          |
|                  | <u>19,617,911</u>                                              | <u>21,904,397</u>                     | <u>7,043,677</u>                                     | <u>48,565,985</u>   |
| <b>2024</b>      |                                                                |                                       |                                                      |                     |
| Non-current      | 18,731,306                                                     | -                                     | -                                                    | 18,731,306          |
| Current          | -                                                              | 21,904,397                            | -                                                    | 21,904,397          |
|                  | <u>18,731,306</u>                                              | <u>21,904,397</u>                     | <u>-</u>                                             | <u>40,635,703</u>   |

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**(a) Post-employment benefit obligations**

|                                                   | <b>The Group</b>  |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | <b>2025</b>       | <b>2024</b>       |
|                                                   | <b>RM</b>         | <b>RM</b>         |
| At beginning of year                              | 18,731,306        | 18,784,548        |
| Amounts recognised in profit or loss (Note 6):    |                   |                   |
| Current service costs                             | 3,798,987         | 3,810,985         |
| Interest on obligation                            | 1,149,764         | 1,154,509         |
|                                                   | 4,948,751         | 4,965,494         |
| Amounts recognised in other comprehensive income: |                   |                   |
| Remeasurement gains                               | (227,254)         | (1,087,745)       |
| Payment during the financial year                 | (2,348,898)       | (1,694,113)       |
| Effect of movements in exchange rate              | (1,485,994)       | (2,236,878)       |
| At end of year                                    | <u>19,617,911</u> | <u>18,731,306</u> |

Two subsidiaries of the Company in Indonesia operate unfunded defined benefit schemes, as required under the Labour Law of the Republic of Indonesia. The provision is determined based on estimation of amount of benefits that employees have earned in return for their service in the current and prior years. The defined benefit obligation was determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method.

The defined benefit schemes expose the Group to actuarial risks, such as longevity risk and interest rate risk.

The amount recognised in the consolidated statements of financial position is determined as follows:

|                              | <b>The Group</b>  |                   |
|------------------------------|-------------------|-------------------|
|                              | <b>2025</b>       | <b>2024</b>       |
|                              | <b>RM</b>         | <b>RM</b>         |
| Present value of obligations | <u>19,617,911</u> | <u>18,731,306</u> |

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Principal assumptions at reporting date are as follows:

|                        | <b>The Group</b>                                                                                                                                                   |                                                                                                                                                                    |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | <b>2025</b>                                                                                                                                                        | <b>2024</b>                                                                                                                                                        |
| Discount rate          | 7.00%                                                                                                                                                              | 6.75%                                                                                                                                                              |
| Future salary increase | 8.00%                                                                                                                                                              | 8.00%                                                                                                                                                              |
| Resignation rate       | 22% per annum<br>until age of 18 then<br>decrease linearly to 0%<br>at age of 57 / 6% per<br>annum until age of 38<br>then decrease linearly<br>to 0% at age of 57 | 22% per annum<br>until age of 18 then<br>decrease linearly to 0%<br>at age of 57 / 6% per<br>annum until age of 38<br>then decrease linearly<br>to 0% at age of 57 |

**Sensitivity analysis**

The sensitivity analysis below has been determined based on reasonably possible changes in the discount rate and future salary increase occurring at the reporting date, while holding all other assumptions constant.

|                              | <b>The Group</b>                     |                  |
|------------------------------|--------------------------------------|------------------|
|                              | <b>Increase/(Decrease) in profit</b> |                  |
|                              | <b>2025</b>                          | <b>2024</b>      |
|                              | <b>RM</b>                            | <b>RM</b>        |
| Discount rate increase by 1% | 1,293,932                            | 1,256,181        |
| Discount rate decrease by 1% | (1,450,790)                          | (1,413,440)      |
| Future salary increase by 1% | (1,461,589)                          | (1,418,340)      |
| Future salary decrease by 1% | <u>1,329,261</u>                     | <u>1,284,679</u> |

The sensitivity analysis presented above has been determined using deterministic method and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at 30 September 2025, the weighted-average duration of the defined benefit obligation was 12.17 to 15.49 years (2024: 12.42 to 15.52 years).

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The benefits, which reflect the expected future services, as appropriate are expected to be paid as follows:

|                       | <b>The Group</b>  |                   |
|-----------------------|-------------------|-------------------|
|                       | <b>2025</b>       | <b>2024</b>       |
|                       | <b>RM</b>         | <b>RM</b>         |
| Within 1 year         | 2,834,426         | 2,918,887         |
| Between 2 and 5 years | 10,109,807        | 9,131,352         |
| After 5 years         | 17,940,259        | 17,831,815        |
|                       | <u>30,884,492</u> | <u>29,882,054</u> |

**(b) Retirement gratuity**

|                              | <b>The Group</b>  |                   |
|------------------------------|-------------------|-------------------|
|                              | <b>2025</b>       | <b>2024</b>       |
|                              | <b>RM</b>         | <b>RM</b>         |
| At beginning and end of year | <u>21,904,397</u> | <u>21,904,397</u> |

The Company established a retirement gratuity scheme in 2005 for certain Executive Directors of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the past services rendered and it does not account for the director's services to be rendered in later years up to retirement. The provision for retirement gratuity is calculated based on the last drawn monthly salaries of the eligible directors and contribution to Employees Provident Fund for three years. The retirement gratuity payable is vested upon the directors reaching retirement age and is classified as current liabilities.



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**(c) Liquidated ascertained damages**

|                                               | <b>The Group</b> |             |
|-----------------------------------------------|------------------|-------------|
|                                               | <b>2025</b>      | <b>2024</b> |
|                                               | <b>RM</b>        | <b>RM</b>   |
| At beginning of year                          | -                | -           |
| Amounts recognised in profit or loss (Note 5) | <u>7,043,677</u> | <u>-</u>    |
| At end of year                                | <u>7,043,677</u> | <u>-</u>    |

On 11 January 2019, the recipient of KTM Komuter Station, Perbadanan Aset Keretapi ("PAK") issued a certificate of non-completion ("CNC") to Srijang Kemajuan Sdn. Bhd. ("SKSB"), a 99.99% owned subsidiary of the Company, and stating that SKSB has failed to complete the construction of KTM Komuter Station ("Construction Works") by 10 December 2016 and therefore PAK is entitled to impose liquidated ascertained damages ("LAD") pursuant to the Development cum Lease Agreement ("DCLA") dated 12 October 2012 entered into between PAK and SKSB. The LAD will be calculated daily at a rate of RM4,438 from the revised completion date on 10 December 2016 (extension of time number 1) until the completion of the Construction Works.

On 28 February 2019, SKSB wrote to dispute the validity of the CNC on the grounds that SKSB had on 10 January 2017 submitted extension of time ("EOT") number 2 of which PAK has yet to assess SKSB's application for EOT number 2 and on the same day, SKSB submitted EOT number 3 in view of the delay by relevant authorities in approving the change of building design and use of building materials.

On 19 August 2019, PAK granted SKSB's EOT number 2, for a period of up to 8 January 2017 ("EOT 2").

On 13 January 2020, SKSB wrote to appeal for the EOT 2 to be extended to 30 December 2017 instead of 8 January 2017.

On 15 June 2020, SKSB submitted EOT number 4 ("EOT 4"), for period from 11 April 2020 to 1 July 2020 together with the above mentioned EOT 2 (period from 11 December 2016 to 30 December 2017) and EOT number 3 ("EOT 3") (period from 31 December 2017 to 10 April 2020).

On 23 November 2021, SKSB submitted EOT number 5 ("EOT 5"), for period from 10 June 2020 to 17 October 2021 together with the above mentioned EOT 2, EOT 3 and EOT 4.



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On 13 March 2023, SKSB handed over vacant possession of the KTM Komuter Station to PAK.

On 10 November 2023, SKSB submitted EOT number 6 ("EOT 6") to apply extension of time until 13 March 2023.

During the financial year, PAK has assessed all the EOT submitted by SKSB, and in total PAK has granted EOT up to 7 November 2018 instead of the submitted EOT as of 13 March 2023, i.e., completion date of the Construction Works. This gives rise to LAD sum of approximately RM7.0 million.

However, SKSB is not agreeable to the granted EOT and is in the midst of liaising with PAK to review and reassess the LAD sum, together with variation order claims for Construction Works certified by external consultants of approximately RM6.8 million. Nevertheless, in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Group has recognised a provision amounting to RM7,043,677, which is calculated daily at a rate of RM4,438.

Subsequent to financial year end, SKSB received an approved variation order claims from PAK amounting to RM4,989,593 and a letter on LAD claimed by PAK amounting to RM7,039,239. This results in a net payable amount of RM2,049,646 to PAK, and SKSB has intention to appeal for further waiver of the said amount.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**31. PAYABLES AND ACCRUALS**

|                                                         | Note | The Group          |                    | The Company      |                  |
|---------------------------------------------------------|------|--------------------|--------------------|------------------|------------------|
|                                                         |      | 2025<br>RM         | 2024<br>RM         | 2025<br>RM       | 2024<br>RM       |
| <b>Non-current</b>                                      |      |                    |                    |                  |                  |
| Landowners' entitlement                                 | (a)  | 163,677,614        | 255,037,124        | -                | -                |
| Retention sum payable to subcontractors after one year  |      | <u>19,764,982</u>  | <u>22,698,075</u>  | <u>-</u>         | <u>-</u>         |
|                                                         |      | <u>183,442,596</u> | <u>277,735,199</u> | <u>-</u>         | <u>-</u>         |
| <b>Current</b>                                          |      |                    |                    |                  |                  |
| <b>Trade</b>                                            |      |                    |                    |                  |                  |
| Trade payables                                          | (b)  | 208,970,093        | 252,247,593        | -                | -                |
| Landowners' entitlement                                 | (a)  | 86,156,121         | 65,585,140         | -                | -                |
| Retention sum payable to subcontractors within one year |      | 26,115,036         | 38,109,132         | -                | -                |
| <b>Non-trade</b>                                        |      |                    |                    |                  |                  |
| Amount due to subsidiaries                              | (c)  | -                  | -                  | 322,124          | 300,000          |
| Amount due to former non-controlling interests          | (d)  | 19,776,325         | 19,692,791         | -                | -                |
| Other payables                                          | (e)  | 44,417,870         | 60,779,696         | 288              | 1,026            |
| Deposits received                                       | (f)  | 14,063,472         | 11,311,030         | -                | -                |
| Advances from customers                                 | (g)  | 4,862,691          | 9,550,094          | -                | -                |
| Accruals                                                | (h)  | <u>25,439,067</u>  | <u>17,241,460</u>  | <u>957,001</u>   | <u>825,173</u>   |
|                                                         |      | <u>429,800,675</u> | <u>474,516,936</u> | <u>1,279,413</u> | <u>1,126,199</u> |

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- (a) These are in respect of payable for landowners' entitlement under deferred payment term pursuant to the joint land development agreements and joint venture agreements entered into with the landowners. Pursuant to the said agreements, the entitlements are determined based on the agreed percentage on the total development units and/or total gross development value net of trade discount, where applicable, of the property development projects. These deferred payables are measured at amortised cost at imputed interest rates ranging from 5.03% to 10.00% (2024: 5.34% to 10.00%) per annum.
- (b) The normal trade credit term granted to the Group ranges from 7 to 90 days (2024: 7 to 90 days) unless as specified in the agreements.  
  
Included in trade payables is amount due to an associate of the Group of RM22,305,169 (2024: RM36,759,136) including retention sums of RM9,006,653 (2024: RM28,529,820).
- (c) Amount due to subsidiaries of the Company is unsecured, interest-free and repayable on demand.
- (d) Included in amount due to former non-controlling interests are:
  - (i) an amount of RM19,600,000 (2024: RM19,600,000) which is unsecured, bears interest at 5.51% (2024: 5.76%) per annum and is repayable on demand; and
  - (ii) an amount of RM176,325 (2024: RM92,791) which is unsecured, interest-free and is repayable on demand.
- (e) Included in other payables of the Group is an amount of RM24,951,743 (2024: RM42,062,885) being overpayment from purchasers of development properties which will be set off against future progress billings for the development properties.
- (f) Included in deposits received of the Group are:
  - (i) an amount of RM11,422,372 (2024: RM9,207,976) being rental, utilities and other deposits received from tenants; and
  - (ii) an amount of RM1,182,200 (2024: RMNil) being deposit received for the proposed disposal of a wholly-owned subsidiary as disclosed in Note 39(c).
- (g) Advances from customers of the Group is down payment from purchasers of crude palm oil, crude palm kernel oil and palm kernels.
- (h) Included in accruals of the Group is accrued agents commission totalling RM7,913,078 (2024: RM3,782,058) in respect of on-going property development projects.

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**32. LEASE LIABILITY**

|                                              | <b>The Group</b>    |                     |
|----------------------------------------------|---------------------|---------------------|
|                                              | <b>2025</b>         | <b>2024</b>         |
|                                              | <b>RM</b>           | <b>RM</b>           |
| Non-current                                  | 19,900,682          | 19,554,814          |
| Current                                      | 422,243             | 441,287             |
| At end of year                               | <u>20,322,925</u>   | <u>19,996,101</u>   |
| Minimum lease payment:                       |                     |                     |
| Not later than 1 year                        | 575,000             | 575,000             |
| Later than 1 year but not later than 5 years | 2,630,625           | 2,544,375           |
| Later than 5 years                           | <u>64,594,377</u>   | <u>65,255,627</u>   |
|                                              | 67,800,002          | 68,375,002          |
| Less: Unexpired finance charges              | <u>(47,477,077)</u> | <u>(48,378,901)</u> |
|                                              | <u>20,322,925</u>   | <u>19,996,101</u>   |
| Present value of lease liability:            |                     |                     |
| Not later than 1 year                        | 422,243             | 441,287             |
| Later than 1 year but not later than 5 years | 1,731,523           | 1,762,630           |
| Later than 5 years                           | <u>18,169,159</u>   | <u>17,792,184</u>   |
|                                              | <u>20,322,925</u>   | <u>19,996,101</u>   |

The Group's lease comprise land leased from PAK for a period of 60 years (2024: 60 years) for future construction of a retail mall. The related right-of-use asset is disclosed in Note 12.

The incremental borrowing rate of the Group applied to the lease liability is 4.51% (2024: 4.51%).

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**33. LOANS AND BORROWINGS**

|                           | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>        |
|                           | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| <b>Non-current</b>        |                    |                    |                    |                    |
| Secured term loans        | 11,826,867         | 3,202,183          | -                  | -                  |
| Secured bridging loan     | -                  | 22,812,479         | -                  | -                  |
| Secured revolving credits | 71,644,000         | 93,764,000         | -                  | -                  |
| Hire-purchase liabilities | 1,501,038          | 1,714,798          | -                  | -                  |
|                           | <u>84,971,905</u>  | <u>121,493,460</u> | <u>-</u>           | <u>-</u>           |
| <b>Current</b>            |                    |                    |                    |                    |
| Secured term loans        | 8,533,794          | 20,399,608         | -                  | -                  |
| Secured bridging loan     | 33,046,648         | -                  | -                  | -                  |
| Revolving credits         |                    |                    |                    |                    |
| Secured                   | 97,793,000         | 77,809,560         | -                  | -                  |
| Unsecured                 | 258,553,425        | 209,953,425        | 220,553,425        | 171,953,425        |
| Bank overdrafts           |                    |                    |                    |                    |
| Unsecured                 | -                  | 3,950,462          | -                  | 3,950,462          |
| Hire-purchase liabilities | 808,810            | 723,893            | -                  | -                  |
|                           | <u>398,735,677</u> | <u>312,836,948</u> | <u>220,553,425</u> | <u>175,903,887</u> |
|                           | <u>483,707,582</u> | <u>434,330,408</u> | <u>220,553,425</u> | <u>175,903,887</u> |

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The maturity profile of loans and borrowings of the Group is as follows:

| The Group                        | Carrying<br>amount<br>RM | Within<br>1 year<br>RM | 1-2 years<br>RM | 2-3 years<br>RM | 3-4 years<br>RM | 4-5 years<br>RM | More than<br>5 years<br>RM |
|----------------------------------|--------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|----------------------------|
| <b>2025</b>                      |                          |                        |                 |                 |                 |                 |                            |
| <b>Fixed rate instrument</b>     |                          |                        |                 |                 |                 |                 |                            |
| Hire-purchase liabilities        | 2,309,848                | 808,810                | 848,451         | 438,481         | 192,522         | 21,584          | -                          |
| <b>Floating rate instruments</b> |                          |                        |                 |                 |                 |                 |                            |
| Secured term loans               | 20,360,661               | 8,533,794              | 5,804,566       | 3,628,684       | 321,984         | 321,984         | 1,749,649                  |
| Secured bridging loan            | 33,046,648               | 33,046,648             | -               | -               | -               | -               | -                          |
| Revolving credits                |                          |                        |                 |                 |                 |                 |                            |
| Secured                          | 169,437,000              | 97,793,000             | 30,040,000      | 28,260,000      | 13,344,000      | -               | -                          |
| Unsecured                        | 258,553,425              | 258,553,425            | -               | -               | -               | -               | -                          |
|                                  | 481,397,734              | 397,926,867            | 35,844,566      | 31,888,684      | 13,665,984      | 321,984         | 1,749,649                  |
|                                  | 483,707,582              | 398,735,677            | 36,693,017      | 32,327,165      | 13,858,506      | 343,568         | 1,749,649                  |

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| The Group                        | Carrying<br>amount<br>RM | Within<br>1 year<br>RM | 1-2 years<br>RM   | 2-3 years<br>RM   | 3-4 years<br>RM   | 4-5 years<br>RM   | More than<br>5 years<br>RM |
|----------------------------------|--------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|
| <b>2024</b>                      |                          |                        |                   |                   |                   |                   |                            |
| <b>Fixed rate instrument</b>     |                          |                        |                   |                   |                   |                   |                            |
| Hire-purchase liabilities        | 2,438,691                | 723,893                | 675,514           | 702,768           | 290,363           | 46,153            | -                          |
| <b>Floating rate instruments</b> |                          |                        |                   |                   |                   |                   |                            |
| Secured term loans               | 23,601,791               | 20,399,608             | 328,008           | 328,008           | 328,008           | 328,008           | 1,890,151                  |
| Secured bridging loan            | 22,812,479               | -                      | 22,812,479        | -                 | -                 | -                 | -                          |
| Revolving credits                |                          |                        |                   |                   |                   |                   |                            |
| Secured                          | 171,573,560              | 77,809,560             | 20,020,000        | 30,040,000        | 24,260,000        | 10,000,000        | 9,444,000                  |
| Unsecured                        | 209,953,425              | 209,953,425            | -                 | -                 | -                 | -                 | -                          |
| Bank overdrafts                  |                          |                        |                   |                   |                   |                   |                            |
| Unsecured                        | 3,950,462                | 3,950,462              | -                 | -                 | -                 | -                 | -                          |
|                                  | <u>431,891,717</u>       | <u>312,113,055</u>     | <u>43,160,487</u> | <u>30,368,008</u> | <u>24,588,008</u> | <u>10,328,008</u> | <u>11,334,151</u>          |
|                                  | <u>434,330,408</u>       | <u>312,836,948</u>     | <u>43,836,001</u> | <u>31,070,776</u> | <u>24,878,371</u> | <u>10,374,161</u> | <u>11,334,151</u>          |



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| <b>The Company</b>               | <b>Carrying<br/>amount<br/>RM</b> | <b>Within<br/>1 year<br/>RM</b> |
|----------------------------------|-----------------------------------|---------------------------------|
| <b>2025</b>                      |                                   |                                 |
| <b>Floating rate instruments</b> |                                   |                                 |
| Unsecured revolving credits      | <u>220,553,425</u>                | <u>220,553,425</u>              |
| <b>2024</b>                      |                                   |                                 |
| <b>Floating rate instruments</b> |                                   |                                 |
| Unsecured revolving credits      | 171,953,425                       | 171,953,425                     |
| Unsecured bank overdrafts        | <u>3,950,462</u>                  | <u>3,950,462</u>                |
|                                  | <u>175,903,887</u>                | <u>175,903,887</u>              |

Hire-purchase liabilities are payable as follows:

| <b>The Group</b>           | <b>Future<br/>minimum<br/>hire-purchase<br/>payments<br/>RM</b> | <b>Finance<br/>charges<br/>RM</b> | <b>Present value<br/>of minimum<br/>hire-purchase<br/>payments<br/>RM</b> |
|----------------------------|-----------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------|
| <b>2025</b>                |                                                                 |                                   |                                                                           |
| Less than one year         | 892,480                                                         | (83,670)                          | 808,810                                                                   |
| Between one and five years | <u>1,571,356</u>                                                | <u>(70,318)</u>                   | <u>1,501,038</u>                                                          |
|                            | <u>2,463,836</u>                                                | <u>(153,988)</u>                  | <u>2,309,848</u>                                                          |
| <b>2024</b>                |                                                                 |                                   |                                                                           |
| Less than one year         | 815,443                                                         | (91,550)                          | 723,893                                                                   |
| Between one and five years | <u>1,813,860</u>                                                | <u>(99,062)</u>                   | <u>1,714,798</u>                                                          |
|                            | <u>2,629,303</u>                                                | <u>(190,612)</u>                  | <u>2,438,691</u>                                                          |

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The hire-purchase liabilities bear effective interest at rates ranging from 1.84% to 4.59% (2024: 2.20% to 4.59%) per annum.

The term loans and revolving credits bear effective interest at rates ranging from 4.22% to 5.63% (2024: 4.80% to 5.80%) per annum.

The bridging loan bears effective interest at 4.75% (2024: 5.03%) per annum.

The bank overdrafts bear effective interest at rates ranging 6.40% to 6.64% (2024: 7.32% to 7.95%) per annum.

The secured term loans, bridging loan and secured revolving credits of the Group amounting to RM222,844,309 (2024: RM217,987,830), which were obtained from licensed financial institutions, are secured by way of the following:

- (a) specific or legal charge over:
  - I. the freehold land for property development of a subsidiary;
  - II. the freehold buildings of a subsidiary;
  - III. the leasehold land held for property development of a subsidiary;
  - IV. the leasehold land and building of certain subsidiaries;
  - V. the designated accounts;
  - VI. the project land of a subsidiary;
  - VII. the oil palm plantation land of a subsidiary in Indonesia;
- (b) debenture or specific debenture by way/over of:
  - I. the property project of a subsidiary;
  - II. the fixed and floating charge over the land held for property development of a subsidiary;
  - III. the fixed and floating charge over all assets of the project of certain subsidiaries;
  - IV. the fixed and floating charge over the leasehold land and building of certain subsidiaries;
  - V. the fixed and floating charge for monies owing or payable under the facilities and property project of a subsidiary;
- (c) assignment or legal assignment over:
  - I. tenancy and rent agreements of a subsidiary;
  - II. debt service account of a subsidiary;
  - III. certain subsidiaries' present and future rights, title and benefits in and under such insurance policies procure in respect of the charge;
  - IV. rental proceeds from the investment property of a subsidiary;
  - V. all applicable insurance policies of certain subsidiaries;
  - VI. all rights, title and benefits arising from the construction contracts and contractor's performance bonds in favour of a subsidiary's project;

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- (d) deed of subordinate in respect of shareholders' advances and loans to the related companies;
- (e) deed of assignment or charge over all designated accounts to be maintained with the bank for certain subsidiaries;
- (f) first party open monies deed of assignment of a subsidiary;
- (g) deposit of titles to the land held for property development of a subsidiary; and
- (h) corporate guarantee of the Company or MKH Oil Palm (East Kalimantan) Berhad, a subsidiary of the Company.

Secured bank overdrafts are secured as follows:

- (a) third party first legal charge over the leasehold land and building of certain subsidiaries; and
- (b) corporate guarantee of the Company.

Unsecured revolving credits are supported by corporate guarantee of the Company.

**34. DIVIDEND**

|                                                                                                                     | <b>Net dividend<br/>per share<br/>Sen</b> | <b>Total<br/>amount<br/>RM</b> | <b>Date of payment</b> |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------|------------------------|
| <b>2025</b>                                                                                                         |                                           |                                |                        |
| Interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2024 | <u>4.0</u>                                | <u>23,087,315</u>              | 10 January 2025        |
| <b>2024</b>                                                                                                         |                                           |                                |                        |
| Interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2023 | <u>4.0</u>                                | <u>23,096,635</u>              | 10 January 2024        |

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A first interim single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 September 2025 amounting to RM17,306,648 was declared on 27 November 2025 and to be paid on 9 January 2026. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 30 September 2026.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2025.

**35. FINANCIAL GUARANTEES**

|                                                                                                                                                           | <b>The Group</b> |             | <b>The Company</b> |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|--------------------|-------------|
|                                                                                                                                                           | <b>2025</b>      | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                                                                                                                                                           | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| Corporate and bank guarantees given by the Company to financial institutions and creditors for banking and credit facilities granted to the subsidiaries: |                  |             |                    |             |
| Outstanding as at financial year end                                                                                                                      | -                | -           | 325,649,498        | 338,235,048 |
| Corporate guarantees given by the Company to financial institutions for banking facilities granted to an associate:                                       |                  |             |                    |             |
| Outstanding as at financial year end                                                                                                                      | 1,534,689        | 20,497,435  | 1,534,689          | 20,497,435  |

The financial guarantees represent corporate and bank guarantees, which have not been recognised since the fair value on initial recognition were immaterial.

The directors are of the opinion that the financial guarantees are not likely to be called upon and regard the value of the credit enhancement provided by the financial guarantees as minimal.

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**36. CAPITAL COMMITMENTS**

As at the reporting date, the Group has the following capital commitments:

|                                 | <b>The Group</b>  |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <b>2025</b>       | <b>2024</b>       |
|                                 | <b>RM</b>         | <b>RM</b>         |
| Approved and contracted for     | 29,513,283        | 1,695,089         |
| Approved and not contracted for | <u>59,967,637</u> | <u>30,521,447</u> |
|                                 | <u>89,480,920</u> | <u>32,216,536</u> |

**37. RELATED PARTY DISCLOSURES**
**(a) Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates and key management personnel.

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**(b) Key management personnel compensation**

The key management personnel compensation is as follows:

|                                              | <b>The Group</b>  |                   |
|----------------------------------------------|-------------------|-------------------|
|                                              | <b>2025</b>       | <b>2024</b>       |
|                                              | <b>RM</b>         | <b>RM</b>         |
| <b>Directors of the Company</b>              |                   |                   |
| Other short-term emoluments                  | 14,759,147        | 14,776,147        |
| Post-employment benefits                     | <u>1,214,302</u>  | <u>1,214,302</u>  |
|                                              | 15,973,449        | 15,990,449        |
| Directors' fees                              | 970,000           | 970,000           |
| Estimated monetary value of benefits-in-kind | <u>80,976</u>     | <u>80,457</u>     |
|                                              | <u>17,024,425</u> | <u>17,040,906</u> |
| <b>Other key management personnel</b>        |                   |                   |
| Remuneration                                 | 13,756,686        | 11,638,139        |
| Other short-term employee benefits           | <u>164,527</u>    | <u>146,929</u>    |
|                                              | 13,921,213        | 11,785,068        |
| Total short-term employee benefits           | <u>1,321,856</u>  | <u>1,151,631</u>  |
| Post-employment benefits                     | <u>15,243,069</u> | <u>12,936,699</u> |
|                                              |                   |                   |
| Total key management personnel compensation  | <u>32,267,494</u> | <u>29,977,605</u> |

Other key management personnel comprise persons other than the directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

**(c) Related party transactions and balances of the Company**

|                                                 | <b>The Company</b> |                  |
|-------------------------------------------------|--------------------|------------------|
|                                                 | <b>2025</b>        | <b>2024</b>      |
|                                                 | <b>RM</b>          | <b>RM</b>        |
| <b>Received or receivable from subsidiaries</b> |                    |                  |
| Advances to                                     | 80,702,344         | 13,803,369       |
| Gross dividend                                  | 68,339,501         | 13,382,900       |
| Interest income (Note 6)                        | <u>681,544</u>     | <u>1,220,275</u> |
|                                                 |                    |                  |
| <b>Paid or payable to subsidiaries</b>          |                    |                  |
| Interest expense (Note 6)                       | 286,566            | -                |
| Management fee                                  | 1,200,000          | 1,200,000        |
| Secretarial fee                                 | <u>12,000</u>      | <u>12,000</u>    |

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Information on outstanding balances with related companies of the Company is disclosed in Notes 21 and 31.

**(d) Related party transactions and balances of the Group**

|                                                                              | <b>The Group</b>  |                    |
|------------------------------------------------------------------------------|-------------------|--------------------|
|                                                                              | <b>2025</b>       | <b>2024</b>        |
|                                                                              | <b>RM</b>         | <b>RM</b>          |
| <b>Paid and payable to associate</b>                                         |                   |                    |
| Progress billings                                                            | <u>40,717,181</u> | <u>156,733,178</u> |
| <b>Paid and payable to former non-controlling interests</b>                  |                   |                    |
| Interest expenses (Note 6)                                                   | <u>1,116,609</u>  | <u>1,132,053</u>   |
| <b>Received and receivable from other related parties</b>                    |                   |                    |
| Progress billings to indirect corporate shareholders of subsidiaries company | <u>210,733</u>    | <u>4,204,700</u>   |

Information on outstanding balances with related parties of the Group is disclosed in Notes 21 and 31.

**38. SEGMENT INFORMATION**

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under MFRS 8 are as follows:

- |                                           |                                                                                     |
|-------------------------------------------|-------------------------------------------------------------------------------------|
| (i) Property development and construction | - property development, building and civil works contracting.                       |
| (ii) Plantation                           | - oil palm cultivation.                                                             |
| (iii) Hotel and property investment       | - hotel business and property investment and management.                            |
| (iv) Trading                              | - trading in building materials and household related products and general trading. |
| (v) Manufacturing                         | - furniture manufacturing.                                                          |
| (vi) Investment holding                   | - investment holding and management services.                                       |

Non-reportable segments comprise recreational club operation, money lending and provision of insurance broking services.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 197901006663 (50948 - T)

**Segment revenue and results**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit before tax of the segment. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

**Segment assets**

Segment assets are measured based on all assets (including goodwill) of the segment, excluding investment in associates, deferred tax assets and current tax assets.

**Segment liabilities**

Segment liabilities are measured based on all liabilities, excluding loans and borrowings, lease liability, current tax liabilities and deferred tax liabilities.

During the financial year, property investment and manufacture segments from The Peoples' Republic of China are discontinued, subsequent to the proposed disposal of Vast Kunshan on 17 September 2025. The segment information reported in next pages does not include any amounts for this discontinued operation which are described in more details in Note 9.

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

## Segment revenue and results from continuing operations

| 2025                                        | Property development and construction RM | Plantation RM      | Hotel and property investment RM | Trading RM        | Investment holding RM | Non-reportable segments RM | Elimination RM       | Total RM           |
|---------------------------------------------|------------------------------------------|--------------------|----------------------------------|-------------------|-----------------------|----------------------------|----------------------|--------------------|
| <b>Revenue</b>                              |                                          |                    |                                  |                   |                       |                            |                      |                    |
| Total external revenue                      | 469,180,774                              | 363,189,716        | 35,753,057                       | 80,675,468        | -                     | 2,658,016                  | -                    | 951,457,031        |
| Inter-segment revenue                       | 14,069,880                               | -                  | 4,612,624                        | 14,542            | 144,614,309           | -                          | (163,311,355)        | -                  |
| <b>Total segment revenue</b>                | <b>483,250,654</b>                       | <b>363,189,716</b> | <b>40,365,681</b>                | <b>80,690,010</b> | <b>144,614,309</b>    | <b>2,658,016</b>           | <b>(163,311,355)</b> | <b>951,457,031</b> |
| <b>Results</b>                              |                                          |                    |                                  |                   |                       |                            |                      |                    |
| Operating results                           | 45,559,727                               | 102,126,246        | 20,694,005                       | 1,942,176         | 20,252,647            | (197,520)                  | (23,150,445)         | 167,226,836        |
| Interest expense                            | (34,571,559)                             | (37,371)           | (2,395,640)                      | (41,018)          | (21,021,982)          | (4,025,757)                | 32,205,210           | (29,888,117)       |
| Interest income                             | 15,171,176                               | 6,639,220          | 486,502                          | 542,447           | 1,193,072             | 1,177,060                  | (9,054,765)          | 16,154,712         |
| Share of results of associates              | 11,811,234                               | -                  | -                                | 175,288           | -                     | -                          | -                    | 11,986,522         |
| <b>Segment results</b>                      | <b>37,970,578</b>                        | <b>108,728,095</b> | <b>18,784,867</b>                | <b>2,618,893</b>  | <b>423,737</b>        | <b>(3,046,217)</b>         | <b>-</b>             | <b>165,479,953</b> |
| Tax expense                                 | (15,239,170)                             | (27,855,809)       | (4,651,484)                      | (677,182)         | (4,885,196)           | (392,896)                  | -                    | (53,701,737)       |
| <b>Profit/(Loss) for the financial year</b> | <b>22,731,408</b>                        | <b>80,872,286</b>  | <b>14,133,383</b>                | <b>1,941,711</b>  | <b>(4,461,459)</b>    | <b>(3,439,113)</b>         | <b>-</b>             | <b>111,778,216</b> |
| (Forward)                                   |                                          |                    |                                  |                   |                       |                            |                      |                    |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2025                                                              | Property development and construction RM | Plantation RM | Hotel and property investment RM | Trading RM | Investment holding RM | Non-reportable segments RM | Elimination RM | Total RM    |
|-------------------------------------------------------------------|------------------------------------------|---------------|----------------------------------|------------|-----------------------|----------------------------|----------------|-------------|
| <b>Other segment information</b>                                  |                                          |               |                                  |            |                       |                            |                |             |
| Bad debts written off                                             | 8,449                                    | -             | 7,464                            | -          | -                     | -                          | -              | 15,913      |
| Deposits written off                                              | 130,960                                  | -             | -                                | -          | -                     | 12,600                     | -              | 143,560     |
| Depreciation and amortisation                                     | 2,445,125                                | 34,076,630    | 2,187,820                        | 7,499      | 206,976               | 84,491                     | -              | 39,008,541  |
| Land cost allocation expensed off                                 | 6,429,549                                | -             | -                                | -          | -                     | -                          | -              | 6,429,549   |
| Changes in fair value of:                                         |                                          |               |                                  |            |                       |                            |                |             |
| Biological assets                                                 | -                                        | (2,362,091)   | -                                | -          | -                     | -                          | -              | (2,362,091) |
| Investment properties                                             | -                                        | -             | (8,430,000)                      | -          | -                     | -                          | -              | (8,430,000) |
| Other investment                                                  | -                                        | -             | 2,743                            | -          | -                     | -                          | -              | 2,743       |
| Gain on disposal of other investment                              | -                                        | -             | (37,678)                         | -          | -                     | -                          | -              | (37,678)    |
| Gain on disposal of property, plant and equipment                 | (56,647)                                 | -             | -                                | -          | -                     | -                          | -              | (56,647)    |
| Inventories written down                                          | 4,689,105                                | -             | -                                | -          | -                     | -                          | -              | 4,689,105   |
| Inventories written off                                           | -                                        | 360           | -                                | -          | -                     | -                          | -              | 360         |
| Impairment loss on trade and other receivables                    | -                                        | -             | 7,200                            | 197,352    | -                     | -                          | -              | 204,552     |
| Property, plant and equipment written off                         | 3,711                                    | 884,415       | -                                | -          | -                     | 61                         | -              | 888,187     |
| Provision for retirement benefit obligation                       | -                                        | 4,948,751     | -                                | -          | -                     | -                          | -              | 4,948,751   |
| Provision for foreseeable loss                                    | 530,776                                  | -             | -                                | -          | -                     | -                          | -              | 530,776     |
| Provision for liquidated ascertained damages                      | 7,043,677                                | -             | -                                | -          | -                     | -                          | -              | 7,043,677   |
| Loss/(Gain) on foreign exchange:                                  |                                          |               |                                  |            |                       |                            |                |             |
| Realised                                                          | -                                        | 898,869       | (16,300)                         | -          | 13,142                | -                          | -              | 895,711     |
| Unrealised                                                        | -                                        | 29,092        | -                                | -          | 7,261                 | 38,000                     | -              | 74,353      |
| Impairment loss no longer required on trade and other receivables | -                                        | -             | (4,700)                          | (98,442)   | -                     | (101,000)                  | -              | (204,142)   |
| (Forward)                                                         |                                          |               |                                  |            |                       |                            |                |             |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2024                                        | Property development and construction<br>RM | Plantation<br>RM | Hotel and property investment<br>RM | Trading<br>RM | Investment holding<br>RM | Non-reportable segments<br>RM | Elimination<br>RM | Total<br>RM   |
|---------------------------------------------|---------------------------------------------|------------------|-------------------------------------|---------------|--------------------------|-------------------------------|-------------------|---------------|
| <b>Revenue</b>                              |                                             |                  |                                     |               |                          |                               |                   |               |
| Total external revenue                      | 580,042,251                                 | 352,217,484      | 32,850,230                          | 89,891,092    | -                        | 4,023,914                     | -                 | 1,059,024,971 |
| Inter-segment revenue                       | 19,633,050                                  | 3,720,938        | 2,970,344                           | 13,737        | 85,279,739               | -                             | (111,617,808)     | -             |
| Total segment revenue                       | 599,675,301                                 | 355,938,422      | 35,820,574                          | 89,904,829    | 85,279,739               | 4,023,914                     | (111,617,808)     | 1,059,024,971 |
| <b>Results</b>                              |                                             |                  |                                     |               |                          |                               |                   |               |
| Operating results                           | 59,483,121                                  | 79,893,074       | 18,226,608                          | 2,146,036     | 17,080,541               | 1,995,529                     | (22,184,965)      | 156,639,944   |
| Interest expense                            | (34,343,661)                                | (1,366,143)      | (1,074,756)                         | (40,181)      | (17,275,446)             | (2,983,463)                   | 29,678,077        | (27,405,573)  |
| Interest income                             | 11,744,221                                  | 3,444,777        | 507,789                             | 344,703       | 1,468,259                | 439,715                       | (7,493,112)       | 10,456,352    |
| Share of results of associates              | 3,888,505                                   | -                | -                                   | 253,976       | -                        | -                             | -                 | 4,142,481     |
| Segment results                             | 40,772,186                                  | 81,971,708       | 17,659,641                          | 2,704,534     | 1,273,354                | (548,219)                     | -                 | 143,833,204   |
| Tax expense                                 | (17,225,961)                                | (19,454,662)     | (895,821)                           | (558,636)     | (4,029,683)              | (387,918)                     | -                 | (42,552,681)  |
| <b>Profit/(Loss) for the financial year</b> | 23,546,225                                  | 62,517,046       | 16,763,820                          | 2,145,898     | (2,756,329)              | (936,137)                     | -                 | 101,280,523   |
| (Forward)                                   |                                             |                  |                                     |               |                          |                               |                   |               |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2024                                                                       | Property<br>development and<br>construction<br>RM | Plantation<br>RM | Hotel and<br>property<br>investment<br>RM | Trading<br>RM | Investment<br>holding<br>RM | Non-<br>reportable<br>segments<br>RM | Elimination<br>RM | Total<br>RM |
|----------------------------------------------------------------------------|---------------------------------------------------|------------------|-------------------------------------------|---------------|-----------------------------|--------------------------------------|-------------------|-------------|
| <b>Other segment information</b>                                           |                                                   |                  |                                           |               |                             |                                      |                   |             |
| Bad debts written off                                                      | -                                                 | 66,987           | -                                         | -             | -                           | -                                    | -                 | 66,987      |
| Deposits written off                                                       | 6,500                                             | -                | -                                         | -             | -                           | -                                    | -                 | 6,500       |
| Depreciation and amortisation                                              | 1,559,995                                         | 35,167,699       | 2,196,183                                 | 5,063         | 153,402                     | 69,012                               | -                 | 39,151,354  |
| Development expenditure expensed off                                       | 1,090,931                                         | -                | -                                         | -             | -                           | -                                    | -                 | 1,090,931   |
| Changes in fair value of:                                                  |                                                   |                  |                                           |               |                             |                                      |                   |             |
| Biological assets                                                          | -                                                 | (2,848,371)      | -                                         | -             | -                           | -                                    | -                 | (2,848,371) |
| Investment properties                                                      | -                                                 | -                | (8,494,000)                               | -             | -                           | -                                    | -                 | (8,494,000) |
| Other investment                                                           | -                                                 | -                | 6,299                                     | -             | -                           | -                                    | -                 | 6,299       |
| Fair value losses from transfer of<br>inventories to investment properties | 242,460                                           | -                | -                                         | -             | -                           | -                                    | -                 | 242,460     |
| Gain on disposal of other investment                                       | -                                                 | -                | (141,009)                                 | -             | -                           | -                                    | -                 | (141,009)   |
| Gain on disposal of property, plant and<br>equipment                       | (9,499)                                           | -                | -                                         | -             | -                           | -                                    | -                 | (9,499)     |
| Intangible assets written off                                              | 2,910,371                                         | -                | -                                         | -             | -                           | -                                    | -                 | 2,910,371   |
| Inventories written down                                                   | 92,111                                            | -                | -                                         | -             | -                           | -                                    | -                 | 92,111      |
| Inventories written off                                                    | -                                                 | 10,947           | -                                         | -             | -                           | -                                    | -                 | 10,947      |
| Impairment loss on trade and<br>other receivables                          | -                                                 | -                | 11,531                                    | 81,559        | -                           | -                                    | -                 | 93,090      |
| Property, plant and equipment<br>written off                               | 7,691                                             | 787,320          | -                                         | 6,019         | -                           | -                                    | -                 | 801,030     |
| Provision for retirement benefit obligation                                | -                                                 | 4,965,494        | -                                         | -             | -                           | -                                    | -                 | 4,965,494   |
| Provision for foreseeable loss                                             | 942,025                                           | -                | -                                         | -             | -                           | -                                    | -                 | 942,025     |
| Loss/(Gain) on foreign exchange:                                           |                                                   |                  |                                           |               |                             |                                      |                   |             |
| Realised                                                                   | -                                                 | 1,298,318        | 26,287                                    | -             | 5,062                       | (749)                                | -                 | 1,328,918   |
| Unrealised                                                                 | -                                                 | 755,353          | -                                         | -             | -                           | 96,000                               | -                 | 851,353     |
| Impairment loss no longer required<br>on trade and other receivables       | (8,672)                                           | -                | (81,666)                                  | (1,235)       | -                           | (367,002)                            | -                 | (458,575)   |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2025                                                                                     | Property development and construction<br>RM | Plantation<br>RM   | Hotel and property investment<br>RM | Trading<br>RM     | Investment holding<br>RM | Non-reportable segments<br>RM | Elimination<br>RM | Total<br>RM          |
|------------------------------------------------------------------------------------------|---------------------------------------------|--------------------|-------------------------------------|-------------------|--------------------------|-------------------------------|-------------------|----------------------|
| <b>Assets</b>                                                                            |                                             |                    |                                     |                   |                          |                               |                   |                      |
| Segment assets                                                                           | 2,096,095,359                               | 623,743,491        | 479,059,279                         | 42,752,247        | 23,909,028               | 30,959,869                    | -                 | 3,296,519,273        |
| Investment in associates                                                                 | 41,258,373                                  | -                  | -                                   | 500,081           | -                        | -                             | -                 | 41,758,454           |
| Deferred tax assets                                                                      | 10,670,800                                  | -                  | -                                   | 70,656            | 5,229,000                | 14,200                        | -                 | 15,984,656           |
| Current tax assets                                                                       | 7,998,700                                   | -                  | 167,724                             | 500,331           | 739,336                  | 32,756                        | -                 | 9,438,847            |
| <b>Total assets</b>                                                                      | <b>2,156,023,232</b>                        | <b>623,743,491</b> | <b>479,227,003</b>                  | <b>43,823,315</b> | <b>29,877,364</b>        | <b>31,006,825</b>             | <b>-</b>          | <b>3,363,701,230</b> |
| <b>Liabilities</b>                                                                       |                                             |                    |                                     |                   |                          |                               |                   |                      |
| Segment liabilities                                                                      | 569,700,802                                 | 46,425,847         | 13,293,855                          | 9,442,274         | 24,950,945               | 217,967                       | -                 | 664,031,690          |
| Loans and borrowings                                                                     | 162,777,815                                 | 728,714            | 15,890,777                          | -                 | 304,310,276              | -                             | -                 | 483,707,582          |
| Lease liability                                                                          | 20,322,925                                  | -                  | -                                   | -                 | -                        | -                             | -                 | 20,322,925           |
| Current tax liabilities                                                                  | 1,372,958                                   | 5,245,807          | 1,335,904                           | -                 | 873,094                  | 6,842                         | -                 | 8,834,605            |
| Deferred tax liabilities                                                                 | 16,572,580                                  | 12,047,048         | 15,462,500                          | -                 | 153,219                  | 343,470                       | -                 | 44,578,817           |
| <b>Total liabilities</b>                                                                 | <b>770,747,080</b>                          | <b>64,447,416</b>  | <b>45,983,036</b>                   | <b>9,442,274</b>  | <b>330,287,534</b>       | <b>568,279</b>                | <b>-</b>          | <b>1,221,475,619</b> |
| <b>Other segment information</b>                                                         |                                             |                    |                                     |                   |                          |                               |                   |                      |
| Additions to non-current assets other than financial instruments and deferred tax assets | 12,841,401                                  | 13,758,199         | 1,927,098                           | 24,840            | -                        | 147,358                       | -                 | 28,698,896           |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

| 2024                                                                                     | Property development and construction<br>RM | Plantation<br>RM   | Hotel and property investment<br>RM | Trading<br>RM     | Manufacturing<br>RM | Investment holding<br>RM | Non-reportable segments<br>RM | Elimination<br>RM | Total<br>RM          |
|------------------------------------------------------------------------------------------|---------------------------------------------|--------------------|-------------------------------------|-------------------|---------------------|--------------------------|-------------------------------|-------------------|----------------------|
| <b>Assets</b>                                                                            |                                             |                    |                                     |                   |                     |                          |                               |                   |                      |
| Segment assets                                                                           | 2,146,181,348                               | 608,080,915        | 454,863,873                         | 39,436,772        | 32,741,219          | 18,734,325               | 65,060,181                    | -                 | 3,365,098,633        |
| Investment in associates                                                                 | 29,447,139                                  | -                  | -                                   | 324,793           | -                   | -                        | -                             | -                 | 29,771,932           |
| Deferred tax assets                                                                      | 13,009,900                                  | -                  | -                                   | 29,498            | -                   | 5,230,000                | 24,200                        | -                 | 18,293,598           |
| Current tax assets                                                                       | 9,539,771                                   | 413,558            | 37,707                              | 718,662           | -                   | 1,009,211                | 464                           | -                 | 11,719,373           |
| <b>Total assets</b>                                                                      | <b>2,198,178,158</b>                        | <b>608,494,473</b> | <b>454,901,580</b>                  | <b>40,509,725</b> | <b>32,741,219</b>   | <b>24,973,536</b>        | <b>65,084,845</b>             | <b>-</b>          | <b>3,424,883,536</b> |
| <b>Liabilities</b>                                                                       |                                             |                    |                                     |                   |                     |                          |                               |                   |                      |
| Segment liabilities                                                                      | 713,241,785                                 | 49,783,927         | 11,672,335                          | 7,467,647         | 1,120,049           | 23,357,025               | 195,429                       | -                 | 806,838,197          |
| Loans and borrowings                                                                     | 166,832,303                                 | 624,451            | 16,985,474                          | -                 | -                   | 249,888,180              | -                             | -                 | 434,330,408          |
| Lease liability                                                                          | 19,996,101                                  | -                  | -                                   | -                 | -                   | -                        | -                             | -                 | 19,996,101           |
| Current tax liabilities                                                                  | 1,699,178                                   | 1,037,442          | 1,124,058                           | 5,200             | 240,377             | 483,374                  | 41,472                        | -                 | 4,631,101            |
| Deferred tax liabilities                                                                 | 18,295,080                                  | 9,715,953          | 14,239,175                          | -                 | 1,970,782           | 114,428                  | 98,400                        | -                 | 44,433,818           |
| <b>Total liabilities</b>                                                                 | <b>920,064,447</b>                          | <b>61,161,773</b>  | <b>44,021,042</b>                   | <b>7,472,847</b>  | <b>3,331,208</b>    | <b>273,843,007</b>       | <b>335,301</b>                | <b>-</b>          | <b>1,310,229,625</b> |
| <b>Other segment information</b>                                                         |                                             |                    |                                     |                   |                     |                          |                               |                   |                      |
| Additions to non-current assets other than financial instruments and deferred tax assets | 36,427,336                                  | 22,670,126         | 1,730,098                           | -                 | -                   | -                        | -                             | -                 | 60,827,560           |



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**Geographical information**

Revenue and non-current assets information is presented based on the segment's country of domicile. Revenue from external customers based on the location of its customers has not been disclosed as revenue earned outside the segment's country of domicile is insignificant. Non-current assets do not include receivables, deposits and prepayments, other investment, investment in associates and deferred tax assets.

|                                      | Revenue            |                      | Non-current assets   |                      |
|--------------------------------------|--------------------|----------------------|----------------------|----------------------|
|                                      | 2025<br>RM         | 2024<br>RM           | 2025<br>RM           | 2024<br>RM           |
| Malaysia                             | 588,267,315        | 706,807,487          | 1,290,195,641        | 1,279,217,882        |
| Republic of<br>Indonesia             | 363,189,716        | 352,217,484          | 315,698,578          | 347,231,070          |
| The Peoples'<br>Republic of<br>China | -                  | -                    | -                    | 18,651,156           |
|                                      | <u>951,457,031</u> | <u>1,059,024,971</u> | <u>1,605,894,219</u> | <u>1,645,100,108</u> |

**Major customer information**

There is no single customer with revenue equal or more than 10% of the Group revenue, except for an individual customer with sales amounting to RM325,950,113 (2024: RM287,904,103), representing 34% (2024: 27%) of the total revenue.

**39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS TO THE END OF THE FINANCIAL YEAR**

- (a) On 28 April 2025, Serentak Maju Corporation Sdn. Bhd. ("SMCSB"), a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement ("SPA") for the proposed acquisition of a parcel of freehold land ("Land") for a cash consideration of RM42,205,000. SMCSB has paid 50% deposit amounted to RM21,102,500 upon execution of SPA. The publicity and public participation program for Rancangan Tempatan Majlis Perbandaran Kajang Selangor 2035 on 24 June 2025 has been carried out and progressing well for the Land. In viewing of the progress made, on 11 August 2025 the vendor has requested for an advance amount of RM8,000,000 from the balance purchase price in the SPA. On 15 August 2025, SMCSB has made the advance payment of RM8,000,000 to vendor, which made up the total deposit paid of RM29,102,500 as disclosed in Note 21(g)(ii). The proposed acquisition will provide an opportunity for the Group to further expand and leverage on the Group's expertise and success in property development in Selangor.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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- (b) On 26 August 2025, MKH Oil Palm (East Kalimantan) Berhad ("MKHOP"), a listed subsidiary of the Company and its wholly-owned subsidiary, Hala Maju Sdn. Bhd. ("HMSB"), which entered into a conditional shares sale and purchase agreement with PT Sinar Reka Murni ("PT Sinar"), to acquire from PT Sinar 999 ordinary shares and 1 ordinary share, respectively, which make up the entire 100% equity interest in PT Tunas Tani Tutus ("PT Tunas") from PT Sinar together with all the rights, interest and benefits attached thereto for a total cash consideration of IDR34,965,000,000, which is approximately RM8,846,000 (based on the exchange rate of RM1: IDR3,953 the closing rate on 30 September 2025).

On 19 September 2025, MKHOP made a deposit payment of IDR16,000,000,000, which is equivalent to RM4,208,165 (based on the transacted exchange rate of RM1: IDR3,802) as disclosed in Note 21(g)(iii). This amount represents the purchase consideration for 457 ordinary shares of PT Tunas from PT Sinar.

On 14 October 2025, MKHOP and HMSB perfected the shares transfer for 456 ordinary shares and 1 ordinary share respectively. On the same date, MKHOP and HMSB subscribed for an additional 18,001 and 999 new ordinary shares, respectively, in PT Tunas at a nominal value of IDR500,000 per ordinary share or a total cash subscription of IDR9,500,000,000, which is equivalent to RM2,474,383 (based on the transacted exchange rate of RM1: IDR3,839). PT Sinar has declined to take up the shares proportionately allocated to it. As a result, MKHOP and HMSB have hold 92.285% and 5% equity interest in PT Tunas respectively.

On 20 October 2025, PT Tunas received approval from the Ministry of Law of the Republic of Indonesia for the transition from a domestic local company to a foreign-owned entity. This change will allow PT Tunas to operate within the framework of foreign investment. As a result, PT Tunas has become a subsidiary of MKHOP and the Company.

- (c) On 17 September 2025, Metro Kajang (Oversea) Sdn. Bhd. ("MKO"), a wholly-owned subsidiary of the Company has entered into a Share Transfer Agreement ("STA") with a third party, Kunshan Meiao New Energy Technology Co., Ltd. ("KMNET") for the proposed disposal of 100% equity interest in Vast Furniture Manufacturing (Kunshan) Co., Ltd. ("Vast Kunshan") for a total cash consideration of Chinese Yuan Renminbi ("CNY") 84,000,000, equivalent to approximately RM49,652,400 (based on exchange rate of RM1: CNY1.69176) ("Consideration") (hereinafter referred to as the "Proposed Disposal").

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The consideration for the Proposed Disposal shall be payable by KMNET as follows:

|                                                                                                                                                                                                                                          | Consideration                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| (i) Upon execution of STA:<br>CNY2,000,000 being deposit of the<br>Consideration has been received as disclosed in<br>Note 27 and Note 31(f)(ii)                                                                                         | CNY2,000,000                                                      |
| (ii) After execution of STA and upon completion of<br>due diligence by the MKO:<br>CNY31,600,000 being balance of the 40% of the<br>Consideration (after deduction item (i))                                                             | CNY31,600,000                                                     |
| (iii) Balance consideration to be paid within 60 days<br>after Vast Kunshan received the approval from<br>Kunshan City Data Bureau for the change of<br>shareholder to the KMNET:<br>CNY50,400,000 being balance of the<br>Consideration | CNY50,400,000                                                     |
|                                                                                                                                                                                                                                          | CNY84,000,000<br>(Equivalent to<br>approximately<br>RM49,652,000) |

On 16 October 2025, after completing the due diligence, MKO entered into a supplementary agreement with KMNET that outlined the following payment terms:

- (i) the amount of CNY31,600,000 (equivalent to approximately RM18,678,760) to be deposited into the joint controlled account by 31 October 2025; and
- (ii) an additional cash amount based on Vast Kunshan's net cash balance (after deducting all payables) of CNY2,800,000 (equivalent to approximately RM1,655,080) to be deposited into the joint controlled account.

On 31 October 2025, the amount of CNY31,600,000 (equivalent to approximately RM18,678,760) has been deposited into the joint controlled account.

Upon completion of the Proposed Disposal, Vast Kunshan will cease to become a wholly-owned subsidiary of MKO and the Company.

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- (d) On 2 December 2025, the Company and Hillpark Resources Sdn. Bhd. ("HRSB"), a wholly-owned subsidiary of the Company ("Defendants") received the Writ of Summons and Statement of Claim by Mohd Zikri bin Md. Zaini and 46 Others ("Plaintiffs") (High Court of Shah Alam: Civil Suit No. BA-22NCvC-546-11/2025)("the Suit"). Summary of the claims by the Plaintiffs is as follows:
- (i) the Defendants failed to comply with their legal and engineering duties in the construction, modification and maintenance of the retention pond constructed by HRSB, with regards to the flood incidents on 29 December 2024 and 23 April 2025 at the area of the Plaintiffs' property;
  - (ii) the Defendants are jointly and/or severally liable to compensate the Plaintiffs for the damage and losses suffered by the Plaintiffs;
  - (iii) the Defendants reconstruct the retention pond in accordance with the design and engineering standards approved by the Department of Irrigation and Drainage ("JPS"), prepare a comprehensive flood mitigation plan approved by the local authority and appoint an independent engineering consultant certified by JPS to conduct a technical audit of the structure of the retention pond and to report the findings of such audit to JPS;
  - (iv) special damages in the sum of RM1,025,609.44;
  - (v) general damages in the amount of RM500,000 for each house (RM500,000 x 28 units), or a total sum of RM14,000,000 or such other amount as the Court deems fit;
  - (vi) exemplary damages in a reasonable sum to be determined by the Court;
  - (vii) interest at the rate of 5% per annum;
  - (viii) costs on client and solicitor basis;
  - (ix) costs of this action; and
  - (x) any other relief and/or orders as the Court may deem fit.

The above retention pond was constructed by HRSB, the developer for Bandar Hillpark, Shah Alam project.

Based on the legal opinion obtained:

- i) the Company is of the opinion that it has good grounds to oppose the Suit as the Company is not the developer for the Bandar Hillpark, Shah Alam project and was not involved in the construction of the retention pond. The Company will take the necessary legal action to oppose the Suit; and

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- ii) HRSB has engaged its solicitors to defend the Suit. Based on HRSB's preliminary assessment, the retention pond was constructed in accordance and in compliance with the authority's requirements and upon seeking proper professional advice during its construction.

**40. OPERATING LEASE ARRANGEMENTS - THE GROUP AS LESSOR**

The Group has entered into property leases on its investment properties, which comprise an international school and other retail properties, with the remaining non-cancellable lease period ranging from 1 year to 19 years (2024: 1 year to 15 years). The lease contracts contain fixed upward revision of the rental charges over the lease period.

Future minimum rental receivables under non-cancellable operating leases at the reporting date but not recognised as receivables, are as follows:

|                                              | <b>The Group</b>   |                   |
|----------------------------------------------|--------------------|-------------------|
|                                              | <b>2025</b>        | <b>2024</b>       |
|                                              | <b>RM</b>          | <b>RM</b>         |
| Not later than 1 year                        | 24,136,840         | 24,619,201        |
| Later than 1 year but not later than 5 years | 43,558,336         | 24,359,932        |
| Later than 5 years                           | <u>61,633,304</u>  | <u>20,961,861</u> |
|                                              | <u>129,328,480</u> | <u>69,940,994</u> |



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**41. FINANCIAL INSTRUMENTS**
**Categories of financial instruments**

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|                                        | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|----------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                        | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>        |
|                                        | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| <b>Financial assets</b>                |                    |                    |                    |                    |
| At FVTPL:                              |                    |                    |                    |                    |
| Other investment                       | 1,162,902          | 1,075,269          | -                  | -                  |
| Short-term placements                  | 204,802,121        | 154,218,308        | -                  | -                  |
| At amortised cost:                     |                    |                    |                    |                    |
| Receivables and deposits               | 246,065,218        | 212,070,058        | 140,699,969        | 71,017,568         |
| Cash, bank balances, and term deposits | <u>392,660,457</u> | <u>354,308,540</u> | <u>927,805</u>     | <u>4,667,496</u>   |
| <b>Financial liabilities</b>           |                    |                    |                    |                    |
| At amortised cost:                     |                    |                    |                    |                    |
| Payables and accruals                  | 606,853,212        | 742,702,041        | 1,279,413          | 1,126,199          |
| Lease liability                        | 20,322,925         | 19,996,101         | -                  | -                  |
| Loans and borrowings                   | <u>483,707,582</u> | <u>434,330,408</u> | <u>220,553,425</u> | <u>175,903,887</u> |

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**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's and the Company's normal course of business are as follows:

**(i) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arises from the receivables. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on subsidiaries' credit facilities.

The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.



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The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade related receivables at the reporting date are as follows:

|                                | The Group          |                |                    |                |
|--------------------------------|--------------------|----------------|--------------------|----------------|
|                                | 2025               |                | 2024               |                |
|                                | RM                 | % of total     | RM                 | % of total     |
| <b>By country:</b>             |                    |                |                    |                |
| Malaysia                       | 143,771,275        | 97.30%         | 150,326,435        | 98.19%         |
| Republic of Indonesia          | 3,987,046          | 2.70%          | 2,751,217          | 1.80%          |
| The Peoples' Republic of China | -                  | 0.00%          | 16,893             | 0.01%          |
|                                | <u>147,758,321</u> | <u>100.00%</u> | <u>153,094,545</u> | <u>100.00%</u> |

At the reporting date, the Group has no significant concentration of credit risk on trade receivables, except for an individual customer with balance amounting to RMNil (2024: RM38,500,000), representing Nil% (2024: 25%) of the total trade receivable balances.

**Financial guarantees**

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries and creditors for credit terms granted to subsidiaries and an associate.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM327,184,187 (2024: RM358,732,483) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on their repayment.

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**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions so as to achieve overall cost effectiveness.

As at 30 September 2025, the current liabilities of the Company have exceeded the current assets by RM79,465,728, which includes loans and borrowings of RM220,553,425 and amount due to subsidiaries of RM322,124 and accruals of RM957,001. The net current liabilities position is mainly due to the capitalisation of amount owing by subsidiaries into investment in subsidiaries.

As at 30 September 2025, the Company complied with all of its loan covenants. Despite having the net current liabilities position, the Board of Directors is of the view that the Company will be able to meet its financial obligations as and when it was due with following measures placed by the Group:

1. Dividend receivable from the on-going projects' stakeholders; and
2. Launch of projects in subsidiaries namely, Srijang Kemajuan Sdn. Bhd. and Suria Villa Sdn. Bhd., which currently hold a land bank amounting to RM182,226,451 and RM267,090,346, respectively.

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Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations:

|                               | Carrying<br>amount<br>RM | Total<br>contractual<br>amount<br>RM | On demand<br>or within<br>1 year<br>RM | 1 to 2<br>years<br>RM | 2 to 5<br>years<br>RM | Over 5<br>years<br>RM |
|-------------------------------|--------------------------|--------------------------------------|----------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>The Group</b>              |                          |                                      |                                        |                       |                       |                       |
| <b>2025</b>                   |                          |                                      |                                        |                       |                       |                       |
| <b>Financial liabilities:</b> |                          |                                      |                                        |                       |                       |                       |
| Payables and accruals         | 608,380,580              | 629,447,444                          | 430,453,501                            | 175,169,080           | 23,824,863            | -                     |
| Lease liability               | 20,322,925               | 67,800,002                           | 575,000                                | 646,875               | 1,983,750             | 64,594,377            |
| Loans and borrowings          | 483,707,582              | 507,873,871                          | 418,745,431                            | 38,653,013            | 44,048,352            | 6,427,075             |
| Financial guarantees*         | 1,534,689                | 1,534,689                            | 1,534,689                              | -                     | -                     | -                     |
|                               | <u>1,113,945,776</u>     | <u>1,206,656,006</u>                 | <u>851,308,621</u>                     | <u>214,468,968</u>    | <u>69,856,965</u>     | <u>71,021,452</u>     |
| <b>The Company</b>            |                          |                                      |                                        |                       |                       |                       |
| <b>2025</b>                   |                          |                                      |                                        |                       |                       |                       |
| <b>Financial liabilities:</b> |                          |                                      |                                        |                       |                       |                       |
| Payables and accruals         | 1,279,413                | 1,279,413                            | 1,279,413                              | -                     | -                     | -                     |
| Loans and borrowings          | 220,553,425              | 231,324,362                          | 231,324,362                            | -                     | -                     | -                     |
| Financial guarantees*         | 327,184,187              | 340,538,823                          | 252,923,979                            | 37,812,503            | 43,375,266            | 6,427,075             |
|                               | <u>549,017,025</u>       | <u>573,142,598</u>                   | <u>485,527,754</u>                     | <u>37,812,503</u>     | <u>43,375,266</u>     | <u>6,427,075</u>      |

\* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

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|                               | Carrying<br>amount<br>RM | Total<br>contractual<br>amount<br>RM | On demand<br>or within<br>1 year<br>RM | 1 to 2<br>years<br>RM | 2 to 5<br>years<br>RM | Over 5<br>years<br>RM |
|-------------------------------|--------------------------|--------------------------------------|----------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>The Group</b>              |                          |                                      |                                        |                       |                       |                       |
| <b>2024</b>                   |                          |                                      |                                        |                       |                       |                       |
| <b>Financial liabilities:</b> |                          |                                      |                                        |                       |                       |                       |
| Payables and accruals         | 742,702,041              | 773,004,353                          | 468,096,661                            | 62,427,204            | 242,480,488           | -                     |
| Lease liability               | 19,996,101               | 68,375,002                           | 575,000                                | 646,875               | 1,897,500             | 65,255,627            |
| Loans and borrowings          | 434,330,408              | 460,077,728                          | 331,164,229                            | 46,645,774            | 70,489,531            | 11,778,194            |
| Financial guarantees*         | 20,497,435               | 20,497,435                           | 20,497,435                             | -                     | -                     | -                     |
|                               | <u>1,217,525,985</u>     | <u>1,321,954,518</u>                 | <u>820,333,325</u>                     | <u>109,719,853</u>    | <u>314,867,519</u>    | <u>77,033,821</u>     |
| <b>The Company</b>            |                          |                                      |                                        |                       |                       |                       |
| <b>2024</b>                   |                          |                                      |                                        |                       |                       |                       |
| <b>Financial liabilities:</b> |                          |                                      |                                        |                       |                       |                       |
| Payables and accruals         | 1,126,199                | 1,126,199                            | 1,126,199                              | -                     | -                     | -                     |
| Loans and borrowings          | 175,903,887              | 184,893,433                          | 184,893,433                            | -                     | -                     | -                     |
| Financial guarantees*         | 358,732,483              | 375,299,645                          | 248,200,006                            | 45,909,418            | 69,412,027            | 11,778,194            |
|                               | <u>535,762,569</u>       | <u>561,319,277</u>                   | <u>434,219,638</u>                     | <u>45,909,418</u>     | <u>69,412,027</u>     | <u>11,778,194</u>     |

\* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

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(iii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), Indonesian Rupiah ("IDR") and Chinese Yuan Renminbi ("CNY"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD"). Foreign currency exposure in transactions and currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and bank balances denominated in USD for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in The Peoples' Republic of China and Republic of Indonesia is not hedged as currency positions in CNY and IDR are considered to be long-term in nature.

Financial assets and liabilities denominated in USD are as follows:

|                   | <b>The Group</b> |             |
|-------------------|------------------|-------------|
|                   | <b>2025</b>      | <b>2024</b> |
|                   | <b>RM</b>        | <b>RM</b>   |
| <b>USD</b>        |                  |             |
| Bank balances     | 1,663,875        | 2,144,443   |
| Trade receivables | -                | 16,893      |

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Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against their respective functional currencies, with all other variables held constant.

|                  | <b>Profit for the financial year</b> |                     |
|------------------|--------------------------------------|---------------------|
|                  | <b>2025<br/>RM</b>                   | <b>2024<br/>RM</b>  |
| <b>The Group</b> |                                      |                     |
| USD/RM           |                                      |                     |
| Strengthened 5%  | 17,700                               | 2,200               |
| Weakened 5%      | <u>(17,700)</u>                      | <u>(2,200)</u>      |
| USD/CNY          |                                      |                     |
| Strengthened 3%  | -                                    | 1,500               |
| Weakened 3%      | <u>-</u>                             | <u>(1,500)</u>      |
| USD/IDR          |                                      |                     |
| Strengthened 5%  | 46,700                               | 79,500              |
| Weakened 5%      | <u>(46,700)</u>                      | <u>(79,500)</u>     |
|                  |                                      |                     |
|                  | <b>Translation reserve</b>           |                     |
|                  | <b>2025<br/>RM</b>                   | <b>2024<br/>RM</b>  |
| <b>The Group</b> |                                      |                     |
| IDR/RM           |                                      |                     |
| Strengthened 5%  | 17,025,400                           | 14,870,800          |
| Weakened 5%      | <u>(17,025,400)</u>                  | <u>(14,870,800)</u> |
| CNY/RM           |                                      |                     |
| Strengthened 3%  | -                                    | 1,070,000           |
| Weakened 3%      | <u>-</u>                             | <u>(1,070,000)</u>  |



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**(iv) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets include loan receivables, short-term placements and term deposits. Term deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

The Group's interest bearing financial liabilities comprise hire-purchases, bank overdrafts, bridging loan, revolving credits and term loans.

The term deposits and loan receivables at fixed rate exposes the Group to fair value interest rate risk. The short-term placements, bank overdrafts, bridging loan, revolving credits and term loans totalling RM276,595,613 (2024: RM277,673,409) at floating rate expose the Group to cash flow interest rate risk whilst hire-purchases of RM2,309,848 (2024: RM2,438,691) at fixed rate expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group also actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of assets.

As at the reporting date, a change of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the total equity and profit after tax by approximately RM1,051,100 (2024: RM1,055,200), arising mainly as a result of higher/lower interest rates.



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**43. FAIR VALUE**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payments*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**(a) Fair value measurement of financial instruments**

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

**(i) Cash and cash equivalents, trade and other receivables and payables**

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

**(ii) Long-term trade receivables and payables, and loan receivables**

The fair values of long-term trade receivables and payables, and loan receivables are estimated using expected future cash flows of contractual instalment payments discounted at current prevailing rates offered for similar types of credit or lending arrangements.

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**(iii) Other investment**

The fair value of other investment in quoted shares is estimated based on the market value as at the reporting date.

**(iv) Borrowings**

The carrying amounts of bank overdrafts, short-term revolving credits, bridging loan and short-term loans approximate fair values due to the relatively short-term maturity of these financial liabilities.

The carrying amounts of long-term floating rate revolving credits and loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of hire-purchase liabilities is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

The carrying amounts and fair value of financial instruments, other than the carrying amounts which are reasonable approximation of fair values, are as follows:

|                              | <b>The Group</b>                  |                              |
|------------------------------|-----------------------------------|------------------------------|
|                              | <b>Carrying<br/>amount<br/>RM</b> | <b>Fair<br/>value<br/>RM</b> |
| <b>2025</b>                  |                                   |                              |
| <b>Financial assets</b>      |                                   |                              |
| Long-term other receivables  | 9,622                             | 9,622                        |
| Loan receivables             | <u>12,830,808</u>                 | <u>10,665,999</u>            |
| <b>Financial liabilities</b> |                                   |                              |
| Hire-purchase liabilities    | <u>2,309,848</u>                  | <u>2,391,137</u>             |
| <b>2024</b>                  |                                   |                              |
| <b>Financial assets</b>      |                                   |                              |
| Long-term other receivables  | 41,437                            | 41,437                       |
| Loan receivables             | <u>47,501,156</u>                 | <u>42,256,366</u>            |
| <b>Financial liabilities</b> |                                   |                              |
| Hire-purchase liabilities    | <u>2,438,691</u>                  | <u>2,530,052</u>             |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

## (b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at the reporting date:

|                                                                        | Fair value measurement using |           |             |             |
|------------------------------------------------------------------------|------------------------------|-----------|-------------|-------------|
|                                                                        | Level 1                      | Level 2   | Level 3     | Total       |
|                                                                        | RM                           | RM        | RM          | RM          |
| <b>The Group</b>                                                       |                              |           |             |             |
| <b>2025</b>                                                            |                              |           |             |             |
| <i>Land and building under property, plant and equipment (Note 11)</i> |                              |           |             |             |
| Office and shoplot                                                     | -                            | -         | 44,450,000  | 44,450,000  |
| Production buildings                                                   | -                            | -         | 21,735,230  | 21,735,230  |
|                                                                        | -                            | -         | 66,185,230  | 66,185,230  |
| <i>Short-term placements (Note 27)</i>                                 | 204,802,121                  | -         | -           | 204,802,121 |
| <i>Investment properties (Note 15)</i>                                 |                              |           |             |             |
| Commercial properties                                                  | -                            | -         | 300,441,000 | 300,441,000 |
| Office and shoplot                                                     | -                            | -         | 51,775,000  | 51,775,000  |
| Education centre                                                       | -                            | -         | 51,000,000  | 51,000,000  |
|                                                                        | -                            | -         | 403,216,000 | 403,216,000 |
| <i>Other investment (Note 18)</i>                                      | 1,162,902                    | -         | -           | 1,162,902   |
| <i>Biological assets (Note 26)</i>                                     | -                            | 9,875,602 | -           | 9,875,602   |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

|                                                                | Fair value measurement using |               |               | Total<br>RM |
|----------------------------------------------------------------|------------------------------|---------------|---------------|-------------|
|                                                                | Level 1<br>RM                | Level 2<br>RM | Level 3<br>RM |             |
| <b>The Group<br/>2025</b>                                      |                              |               |               |             |
| <i>Liability for<br/>which fair<br/>value is<br/>disclosed</i> |                              |               |               |             |
| Hire-purchase<br>payables                                      | -                            | 2,391,137     | -             | 2,391,137   |
| <i>Asset for which<br/>fair value is<br/>disclosed</i>         |                              |               |               |             |
| Long-term other<br>receivables                                 | -                            | 9,622         | -             | 9,622       |
| Loan receivables                                               | -                            | 10,665,999    | -             | 10,665,999  |
|                                                                | -                            | 10,675,621    | -             | 10,675,621  |

|                                                | Fair value measurement using |               |               | Total<br>RM |
|------------------------------------------------|------------------------------|---------------|---------------|-------------|
|                                                | Level 1<br>RM                | Level 2<br>RM | Level 3<br>RM |             |
| <b>The Group<br/>2024</b>                      |                              |               |               |             |
| <i>Short-term<br/>placements<br/>(Note 27)</i> | 154,218,308                  | -             | -             | 154,218,308 |
| <i>Investment<br/>properties<br/>(Note 15)</i> |                              |               |               |             |
| Commercial<br>properties                       | -                            | -             | 299,441,000   | 299,441,000 |
| Office and shoplot                             | -                            | -             | 49,345,000    | 49,345,000  |
| Factory lot                                    | -                            | -             | 7,377,125     | 7,377,125   |
| Education centre                               | -                            | -             | 46,000,000    | 46,000,000  |
|                                                | -                            | -             | 402,163,125   | 402,163,125 |
| <i>Other investment<br/>(Note 18)</i>          | 1,075,269                    | -             | -             | 1,075,269   |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 197901006663 (50948 - T)

|                                                    | Fair value measurement using |               |               | Total      |
|----------------------------------------------------|------------------------------|---------------|---------------|------------|
|                                                    | Level 1<br>RM                | Level 2<br>RM | Level 3<br>RM | RM         |
| <b>Biological assets</b><br><i>(Note 26)</i>       | -                            | 8,268,800     | -             | 8,268,800  |
| <b>Liability for which fair value is disclosed</b> |                              |               |               |            |
| Hire-purchase payables                             | -                            | 2,530,052     | -             | 2,530,052  |
| <b>Asset for which fair value is disclosed</b>     |                              |               |               |            |
| Long-term other receivables                        | -                            | 41,437        | -             | 41,437     |
| Loan receivables                                   | -                            | 42,256,366    | -             | 42,256,366 |
|                                                    | -                            | 42,297,803    | -             | 42,297,803 |

Fair value reconciliation of land and building under property, plant and equipment measured at Level 3 are as follows:

| The Group                                                                 | Factory buildings<br>RM | Office and shoplot<br>RM | Production buildings<br>RM | Total<br>RM |
|---------------------------------------------------------------------------|-------------------------|--------------------------|----------------------------|-------------|
| <b>2025</b>                                                               |                         |                          |                            |             |
| At beginning of year                                                      | 8,349,262               | 39,872,768               | 11,597,391                 | 59,819,421  |
| Reclassification                                                          | -                       | -                        | 3,696,042                  | 3,696,042   |
| Depreciation charge for the financial year                                | (581,474)               | (734,306)                | (1,529,938)                | (2,845,718) |
| Reclassification to assets for disposal group classified as held for sale | (7,825,384)             | -                        | -                          | (7,825,384) |
| Revaluation                                                               | -                       | 5,311,538                | 8,982,456                  | 14,293,994  |
| Effect of movements in exchange rate                                      | 57,596                  | -                        | (1,010,721)                | (953,125)   |
| At end of year                                                            | -                       | 44,450,000*              | 21,735,230                 | 66,185,230  |

\*Included in office and shoplot is an amount of RM1,450,000 represents the Company's freehold land and buildings.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

Description of valuation techniques used and key unobservable inputs to valuation on land and buildings under property, plant and equipment measured at Level 3 are as follows:

| Property category   | Valuation technique | Significant unobservable inputs    | Range          |                  |
|---------------------|---------------------|------------------------------------|----------------|------------------|
|                     |                     |                                    | The Group 2025 | The Company 2025 |
| Freehold land       | Cost method         | Market value per square feet       | RM60 – RM200   | RM190 – RM200    |
| Buildings           | Cost method         | Construction price per square feet | RM9 – RM150    | RM60 – RM120     |
| Office and shop lot | Comparison method   | Market value per square feet       | RM270          | -                |
| Office and shop lot | Cost method         | Construction price per square feet | RM250          | -                |

Fair value reconciliation of investment properties measured at Level 3 are as follows:

| The Group                                                                 | Factory lot RM | Commercial properties RM | Office and shoplot RM | Education centre RM | Total RM    |
|---------------------------------------------------------------------------|----------------|--------------------------|-----------------------|---------------------|-------------|
| <b>2025</b>                                                               |                |                          |                       |                     |             |
| At beginning of year                                                      | 7,377,125      | 299,441,000              | 49,345,000            | 46,000,000          | 402,163,125 |
| Reclassification to assets for disposal group classified as held for sale | (7,418,541)    | -                        | -                     | -                   | (7,418,541) |
| Changes in fair values                                                    | -              | 1,000,000                | 2,430,000             | 5,000,000           | 8,430,000   |
| Effect of movements in exchange rate                                      | 41,416         | -                        | -                     | -                   | 41,416      |
| At end of year                                                            | -              | 300,441,000              | 51,775,000            | 51,000,000          | 403,216,000 |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

| <b>The Group</b>                                                                  | <b>Factory<br/>lot<br/>RM</b> | <b>Commercial<br/>properties<br/>RM</b> | <b>Office and<br/>shoplot<br/>RM</b> | <b>Education<br/>centre<br/>RM</b> | <b>Total<br/>RM</b> |
|-----------------------------------------------------------------------------------|-------------------------------|-----------------------------------------|--------------------------------------|------------------------------------|---------------------|
| <b>2024</b>                                                                       |                               |                                         |                                      |                                    |                     |
| At beginning<br>of year                                                           | 8,886,000                     | 272,138,000                             | 49,345,000                           | 45,000,000                         | 375,369,000         |
| Transfer from<br>inventories                                                      | -                             | 20,051,460                              | -                                    | -                                  | 20,051,460          |
| Fair value losses<br>on transfer of<br>inventories<br>to investment<br>properties | -                             | (242,460)                               | -                                    | -                                  | (242,460)           |
| Changes in<br>fair values                                                         | (764,380)                     | 7,494,000                               | -                                    | 1,000,000                          | 7,729,620           |
| Effect of<br>movements in<br>exchange rate                                        | <u>(744,495)</u>              | <u>-</u>                                | <u>-</u>                             | <u>-</u>                           | <u>(744,495)</u>    |
| At end of year                                                                    | <u>7,377,125</u>              | <u>299,441,000</u>                      | <u>49,345,000</u>                    | <u>46,000,000</u>                  | <u>402,163,125</u>  |



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

Description of valuation techniques used and key unobservable inputs to valuation on investment properties measured at Level 3 are as follows:

| Property category     | Valuation technique | Significant unobservable inputs                         | Range<br>The Group  |                     |
|-----------------------|---------------------|---------------------------------------------------------|---------------------|---------------------|
|                       |                     |                                                         | 2025                | 2024                |
| Commercial properties | Comparison method   | Market value per square feet                            | RM53 – RM1,750      | RM53 – RM1,630      |
|                       |                     | Construction price per square feet                      | RM70 – RM140        | RM68 – RM135        |
| Commercial properties | Investment method   | Estimated average rental rate per square feet per month | RM3.69 – RM4.20     | RM3.17 – RM4.00     |
|                       |                     | Estimated outgoings per square feet per month           | RM1.20 – RM2.80     | RM1.10 – RM2.60     |
|                       |                     | Outgoings rate                                          | 15.00% – 30.00%     | 15.00% – 30.00%     |
|                       |                     | Term yield                                              | 6.00% – 7.00%       | 5.50% – 7.00%       |
|                       |                     | Sinking fund                                            | 3.00%               | 3.00%               |
|                       |                     | Void rate                                               | 10.00%              | 10.00%              |
|                       |                     | Lease term                                              | 64 – 77 years       | 65 – 78 years       |
| Car park              | Comparison method   | Estimated price per parking bay                         | RM11,000 – RM30,000 | RM11,000 – RM30,000 |
| Office and shoplot    | Comparison method   | Market value per square feet                            | RM260 – RM650       | RM260 – RM650       |
|                       |                     | Estimated price per parking bay                         | RM16,000 – RM17,000 | RM16,000 – RM17,000 |
| Education centre      | Investment method   | Estimated average rental rate per square feet per month | RM0.86 – RM1.80     | RM0.85 – RM1.30     |
|                       |                     | Estimated outgoings per square feet per month           | RM0.076 – RM0.11    | RM0.057 – RM0.06    |
|                       |                     | Term yield                                              | 6.50% – 8.00%       | 5.50%               |
|                       |                     | Reversionary yield                                      | 6.75%               | 6.50%               |
|                       |                     | Void rate                                               | 5.00%               | 10.00%              |
| Factory lot           | Investment method   | Estimated average rental rate per square feet per month | -                   | RM2.69              |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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The estimated fair value would increase/(decrease) if:

- Estimated rental/average rental rate per square feet per month were higher/(lower)
- Estimated price per parking bay per month were higher/(lower)
- Estimated outgoings per square feet per month lower/(higher)
- Outgoings rate lower/(higher)
- Void rate lower/(higher)
- Term yield rate lower/(higher)
- Reversionary yield rate lower/(higher)
- Sinking fund rate lower/(higher)
- Construction price per square feet higher/(lower)

**Direct comparison method**

Under the direct comparison method, a property's fair value is estimated based on comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences. Fair value of properties derived using direct comparison method has been generally included in Level 3 fair value hierarchy due to the adjustments mentioned above. The most significant input into this valuation approach is price per square feet of comparable properties.

**Investment method**

In the investment method of valuation, the projected net income and other benefits that the subject property can generate over the life of the property are capitalised at market derived term yields to arrive at the present market value of the property. Net income is the residue of gross annual rental less annual expenses (outgoings) required to sustain the rental with allowance for void.

**Cost method of valuation**

In the cost method of valuation, the market value of the subject property is the sum of the market value of the land and building. The value of the building is assumed to have a direct relationship with its cost of construction, which is then adjusted to allow for cost of finance, profit, physical, functional, economic obsolescence and demand to reflect its profitable present market value.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**Valuation processes applied by the Group**

The fair value of land and buildings under property, plant and equipment in 2025 was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The Group revalues its land and buildings every five years or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from the carrying amounts.

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Group's investment property annually.

Fair value reconciliation of biological assets measured at Level 2 are as follows:

|                                      | <b>The Group</b> |                  |
|--------------------------------------|------------------|------------------|
|                                      | <b>2025</b>      | <b>2024</b>      |
|                                      | <b>RM</b>        | <b>RM</b>        |
| At beginning of year                 | 8,268,800        | 6,231,392        |
| Changes in fair value                | 2,362,091        | 2,848,371        |
| Effect of movements in exchange rate | (755,289)        | (810,963)        |
| At end of year                       | <u>9,875,602</u> | <u>8,268,800</u> |

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer.

**Transfer between Level 1 and 2 fair values**

There is no transfer between Level 1 and 2 fair values during the financial year.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKH FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 197901006663 (50948 - T)

**44. CAPITAL MANAGEMENT**

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to sustain future development of the businesses so that they can continue to maximise returns for shareholders and benefits for other stakeholders.

The Group and the Company manage their capital structure and make adjustments to them, in light of changes in economic conditions. To maintain or to adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or repay existing borrowings. No changes were made in the objectives, policies and processes during the financial years ended 30 September 2025 and 30 September 2024.

The debt-to-equity ratio is calculated as total debts divided by total capital of the Group and the Company. Total debts comprise interest bearing loans and borrowings and lease liability whilst total capital is the total equity attributable to owners of the parent. The Group's and the Company's policy is to keep the debt-to-equity ratio of not exceeding 80%. The debt-to-equity ratio as at 30 September 2025 and 30 September 2024, which are within the Group's and the Company's objectives of capital management are as follows:

|                                                   | <b>The Group</b>     |                      | <b>The Company</b>   |                      |
|---------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                   | <b>2025</b>          | <b>2024</b>          | <b>2025</b>          | <b>2024</b>          |
|                                                   | <b>RM</b>            | <b>RM</b>            | <b>RM</b>            | <b>RM</b>            |
| Total debts                                       | 504,030,507          | 454,326,509          | 220,553,425          | 175,903,887          |
| Total equity attributable to owners of the parent | <u>1,879,181,719</u> | <u>1,826,110,577</u> | <u>1,277,466,326</u> | <u>1,253,723,862</u> |
| Debt-to-equity ratio (%)                          | <u>27%</u>           | <u>25%</u>           | <u>17%</u>           | <u>14%</u>           |

The Group and the Company are not subject to any externally imposed capital requirements other than PT Maju Kalimantan Hadapan which are required to maintain a debt-to-equity ratio of 75:25 in respect of the revolving credit facility.

## INFORMATION ON MKHOP

### 1. INFORMATION ON MKHOP

MKHOP was incorporated in Malaysia as a private limited company under the name of Detik Merdu Sdn Bhd on 10 August 2004. MKHOP ventured into the oil palm plantation business in 2008. On 7 January 2021, it changed its name to MKH Global Plantation Sdn Bhd and subsequently to MKH Oil Palm (East Kalimantan) Sdn Bhd on 1 October 2021. On 11 August 2022, it was converted into a public company and assumed its present name. MKHOP was listed on the Main Market of Bursa Securities on 30 April 2024.

MKHOP is principally involved in investment holding and management services. The principal activities of its subsidiaries are the cultivation of oil palm and production and sale of CPO, PK and CPKO.

MKHOP owns two (2) ISPO-certified oil palm plantation estates, one (1) ISPO-certified palm oil mill with 90 MT per hour CPO mill, one (1) PK crushing facility with a processing capacity of 90 MT of PK per day and a jetty located in East Kalimantan, Indonesia. The two (2) plantation estates managed under PT Maju Kalimantan Hadapan and PT Sawit Prima Sakti have a total plantation land area of 18,205.3 hectares, comprising 17,008.8 hectares of planted area and 1,195.6 hectares of unplanted area comprising roads, drainage, CPO mill, PK mill, office, staff quarters and others.

The principal market of the MKHOP Group is Republic of Indonesia. For the FYE 30 September 2025, 100% of the MKHOP Group's revenue was derived from its operations in Republic of Indonesia.

*(Source : MKHOP's 2025 Annual Report)*

### 2. SHARE CAPITAL

As at the LPD, the issued share capital of MKHOP is RM387,215,243 comprising 1,023,590,845 MKHOP Shares (including 9,287,000 treasury shares).

### 3. DIRECTORS

As at the LPD, the directors of MKHOP and their respective shareholding in MKHOP are as follows:

| Name                | Nationality | Designation                                  | Direct              |                  | Indirect            |                  |
|---------------------|-------------|----------------------------------------------|---------------------|------------------|---------------------|------------------|
|                     |             |                                              | No. of MKHOP Shares | % <sup>(1)</sup> | No. of MKHOP Shares | % <sup>(1)</sup> |
| TSCKC               | Malaysian   | Group Non-Independent Non-Executive Chairman | -                   | -                | -                   | -                |
| Dato' Lee Khoo Meng | Malaysian   | Executive Director                           | -                   | -                | -                   | -                |
| Chen Wei Chyong     | Malaysian   | Executive Director                           | 4,302               | *                | -                   | -                |
| TSCLL               | Malaysian   | Non-Independent Non-Executive Director       | -                   | -                | -                   | -                |

## INFORMATION ON MKHOP (Cont'd)

| Name                       | Nationality | Designation                               | Direct              |                  | Indirect            |                  |
|----------------------------|-------------|-------------------------------------------|---------------------|------------------|---------------------|------------------|
|                            |             |                                           | No. of MKHOP Shares | % <sup>(1)</sup> | No. of MKHOP Shares | % <sup>(1)</sup> |
| Yeo Kiat Seng              | Malaysian   | Non-Independent Non-Executive Director    | 74,288              | *                | -                   | -                |
| Yahya bin Ariffin          | Malaysian   | Senior Independent Non-Executive Director | -                   | -                | -                   | -                |
| Leong Sow Yoke             | Malaysian   | Independent Non-Executive Director        | -                   | -                | -                   | -                |
| Dato' Lim Hong Shuan       | Malaysian   | Independent Non-Executive Director        | -                   | -                | -                   | -                |
| Tan Hoe Hing               | Malaysian   | Independent Non-Executive Director        | 180,000             | *                | -                   | -                |
| Dr. Hasuria binti Che Omar | Malaysian   | Independent Non-Executive Director        | -                   | -                | -                   | -                |

**Notes:**

\* Less than 0.1%

(1) Based on the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.

**4. SUBSTANTIAL SHAREHOLDERS**

As at the LPD, the substantial shareholders of MKHOP and their respective shareholding in MKHOP are as follows:

| Name                      | Country of incorporation / Nationality | Direct              |                  | Indirect                   |                  |
|---------------------------|----------------------------------------|---------------------|------------------|----------------------------|------------------|
|                           |                                        | No. of MKHOP Shares | % <sup>(1)</sup> | No. of MKHOP Shares        | % <sup>(1)</sup> |
| MKH                       | Malaysia                               | 293,520,019         | 28.9             | 369,147,463 <sup>(2)</sup> | 36.4             |
| Metro Kajang (Oversea)    | Malaysia                               | 316,479,801         | 31.2             | -                          | -                |
| MKH Plantation Sdn Bhd    | Malaysia                               | 51,967,662          | 5.1              | -                          | -                |
| BKB                       | Malaysia                               | -                   | -                | 701,820,956 <sup>(3)</sup> | 69.2             |
| Whitmore                  | Malaysia                               | 39,153,474          | 3.9              | 662,667,482 <sup>(4)</sup> | 65.3             |
| TSLOH                     | Malaysian                              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Arusha Enterprise Sdn Bhd | Malaysia                               | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |

## INFORMATION ON MKHOP (Cont'd)

| Name                           | Country of incorporation / Nationality | Direct              |                  | Indirect                   |                  |
|--------------------------------|----------------------------------------|---------------------|------------------|----------------------------|------------------|
|                                |                                        | No. of MKHOP Shares | % <sup>(1)</sup> | No. of MKHOP Shares        | % <sup>(1)</sup> |
| Wan Hin Investments Sdn Berhad | Malaysia                               | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Di-Yi Sdn Bhd                  | Malaysia                               | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| High Quest Holdings Sdn Bhd    | Malaysia                               | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| DLHH                           | Malaysian                              | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Grateful Blessings Inc.        | Virgin Islands, British                | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Grateful Blessings Foundation  | Jersey                                 | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| Cubic Crystal Corporation      | Virgin Islands, British                | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |
| High Quest Anstalt             | Liechtenstein                          | -                   | -                | 701,820,956 <sup>(5)</sup> | 69.2             |

**Notes:**

- (1) Based on the total number of 1,014,303,845 MKHOP Shares in issue (excluding treasury shares) as at the LPD.
- (2) Deemed interested by virtue of its interest held through the MKH Subsidiaries pursuant to Section 8(4) of the Act.
- (3) Deemed interested by virtue of its/his interest held through Whitmore and MKH pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of its/his interest held through MKH and the MKH Subsidiaries pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of its/his interest held through MKH, Whitmore and BKB pursuant to Section 8(4) of the Act.

**5. SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the LPD, the subsidiaries of MKHOP are as follows:

| Name of subsidiary         | Date and country of incorporation        | Issued share capital | Equity interest (%) | Principal activity                |
|----------------------------|------------------------------------------|----------------------|---------------------|-----------------------------------|
| PT Maju Kalimantan Hadapan | 9 September 2005 / Republic of Indonesia | IDR340,190,000,000   | 100.0               | Oil palm plantation, CPO and CPKO |
| PT Sawit Prima Sakti       | 20 October 2004 / Republic of Indonesia  | IDR9,300,000,000     | 100.0               | Oil palm plantation               |
| Hala Maju                  | 1 November 2023 / Malaysia               | RM200,000            | 100.0               | Investment holding                |



## INFORMATION ON MKHOP (Cont'd)

| Name of subsidiary | Date and country of incorporation        | Issued share capital | Equity interest (%) | Principal activity  |
|--------------------|------------------------------------------|----------------------|---------------------|---------------------|
| PT Tunas           | 4 September 2023 / Republic of Indonesia | IDR10,000,000,000    | 97.3 <sup>(1)</sup> | Oil palm plantation |

**Note:**

(1) The remaining equity interest of 2.7% is held by a third party, namely PT Sinar Reka Murni.

As at the LPD, MKHOP does not have any associated companies.

**6. HISTORICAL FINANCIAL INFORMATION**

A summary of the historical financial information of the MKHOP Group based on its audited consolidated financial statements for the FYE 30 September 2023 to the FYE 30 September 2025 and the unaudited consolidated financial statements for the 6-month FPE 31 March 2025 and 31 March 2026 is set out below:

|                                                                 | Audited FYE 30 September |           |           | Unaudited FPE 31 March |           |
|-----------------------------------------------------------------|--------------------------|-----------|-----------|------------------------|-----------|
|                                                                 | 2023                     | 2024      | 2025      | 2025                   | 2026      |
|                                                                 | RM'000                   | RM'000    | RM'000    | RM'000                 | RM'000    |
| Revenue                                                         | 338,160                  | 352,217   | 363,190   | 198,841                | 140,890   |
| Gross profit                                                    | 93,664                   | 135,977   | 167,708   | 95,730                 | 50,715    |
| PBT                                                             | 43,090                   | 85,018    | 107,304   | 68,571                 | 32,587    |
| PAT                                                             | 32,796                   | 64,210    | 79,789    | 51,160                 | 26,170    |
| Earnings per MKHOP Share <sup>(1)</sup> (RM)                    | 0.30                     | 0.06      | 0.08      | 0.05                   | 0.03      |
| Share capital                                                   | 80,468                   | 378,294   | 378,294   | 378,294                | 378,294   |
| Total equity                                                    | 327,952                  | 572,046   | 582,981   | 592,396                | 563,089   |
| No. of MKHOP Shares in issue (excluding treasury shares) ('000) | 110,468                  | 1,021,691 | 1,016,154 | 1,016,467              | 1,014,341 |
| NA per MKHOP Share <sup>(2)</sup> (RM)                          | 3.0                      | 0.6       | 0.6       | 0.6                    | 0.6       |
| Total borrowings                                                | 2,937                    | 624       | 729       | 843                    | 820       |
| Current ratio <sup>(3)</sup> (times)                            | 1.7                      | 9.0       | 10.4      | 7.7                    | 9.1       |
| Gearing <sup>(4)</sup> (times)                                  | *                        | *         | *         | *                      | *         |

**Notes:**

\* Less than 0.1 times

(1) Computed based on PAT divided by number of MKHOP Shares in issue (excluding treasury shares).

**INFORMATION ON MKHOP (Cont'd)**

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- (2) *Computed based on total equity divided by number of MKHOP Shares in issue (excluding treasury shares).*
- (3) *Computed based on total current assets divided by total current liabilities.*
- (4) *Computed based on total borrowings divided by total equity.*

**Accounting policies and audit qualification**

Based on MKHOP's audited consolidated financial statements for the FYE 30 September 2023, FYE 30 September 2024 and FYE 30 September 2025:

- (a) there were no exceptional or extraordinary items;
- (b) there were no accounting policies adopted by MKHOP which are peculiar to the MKHOP Group due to the nature of its business or the industry it operates in; and
- (c) there were no audit qualifications on the consolidated financial statements of MKHOP.

**Commentary on past financial performance**FYE 30 September 2024 vs FYE 30 September 2023

Revenue increased by RM14.0 million or approximately 4.1% to RM352.2 million for the FYE 30 September 2024 (FYE 30 September 2023: RM338.2 million). The increase in revenue was mainly due to higher CPO production driven by the higher OER of 21.2% (2023: 20.6%).

PAT increased by RM31.4 million or approximately 95.7% to RM64.2 million for the FYE 30 September 2024 (FYE 30 September 2023: RM32.8 million). The increase in PAT was mainly due to:

- (a) increase in revenue as explained above;
- (b) drop in fertiliser costs from its peak in the FYE 30 September 2023; and
- (c) lower field maintenance cost due to favourable weather conditions in the FYE 30 September 2024.

FYE 30 September 2025 vs FYE 30 September 2024

Revenue increased by RM11.0 million or approximately 3.1% to RM363.2 million for the FYE 30 September 2025 (FYE 30 September 2024: RM352.2 million). The increase in revenue was mainly due to:

- (a) higher average selling prices for CPO at RM3,785 per MT (2024: RM3,494 per MT) and PK at RM2,845 per MT (2024: RM1,820 per MT); and
- (b) the commencement of sales of CPKO (average selling price of RM6,951 per MT) in February 2025.

**INFORMATION ON MKHOP (Cont'd)**

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PAT increased by RM15.6 million or approximately 24.3% to RM79.8 million for the FYE 30 September 2025 (FYE 30 September 2024: RM64.2 million). The increase in PAT was mainly due to:

- (a) increase in revenue as explained above;
- (b) higher interest income by RM3.2 million from short-term placement (i.e. investment in highly liquid market funds such as money market funds); and
- (c) the commencement of sales of PK expeller of RM1.2 million in the FYE 30 September 2025.

**FPE 31 March 2026 vs FPE 31 March 2025**

Revenue decreased by RM57.9 million or approximately 29.1% to RM140.9 million for the FPE 31 March 2026 (FPE 31 March 2025: RM198.8 million). The decrease in revenue was mainly due to:

- (a) lower sales volume of CPO of 33,807 MT as compared to preceding period (FPE 31 March 2025: 44,919 MT); and
- (b) lower average selling price for CPO at RM3,472 per MT (FPE 31 March 2025: RM3,916 per MT) and deferment of CPO sales recognition of 3,000MT to April 2026 due to delay in shipment.

PAT decreased by RM25.0 million or approximately 48.8% to RM26.2 million for the FPE 31 March 2026 (FPE 31 March 2025: RM51.2 million). The decrease in PAT was mainly due to:

- (a) decrease in revenue as explained above; and
- (b) depreciation of the IDR which affected the translation of the Indonesian subsidiaries' financial statement into the MKHOP Group's presentation currency in RM, which resulted in unfavourable translation effects.

**7. MATERIAL CONTRACTS**

Save as disclosed below, the MKHOP Group has not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Circular:

**7.1 Acquisition of PT Tunas**

On 26 August 2025, MKHOP and Hala Maju, a wholly-owned subsidiary of MKHOP, entered into a conditional share sale and purchase agreement with PT Sinar Reka Murni to acquire 999 ordinary shares and 1 ordinary share, respectively, representing the entire equity interest in PT Tunas together with all the rights, interests and benefits attached thereto for a total purchase consideration of IDR34,965,000,000 (equivalent to approximately RM9,100,729 based on the exchange rate of RM1.00:IDR3,842).

**INFORMATION ON MKHOP (Cont'd)**

On 21 October 2025, MKHOP announced that PT Tunas had on 20 October 2025 received approval from the Ministry of Law of the Republic of Indonesia for the transition from a domestic local company to a foreign-owned entity. This change allows PT Tunas to operate within the framework of foreign investment, as outlined in the notarial deed no. 33 dated 14 October 2025, made before Esther Pascalia Ery Jovina, Sarjana Hukum, Notary in Jakarta, Indonesia. Consequently, PT Tunas had become a subsidiary of MKHOP, effective from 20 October 2025.

As at the LPD, the acquisition of PT Tunas is subject to the fulfilment of certain conditions, including the remaining staged payment arrangements and applicable regulatory requirements.

**8. MATERIAL LITIGATION**

As at the LPD, the MKHOP Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and directors of the MKHOP Group have no knowledge of any proceedings pending or threatened against the MKHOP Group or of any facts likely to give rise to any proceedings, which might materially affect the financial position and/or business of the MKHOP Group.

**9. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****9.1 Material commitments**

Save as disclosed below, based on the latest unaudited consolidated financial statements of MKHOP for the FPE 31 March 2026, there are no other material commitments incurred or known to be incurred by the MKHOP Group which may have a material impact on the profits or NA of the MKHOP Group:

|                                                         | <b>RM'000</b> |
|---------------------------------------------------------|---------------|
| Approved, contracted but not provided for:              |               |
| - Property, plant and equipment for plantation division | 18,557        |
| Approved, but not contracted and not contracted for     |               |
| - Property, plant and equipment for plantation division | 39,658        |
|                                                         | <b>58,215</b> |

**9.2 Contingent liabilities**

Save as disclosed below, based on the latest unaudited consolidated financial statements of MKHOP for the FPE 31 March 2026, there is no other contingent liability, which upon becoming enforceable, may have a material impact on the profits or NA of the MKHOP Group:

|                                                        | <b>RM'000</b> |
|--------------------------------------------------------|---------------|
| Corporate guarantees in favour of subsidiary companies | 19,800        |

## INFORMATION ON MKHOP (Cont'd)

## 10. ASSETS OWNED

Based on the latest unaudited consolidated financial statements of MKHOP for the FPE 31 March 2026, the MKHOP Group's total assets amounting to RM640.0 million comprising the following:

|                                                              | <b>RM'000</b>  |
|--------------------------------------------------------------|----------------|
| <b><u>Non-current assets</u></b>                             |                |
| Property, plant and equipment                                | 250,003        |
| Goodwill                                                     | 6,190          |
| Prepaid lease payments                                       | 47,724         |
| Receivables, deposits and prepayments                        | 527            |
| <b>Subtotal</b>                                              | <b>304,444</b> |
| <b><u>Current assets</u></b>                                 |                |
| Inventories                                                  | 63,895         |
| Biological assets                                            | 10,749         |
| Receivables, deposits and prepayments                        | 28,818         |
| Current tax assets                                           | 7,016          |
| Cash, bank balances, term deposits and short-term placements | 225,047        |
| <b>Subtotal</b>                                              | <b>335,525</b> |
| <b>Total</b>                                                 | <b>639,969</b> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025**

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Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
Registration No. 200401023680 (662186-D)  
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE FINANCIAL  
YEAR ENDED 30 SEPTEMBER 2025**  
(In Ringgit Malaysia)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The directors have pleasure in presenting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2025.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and providing of management services.

The information on the name, country of incorporation, principal activities and percentage of issued share capital held by the Company in subsidiaries are as disclosed in Note 13 to the financial statements.

**RESULTS OF OPERATIONS**

The results of operations of the Group and of the Company for the financial year are as follows:

|                                                                                        | <b>The Group<br/>RM</b> | <b>The Company<br/>RM</b> |
|----------------------------------------------------------------------------------------|-------------------------|---------------------------|
| Profit for the financial year, representing profit attributable to owner of the parent | <u>79,789,373</u>       | <u>55,735,012</u>         |

**DIVIDENDS**

Since the end of the previous financial year, a second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2024 amounting to RM20,329,343 was declared on 27 November 2024 and paid on 30 December 2024.

A first interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2025 amounting to RM20,325,743 was declared on 27 May 2025 and paid on 25 June 2025.

A second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2025 amounting to RM20,306,087 was declared on 26 November 2025 and is to be paid on 30 December 2025. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2026.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2025.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

**ISSUE OF SHARES AND DEBENTURES**

The Company has not issued any new shares or debentures during the financial year.

**DIRECTORS**

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngai Chong  
 Tan Sri Datuk Chen Lok Loi  
 Dato' Lee Khee Meng  
 Chen Wei Chyong  
 Yeo Kiat Seng  
 Leong Sow Yoke  
 Ong Kim Pin  
 Tan Hoe Hing  
 Dr. Hasuria binti Che Omar  
 Yahya bin Ariffin

**LIST OF DIRECTORS OF SUBSIDIARIES**

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngai Chong  
 Tan Sri Datuk Chen Lok Loi  
 Dato' Lee Khee Meng  
 Chen Wei Chyong  
 Teh Lee Lean  
 Tang Hee Teik  
 Chen Way Liang  
 Mohd Fadil bin Nasir (Appointed on 14 October 2025)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**DIRECTORS' INTERESTS**

The shareholding and deemed shareholdings in the ordinary shares of the Company and its ultimate holding company of those who were directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

| Shareholdings in the Company  | Number of ordinary shares |        |      | At 30 September 2025 |
|-------------------------------|---------------------------|--------|------|----------------------|
|                               | At 1 October 2024         | Bought | Sold |                      |
| <b><u>Direct Interest</u></b> |                           |        |      |                      |
| Tan Sri Dato' Chen Kooi Chiew |                           |        |      |                      |
| @ Cheng Ngai Chong            | 39,582                    | 50,000 | -    | 89,582               |
| Tan Sri Datuk Chen Lok Loi    | 1,514,692                 | -      | -    | 1,514,692            |
| Chen Wei Chyong               | 4,302                     | -      | -    | 4,302                |
| Yeo Kiat Seng                 | 74,288                    | -      | -    | 74,288               |
| Ong Kim Pin                   | 87,532                    | 50,000 | -    | 137,532              |
| Tan Hoe Hing                  | 147,000                   | 33,000 | -    | 180,000              |

**Deemed Interest**

|                               |             |   |          |             |
|-------------------------------|-------------|---|----------|-------------|
| Tan Sri Dato' Chen Kooi Chiew |             |   |          |             |
| @ Cheng Ngai Chong*^          | 698,863,357 | - | (34,500) | 698,828,857 |
| Tan Sri Datuk Chen Lok Loi*#  | 697,733,548 | - | (34,500) | 697,699,048 |

\* Deemed interest by virtue of his shareholdings in Chen Choy & Sons Realty Sdn. Bhd. ("CCSR"), the controlling shareholder of MKH Berhad, whereby the Company is a subsidiary of MKH Berhad.

^ Deemed interest through shares held in Lotus Way Sdn. Bhd. and a nominee company.

# Deemed interest through shares held in a nominee company.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

| Shareholdings in the Ultimate Holding Company<br>- MKH Berhad | Number of ordinary shares |        |      | At<br>30 September<br>2025 |
|---------------------------------------------------------------|---------------------------|--------|------|----------------------------|
|                                                               | At<br>1 October<br>2024   | Bought | Sold |                            |
| <b><u>Direct Interest:</u></b>                                |                           |        |      |                            |
| Tan Sri Dato' Chen Kooi Chiew                                 |                           |        |      |                            |
| @ Cheng Ngai Chong                                            | 1,277,080                 | -      | -    | 1,277,080                  |
| Tan Sri Datuk Chen Lok Loi                                    | 10,602,844                | -      | -    | 10,602,844                 |
| Chen Wei Chyong                                               | 30,119                    | -      | -    | 30,119                     |
| Ong Kim Pin                                                   | 122,724                   | -      | -    | 122,724                    |
| Yeo Kiat Seng                                                 | 30,020                    | -      | -    | 30,020                     |
| <b><u>Deemed Interest:</u></b>                                |                           |        |      |                            |
| Tan Sri Dato' Chen Kooi Chiew                                 |                           |        |      |                            |
| @ Cheng Ngai Chong~                                           | 253,129,658               | -      | -    | 253,129,658                |
| Tan Sri Datuk Chen Lok Loi <sup>∞</sup>                       | 245,374,787               | -      | -    | 245,374,787                |

~ Deemed interest through shares held in CCSR, Lotus Way Sdn. Bhd. and a nominee company.

∞ Deemed interest through shares held in CCSR and a nominee company.

Other than as disclosed above, none of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the ultimate holding company during or at the beginning and end of the financial year.

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full time employee of the Company or its related corporations as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

The directors' benefits are as follows:

|                                              | <b>The<br/>Group<br/>RM</b> | <b>The<br/>Company<br/>RM</b> |
|----------------------------------------------|-----------------------------|-------------------------------|
| <b>Directors of the Company</b>              |                             |                               |
| Executive Directors:                         |                             |                               |
| Other emoluments                             | 1,558,355                   | 1,558,355                     |
| Estimated monetary value of benefits-in-kind | 55,750                      | 55,750                        |
|                                              | 1,614,105                   | 1,614,105                     |
| Non-Executive Directors:                     |                             |                               |
| Fees                                         | 1,040,000                   | 1,040,000                     |
| Other emoluments                             | 86,000                      | 86,000                        |
|                                              | 1,126,000                   | 1,126,000                     |
|                                              | 2,740,105                   | 2,740,105                     |
| <b>Directors of subsidiaries</b>             |                             |                               |
| Directors:                                   |                             |                               |
| Other emoluments                             | 705,932                     | -                             |
|                                              | 3,446,037                   | 2,740,105                     |

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that no allowance for doubtful debts is required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

At the date of this report, the directors are not aware of any circumstances:

- (i) which would require the writing off of bad debts or the setting up of allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## **SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 200401023680 (662186-D)

**TREASURY SHARES**

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127(4)(b) of the Companies Act, 2016 in Malaysia.

During the financial year, the Company repurchased 5,536,700 of its issued ordinary shares from the open market at an average price of RM0.61 per share. The total consideration paid for the repurchase of ordinary shares including transaction costs was RM3,398,944.

As at 30 September 2025, the Company held 7,436,700 treasury shares out of its 1,023,590,845 issued ordinary shares. Such treasury shares are held at a carrying amount of RM4,524,625. Further details are disclosed in Note 18 to the financial statements.

**INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the financial year, which provides appropriate insurance coverage for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM44,074.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS TO THE END OF THE FINANCIAL YEAR**

Details of significant events during the financial year and subsequent events to the end of the financial year are disclosed in Note 28 to the financial statements.

**ULTIMATE HOLDING COMPANY**

The directors regard MKH Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the ultimate holding company of the Company.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Registration No. 200401023680 (662186-D)

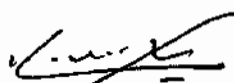
**AUDITORS**

The auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), have expressed their willingness to continue in office.

**AUDITORS' REMUNERATION**

The amount paid or payable by the Group and by the Company as remuneration of the auditors for statutory audit for the financial year ended 30 September 2025 amounting to RM312,320 and RM65,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2025.



DATO' LEE KHEE MENG



CHEN WEI CHYONG

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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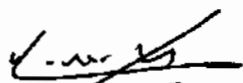
Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

We, the undersigned, being two of the directors of the Company, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 17 to 90, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2025.



DATO' LEE KHEE MENG



CHEN WEI CHYONG

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION  
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016**

I, Tan Soo Hoon, being the person primarily responsible for the financial management of **MKH OIL PALM (EAST KALIMANTAN) BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 17 to 90, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at  
Kajang in the State of Selangor on 22 December 2025.



TAN SOO HOON  
MIA MEMBERSHIP NO: 23960

Before me



No. 47D, Tingkat 1,  
Jalan Sulaiman,  
43000 Kajang, Selangor.  
012-2852486

# AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 200401023680 (662186-D)

# Deloitte.

Deloitte Malaysia PLT  
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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MKH OIL PALM (EAST KALIMANTAN) BERHAD (Incorporated in Malaysia)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **MKH OIL PALM (EAST KALIMANTAN) BERHAD**, which comprise the statements of financial position as at 30 September 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 90.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and the Company as at 30 September 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters are addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>How the matter was addressed in the audit</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of production buildings</b></p> <p>The Group revalued its production buildings every five years from the last date of valuation or at shorter intervals whenever the fair value of the said assets are expected to differ substantially from their carrying amount.</p> <p>As at 30 September 2025, the production buildings of the Group were revalued based on an independent professional valuation on a market value basis using the cost valuation method.</p> <p>Significant judgement is required in determining the fair value of the production buildings. The valuation techniques and assumptions used are determined by the management independent professional valuation specialist. The significant judgement on the valuation of production buildings is disclosed in Note 2(c)(ii) and Note 31(b) to the financial statements.</p> | <p>Our audit procedures consisted of, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained the valuation report of management's independent professional valuation specialist and evaluated the details;</li> <li>• Performed assessment on the management's independent professional valuation specialist's competency, capabilities and objectivity in performing the valuation of the production buildings located in Indonesia;</li> <li>• Assessed the data provided by management to the management's independent professional valuation specialist, such as the age of the production buildings;</li> <li>• Assessed the appropriateness of market data used by management's independent professional valuation specialist as inputs in their valuations, such as estimated replacement cost, in consideration of the current market conditions;</li> <li>• Engaged our internal valuation specialist to review the valuation report of the production buildings and assessed the methodology and the appropriateness of the key assumptions applied by the management's independent professional valuation specialist;</li> </ul> |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

| <i>Key audit matter</i> | <i>How the matter was addressed in the audit</i>                                                                                                                                                                          |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <ul style="list-style-type: none"> <li>• Reviewed the assessment of our internal valuation specialist; and</li> <li>• Assessed the adequacy and reasonableness of the disclosures in the financial statements.</li> </ul> |

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group and the Directors' Reports but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Analysis of Shareholdings which is expected to be made available to us after this date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Analysis of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request management to correct the other information accordingly.

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis to forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 13 to the financial statements.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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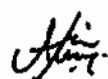
Registration No. 200401023680 (662186-D)

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



**DELOITTE MALAYSIA PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**



**ALVIN CHANG SHU-WEI**  
**Partner - 03480/01/2026 J**  
**Chartered Accountant**

22 December 2025

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
 (Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

|                                                                                 |             | <b>The Group</b>   |                    | <b>The Company</b> |                   |
|---------------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|-------------------|
|                                                                                 | <b>Note</b> | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>       |
|                                                                                 |             | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>         |
| Revenue                                                                         | 4           | 363,189,716        | 352,217,484        | 66,286,124         | 34,075,819        |
| Cost of sales                                                                   | 5           | (195,481,642)      | (216,240,385)      | (6,654,864)        | (5,350,164)       |
| <b>Gross profit</b>                                                             |             | <b>167,708,074</b> | <b>135,977,099</b> | <b>59,631,260</b>  | <b>28,725,655</b> |
| Other income                                                                    |             | 15,517,614         | 8,041,603          | 6,925,198          | 4,192,831         |
| Sales and marketing expenses                                                    |             | (19,496,599)       | (10,364,146)       | -                  | -                 |
| Administrative expenses                                                         |             | (43,579,441)       | (35,082,800)       | (1,341,445)        | (1,323,558)       |
| Other expenses                                                                  |             | (12,808,594)       | (12,175,668)       | (7,498,845)        | (4,324,377)       |
| <b>Profit from operations</b>                                                   |             | <b>107,341,054</b> | <b>86,396,088</b>  | <b>57,716,168</b>  | <b>27,270,551</b> |
| Finance costs                                                                   |             | (37,371)           | (1,377,635)        | (37,371)           | (181,776)         |
| <b>Profit before tax</b>                                                        | 6           | <b>107,303,683</b> | <b>85,018,453</b>  | <b>57,678,797</b>  | <b>27,088,775</b> |
| Tax expense                                                                     | 8           | (27,514,310)       | (20,808,744)       | (1,943,785)        | (1,492,808)       |
| <b>Profit for the financial year</b>                                            |             | <b>79,789,373</b>  | <b>64,209,709</b>  | <b>55,735,012</b>  | <b>25,595,967</b> |
| <b>Other comprehensive income/(loss):</b>                                       |             |                    |                    |                    |                   |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>      |             |                    |                    |                    |                   |
| Remeasurement gains on defined benefit plans                                    | 20          | 227,254            | 1,087,745          | -                  | -                 |
| Income tax relating to remeasurement gains on defined benefit plans             | 8           | (49,996)           | (239,304)          | -                  | -                 |
| Revaluation surplus of production buildings                                     |             | 8,982,455          | -                  | -                  | -                 |
| Income tax relating to surplus arising from revaluation of production buildings | 8           | (1,976,140)        | -                  | -                  | -                 |
|                                                                                 |             | <b>7,183,573</b>   | <b>848,441</b>     | <b>-</b>           | <b>-</b>          |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

|                                                                       |      | The Group         |                   | The Company       |                   |
|-----------------------------------------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
|                                                                       |      | 2025              | 2024              | 2025              | 2024              |
|                                                                       | Note | RM                | RM                | RM                | RM                |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |      |                   |                   |                   |                   |
| Foreign currency translation differences                              |      | (31,983,728)      | (43,677,561)      | -                 | -                 |
| <b>Total comprehensive income for the financial year</b>              |      | <u>54,989,218</u> | <u>21,380,589</u> | <u>55,735,012</u> | <u>25,595,967</u> |
| <b>Profit for the financial year attributable to:</b>                 |      |                   |                   |                   |                   |
| Owner of the parent                                                   |      | 79,789,373        | 63,563,373        | 55,735,012        | 25,595,967        |
| Non-controlling interests                                             |      | -                 | 646,336           | -                 | -                 |
|                                                                       |      | <u>79,789,373</u> | <u>64,209,709</u> | <u>55,735,012</u> | <u>25,595,967</u> |
| <b>Total comprehensive income attributable to:</b>                    |      |                   |                   |                   |                   |
| Owner of the parent                                                   |      | 54,989,218        | 21,070,891        | 55,735,012        | 25,595,967        |
| Non-controlling interests                                             |      | -                 | 309,698           | -                 | -                 |
|                                                                       |      | <u>54,989,218</u> | <u>21,380,589</u> | <u>55,735,012</u> | <u>25,595,967</u> |
| <b>Basic and diluted earning per share (sen)</b>                      | 9    | 7.85              | 8.25              |                   |                   |

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2025**

|                                                            |             | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                                                            | <b>Note</b> | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>        |
|                                                            |             | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| <b>ASSETS</b>                                              |             |                    |                    |                    |                    |
| <b>Non-Current Assets</b>                                  |             |                    |                    |                    |                    |
| Property, plant and equipment                              | 10          | 273,444,875        | 302,715,676        | 1,473,299          | 1,448,741          |
| Goodwill                                                   | 11          | 6,453,604          | 6,787,354          | -                  | -                  |
| Prepaid lease payments                                     | 12          | 35,800,099         | 37,728,040         | -                  | -                  |
| Investment in subsidiaries                                 | 13          | -                  | -                  | 193,645,172        | 167,856,408        |
| Receivables, deposits and prepayments                      | 14          | 315,363            | 1,058,635          | 32,966,141         | 43,966,141         |
| <b>Total Non-Current Assets</b>                            |             | <b>316,013,941</b> | <b>348,289,705</b> | <b>228,084,612</b> | <b>213,271,290</b> |
| <b>Current Assets</b>                                      |             |                    |                    |                    |                    |
| Inventories                                                | 15          | 48,376,433         | 36,250,144         | -                  | -                  |
| Biological assets                                          | 16          | 9,875,602          | 8,268,800          | -                  | -                  |
| Receivables, deposits and prepayments                      | 14          | 36,243,969         | 20,400,463         | 87,983,934         | 71,382,922         |
| Current tax assets                                         |             | -                  | 413,558            | -                  | -                  |
| Cash, bank balances, term deposit and short-term placement | 17          | 242,251,733        | 225,224,376        | 86,534,124         | 106,442,496        |
| <b>Total Current Assets</b>                                |             | <b>336,747,737</b> | <b>290,557,341</b> | <b>174,518,058</b> | <b>177,825,418</b> |
| <b>Total Assets</b>                                        |             | <b>652,761,678</b> | <b>638,847,046</b> | <b>402,602,670</b> | <b>391,096,708</b> |

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

|                                                   |             | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|---------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                                                   | <b>Note</b> | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>        |
|                                                   |             | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| <b>EQUITY AND LIABILITIES</b>                     |             |                    |                    |                    |                    |
| <b>Capital and Reserves</b>                       |             |                    |                    |                    |                    |
| Share capital                                     | 18          | 378,294,087        | 378,294,087        | 378,294,087        | 378,294,087        |
| Treasury shares                                   | 18          | (4,524,625)        | (1,125,681)        | (4,524,625)        | (1,125,681)        |
| Reserves                                          | 19          | 209,211,323        | 194,877,191        | 26,158,490         | 11,078,564         |
| <b>Total Equity</b>                               |             | <b>582,980,785</b> | <b>572,045,597</b> | <b>399,927,952</b> | <b>388,246,970</b> |
| <b>Non-Current Liabilities</b>                    |             |                    |                    |                    |                    |
| Provisions of post-employment benefit obligations | 20          | 19,617,911         | 18,731,306         | -                  | -                  |
| Deferred tax liabilities                          | 21          | 17,380,525         | 15,390,929         | 56,000             | 50,600             |
| Loans and borrowings                              | 22          | 498,392            | 463,412            | 498,392            | 463,412            |
| <b>Total Non-Current Liabilities</b>              |             | <b>37,496,828</b>  | <b>34,585,647</b>  | <b>554,392</b>     | <b>514,012</b>     |
| <b>Current Liabilities</b>                        |             |                    |                    |                    |                    |
| Payables and accruals                             | 23          | 26,928,770         | 31,041,821         | 1,370,093          | 1,161,745          |
| Loans and borrowings                              | 22          | 230,322            | 161,039            | 230,322            | 161,039            |
| Current tax liabilities                           |             | 5,124,973          | 1,012,942          | 519,911            | 1,012,942          |
| <b>Total Current Liabilities</b>                  |             | <b>32,284,065</b>  | <b>32,215,802</b>  | <b>2,120,326</b>   | <b>2,335,726</b>   |
| <b>Total Liabilities</b>                          |             | <b>69,780,893</b>  | <b>66,801,449</b>  | <b>2,674,718</b>   | <b>2,849,738</b>   |
| <b>Total Equity and Liabilities</b>               |             | <b>652,761,678</b> | <b>638,847,046</b> | <b>402,602,670</b> | <b>391,096,708</b> |
| <b>Net assets per share (RM)</b>                  | 9           | <b>0.57</b>        | <b>0.56</b>        |                    |                    |

The accompanying notes form an integral part of the financial statements.

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

| <b>The Group</b>                                          | <b>Share capital<br/>RM</b> | <b>Treasury shares<br/>RM</b> | <b>← Non-distributable →</b>      |                                   | <b>Distributable</b>            | <b>Total equity<br/>RM</b> |
|-----------------------------------------------------------|-----------------------------|-------------------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------|
|                                                           |                             |                               | <b>Translation reserve<br/>RM</b> | <b>Revaluation reserve<br/>RM</b> | <b>Retained earnings<br/>RM</b> |                            |
| <b>As at 1 October 2024</b>                               | 378,294,087                 | (1,125,681)                   | (34,734,622)                      | 7,176,541                         | 222,435,272                     | 572,045,597                |
| <b>Comprehensive income</b>                               |                             |                               |                                   |                                   |                                 |                            |
| Profit for the financial year                             | -                           | -                             | -                                 | -                                 | 79,789,373                      | 79,789,373                 |
| <b>Other comprehensive income</b>                         |                             |                               |                                   |                                   |                                 |                            |
| Foreign currency translation differences                  | -                           | -                             | (31,983,728)                      | -                                 | -                               | (31,983,728)               |
| Revaluation surplus of production buildings - net of tax  | -                           | -                             | -                                 | 7,006,315                         | -                               | 7,006,315                  |
| Remeasurement gains on defined benefit plans - net of tax | -                           | -                             | -                                 | -                                 | 177,258                         | 177,258                    |
| Total comprehensive income                                | -                           | -                             | (31,983,728)                      | 7,006,315                         | 79,966,631                      | 54,989,218                 |
| <b>Transactions with owners</b>                           |                             |                               |                                   |                                   |                                 |                            |
| Share buy back                                            | -                           | (3,398,944)                   | -                                 | -                                 | -                               | (3,398,944)                |
| Dividends paid (Note 24)                                  | -                           | -                             | -                                 | -                                 | (40,655,086)                    | (40,655,086)               |
| Total transactions with owners                            | -                           | (3,398,944)                   | -                                 | -                                 | (40,655,086)                    | (44,054,030)               |
| <b>As at 30 September 2025</b>                            | <b>378,294,087</b>          | <b>(4,524,625)</b>            | <b>(66,718,350)</b>               | <b>14,182,856</b>                 | <b>261,746,817</b>              | <b>582,980,785</b>         |

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## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 200401023680 (662186-D)

| The Group                                                 | Share capital<br>RM | Treasury shares<br>RM | Translation reserve<br>RM | Revaluation reserve<br>RM | ← Non-distributable →<br>Retained earnings<br>RM | Attributable to owners of the parent<br>RM | Non-controlling interests<br>RM | Total equity<br>RM |
|-----------------------------------------------------------|---------------------|-----------------------|---------------------------|---------------------------|--------------------------------------------------|--------------------------------------------|---------------------------------|--------------------|
| As at 1 October 2023                                      | 80,468,000          | -                     | 8,377,647                 | 6,775,200                 | 214,730,513                                      | 310,351,360                                | 17,600,768                      | 327,952,128        |
| <b>Comprehensive income</b>                               |                     |                       |                           |                           |                                                  |                                            |                                 |                    |
| Profit for the financial year                             | -                   | -                     | -                         | -                         | 63,563,373                                       | 63,563,373                                 | 646,336                         | 64,209,709         |
| <b>Other comprehensive income</b>                         |                     |                       |                           |                           |                                                  |                                            |                                 |                    |
| Foreign currency translation differences                  | -                   | -                     | (43,340,923)              | -                         | -                                                | (43,340,923)                               | (336,638)                       | (43,677,561)       |
| Remeasurement gains on defined benefit plans - net of tax | -                   | -                     | -                         | -                         | 848,441                                          | 848,441                                    | -                               | 848,441            |
| Total comprehensive income                                | -                   | -                     | (43,340,923)              | -                         | 64,411,814                                       | 21,070,891                                 | 309,698                         | 21,380,589         |
| <b>Transactions with owners</b>                           |                     |                       |                           |                           |                                                  |                                            |                                 |                    |
| Acquisition of non-controlling interest in a subsidiary   | 53,515,709          | -                     | 228,654                   | 401,341                   | (36,235,238)                                     | 17,910,466                                 | (17,910,466)                    | -                  |
| Issuance of shares pursuant to:                           |                     |                       |                           |                           |                                                  |                                            |                                 |                    |
| Acquisition of a subsidiary                               | 27,863,922          | -                     | -                         | -                         | -                                                | 27,863,922                                 | -                               | 27,863,922         |
| Debt settlement                                           | 88,967,612          | -                     | -                         | -                         | -                                                | 88,967,612                                 | -                               | 88,967,612         |
| Initial public offering                                   | 136,400,000         | -                     | -                         | -                         | -                                                | 136,400,000                                | -                               | 136,400,000        |
| Share issuance expenses                                   | (8,921,156)         | -                     | -                         | -                         | -                                                | (8,921,156)                                | -                               | (8,921,156)        |
| Share buy back                                            | -                   | (1,125,681)           | -                         | -                         | -                                                | (1,125,681)                                | -                               | (1,125,681)        |
| Dividends paid (Note 24)                                  | -                   | -                     | -                         | -                         | (20,471,817)                                     | (20,471,817)                               | -                               | (20,471,817)       |
| Total transactions with owners                            | 297,826,087         | (1,125,681)           | 228,654                   | 401,341                   | (56,707,055)                                     | 240,623,346                                | (17,910,466)                    | 222,712,880        |
| <b>As at 30 September 2024</b>                            | <b>378,294,087</b>  | <b>(1,125,681)</b>    | <b>(34,734,622)</b>       | <b>7,176,541</b>          | <b>222,435,272</b>                               | <b>572,045,597</b>                         | <b>-</b>                        | <b>572,045,597</b> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
 (Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

|                                                                                                        | Share capital<br>RM | Treasury<br>shares<br>RM | Distributable<br>Retained<br>earnings<br>RM | Total<br>equity<br>RM |
|--------------------------------------------------------------------------------------------------------|---------------------|--------------------------|---------------------------------------------|-----------------------|
| <b>The Company</b>                                                                                     |                     |                          |                                             |                       |
| <b>As at 1 October 2024</b>                                                                            | 378,294,087         | (1,125,681)              | 11,078,564                                  | 388,246,970           |
| Profit for the financial year,<br>representing total<br>comprehensive income for<br>the financial year | -                   | -                        | 55,735,012                                  | 55,735,012            |
| Share buy back                                                                                         | -                   | (3,398,944)              | -                                           | (3,398,944)           |
| Dividends paid (Note 24)                                                                               | -                   | -                        | (40,655,086)                                | (40,655,086)          |
| <b>As at 30 September 2025</b>                                                                         | <u>378,294,087</u>  | <u>(4,524,625)</u>       | <u>26,158,490</u>                           | <u>399,927,952</u>    |
| <b>As at 1 October 2023</b>                                                                            | 80,468,000          | -                        | 5,954,414                                   | 86,422,414            |
| Profit for the financial year,<br>representing total<br>comprehensive income for<br>the financial year | -                   | -                        | 25,595,967                                  | 25,595,967            |
| Issuance of shares pursuant to:                                                                        |                     |                          |                                             |                       |
| Acquisition of non-<br>controlling interest                                                            | 53,515,709          | -                        | -                                           | 53,515,709            |
| Acquisition of a subsidiary                                                                            | 27,863,922          | -                        | -                                           | 27,863,922            |
| Debt settlement                                                                                        | 88,967,612          | -                        | -                                           | 88,967,612            |
| Initial public offering                                                                                | 136,400,000         | -                        | -                                           | 136,400,000           |
| Share issuance expenses                                                                                | (8,921,156)         | -                        | -                                           | (8,921,156)           |
| Share buy back                                                                                         | -                   | (1,125,681)              | -                                           | (1,125,681)           |
| Dividends paid (Note 24)                                                                               | -                   | -                        | (20,471,817)                                | (20,471,817)          |
| <b>As at 30 September 2024</b>                                                                         | <u>378,294,087</u>  | <u>(1,125,681)</u>       | <u>11,078,564</u>                           | <u>388,246,970</u>    |

The accompanying notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
 (Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

|                                                                | <b>The Group</b> |              | <b>The Company</b> |              |
|----------------------------------------------------------------|------------------|--------------|--------------------|--------------|
|                                                                | <b>2025</b>      | <b>2024</b>  | <b>2025</b>        | <b>2024</b>  |
|                                                                | <b>RM</b>        | <b>RM</b>    | <b>RM</b>          | <b>RM</b>    |
| <b>CASH FLOWS FROM/<br/>(USED IN) OPERATING<br/>ACTIVITIES</b> |                  |              |                    |              |
| Profit before tax                                              | 107,303,683      | 85,018,453   | 57,678,797         | 27,088,775   |
| Adjustments for:                                               |                  |              |                    |              |
| Amortisation of prepaid lease payments                         | 1,679,055        | 1,437,472    | -                  | -            |
| Bad debts written off                                          | -                | 66,987       | -                  | -            |
| Changes in fair value of biological assets                     | (2,362,091)      | (2,904,078)  | -                  | -            |
| Depreciation of property, plant and equipment                  | 33,820,486       | 32,705,748   | 498,477            | 389,459      |
| Dividend income from a subsidiary                              | -                | -            | (59,213,114)       | (28,652,824) |
| Interest expense                                               | 37,371           | 1,377,635    | 37,371             | 181,776      |
| Interest income                                                | (6,639,220)      | (3,444,777)  | (6,772,394)        | (4,144,056)  |
| Inventories written off                                        | 360              | 10,947       | -                  | -            |
| Property, plant and equipment written off                      | 884,415          | 787,320      | -                  | -            |
| Provision of post-employment benefit obligations               | 4,948,751        | 4,965,494    | -                  | -            |
| Unrealised loss on foreign exchange - net                      | 29,092           | 40,687       | -                  | -            |
| Operating Profit/(Loss) Before Changes in Working Capital      | 139,701,902      | 120,061,888  | (7,770,863)        | (5,136,870)  |
| Change in inventories                                          | (12,126,649)     | 4,556,578    | -                  | -            |
| Change in receivables, deposits and prepayments                | (10,892,069)     | 20,503,295   | 3,084,994          | 798,379      |
| Change in payables and accruals                                | (4,142,143)      | (19,345,545) | 208,348            | 217,139      |
| Cash Generated From/(Used In) Operations                       | 112,541,041      | 125,776,216  | (4,477,521)        | (4,121,352)  |
| (Forward)                                                      |                  |              |                    |              |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

|                                                                            | <b>The Group</b>    |                     | <b>The Company</b> |                   |
|----------------------------------------------------------------------------|---------------------|---------------------|--------------------|-------------------|
|                                                                            | <b>2025</b>         | <b>2024</b>         | <b>2025</b>        | <b>2024</b>       |
|                                                                            | <b>RM</b>           | <b>RM</b>           | <b>RM</b>          | <b>RM</b>         |
| Dividend received                                                          | -                   | -                   | 43,984,268         | 28,652,824        |
| Interest received                                                          | 6,639,220           | 3,444,777           | 6,772,394          | 4,144,056         |
| Interest paid                                                              | (37,371)            | (1,377,635)         | (37,371)           | (181,776)         |
| Retirement benefit obligations paid                                        | (2,348,898)         | (1,690,067)         | -                  | -                 |
| Tax paid                                                                   | (23,095,433)        | (15,964,496)        | (2,437,666)        | (350,696)         |
| Tax refunded                                                               | 186,021             | 3,543,924           | 6,250              | 31,316            |
| <b>Net Cash From Operating Activities</b>                                  | <b>93,884,580</b>   | <b>113,732,719</b>  | <b>43,810,354</b>  | <b>28,174,372</b> |
| <b>CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES</b>                     |                     |                     |                    |                   |
| Acquisition of property, plant and equipment                               | (13,433,200)        | (22,342,147)        | (198,035)          | (52,587)          |
| Acquisition of shares in subsidiaries – net of cash                        | -                   | -                   | -                  | (1)               |
| Advances to a subsidiary                                                   | -                   | -                   | (400,495)          | (800,000)         |
| Cash and bank balances acquired from acquisition of a subsidiary (Note 13) | -                   | 2,394,745           | -                  | -                 |
| Deposit paid for acquisition of a subsidiary (Note 14(d))                  | (4,208,165)         | -                   | (4,208,165)        | -                 |
| Proceeds from divestment of interest in subsidiaries                       | -                   | -                   | -                  | 4,933             |
| Repayment from a subsidiary                                                | -                   | -                   | 11,000,000         | -                 |
| Subscription of shares in a subsidiary                                     | -                   | -                   | -                  | (9,999)           |
| <b>Net Cash Used In Investing Activities</b>                               | <b>(17,641,365)</b> | <b>(19,947,402)</b> | <b>6,193,305</b>   | <b>(857,654)</b>  |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

|                                                                                     | <b>The Group</b>          |                           | <b>The Company</b>        |                           |
|-------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                                                     | <b>2025</b>               | <b>2024</b>               | <b>2025</b>               | <b>2024</b>               |
|                                                                                     | <b>RM</b>                 | <b>RM</b>                 | <b>RM</b>                 | <b>RM</b>                 |
| <b>CASH FLOWS (USED IN)/<br/>FROM FINANCING<br/>ACTIVITIES</b>                      |                           |                           |                           |                           |
| Repayment of loan to a related company                                              | -                         | (30,000,000)              | -                         | (30,000,000)              |
| Dividend paid                                                                       | (40,655,086)              | (20,471,817)              | (40,655,086)              | (20,471,817)              |
| Share issuance expenses                                                             | -                         | (8,921,156)               | -                         | (8,921,156)               |
| Repayment of term loans                                                             | -                         | (2,331,403)               | -                         | -                         |
| Share buy back                                                                      | (3,398,944)               | (1,125,681)               | (3,398,944)               | (1,125,681)               |
| Repayment of hire-purchase arrangements                                             | (220,737)                 | (142,485)                 | (220,737)                 | (142,485)                 |
| Proceeds from issuance of shares pursuant to initial public offering                | -                         | 136,400,000               | -                         | 136,400,000               |
| Subscription of shares in subsidiaries                                              | -                         | -                         | (25,637,264)              | -                         |
| Net Cash (Used In)/From Financing Activities                                        | <u>(44,274,767)</u>       | <u>73,407,458</u>         | <u>(69,912,031)</u>       | <u>75,738,861</u>         |
| <b>NET INCREASE/(DECREASE)<br/>IN CASH AND CASH<br/>EQUIVALENTS</b>                 | <b>31,968,448</b>         | <b>167,192,775</b>        | <b>(19,908,372)</b>       | <b>103,055,579</b>        |
| Effects of exchange rate fluctuations                                               | (14,941,091)              | (13,974,954)              | -                         | -                         |
| <b>CASH AND CASH<br/>EQUIVALENTS AT<br/>BEGINNING OF THE<br/>FINANCIAL YEAR</b>     | <u><b>225,224,376</b></u> | <u><b>72,006,555</b></u>  | <u><b>106,442,496</b></u> | <u><b>3,386,917</b></u>   |
| <b>CASH AND CASH<br/>EQUIVALENTS AT END<br/>OF THE FINANCIAL YEAR<br/>(NOTE 17)</b> | <u><b>242,251,733</b></u> | <u><b>225,224,376</b></u> | <u><b>86,534,124</b></u>  | <u><b>106,442,496</b></u> |

(Forward)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**Acquisition of property, plant and equipment**

During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

|                           | <b>The Group</b>  |                   | <b>The Company</b> |                |
|---------------------------|-------------------|-------------------|--------------------|----------------|
|                           | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>    |
|                           | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>      |
| Hire-purchase arrangement | 325,000           | 190,000           | 325,000            | 190,000        |
| Cash payments             | 13,433,200        | 22,342,147        | 198,035            | 52,587         |
|                           | <u>13,758,200</u> | <u>22,532,147</u> | <u>523,035</u>     | <u>242,587</u> |

**Reconciliation of liabilities arising from financing activities**

The table below details the reconciliation of the opening and closing balances in the statements of financial position for the liabilities arising from the financing activities in the statements of cash flows of the Group and of the Company:

|                                  | <b>As at<br/>1.10.2024<br/>RM</b> | <b>Acquisition<br/>of property,<br/>plant and<br/>equipment<br/>by hire-<br/>purchase<br/>arrangement<br/>RM</b> | <b>Financing<br/>cash outflow<br/>RM</b> | <b>As at<br/>30.09.2025<br/>RM</b> |
|----------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------|
| <b>The Group and The Company</b> |                                   |                                                                                                                  |                                          |                                    |
| Hire-purchase liabilities        | <u>624,451</u>                    | <u>325,000</u>                                                                                                   | <u>(220,737)</u>                         | <u>728,714</u>                     |

(Forward)



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 200401023680 (662186-D)

|                                       | As at<br>1.10.2023<br>RM | Acquisition<br>of property,<br>plant and<br>equipment<br>by hire-<br>purchase<br>arrangement<br>RM | Debt<br>assignments<br>RM | Debt<br>settlement via<br>issuance of<br>shares<br>RM | Non-<br>financing<br>cash flows<br>RM | Financing<br>cash outflow<br>RM | Effect of<br>movements<br>in<br>exchange<br>rate<br>RM | As at<br>30.09.2024<br>RM |
|---------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------------|---------------------------------------|---------------------------------|--------------------------------------------------------|---------------------------|
| <b>The Group</b>                      |                          |                                                                                                    |                           |                                                       |                                       |                                 |                                                        |                           |
| Term loans                            | 2,359,952                | -                                                                                                  | -                         | -                                                     | -                                     | (2,331,403)                     | (28,549)                                               | -                         |
| Hire-purchase<br>liabilities          | 576,936                  | 190,000                                                                                            | -                         | -                                                     | -                                     | (142,485)                       | -                                                      | 624,451                   |
| Amount due to<br>related<br>companies | 68,118,846               | -                                                                                                  | 55,487,000                | (88,967,612)                                          | (4,638,234)                           | (30,000,000)                    | -                                                      | -                         |
|                                       | <u>71,055,734</u>        | <u>190,000</u>                                                                                     | <u>55,487,000</u>         | <u>(88,967,612)</u>                                   | <u>(4,638,234)</u>                    | <u>(32,473,888)</u>             | <u>(28,549)</u>                                        | <u>624,451</u>            |
| <b>The Company</b>                    |                          |                                                                                                    |                           |                                                       |                                       |                                 |                                                        |                           |
| Hire-purchase<br>liabilities          | 576,936                  | 190,000                                                                                            | -                         | -                                                     | -                                     | (142,485)                       | -                                                      | 624,451                   |
| Amount due to<br>related<br>companies | 8,408,291                | -                                                                                                  | 110,453,141               | (88,967,612)                                          | 106,180                               | (30,000,000)                    | -                                                      | -                         |
|                                       | <u>8,985,227</u>         | <u>190,000</u>                                                                                     | <u>110,453,141</u>        | <u>(88,967,612)</u>                                   | <u>106,180</u>                        | <u>(30,142,485)</u>             | <u>-</u>                                               | <u>624,451</u>            |

The accompanying notes form an integral part of the financial statements.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

**MKH OIL PALM (EAST KALIMANTAN) BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services.

The information on the name, country of incorporation, principal activities and percentage of issued share capital held by the Company in subsidiaries is as disclosed in Note 13 to the financial statements.

The registered office of the Company is located at G-02 & G-03, Ground Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The principal place of business of the Company is located at G-02 & G-03, Ground Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The directors regard MKH Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the ultimate holding company of the Company.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 22 December 2025.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis except as otherwise stated in the financial statement.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c) to the financial statements.

**Adoption of MFRS and Amendments to MFRSs**

In the current financial year, the Group and the Company have adopted all the MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to their operations and effective for annual financial periods beginning on or after 1 October 2024 as follows:

Amendments to:

|                        |                                                         |
|------------------------|---------------------------------------------------------|
| MFRS 7 and<br>MFRS 107 | Supplier Finance Arrangements                           |
| MFRS 16                | Lease Liability in a Sale and Leaseback                 |
| MFRS 101               | Classification of Liabilities as Current or Non-current |
| MFRS 101               | Non-current Liabilities with Covenants                  |

The adoption of these MFRS and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company, and has no significant effect on the financial performance or position of the Group and of the Company.

**Standards and Amendments in Issue But Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

|                         |                                                                                                                                                                                                  |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MFRS 18                 | Presentation and Disclosure in Financial Statements <sup>3</sup>                                                                                                                                 |
| MFRS 19                 | Subsidiaries without Public Accountability: Disclosure <sup>3</sup>                                                                                                                              |
| Amendments to:          |                                                                                                                                                                                                  |
| MFRS 7 and<br>MFRS 9    | Contracts Referencing Nature-dependent Electricity <sup>2</sup>                                                                                                                                  |
| MFRS 9 and<br>MFRS 7    | Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> ) <sup>2</sup> |
| MFRS 10 and<br>MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>                                                                                               |
| MFRS 19                 | Subsidiaries without Public Accountability: Disclosures <sup>3</sup>                                                                                                                             |
| MFRS 121                | Lack of Exchangeability <sup>1</sup>                                                                                                                                                             |
| MFRSs                   | Annual improvements to MFRS Accounting Standards – Volume 11 <sup>2</sup>                                                                                                                        |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

<sup>4</sup> Effective date deferred to a date to be announced by MASB.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective. The adoption of these Standards and amendments may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said MFRSs and amendments to MFRSs until the Group and the Company undertake a detailed review.

**(b) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

**(c) Significant accounting estimates and judgements**

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following paragraphs:

- (i) Tax expense (Note 8) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the tax expense. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known. As such, significant judgement is required in determining the tax litigation status in Indonesia as a tax refund may be recognised when it is probable that an inflow of economic benefits will be received by the Group.
- (ii) Valuation of production buildings (Note 10) - the valuation of production buildings performed by management is based on independent professional valuations with reference to cost method of valuation, being assumed to have a direct relationship with its cost of construction, which is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value. The management believes that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's production buildings.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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- (iii) Depreciation of property, plant and equipment (Note 10) - the cost of property, plant and equipment is depreciated or amortised on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 20 years based on past experience with similar assets or/and common life expectancies of the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation or amortisation charges. Depreciation of bearer plants is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful life of 20 years (2024: 20 years) or over the lease period, whichever is shorter.
- (iv) Impairment of goodwill (Note 11) - significant judgement is used in the estimation of the present value of future cash flows generated by the cash-generating units which involve uncertainties and are based on assumptions used and judgements made regarding estimates of future cash flows and discount rate.
- (v) Fair values of biological assets (Note 16) - to arrive at the fair value of fresh fruit bunches ("FFB"), the management considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest to be negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.
- (vi) Provision of post-employment benefit obligations (Note 20) - the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, future salary increase and resignation rate. As such, this estimated provision amount is subject to significant uncertainty.
- (vii) Impairment of investment in subsidiaries (Note 13) – Management reviews the investment in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost of disposal of the underlying assets or the value-in-use of the respective subsidiaries. The Company has determined the recoverable amount of the investment in subsidiaries based on its value-in-use. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group and by the Company, unless otherwise stated.

**(a) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses.

**(b) Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences accumulated in equity at the date of disposal of the subsidiary is reclassified to the consolidated profit or loss.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**(c) Foreign currency**

**(i) Foreign currency transactions**

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

In preparing the financial statements of the individual entities, transactions in currencies other than the Group entities' functional currency (foreign currencies) are recorded in the Group entities' functional currency at the exchange rates prevailing at the date of the transaction. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

**(ii) Operations denominated in functional currencies other than Ringgit Malaysia**

Non-monetary items that are measure in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transaction. The exchange difference arising on transaction for consolidation are recognised in other comprehensive income.

**(d) Revenue recognition**

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, or other similar items, the Group and the Company estimate the amount of consideration to which they will be entitled based on the expected value or the most likely outcome.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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**(i) Sales of goods**

Revenue from crude palm oil, crude palm kernel oil and palm kernel is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised by the Group at a point in time when the control of the goods underlying the performance obligation is transferred to the buyers. The credit term granted to customers generally ranged from cash on delivery to 30 days. No allocation of transaction price required to performance obligation as each contract consists of one performance obligation only.

There is no right of return and warranty provided to the customers on the sale of crude palm oil, crude palm kernel oil and palm kernel.

**(ii) Services**

Revenue from services is recognised as and when services are rendered.

**(iii) Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

**(iv) Dividend income and income from short-term placement**

Dividend income and income from short-term placement are recognised when the right to receive payment are established.

**(e) Borrowing costs**

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

**(f) Taxation**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



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Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle the current tax assets and current tax liabilities on a net basis.

**(g) Property, plant and equipment**

**(i) Recognition and measurement**

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any, except for production buildings.

Production buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its production buildings every five years from the last date of valuation or at shorter intervals whenever the fair values of the said assets are expected to differ substantially from their carrying amounts.

Surplus arising from revaluation are transferred to revaluation reserve. Any deficits are offset against the unutilised previously recognised revaluation surplus to the extent of a previous increase for the same property and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any unutilised revaluation reserve relating to the particular asset is transferred to retained earnings.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

(ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and the principal annual rates are as follows:

|                                          |                                               |
|------------------------------------------|-----------------------------------------------|
| Bearer plants                            | 20 years, or over the lease period if shorter |
| Motor vehicles, plant and machinery      | 5% - 20%                                      |
| Furniture, fittings and office equipment | 10% - 20%                                     |
| Production buildings                     | 5% - 12.5%                                    |
| Commercial buildings                     | 5% - 12.5%                                    |
| Plantation infrastructure                | 12.5%                                         |
| Renovation                               | 20%                                           |

Property, plant and equipment under construction are not depreciated until these assets are ready for their intended use.

Bearer plants are classified as immature until it is available for harvest. At that point, bearer plants are measured at amortised cost and depreciated over their useful lives.

The methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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**(h) Property, plant and equipment under hire-purchase arrangement**

Property, plant and equipment acquired under hire-purchase arrangement are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase obligations.

**(i) Prepaid lease payments**

The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments that are stated at cost less accumulated amortisation, are amortised over the lease term on a straight-line basis.

**(j) Goodwill**

Goodwill arising on the acquisition of subsidiaries is identified as any excess of the consideration paid over the Group's share of fair values of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each assets in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

**(k) Biological assets**

Biological assets comprise produce growing on bearer plants. Biological assets are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flow are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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**(l) Inventories**

Crude palm oil, crude palm kernel oil and palm kernel include direct labour, an appropriate share of production overheads and the fair values attributable to agriculture produce at year end in accordance with MFRS 141 *Agriculture*. The fair values of biological assets harvested from the Group's plantation and sold during the year are recorded as part of the biological assets movements in Note 16 to the financial statements and as part of changes in fair value of biological assets in determining profit.

**(m) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

**(n) Financial instruments**

Financial assets and financial liabilities are recognised when the Group and the Company become parties to the contractual provision of the instrument.



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Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in profit and loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or a loss in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**(i) Financial assets**

| Measurement category                                                     | Criteria                                                                                                                                                                                                                                                                                                                                                                                       | Financial assets                                                                         |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Financial assets at amortised cost                                       | Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. | Receivables and deposits (Note 14)<br><br>Cash, bank balances and term deposit (Note 17) |
| Financial assets measured at fair value through profit or loss ("FVTPL") | Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.                                                                                                                                                                                                                                            | Short-term placement (Note 17)                                                           |

**Impairment of financial assets**

An impairment loss is recognised in profit and loss based on expected credit losses ("ECL") at the end of each reporting period.

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The Group and the Company recognise lifetime ECL for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. The impairment losses and reversals are recognised in profit or loss.

For other financial assets such as other receivables and amount due from intercompany, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition.

**Derecognition of financial assets**

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

**(ii) Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group and by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

| <b>Measurement category</b>             | <b>Criteria</b>                                                                                                                                           | <b>Financial liabilities</b>                                          |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Financial liabilities at amortised cost | Financial liabilities are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. | Loans and borrowings (Note 22)<br><br>Payables and accruals (Note 23) |

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Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligation are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

**(o) Cash and cash equivalents**

The Group and the Company adopt the indirect method in the preparation of the statement of cash flows. Cash and cash equivalents are short-term and highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

**(p) Provisions**

Provisions are made when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the management's best estimate of the amount required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

At the reporting date, provisions are reviewed by the management and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

**(q) Treasury shares**

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable costs are classified as treasury shares and presented as deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.



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## 4. REVENUE

|                                                                | The Group          |                    | The Company       |                   |
|----------------------------------------------------------------|--------------------|--------------------|-------------------|-------------------|
|                                                                | 2025               | 2024               | 2025              | 2024              |
|                                                                | RM                 | RM                 | RM                | RM                |
| <b>Revenue from contracts with customers:</b>                  |                    |                    |                   |                   |
| Sales of crude palm oil, crude palm kernel oil and palm kernel | 363,189,716        | 352,217,484        | -                 | -                 |
| Management fees                                                | -                  | -                  | 7,073,010         | 5,422,995         |
|                                                                | <u>363,189,716</u> | <u>352,217,484</u> | <u>7,073,010</u>  | <u>5,422,995</u>  |
| <b>Revenue from other sources:</b>                             |                    |                    |                   |                   |
| Dividend income from a subsidiary                              | -                  | -                  | 59,213,114        | 28,652,824        |
|                                                                | <u>363,189,716</u> | <u>352,217,484</u> | <u>66,286,124</u> | <u>34,075,819</u> |
| <b>Timing of revenue recognition</b>                           |                    |                    |                   |                   |
| Point in time                                                  | 363,189,716        | 352,217,484        | -                 | -                 |
| Over time                                                      | -                  | -                  | 7,073,010         | 5,422,995         |
|                                                                | <u>363,189,716</u> | <u>352,217,484</u> | <u>7,073,010</u>  | <u>5,422,995</u>  |

At the end of the financial year, there is unsatisfied performance obligation on the advances from customer where the Group has billed or has collected payment before the goods are delivered to the customer as disclosed in Note 23(b) to the financial statements. The advances from customer will be recognised as revenue when the performance obligation is satisfied. This performance obligation is part of contract that have original expected duration of less than one year.

## 5. COST OF SALES

|                                                                        | The Group          |                    | The Company      |                  |
|------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
|                                                                        | 2025               | 2024               | 2025             | 2024             |
|                                                                        | RM                 | RM                 | RM               | RM               |
| Cost of sales of crude palm oil, crude palm kernel oil and palm kernel | 195,481,642        | 216,240,385        | -                | -                |
| Direct operating costs                                                 | -                  | -                  | 6,654,864        | 5,350,164        |
|                                                                        | <u>195,481,642</u> | <u>216,240,385</u> | <u>6,654,864</u> | <u>5,350,164</u> |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**6. PROFIT BEFORE TAX**

|                                                            | <b>The Group</b>  |                   | <b>The Company</b> |                  |
|------------------------------------------------------------|-------------------|-------------------|--------------------|------------------|
|                                                            | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>      |
|                                                            | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>        |
| <b>Profit before tax is arrived at after charging:</b>     |                   |                   |                    |                  |
| Amortisation of prepaid lease payments (Note 12)           | 1,679,055         | 1,437,472         | -                  | -                |
| Auditors' remuneration:                                    |                   |                   |                    |                  |
| Statutory audit                                            | 312,320           | 318,766           | 65,000             | 60,000           |
| Non-statutory audit                                        | 10,000            | 25,000            | 10,000             | 25,000           |
| Bad debts written off                                      | -                 | 66,987            | -                  | -                |
| Depreciation of property, plant and equipment (Note 10)    | 33,820,486        | 32,705,748        | 498,477            | 389,459          |
| Expenses relating to short-term leases                     | 444,849           | 466,992           | 310,043            | 313,934          |
| Inventories written off                                    | 360               | 10,947            | -                  | -                |
| Interest expense on:                                       |                   |                   |                    |                  |
| Loans and borrowings                                       | 37,371            | 69,291            | 37,371             | 27,543           |
| Amount due to related companies (Note 26(b))               | -                 | 1,308,344         | -                  | 154,233          |
|                                                            | 37,371            | 1,377,635         | 37,371             | 181,776          |
| Loss on foreign exchange – net                             |                   |                   |                    |                  |
| Realised                                                   | 307,220           | 1,362,553         | 65,812             | 3,134            |
| Unrealised                                                 | 29,092            | 40,687            | -                  | -                |
| Property, plant and equipment written off                  | 884,415           | 787,320           | -                  | -                |
| Personnel expenses (including key management personnel):   |                   |                   |                    |                  |
| Contributions to Employees Provident Fund                  | 612,510           | 494,283           | 459,538            | 347,220          |
| Provision of post-employment benefit obligations (Note 20) | 4,948,751         | 4,965,494         | -                  | -                |
| Wages, salaries and others                                 | 14,761,466        | 13,309,378        | 5,241,742          | 4,235,665        |
|                                                            | <u>20,322,727</u> | <u>18,769,155</u> | <u>5,701,280</u>   | <u>4,582,885</u> |

(Forward)

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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|                                                      | <b>The Group</b> |                  | <b>The Company</b> |                  |
|------------------------------------------------------|------------------|------------------|--------------------|------------------|
|                                                      | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b>      |
|                                                      | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>        |
| <b>And crediting:</b>                                |                  |                  |                    |                  |
| Changes in fair value of biological assets (Note 16) | 2,362,091        | 2,904,078        | -                  | -                |
| <b>Interest income:</b>                              |                  |                  |                    |                  |
| Bank balances, term deposit and short-term placement | 6,639,220        | 3,444,777        | 3,214,306          | 1,340,030        |
| Amount due from a subsidiary (Note 26(b))            | -                | -                | 3,558,088          | 2,804,026        |
|                                                      | <u>6,639,220</u> | <u>3,444,777</u> | <u>6,772,394</u>   | <u>4,144,056</u> |

## 7. DIRECTORS' REMUNERATION

|                                                     | <b>The Group</b> |                  | <b>The Company</b> |                  |
|-----------------------------------------------------|------------------|------------------|--------------------|------------------|
|                                                     | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b>      |
|                                                     | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>        |
| <b>Directors of the Company</b>                     |                  |                  |                    |                  |
| Executive Directors:                                |                  |                  |                    |                  |
| Other emoluments                                    | 1,558,355        | 1,151,410        | 1,558,355          | 1,151,410        |
| Non-Executive Directors:                            |                  |                  |                    |                  |
| Fees                                                | 1,040,000        | 970,000          | 1,040,000          | 970,000          |
| Other emoluments                                    | 86,000           | 114,000          | 86,000             | 114,000          |
|                                                     | <u>1,126,000</u> | <u>1,084,000</u> | <u>1,126,000</u>   | <u>1,084,000</u> |
|                                                     | 2,684,355        | 2,235,410        | 2,684,355          | 2,235,410        |
| <b>Directors of subsidiaries</b>                    |                  |                  |                    |                  |
| Directors:                                          |                  |                  |                    |                  |
| Other emoluments                                    | 705,932          | 555,253          | -                  | -                |
| <b>Estimated monetary value of benefits-in-kind</b> |                  |                  |                    |                  |
| Directors of the Company                            |                  |                  |                    |                  |
| - Executive Directors                               | 55,750           | 55,750           | 55,750             | 55,750           |
|                                                     | <u>3,446,037</u> | <u>2,846,413</u> | <u>2,740,105</u>   | <u>2,291,160</u> |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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## 8. TAX EXPENSE

|                                                                      | The Group         |                   | The Company      |                  |
|----------------------------------------------------------------------|-------------------|-------------------|------------------|------------------|
|                                                                      | 2025              | 2024              | 2025             | 2024             |
|                                                                      | RM                | RM                | RM               | RM               |
| <b>Current tax</b>                                                   |                   |                   |                  |                  |
| Malaysia:                                                            |                   |                   |                  |                  |
| Current financial year                                               | 2,210,800         | 1,454,100         | 2,210,500        | 1,454,100        |
| (Over)/Under provision in prior financial year                       | (272,017)         | 35,308            | (272,115)        | 35,308           |
| Overseas:                                                            |                   |                   |                  |                  |
| Current financial year                                               | 24,358,991        | 18,781,488        | -                | -                |
| Underprovision in prior financial year                               | 1,137,227         | 722,678           | -                | -                |
|                                                                      | 27,435,001        | 20,993,574        | 1,938,385        | 1,489,408        |
| <b>Deferred tax (Note 21):</b>                                       |                   |                   |                  |                  |
| Origination and reversal of temporary differences                    | 78,909            | (255,784)         | 5,000            | 2,900            |
| Underprovision of deferred tax liabilities in prior financial year   | 400               | 70,954            | 400              | 500              |
|                                                                      | 79,309            | (184,830)         | 5,400            | 3,400            |
| <b>Total tax expense recognised in profit or loss</b>                | <b>27,514,310</b> | <b>20,808,744</b> | <b>1,943,785</b> | <b>1,492,808</b> |
| <b>Deferred tax related to other comprehensive income (Note 21):</b> |                   |                   |                  |                  |
| Remeasurement gains on defined benefits plans                        | 49,996            | 239,304           | -                | -                |
| Revaluation surplus of production buildings                          | 1,976,140         | -                 | -                | -                |
|                                                                      | <b>2,026,136</b>  | <b>239,304</b>    | <b>-</b>         | <b>-</b>         |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company are as follows:

|                                                                | <b>The Group</b>   |                   | <b>The Company</b> |                   |
|----------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                                | <b>2025</b>        | <b>2024</b>       | <b>2025</b>        | <b>2024</b>       |
|                                                                | <b>RM</b>          | <b>RM</b>         | <b>RM</b>          | <b>RM</b>         |
| Profit before tax                                              | <u>107,303,683</u> | <u>85,018,453</u> | <u>57,678,797</u>  | <u>27,088,775</u> |
| Tax calculated using the Malaysian tax rate of 24% (2024: 24%) | 25,752,900         | 20,404,400        | 13,843,000         | 6,501,000         |
| Tax effect of:                                                 |                    |                   |                    |                   |
| Non-deductible expenses                                        | 3,413,636          | 802,794           | 2,583,500          | 1,991,500         |
| Non-taxable income                                             | (792,872)          | (513,950)         | (14,211,000)       | (7,035,500)       |
| Effect of difference in overseas tax rate                      | (1,995,763)        | (1,537,440)       | -                  | -                 |
| Deferred tax assets not recognised                             | 270,799            | 824,000           | -                  | -                 |
| Under/(Over) provision in prior financial year:                |                    |                   |                    |                   |
| Current tax                                                    | 865,210            | 757,986           | (272,115)          | 35,308            |
| Deferred tax                                                   | <u>400</u>         | <u>70,954</u>     | <u>400</u>         | <u>500</u>        |
| Tax expense                                                    | <u>27,514,310</u>  | <u>20,808,744</u> | <u>1,943,785</u>   | <u>1,492,808</u>  |

The tax effects of unused tax losses which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax losses can be utilised. As at 30 September 2025, the estimated amount of unused tax losses, for which the net deferred tax assets are not recognised in the financial statements due to uncertainty of its realisation, is as follows:

|                   | <b>The Group</b> |                  | <b>The Company</b> |             |
|-------------------|------------------|------------------|--------------------|-------------|
|                   | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b> |
|                   | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>   |
| Unused tax losses | <u>7,831,587</u> | <u>6,703,257</u> | <u>-</u>           | <u>-</u>    |

Under the Indonesia tax regulations, the unused tax losses can be utilised within 5 years after the tax losses were incurred.

| <b>Business loss incurred in year of assessment ("YA")</b> | <b>RM</b>        | <b>Carried forward up to YA</b> | <b>Unutilised amount will be disregarded in YA</b> |
|------------------------------------------------------------|------------------|---------------------------------|----------------------------------------------------|
| 2023                                                       | 2,956,907        | 2028                            | 2029                                               |
| 2024                                                       | 3,746,350        | 2029                            | 2030                                               |
| 2025                                                       | <u>1,128,330</u> | 2030                            | 2031                                               |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Tax Assessments YA2019

On 7 January 2021, PT Maju Kalimantan Hadapan ("PTMKH"), a subsidiary of the Company, received a Notice of Tax Overpaid Assessment from the Indonesia's Director General of Tax ("DGT") amounting to IDR29,816 million, equivalent to RM7.54 million for the year of assessment 2019.

On 1 April 2021, PTMKH filed an objection letter in reply to the above Notice of Tax Overpaid Assessment, as management are of the opinion, PTMKH should have tax refund amounting to IDR35,281 million, equivalent to RM8.92 million. DGT has restricted the claim on management fee incurred by PTMKH amounted to IDR21,855 million, equivalent to RM5.53 million which resulted in additional tax liability of IDR5,464 million, equal to RM1.38 million. On 24 December 2021, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia.

On 18 March 2022, PTMKH filed an appeal to tax court in Jakarta, Indonesia. On 24 August 2022, PTMKH received a notice of tax hearing from Jakarta's tax court to attend the said tax appeal on 7 September 2022. The Jakarta's tax court had requested PTMKH to provide additional analysis and summary report for the tax assessment during the tax hearing on 7 September 2022, 5 October 2022, 9 November 2022, 7 December 2022, 25 January 2023, 22 February 2023, 29 March 2023 and 17 May 2023. As at to date, the Jakarta's tax court has yet to make a conclusion on PTMKH appeal to the abovementioned.

Tax Assessments YA2023

On 16 January 2025, PTMKH received a Notice of Tax Overpaid Assessment from DGT amounting to IDR2,720 million, equivalent to RM0.68 million for the year of assessment 2023.

On 14 April 2025, PTMKH filed an objection letter in reply to the above Notice of Tax Overpaid Assessment, as management is of the opinion that PTMKH should have tax refund amounting to IDR11,679 million, equivalent to RM2.95 million. DGT has restricted the claim on management fee and interest expense on amount due to a related company incurred by PTMKH amounted to IDR40,723 million, equivalent to RM10.30 million which resulted in additional tax liability of IDR8,959 million, equivalent to RM2.27 million. On 28 October 2025, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia. PTMKH will further proceed to file appeal to tax court in Jakarta, Indonesia.

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defence against DGT's assessments for YA2019 and YA2023. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements of the Group and PTMKH.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**9. EARNINGS AND NET ASSETS PER SHARE**
**Basic earnings per share**

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the parent by the weighted average number of ordinary shares in issue, net of weighted average number of treasury shares during the financial year.

Basic earnings per share are calculated as follows:

|                                                      | <b>The Group</b>     |                    |
|------------------------------------------------------|----------------------|--------------------|
|                                                      | <b>2025<br/>RM</b>   | <b>2024<br/>RM</b> |
| Profit attributable to owners of the parent          | <u>79,789,373</u>    | <u>63,563,373</u>  |
| Weighted average number of ordinary shares in issue  |                      |                    |
| At beginning of the financial year                   | 1,023,590,845        | 110,468,000        |
| Effect of pre-initial public offering reorganisation | -                    | 566,998,792        |
| Effect of initial public offering                    | <u>-</u>             | <u>92,568,306</u>  |
| At end of the financial year                         | <u>1,023,590,845</u> | <u>770,035,098</u> |
| Adjusted weighted average number of treasury shares  | <u>(7,047,119)</u>   | <u>(18,579)</u>    |
| Weighted average number of ordinary shares in issue  | <u>1,016,543,726</u> | <u>770,016,519</u> |
| Basic earnings per share (sen)                       | <u>7.85</u>          | <u>8.25</u>        |

**Diluted earnings per share**

The basic and diluted earnings per share are the same as the Group has no potential dilutive equity instruments.

**Net assets per share**

The net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date as disclosed in Note 18 to the financial statements.



## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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## 10. PROPERTY, PLANT AND EQUIPMENT

| The Group<br>2025                       | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fixtures and<br>office<br>equipment<br>RM | Buildings<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Renovation<br>RM | Under<br>construction<br>RM | Total<br>RM  |
|-----------------------------------------|----------------------------------------------------|---------------------------------------------------------|-----------------|------------------------------------|------------------------|------------------|-----------------------------|--------------|
| <b>Cost/Valuation</b>                   |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 1 October 2024                    | 121,800,961                                        | 10,406,499                                              | 47,212,585      | 49,643,929                         | 339,403,641            | 755,517          | 17,458,248                  | 586,681,380  |
| Additions                               | 4,782,132                                          | 821,905                                                 | 375,060         | 16,194                             | -                      | -                | 7,762,909                   | 13,758,200   |
| Write-offs                              | (5,492,439)                                        | (487,149)                                               | (551,465)       | -                                  | -                      | -                | -                           | (6,531,053)  |
| Reclassification                        | 16,538,248                                         | 194,943                                                 | 2,720,423       | -                                  | -                      | -                | (19,453,614)                | -            |
| Revaluation                             | -                                                  | -                                                       | 16,512,215      | -                                  | -                      | -                | -                           | 16,512,215   |
| Effect of movements<br>in exchange rate | (7,607,443)                                        | (679,961)                                               | (3,662,421)     | (3,467,870)                        | (21,704,539)           | -                | (1,150,674)                 | (38,272,908) |
| As at 30 September 2025                 | 130,021,459                                        | 10,256,237                                              | 62,606,397      | 46,192,253                         | 317,699,102            | 755,517          | 4,616,869                   | 572,147,834  |
| <b>Accumulated Depreciation</b>         |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 1 October 2024                    | 70,359,231                                         | 7,120,074                                               | 22,516,507      | 27,484,432                         | 156,158,070            | 327,390          | -                           | 283,965,704  |
| Charge for the<br>financial year        | 10,769,436                                         | 711,914                                                 | 3,265,969       | 2,224,445                          | 16,697,619             | 151,103          | -                           | 33,820,486   |
| Write-offs                              | (4,825,213)                                        | (460,079)                                               | (361,346)       | -                                  | -                      | -                | -                           | (5,646,638)  |
| Revaluation                             | -                                                  | -                                                       | 7,529,760       | -                                  | -                      | -                | -                           | 7,529,760    |
| Effect of movements<br>in exchange rate | (5,455,813)                                        | (477,815)                                               | (1,608,517)     | (1,932,980)                        | (11,491,228)           | -                | -                           | (20,966,353) |
| As at 30 September 2025                 | 70,847,641                                         | 6,894,094                                               | 31,342,373      | 27,775,897                         | 161,364,461            | 478,493          | -                           | 298,702,959  |
| <b>Net Carrying Amounts</b>             |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 30 September 2025                 | 59,173,818                                         | 3,362,143                                               | 31,264,024      | 18,416,356                         | 156,334,641            | 277,024          | 4,616,869                   | 273,444,875  |
| (Forward)                               |                                                    |                                                         |                 |                                    |                        |                  |                             |              |

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## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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| The Group<br>2024                              | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>office<br>equipment<br>RM | Buildings<br>RM | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Renovation<br>RM | Under<br>construction<br>RM | Total<br>RM  |
|------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|-----------------|------------------------------------|------------------------|------------------|-----------------------------|--------------|
| <b>Cost/Valuation</b>                          |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 1 October 2023                           | 126,440,305                                        | 11,095,438                                              | 43,231,439      | 53,710,287                         | 276,515,890            | 755,517          | 14,591,501                  | 526,340,377  |
| Additions                                      | 4,868,098                                          | 654,249                                                 | -               | -                                  | -                      | -                | 17,009,800                  | 22,532,147   |
| In respect of subsidiary<br>acquired (Note 13) | 2,668,160                                          | 25,478                                                  | 2,400,087       | 1,560,881                          | 98,145,072             | -                | 257,842                     | 105,057,520  |
| Write-offs                                     | (4,616,524)                                        | (500,425)                                               | (129,283)       | -                                  | -                      | -                | -                           | (5,246,232)  |
| Reclassification                               | 5,843,396                                          | 239,483                                                 | 6,539,266       | 164,008                            | -                      | -                | (12,786,153)                | -            |
| Effect of movements<br>in exchange rate        | (13,402,474)                                       | (1,107,724)                                             | (4,828,924)     | (5,791,247)                        | (35,257,321)           | -                | (1,614,742)                 | (62,002,432) |
| As at 30 September 2024                        | 121,800,961                                        | 10,406,499                                              | 47,212,585      | 49,643,929                         | 339,403,641            | 755,517          | 17,458,248                  | 586,681,380  |
| <b>Accumulated Depreciation</b>                |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 1 October 2023                           | 71,955,978                                         | 7,712,017                                               | 20,377,497      | 27,413,048                         | 141,283,353            | 176,287          | -                           | 268,918,180  |
| Charge for the<br>financial year               | 9,410,628                                          | 653,797                                                 | 3,088,128       | 2,405,165                          | 16,996,927             | 151,103          | -                           | 32,705,748   |
| In respect of subsidiary<br>acquired (Note 13) | 1,336,785                                          | 21,719                                                  | 1,497,247       | 638,025                            | 15,077,207             | -                | -                           | 18,570,983   |
| Write-offs                                     | (3,868,306)                                        | (474,996)                                               | (115,610)       | -                                  | -                      | -                | -                           | (4,458,912)  |
| Effect of movements<br>in exchange rate        | (8,475,854)                                        | (792,463)                                               | (2,330,755)     | (2,971,806)                        | (17,199,417)           | -                | -                           | (31,770,295) |
| As at 30 September 2024                        | 70,359,231                                         | 7,120,074                                               | 22,516,507      | 27,484,432                         | 156,158,070            | 327,390          | -                           | 283,965,704  |
| <b>Net Carrying Amounts</b>                    |                                                    |                                                         |                 |                                    |                        |                  |                             |              |
| As at 30 September 2024                        | 51,441,730                                         | 3,286,425                                               | 24,696,078      | 22,159,497                         | 183,245,571            | 428,127          | 17,458,248                  | 302,715,676  |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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The buildings of the Group include production buildings and commercial buildings. The production buildings stated at valuation were revalued by the directors in September 2025 based on an independent professional valuation on a market value basis using the cost valuation method, except for commercial buildings located at oil palm plantation with carrying amounts (including additions during the financial year) totalling RM9,528,794 (2024: RM13,098,687) were not revalued as at 30 September 2025. The directors are of the view that it is not practicable to fair value these commercial buildings as these are mainly staff quarters and amenities which were built on oil palm plantation for use by the plantation workers and there is a lack of active market for the buildings.

| The Group<br>2025                         | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings and<br>office<br>equipment<br>RM | Buildings<br>RM   | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Renovation<br>RM | Under<br>construction<br>RM | Total<br>RM        |
|-------------------------------------------|----------------------------------------------------|---------------------------------------------------------|-------------------|------------------------------------|------------------------|------------------|-----------------------------|--------------------|
| <b>Analysis of cost<br/>and valuation</b> |                                                    |                                                         |                   |                                    |                        |                  |                             |                    |
| At valuation –<br>2025                    | -                                                  | -                                                       | 21,735,230        | -                                  | -                      | -                | -                           | 21,735,230         |
| At cost                                   | 130,021,459                                        | 10,256,237                                              | 40,871,167        | 46,192,253                         | 317,699,102            | 755,517          | 4,616,869                   | 550,412,604        |
|                                           | <u>130,021,459</u>                                 | <u>10,256,237</u>                                       | <u>62,606,397</u> | <u>46,192,253</u>                  | <u>317,699,102</u>     | <u>755,517</u>   | <u>4,616,869</u>            | <u>572,147,834</u> |
| <b>Net Carrying<br/>Amounts</b>           |                                                    |                                                         |                   |                                    |                        |                  |                             |                    |
| At valuation –<br>2025                    | -                                                  | -                                                       | 21,735,230        | -                                  | -                      | -                | -                           | 21,735,230         |
| At cost                                   | 59,173,818                                         | 3,362,143                                               | 9,528,794         | 18,416,356                         | 156,334,641            | 277,024          | 4,616,869                   | 251,709,645        |
|                                           | <u>59,173,818</u>                                  | <u>3,362,143</u>                                        | <u>31,264,024</u> | <u>18,416,356</u>                  | <u>156,334,641</u>     | <u>277,024</u>   | <u>4,616,869</u>            | <u>273,444,875</u> |

(Forward)

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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| The Group<br>2024                   | Motor<br>vehicles,<br>plant and<br>machinery<br>RM | Furniture,<br>fittings, and<br>office<br>equipment<br>RM | Buildings<br>RM   | Plantation<br>infrastructure<br>RM | Bearer<br>plants<br>RM | Renovation<br>RM | Under<br>construction<br>RM | Total<br>RM        |
|-------------------------------------|----------------------------------------------------|----------------------------------------------------------|-------------------|------------------------------------|------------------------|------------------|-----------------------------|--------------------|
| Analysis of cost<br>and valuation – |                                                    |                                                          |                   |                                    |                        |                  |                             |                    |
| At valuation –<br>2020              | -                                                  | -                                                        | 19,218,432        | -                                  | -                      | -                | -                           | 19,218,432         |
| At cost                             | 121,800,961                                        | 10,406,499                                               | 27,994,153        | 49,643,929                         | 339,403,641            | 755,517          | 17,458,248                  | 567,462,948        |
|                                     | <u>121,800,961</u>                                 | <u>10,406,499</u>                                        | <u>47,212,585</u> | <u>49,643,929</u>                  | <u>339,403,641</u>     | <u>755,517</u>   | <u>17,458,248</u>           | <u>586,681,380</u> |
| Net Carrying<br>Amounts             |                                                    |                                                          |                   |                                    |                        |                  |                             |                    |
| At valuation –<br>2020              | -                                                  | -                                                        | 11,597,391        | -                                  | -                      | -                | -                           | 11,597,391         |
| At cost                             | 51,441,730                                         | 3,286,425                                                | 13,098,687        | 22,159,497                         | 183,245,571            | 428,127          | 17,458,248                  | 291,118,285        |
|                                     | <u>51,441,730</u>                                  | <u>3,286,425</u>                                         | <u>24,696,078</u> | <u>22,159,497</u>                  | <u>183,245,571</u>     | <u>428,127</u>   | <u>17,458,248</u>           | <u>302,715,676</u> |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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| <b>The Company</b>              | <b>Motor<br/>Vehicles<br/>RM</b> | <b>Furniture,<br/>fittings, and<br/>office<br/>equipment<br/>RM</b> | <b>Renovation<br/>RM</b> | <b>Total<br/>RM</b> |
|---------------------------------|----------------------------------|---------------------------------------------------------------------|--------------------------|---------------------|
| <b>2025</b>                     |                                  |                                                                     |                          |                     |
| <b>Cost</b>                     |                                  |                                                                     |                          |                     |
| As at 1 October 2024            | 938,251                          | 528,450                                                             | 755,517                  | 2,222,218           |
| Additions                       | 471,000                          | 52,035                                                              | -                        | 523,035             |
| As at 30 September 2025         | 1,409,251                        | 580,485                                                             | 755,517                  | 2,745,253           |
| <b>Accumulated Depreciation</b> |                                  |                                                                     |                          |                     |
| As at 1 October 2024            | 280,785                          | 165,301                                                             | 327,391                  | 773,477             |
| Charge for the financial year   | 274,000                          | 73,373                                                              | 151,104                  | 498,477             |
| As at 30 September 2025         | 554,785                          | 238,674                                                             | 478,495                  | 1,271,954           |
| <b>Net Carrying Amounts</b>     |                                  |                                                                     |                          |                     |
| As at 30 September 2025         | 854,466                          | 341,811                                                             | 277,022                  | 1,473,299           |
| <b>2024</b>                     |                                  |                                                                     |                          |                     |
| <b>Cost</b>                     |                                  |                                                                     |                          |                     |
| As at 1 October 2023            | 716,762                          | 507,352                                                             | 755,517                  | 1,979,631           |
| Additions                       | 221,489                          | 21,098                                                              | -                        | 242,587             |
| As at 30 September 2024         | 938,251                          | 528,450                                                             | 755,517                  | 2,222,218           |
| <b>Accumulated Depreciation</b> |                                  |                                                                     |                          |                     |
| As at 1 October 2023            | 111,592                          | 96,139                                                              | 176,287                  | 384,018             |
| Charge for the financial year   | 169,193                          | 69,162                                                              | 151,104                  | 389,459             |
| As at 30 September 2024         | 280,785                          | 165,301                                                             | 327,391                  | 773,477             |
| <b>Net Carrying Amounts</b>     |                                  |                                                                     |                          |                     |
| As at 30 September 2024         | 657,466                          | 363,149                                                             | 428,126                  | 1,448,741           |

Included in the above property, plant and equipment are motor vehicles acquired under the hire-purchase liabilities as follows:

|                      | <b>The Group and The<br/>Company</b> |                    |
|----------------------|--------------------------------------|--------------------|
|                      | <b>2025<br/>RM</b>                   | <b>2024<br/>RM</b> |
| Net carrying amounts | 854,466                              | 657,466            |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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The net carrying amounts of revalued assets had they been carried at cost would have been as follows:

|                      | <b>The Group</b>  |                  |
|----------------------|-------------------|------------------|
|                      | <b>2025</b>       | <b>2024</b>      |
|                      | <b>RM</b>         | <b>RM</b>        |
| Production buildings | <u>10,751,049</u> | <u>9,106,402</u> |

Included in the above property, plant and equipment of the Group are:

(a) Motor vehicles and plant and machinery analysed as follows:

| <b>The Group</b>         | <b>Motor vehicles</b> | <b>Plant and machinery</b> | <b>Total</b>        |
|--------------------------|-----------------------|----------------------------|---------------------|
|                          | <b>RM</b>             | <b>RM</b>                  | <b>RM</b>           |
| <b>2025</b>              |                       |                            |                     |
| Cost                     | 13,618,198            | 116,403,261                | 130,021,459         |
| Accumulated depreciation | <u>(8,396,728)</u>    | <u>(62,450,913)</u>        | <u>(70,847,641)</u> |
| Net carrying amounts     | <u>5,221,470</u>      | <u>53,952,348</u>          | <u>59,173,818</u>   |
| <b>2024</b>              |                       |                            |                     |
| Cost                     | 12,908,285            | 108,892,676                | 121,800,961         |
| Accumulated depreciation | <u>(8,306,453)</u>    | <u>(62,052,778)</u>        | <u>(70,359,231)</u> |
| Net carrying amounts     | <u>4,601,832</u>      | <u>46,839,898</u>          | <u>51,441,730</u>   |

(b) Property, plant and equipment under construction are mainly construction of buildings, plant and machinery and plantation infrastructure in oil palm plantation.

(c) Bearer plants comprise oil palm trees.

(d) Bearer plants pledged as security for credit facility granted to a subsidiary as disclosed in Note 22 are as follows:

|                          | <b>The Group</b>     |                      |
|--------------------------|----------------------|----------------------|
|                          | <b>2025</b>          | <b>2024</b>          |
|                          | <b>RM</b>            | <b>RM</b>            |
| Cost                     | 229,286,711          | 246,881,896          |
| Accumulated depreciation | <u>(141,003,679)</u> | <u>(139,002,155)</u> |
| Net carrying amounts     | <u>88,283,032</u>    | <u>107,879,741</u>   |



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**11. GOODWILL**

|                                             | <b>The Group</b> |                  |
|---------------------------------------------|------------------|------------------|
|                                             | <b>2025</b>      | <b>2024</b>      |
|                                             | <b>RM</b>        | <b>RM</b>        |
| <b>At cost</b>                              |                  |                  |
| At beginning of year                        | 6,787,354        | 6,077,776        |
| In respect of subsidiary acquired (Note 13) | -                | 1,271,685        |
| Effect of movements in exchange rate        | (333,750)        | (562,107)        |
|                                             | <u>6,453,604</u> | <u>6,787,354</u> |
| <b>At end of year</b>                       |                  |                  |

**Impairment test for goodwill**

Goodwill is allocated to the Group's cash-generating units ("CGU") in respect of plantation segment.

Key assumptions used in the value-in-use calculations based on 17 to 20 years (2024: 6 to 10 years) cash flow projection in respect of impairment test for goodwill on the plantation segment are:

- (i) discount rate of 10.0% (2024: 11.0%) which is pre-tax and reflected specific risks of the plantation segment in Indonesia;
- (ii) oil palm trees with an average life of 25 years (2024: 25 years) with the first three years as immature and remaining years as mature which is the average life cycle of the trees;
- (iii) Crude Palm Oil ("CPO") average selling price of RM3,500 (2024: RM3,500) per metric tonne based on the management's estimate;
- (iv) Average CPO extraction rate of 21.0% (2024: 21.5%) based on the industry trend and past performance;
- (v) Average annual oil palm yield per hectare of 21 to 25 metric tonnes (2024: 21 to 25 metric tonnes) based on management's estimate and historic yield; and
- (vi) Replanting cost, including cost to maturity of RM30,000 per hectare (2024: Nil) based on the management's estimate.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill to materially exceed its recoverable amounts. During the financial year, the management take into consideration of replanting when the oil palm trees reach the age of 25 years which is within the first lease term of the prepaid lease payments as part of the assumptions in assessing the full value-in-use calculation for CGU. Accordingly, the value-in-use calculations reflect the remaining unexpired lease period of the prepaid lease payments.



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**12. PREPAID LEASE PAYMENTS**

|                                              | <b>The Group</b>  |                   |
|----------------------------------------------|-------------------|-------------------|
|                                              | <b>2025</b>       | <b>2024</b>       |
|                                              | <b>RM</b>         | <b>RM</b>         |
| At beginning of year                         | 37,728,040        | 18,190,571        |
| Amortisation for the financial year (Note 6) | (1,679,055)       | (1,437,472)       |
| In respect of subsidiary acquired (Note 13)  | -                 | 21,382,135        |
| Effect of movements in exchange rate         | (248,886)         | (407,194)         |
| At end of year                               | <u>35,800,099</u> | <u>37,728,040</u> |

The above are leasehold lands with remaining unexpired lease period of 17 to 20 years (2024: 18 to 21 years).

The leasehold land of RM16,290,743 (2024: RM17,168,535) is pledged as security for credit facility granted to a subsidiary as disclosed in Note 22.

**13. INVESTMENT IN SUBSIDIARIES**

|                                  | <b>The Company</b> |                    |
|----------------------------------|--------------------|--------------------|
|                                  | <b>2025</b>        | <b>2024</b>        |
|                                  | <b>RM</b>          | <b>RM</b>          |
| <b>Unquoted shares - at cost</b> |                    |                    |
| Ordinary shares                  | <u>193,645,172</u> | <u>167,856,408</u> |

Details of the subsidiaries are as follows:

|     | <b>Name of subsidiary</b>            | <b>Country of incorporation</b> | <b>Principal activities</b>                                   | <b>Proportion of ownership interest and voting power held by the Group</b> |             |
|-----|--------------------------------------|---------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------|-------------|
|     |                                      |                                 |                                                               | <b>2025</b>                                                                | <b>2024</b> |
|     |                                      |                                 |                                                               | <b>%</b>                                                                   | <b>%</b>    |
| *^# | PT Maju Kalimantan Hadapan ("PTMKH") | Republic of Indonesia           | Oil palm plantation, crude oil palm and crude palm kernel oil | 100                                                                        | 100         |
| ^   | PT Sawit Prima Sakti ("PTSPS")       | Republic of Indonesia           | Oil palm plantation                                           | 100                                                                        | 100         |
| *~  | Hala Maju Sdn. Bhd. ("HMSB")         | Malaysia                        | Investment holding                                            | 100                                                                        | 100         |

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- \* During the financial year, the Company subscribed for an additional 191,661 (2024: Nil) new ordinary shares in PTMKH and 190,000 (2024: 9,999) new ordinary shares in HMSB. The said additional subscription did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
- ^ Subsidiary audited by a member firm of Deloitte Malaysia PLT (formerly known as Deloitte PLT).
- # The investment in shares has been pledged as security for credit facility granted to a subsidiary as disclosed in Note 22.
- ~ In the previous financial year, the Company acquired one ordinary share, representing 100% of the issued share capital of HMSB for a total cash consideration of RM1 on 29 December 2023. The said acquisition did not give rise to a material impact on the financial statement of the Group and of the Company.

In the previous financial year, the Company subscribed for additional 9,999 new ordinary shares in HMSB at an issue price of RM1 each for a total cash consideration of RM9,999 on 2 April 2024.

In the previous financial year, the Company has disposed of one ordinary share in both PTMKH and PTSPS respectively to HMSB for a total cash consideration of RM4,933 to facilitate the acquisition of PTMKH and PTSPS on 17 January 2024.

**Acquisition of non-controlling interest in PTMKH and acquisition of a subsidiary, PTSPS in the previous financial year**

In the previous financial year, the Company increased its issued and fully paid-up capital by way of issuance of 67,255,894 new ordinary shares at an issue price of RM1.21 each for a total consideration otherwise than cash of RM81,379,631 as full and final settlement of the purchase consideration of 5.67% equity interest in PTMKH and 100% equity interest in PTSPS on 20 December 2023. Accordingly, PTMKH and PTSPS became the wholly owned subsidiaries of the Group and the Company.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed for the acquisition of a subsidiary, PTSPS in the previous financial year are as follows:

|                                                            | <b>The Group<br/>2024<br/>RM</b> |
|------------------------------------------------------------|----------------------------------|
| Property, plant and equipment                              | 84,486,537                       |
| Prepaid lease payments                                     | 21,382,135                       |
| Receivables, deposits and prepayments                      | 314,613                          |
| Biological assets                                          | 160,324                          |
| Cash and bank balances                                     | 2,394,745                        |
| Provisions of post-employment benefit obligations          | (618,737)                        |
| Deferred tax liabilities                                   | (13,644,852)                     |
| Payables and accruals                                      | (69,882,528)                     |
| Total identifiable assets acquired and liabilities assumed | 26,592,237                       |
| Goodwill on acquisition (Note 11)                          | 1,271,685                        |
| Total purchase consideration                               | <u>27,863,922</u>                |

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The purchase consideration was satisfied by:

|                                                                        | The Group<br>2024<br>RM |
|------------------------------------------------------------------------|-------------------------|
| Issuance of 23,028,035 new ordinary shares at an issue price of RM1.21 | <u>27,863,922</u>       |

## 14. RECEIVABLES, DEPOSITS AND PREPAYMENTS

|                              |      | The Group         |                   | The Company       |                   |
|------------------------------|------|-------------------|-------------------|-------------------|-------------------|
|                              | Note | 2025<br>RM        | 2024<br>RM        | 2025<br>RM        | 2024<br>RM        |
| <b>Non-current</b>           |      |                   |                   |                   |                   |
| <b>Non-trade</b>             |      |                   |                   |                   |                   |
| Amount due from subsidiaries | (a)  | -                 | -                 | 32,966,141        | 43,966,141        |
| Other receivables            |      | 9,622             | 10,344            | -                 | -                 |
| Prepayments                  |      | 305,741           | 1,048,291         | -                 | -                 |
|                              |      | <u>315,363</u>    | <u>1,058,635</u>  | <u>32,966,141</u> | <u>43,966,141</u> |
| <b>Current</b>               |      |                   |                   |                   |                   |
| <b>Trade</b>                 |      |                   |                   |                   |                   |
| Trade receivables            | (b)  | 3,987,046         | 2,751,217         | 1,763,880         | 1,424,370         |
| <b>Non-trade</b>             |      |                   |                   |                   |                   |
| Amount due from subsidiaries | (a)  | -                 | -                 | 81,940,142        | 69,889,763        |
| Other receivables            | (c)  | 24,470,481        | 14,754,257        | 10,105            | 7,147             |
| Deposits                     | (d)  | 7,411,075         | 2,492,042         | 4,269,807         | 61,642            |
| Prepayments                  |      | 375,367           | 402,947           | -                 | -                 |
|                              |      | <u>32,256,923</u> | <u>17,649,246</u> | <u>86,220,054</u> | <u>69,958,552</u> |
|                              |      | <u>36,243,969</u> | <u>20,400,463</u> | <u>87,983,934</u> | <u>71,382,922</u> |

(a) Included in the non-trade portion of amount due from subsidiaries are:

- (i) RM43,966,141 (2024: RM54,966,141) which are unsecured and bears interest at 7.0% (2024: 7.0%) per annum in which RM11,000,000 (2024: RM11,000,000) are receivable within one year and the remaining of RM32,966,141 (2024: RM43,966,141) are receivable after one year but not later than five years. In the previous financial year, the amount due from a subsidiary amounting to RM54,966,141 was derived from the debt assignments; and
- (ii) RM70,940,142 (2024: RM58,889,763) which are unsecured, interest free and are repayable on demand. In the previous financial year, included in this non-trade portion of the amount due from subsidiaries, RM55,487,000 was derived from the debt assignments.

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- (b) The Group's normal credit term is 30 days (2024: 30 days).

Included in trade receivables of the Company is an amount of RM1,763,880 (2024: RM1,424,370) due from subsidiaries.

The ageing analysis of the Group's and the Company's trade receivables are as follows:

|                               | <b>The Group</b> |                  | <b>The Company</b> |                  |
|-------------------------------|------------------|------------------|--------------------|------------------|
|                               | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b>      |
|                               | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>        |
| Neither past due nor impaired | <u>3,987,046</u> | <u>2,751,217</u> | <u>1,763,880</u>   | <u>1,424,370</u> |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired comprise mainly debtors who are creditworthy customers with good payment records and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

- (c) Included in other receivables of the Group are:
- (i) an amount of RM2,727,087 (2024: RM2,110,539) being amount due from Plasma Farmers Cooperative in Indonesia; and
  - (ii) an amount of RM21,375,733 (2024: RM9,517,088) being indirect taxes paid in advance to tax authorities.

Income Tax Article 26

In January 2025, PTMKH received a Letter of Tax Underpayment Assessment from DGT for indirect income tax article 26 for the financial year 2023 amounting to IDR11,051 million, equivalent to RM2.80 million. In March 2025, PTMKH made the full payment of the underpayment amounting to IDR11,051 million, equivalent to RM2.80 million. In April 2025, the Company submitted the objection letter to the tax office.

On 28 October 2025, DGT partially accepted the objection letter to refund IDR5,571 million, equivalent to RM1.41 million to PTMKH. As at to date, PTMKH is still in process of preparing an appeal to the tax courts regarding the remaining amount of IDR5,480 million, equivalent to RM1.39 million.

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Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defence against DGT's assessments for indirect income tax article 26 for the financial year 2023. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements of the Group and PTMKH.

**Value Added Tax**

In October 2025, PTMKH received and accepted a Letter of Refund of Excess Tax Payment for value added tax relating to the financial year 2024, in respect of an overpayment of IDR34,900 million, equivalent to RM8.83 million.

The directors of PTMKH are of the opinion that the refund is valid and enforceable as PTMKH has accepted the refund. Accordingly, the refund has been recognised in the financial statements of the Group and PTMKH subsequent to the end of the financial year.

- (d) During the financial year, included in deposits of the Group and the Company is an amount of RM4,208,165 (2024: Nil) in respect of deposits paid as partial purchase consideration for acquisition of a subsidiary as disclosed in Note 28.

**15. INVENTORIES**

|                                                       | <b>The Group</b>  |                   |
|-------------------------------------------------------|-------------------|-------------------|
|                                                       | <b>2025</b>       | <b>2024</b>       |
|                                                       | <b>RM</b>         | <b>RM</b>         |
| <b>At cost:</b>                                       |                   |                   |
| Fertilisers                                           | 6,449,798         | 4,086,494         |
| Plantation consumables                                | 13,781,293        | 14,952,582        |
| Crude palm oil, crude palm kernel oil and palm kernel | <u>28,145,342</u> | <u>17,211,068</u> |
|                                                       | <u>48,376,433</u> | <u>36,250,144</u> |

During the financial year, the cost of inventories recognised as an expense in cost of sales of the Group is RM195,481,642 (2024: RM216,240,385).

The amount recognised as an expense by the Group during the year in respect of inventories written off was RM360 (2024: RM10,947).



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**16. BIOLOGICAL ASSETS**

|                                             | <b>The Group</b> |                  |
|---------------------------------------------|------------------|------------------|
|                                             | <b>2025</b>      | <b>2024</b>      |
|                                             | <b>RM</b>        | <b>RM</b>        |
| <b>Net Book Value</b>                       |                  |                  |
| At beginning of year                        | 8,268,800        | 6,011,296        |
| Changes in fair values (Note 6)             | 2,362,091        | 2,904,078        |
| In respect of subsidiary acquired (Note 13) | -                | 160,324          |
| Effect of movements in exchange rate        | (755,289)        | (806,898)        |
| At end of year                              | <u>9,875,602</u> | <u>8,268,800</u> |

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. Management has considered FFB less than 15 days before harvesting in the calculation of fair value. FFB more than 15 days before harvesting are excluded from the valuation as their fair values are considered negligible.

The fair value measurement of the biological assets is valued using present value of net cashflows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell. The fair value is categorised within Level 2 of the fair value hierarchy and is disclosed in Note 31.

During the financial year, the Group harvested approximately 385,718 metric tonnes ("MT") (2024: 406,658 MT) of FFB.

**17. CASH, BANK BALANCES, TERM DEPOSIT AND SHORT-TERM PLACEMENT**

|                        | <b>Note</b> | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                        |             | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>        |
|                        |             | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| Cash and bank balances |             | 165,691,952        | 159,844,357        | 12,504,343         | 41,062,477         |
| Term deposit           | (a)         | 2,530,000          | -                  | -                  | -                  |
| Short-term placement   | (b)         | <u>74,029,781</u>  | <u>65,380,019</u>  | <u>74,029,781</u>  | <u>65,380,019</u>  |
|                        |             | <u>242,251,733</u> | <u>225,224,376</u> | <u>86,534,124</u>  | <u>106,442,496</u> |

- (a) The term deposit bears effective interest rate of 5.75% (2024: Nil) per annum with maturity period of 30 days (2024: Nil).
- (b) Short-term placement of the Group and the Company represented investment in highly liquid market funds, which is readily convertible to known amounts of cash and is subject to an insignificant risk of changes in value. The short-term placement earns return at effective rate of 3.55% (2024: 3.56%) per annum.

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**18. SHARE CAPITAL**

|                                         | <b>The Group and The Company</b>                        |                            |                                                                |                                   |
|-----------------------------------------|---------------------------------------------------------|----------------------------|----------------------------------------------------------------|-----------------------------------|
|                                         | <b>Number of shares</b>                                 |                            | <b>Amount</b>                                                  |                                   |
|                                         | <b>Share capital<br/>(issued and<br/>fully paid-up)</b> | <b>Treasury<br/>shares</b> | <b>Share capital<br/>(issued and<br/>fully paid-up)<br/>RM</b> | <b>Treasury<br/>shares<br/>RM</b> |
| <b>2025</b>                             |                                                         |                            |                                                                |                                   |
| At beginning of year                    | 1,023,590,845                                           | (1,900,000)                | 378,294,087                                                    | (1,125,681)                       |
| Share buy back                          | -                                                       | (5,536,700)                | -                                                              | (3,398,944)                       |
| At end of year                          | <u>1,023,590,845</u>                                    | <u>(7,436,700)</u>         | <u>378,294,087</u>                                             | <u>(4,524,625)</u>                |
| <b>2024</b>                             |                                                         |                            |                                                                |                                   |
| At beginning of year                    | 110,468,000                                             | -                          | 80,468,000                                                     | -                                 |
| Share split                             | 552,340,000                                             | -                          | -                                                              | -                                 |
| Issuance of share pursuant to:          |                                                         |                            |                                                                |                                   |
| Acquisition of non-controlling interest | 44,227,859                                              | -                          | 53,515,709                                                     | -                                 |
| Acquisition of a subsidiary             | 23,028,035                                              | -                          | 27,863,922                                                     | -                                 |
| Debt settlement                         | 73,526,951                                              | -                          | 88,967,612                                                     | -                                 |
| Initial public offering                 | 220,000,000                                             | -                          | 136,400,000                                                    | -                                 |
| Share issuance expenses                 | -                                                       | -                          | (8,921,156)                                                    | -                                 |
| Share buy back                          | -                                                       | (1,900,000)                | -                                                              | (1,125,681)                       |
| At end of year                          | <u>1,023,590,845</u>                                    | <u>(1,900,000)</u>         | <u>378,294,087</u>                                             | <u>(1,125,681)</u>                |

**(a) Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.



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In the previous financial year, the following issue of shares were made by the Company:

| Type of shares | Number of shares | Term of issue | Purpose of issue                                                                                                                                                        |
|----------------|------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary share | 552,340,000      | Non-cash      | Share split by subdivision of every one existing ordinary share into six new ordinary shares                                                                            |
| Ordinary share | 44,227,859       | Non-cash      | Issued new ordinary share at RM1.21 each for a total consideration otherwise than cash of RM53,515,709 for the purchase consideration of 5.67% equity interest of PTMKH |
| Ordinary share | 23,028,035       | Non-cash      | Issued new ordinary share at RM1.21 each for a total consideration otherwise than cash of RM27,863,923 for the purchase consideration of 100% equity interest of PTSPS  |
| Ordinary share | 73,526,951       | Non-cash      | Issued new ordinary share at RM1.21 each for a total consideration otherwise than cash of RM88,967,612 for the settlement of debt                                       |
| Ordinary share | 220,000,000      | Cash          | Initial public offering at an issue price of RM0.62 per ordinary share                                                                                                  |

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

**(b) Treasury shares**

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 5,536,700 (2024: 1,900,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the shares including transaction costs was RM3,398,944 (2024: RM1,125,681) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

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**19. RESERVES**

|                          | <b>The Group</b>   |                    | <b>The Company</b> |                   |
|--------------------------|--------------------|--------------------|--------------------|-------------------|
|                          | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>       |
|                          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>         |
| <b>Non-distributable</b> |                    |                    |                    |                   |
| Translation reserve      | (66,718,350)       | (34,734,622)       | -                  | -                 |
| Revaluation reserve      | 14,182,856         | 7,176,541          | -                  | -                 |
|                          | (52,535,494)       | (27,558,081)       | -                  | -                 |
| <b>Distributable</b>     |                    |                    |                    |                   |
| Retained earnings        | 261,746,817        | 222,435,272        | 26,158,490         | 11,078,564        |
|                          | <u>209,211,323</u> | <u>194,877,191</u> | <u>26,158,490</u>  | <u>11,078,564</u> |

**Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the assets and liabilities of foreign operations which are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. This form part of the Group's net investment in foreign operations upon consolidation. The exchange differences arising on transaction for consolidation are recognised in other comprehensive income.

**Revaluation reserve**

The revaluation reserve relates to the revaluation of production buildings.

**Retained earnings**

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available to be distributed as single tier dividends to the shareholders of the Company.

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**20. PROVISIONS OF POST-EMPLOYMENT BENEFIT OBLIGATIONS**

|                                                   | <b>The Group</b>  |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | <b>2025</b>       | <b>2024</b>       |
|                                                   | <b>RM</b>         | <b>RM</b>         |
| At beginning of year                              | 18,731,306        | 18,149,226        |
| In respect of subsidiary acquired (Note 13)       | -                 | 618,737           |
| Amounts recognised in profit or loss (Note 6):    |                   |                   |
| Current service costs                             | 3,798,987         | 3,810,985         |
| Interest on obligation                            | 1,149,764         | 1,154,509         |
|                                                   | 4,948,751         | 4,965,494         |
| Payment during the financial year                 | (2,348,898)       | (1,690,067)       |
| Amounts recognised in other comprehensive income: |                   |                   |
| Remeasurement gains                               | (227,254)         | (1,087,745)       |
| Effect of movements in exchange rate              | (1,485,994)       | (2,224,339)       |
| At end of year                                    | <u>19,617,911</u> | <u>18,731,306</u> |

**Post-employment benefit obligations**

Two subsidiaries of the Company in Indonesia operate an unfunded defined benefit scheme, as required under the Labour Law of the Republic of Indonesia. The provision is determined based on estimation of amount of benefits that employees have earned in return for their service in the current and previous financial years. The defined benefit obligation were determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method.

The defined benefit scheme exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

The amount recognised in the consolidated statement of financial position is determined as follows:

|                              | <b>The Group</b>  |                   |
|------------------------------|-------------------|-------------------|
|                              | <b>2025</b>       | <b>2024</b>       |
|                              | <b>RM</b>         | <b>RM</b>         |
| Present value of obligations | <u>19,617,911</u> | <u>18,731,306</u> |

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Principal assumption at reporting date are as follows:

|                        | <b>The Group</b>                                                                                                                      |                                                                                                                                       |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
|                        | <b>2025</b>                                                                                                                           | <b>2024</b>                                                                                                                           |
| Discount rate          | 7.00%                                                                                                                                 | 6.75%                                                                                                                                 |
| Future salary increase | 8.00%                                                                                                                                 | 8.00%                                                                                                                                 |
| Resignation age        | 22% per annum until age 18, then decrease linearly to 0% at age 57/ 6% per annum until age 38, then decrease linearly to 0% at age 57 | 22% per annum until age 18, then decrease linearly to 0% at age 57/ 6% per annum until age 38, then decrease linearly to 0% at age 57 |

**Sensitivity analysis**

The sensitivity analysis below has been determined based on reasonably possible changes in the discount rate and future salary increase occurring at the reporting date, while holding all other assumptions constant.

|                              | <b>The Group</b> |                  |
|------------------------------|------------------|------------------|
|                              | <b>2025</b>      | <b>2024</b>      |
|                              | <b>RM</b>        | <b>RM</b>        |
| Discount rate increase by 1% | 1,293,932        | 1,256,181        |
| Discount rate decrease by 1% | (1,450,790)      | (1,413,440)      |
| Future salary increase by 1% | (1,461,589)      | (1,418,340)      |
| Future salary decrease by 1% | <u>1,329,261</u> | <u>1,284,679</u> |

The sensitivity analysis presented above has been determined using deterministic method and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at 30 September 2025, the weighted-average duration of the defined benefit obligations was ranging from 12.17 to 15.49 years (2024: 12.42 to 15.52 years).

The benefits, which reflect the expected future service, as appropriate are expected to be paid as follows:

|                       | <b>The Group</b>  |                   |
|-----------------------|-------------------|-------------------|
|                       | <b>2025</b>       | <b>2024</b>       |
|                       | <b>RM</b>         | <b>RM</b>         |
| Within 1 year         | 2,834,426         | 2,918,887         |
| Between 2 and 5 years | 10,109,807        | 9,131,352         |
| After 5 years         | <u>17,940,259</u> | <u>17,831,815</u> |
|                       | <u>30,884,492</u> | <u>29,882,054</u> |

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**21. DEFERRED TAX LIABILITIES**

|                                                   | <b>The Group</b>  |                   | <b>The Company</b> |               |
|---------------------------------------------------|-------------------|-------------------|--------------------|---------------|
|                                                   | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>   |
|                                                   | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>     |
| At beginning of year                              | 15,390,929        | 1,744,445         | 50,600             | 47,200        |
| In respect of subsidiary acquired (Note 13)       | -                 | 13,644,852        | -                  | -             |
| Recognised in profit or loss (Note 8)             | 79,309            | (184,830)         | 5,400              | 3,400         |
| Recognised in other comprehensive income (Note 8) | 2,026,136         | 239,304           | -                  | -             |
| Effect of movements in exchange rate              | (115,849)         | (52,842)          | -                  | -             |
|                                                   | <u>17,380,525</u> | <u>15,390,929</u> | <u>56,000</u>      | <u>50,600</u> |

Presented after appropriate offsetting as follows:

|                          | <b>The Group</b>    |                     | <b>The Company</b> |                 |
|--------------------------|---------------------|---------------------|--------------------|-----------------|
|                          | <b>2025</b>         | <b>2024</b>         | <b>2025</b>        | <b>2024</b>     |
|                          | <b>RM</b>           | <b>RM</b>           | <b>RM</b>          | <b>RM</b>       |
| Deferred tax assets      | 4,439,814           | 4,293,459           | -                  | -               |
| Deferred tax liabilities | (21,820,339)        | (19,684,388)        | (56,000)           | (50,600)        |
|                          | <u>(17,380,525)</u> | <u>(15,390,929)</u> | <u>(56,000)</u>    | <u>(50,600)</u> |

Deferred tax assets and liabilities are attributable to the following:

|                                                   | <b>The Group</b> |                  | <b>The Company</b> |             |
|---------------------------------------------------|------------------|------------------|--------------------|-------------|
|                                                   | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b> |
|                                                   | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>   |
| <b>Deferred tax assets</b>                        |                  |                  |                    |             |
| Deductible temporary differences arising from:    |                  |                  |                    |             |
| Property, plant and equipment                     | 123,873          | 172,572          | -                  | -           |
| Provisions of post-employment benefit obligations | <u>4,315,941</u> | <u>4,120,887</u> | <u>-</u>           | <u>-</u>    |
|                                                   | <u>4,439,814</u> | <u>4,293,459</u> | <u>-</u>           | <u>-</u>    |

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|                                                                                    | <b>The Group</b>  |                   | <b>The Company</b> |               |
|------------------------------------------------------------------------------------|-------------------|-------------------|--------------------|---------------|
|                                                                                    | <b>2025</b>       | <b>2024</b>       | <b>2025</b>        | <b>2024</b>   |
|                                                                                    | <b>RM</b>         | <b>RM</b>         | <b>RM</b>          | <b>RM</b>     |
| <b>Deferred tax liabilities</b>                                                    |                   |                   |                    |               |
| Taxable temporary differences arising from:                                        |                   |                   |                    |               |
| Property, plant and equipment                                                      | 1,414,884         | 1,675,327         | 56,000             | 50,600        |
| Biological assets                                                                  | 2,172,633         | 1,819,136         | -                  | -             |
| Surplus arising from revaluation of buildings                                      | 2,416,522         | 550,633           | -                  | -             |
| Inventories of crude palm oil, crude palm kernel oil and palm kernel               | 2,378,405         | 1,492,566         | -                  | -             |
| Fair value adjustment on prepaid lease payment in respect of subsidiaries acquired | 13,437,895        | 14,146,726        | -                  | -             |
|                                                                                    | <u>21,820,339</u> | <u>19,684,388</u> | <u>56,000</u>      | <u>50,600</u> |

**22. LOANS AND BORROWINGS**

|                           | <b>The Group and The Company</b> |                |
|---------------------------|----------------------------------|----------------|
|                           | <b>2025</b>                      | <b>2024</b>    |
|                           | <b>RM</b>                        | <b>RM</b>      |
| <b>Non-current</b>        |                                  |                |
| Hire-purchase liabilities | 498,392                          | 463,412        |
| <b>Current</b>            |                                  |                |
| Hire-purchase liabilities | <u>230,322</u>                   | <u>161,039</u> |
|                           | <u>728,714</u>                   | <u>624,451</u> |



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The maturity profile of the hire-purchase liabilities are as follows:

|                                                  | <b>The Group and The Company</b> |                    |
|--------------------------------------------------|----------------------------------|--------------------|
|                                                  | <b>2025<br/>RM</b>               | <b>2024<br/>RM</b> |
| Payable within 1 year                            | 230,322                          | 161,039            |
| Payable after 1 year but not later than 2 years  | 247,211                          | 174,558            |
| Payable after 2 years but not later than 3 years | 153,282                          | 182,458            |
| Payable after 3 years but not later than 4 years | 91,902                           | 85,434             |
| Payable after 4 years but not later than 5 years | 5,997                            | 20,962             |
|                                                  | <u>728,714</u>                   | <u>624,451</u>     |

Hire-purchase liabilities are payable as follows:

|                                  | <b>Future<br/>minimum<br/>hire-purchase<br/>payments<br/>RM</b> | <b>Finance<br/>charges<br/>RM</b> | <b>Present value<br/>of minimum<br/>hire-purchase<br/>payments<br/>RM</b> |
|----------------------------------|-----------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------|
| <b>The Group and The Company</b> |                                                                 |                                   |                                                                           |
| <b>2025</b>                      |                                                                 |                                   |                                                                           |
| Less than one year               | 257,596                                                         | 27,274                            | 230,322                                                                   |
| Between one and five years       | <u>524,968</u>                                                  | <u>26,576</u>                     | <u>498,392</u>                                                            |
|                                  | <u>782,564</u>                                                  | <u>53,850</u>                     | <u>728,714</u>                                                            |
| <b>2024</b>                      |                                                                 |                                   |                                                                           |
| Less than one year               | 184,720                                                         | 23,681                            | 161,039                                                                   |
| Between one and five years       | <u>491,627</u>                                                  | <u>28,215</u>                     | <u>463,412</u>                                                            |
|                                  | <u>676,347</u>                                                  | <u>51,896</u>                     | <u>624,451</u>                                                            |

The hire-purchase liabilities bear effective interest at rates ranging from 4.34% to 4.59% (2024: 4.33% to 4.53%) per annum.

The Group has unutilised secured revolving credit facility with a limit of RM21,030,000, which is secured and supported as follow:

- (a) legal charge over the oil palm plantation land at a subsidiary in Indonesia;
- (b) legal charge over the bearer plant at a subsidiary in Indonesia;
- (c) pledge of shares of a subsidiary; and
- (d) corporate guarantee of the Company.



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**23. PAYABLES AND ACCRUALS**

|                         |             | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|-------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                         | <b>Note</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>Trade</b>            |             |                    |                    |                    |                    |
| Trade payables          | (a)         | 6,346,647          | 10,357,532         | -                  | -                  |
| <b>Non-trade</b>        |             |                    |                    |                    |                    |
| Other payables          |             | 4,057,070          | 3,272,400          | 147,435            | 25,855             |
| Advances from customers | (b)         | 4,825,241          | 9,498,794          | -                  | -                  |
| Accruals                |             | <u>11,699,812</u>  | <u>7,913,095</u>   | <u>1,222,658</u>   | <u>1,135,890</u>   |
|                         |             | <u>26,928,770</u>  | <u>31,041,821</u>  | <u>1,370,093</u>   | <u>1,161,745</u>   |

(a) The normal credit term granted to the Group ranges from 14 to 90 days (2024: 14 to 90 days).

(b) This represents downpayments received from purchasers of crude palm oil, crude palm kernel oil and palm kernel.

**24. DIVIDENDS**

|                                                                                                                            | <b>Net dividend<br/>per share<br/>Sen</b> | <b>Total<br/>amount<br/>RM</b> | <b>Date of payment</b> |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------|------------------------|
| <b>2025</b>                                                                                                                |                                           |                                |                        |
| Second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2024 | 2.0                                       | 20,329,343                     | 30 December 2024       |
| First interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2025  | 2.0                                       | <u>20,325,743</u>              | 25 June 2025           |
|                                                                                                                            |                                           | <u>40,655,086</u>              |                        |
| <b>2024</b>                                                                                                                |                                           |                                |                        |
| First interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2024  | 2.0                                       | <u>20,471,817</u>              | 12 June 2024           |

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A second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 September 2025 amounting to RM20,306,087 was declared on 26 November 2025 and to be paid on 30 December 2025. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2026.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2025.

**25. CAPITAL COMMITMENTS**

As at the reporting date, the Group has the following commitments in respect of capital expenditure on property, plant and equipment:

|                                 | <b>The Group</b>  |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <b>2025</b>       | <b>2024</b>       |
|                                 | <b>RM</b>         | <b>RM</b>         |
| Approved and contracted for     | 16,410,783        | 1,695,089         |
| Approved but not contracted for | 44,037,517        | 14,591,327        |
|                                 | <u>60,448,300</u> | <u>16,286,416</u> |

**26. RELATED PARTY DISCLOSURES**
**(a) Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its holding company, subsidiaries, related companies and key management personnel. Related companies refer to subsidiaries of MKH Berhad.

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## (b) Related party transactions

|                                                 | The Group  |             | The Company |             |
|-------------------------------------------------|------------|-------------|-------------|-------------|
|                                                 | 2025       | 2024        | 2025        | 2024        |
|                                                 | RM         | RM          | RM          | RM          |
| <b>Received or receivable from subsidiaries</b> |            |             |             |             |
| Advances to                                     | -          | -           | 400,495     | 800,000     |
| Debt assignments                                | -          | -           | -           | 110,453,141 |
| Debt settlement via issuance of shares          | -          | -           | 151,500     | -           |
| Dividend income                                 | -          | -           | 59,213,114  | 28,652,824  |
| Interest income (Note 6)                        | -          | -           | 3,558,088   | 2,804,026   |
| Management fee                                  | -          | -           | 7,073,010   | 5,422,995   |
| Repayment of loan                               | -          | -           | 11,000,000  | -           |
| <b>Paid or payable to holding company</b>       |            |             |             |             |
| Dividend paid                                   | 11,740,801 | 5,870,401   | 11,740,801  | 5,870,401   |
| <b>Paid or payable to related companies</b>     |            |             |             |             |
| Debt assignments                                | -          | 110,453,141 | -           | -           |
| Debt settlement via issuance of shares          | -          | 88,967,612  | -           | 88,967,612  |
| Dividend paid                                   | 14,765,899 | 7,381,539   | 14,765,899  | 7,381,539   |
| Expenses related to short-term lease            | 296,954    | 296,954     | 296,954     | 296,954     |
| Interest expense (Note 6)                       | -          | 1,308,344   | -           | 154,233     |
| Parking fees                                    | 9,540      | 9,884       | 9,540       | 9,884       |
| Repayment of loan                               | -          | 30,000,000  | -           | 30,000,000  |

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**(c) Key management personnel compensation**

The key management personnel compensation is as follows:

|                                                       | <b>The Group</b>        |                         | <b>The Company</b>      |                         |
|-------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                       | <b>2025</b>             | <b>2024</b>             | <b>2025</b>             | <b>2024</b>             |
|                                                       | <b>RM</b>               | <b>RM</b>               | <b>RM</b>               | <b>RM</b>               |
| <b>Directors of the Company</b>                       |                         |                         |                         |                         |
| Directors' fees                                       | 1,040,000               | 970,000                 | 1,040,000               | 970,000                 |
| Other emoluments - including post-employment benefits | 1,644,355               | 1,265,410               | 1,644,355               | 1,265,410               |
| Estimated monetary value of benefits-in-kind          | <u>55,750</u>           | <u>55,750</u>           | <u>55,750</u>           | <u>55,750</u>           |
|                                                       | <u>2,740,105</u>        | <u>2,291,160</u>        | <u>2,740,105</u>        | <u>2,291,160</u>        |
| <b>Other key management personnel</b>                 |                         |                         |                         |                         |
| Remuneration                                          | 3,102,939               | 2,625,640               | 1,350,298               | 1,110,589               |
| Post-employment benefits                              | <u>149,991</u>          | <u>122,398</u>          | <u>149,991</u>          | <u>122,398</u>          |
|                                                       | <u>3,252,930</u>        | <u>2,748,038</u>        | <u>1,500,289</u>        | <u>1,232,987</u>        |
| <b>Total key management personnel compensation</b>    | <u><b>5,993,035</b></u> | <u><b>5,039,198</b></u> | <u><b>4,240,394</b></u> | <u><b>3,524,147</b></u> |

Other key management personnel comprises persons other than the directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

**(d) Related party balances**

Information on outstanding balances with subsidiaries is disclosed in Note 14.

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**27. SEGMENT INFORMATION**

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under MFRS 8 *Operating Segments* are as follows:

- |                         |                                              |
|-------------------------|----------------------------------------------|
| (i) Plantation          | - oil palm cultivation                       |
| (ii) Investment holding | - investment holding and management services |

**Segment revenue and results**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represents profit before tax of the segment. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

**Segment assets**

Segment assets are measured based on all assets (including goodwill) of the segment, excluding current tax assets.

**Segment liabilities**

Segment liabilities are measured based on all liabilities, excluding loans and borrowings, deferred tax liabilities and current tax liabilities.

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**Segment revenue and results**

| <b>2025</b>                                             | <b>Plantation<br/>RM</b> | <b>Investment<br/>holding<br/>RM</b> | <b>Elimination<br/>RM</b> | <b>Total<br/>RM</b> |
|---------------------------------------------------------|--------------------------|--------------------------------------|---------------------------|---------------------|
| <b>Revenue</b>                                          |                          |                                      |                           |                     |
| Total external revenue                                  | 363,189,716              | -                                    | -                         | 363,189,716         |
| Inter-segment revenue                                   | 18,702,356               | 66,308,630                           | (85,010,986)              | -                   |
| Total segment revenue                                   | 381,892,072              | 66,308,630                           | (85,010,986)              | 363,189,716         |
| <b>Results</b>                                          |                          |                                      |                           |                     |
| Operating results                                       | 109,562,977              | (5,262,322)                          | (3,598,821)               | 100,701,834         |
| Interest expense                                        | (3,598,821)              | (37,371)                             | 3,598,821                 | (37,371)            |
| Interest income                                         | 3,423,606                | 3,215,614                            | -                         | 6,639,220           |
| Segment results                                         | 109,387,762              | (2,084,079)                          | -                         | 107,303,683         |
| Tax expense                                             | (25,570,127)             | (1,944,183)                          | -                         | (27,514,310)        |
| <b>Profit/(Loss) for the<br/>financial year</b>         | <b>83,817,635</b>        | <b>(4,028,262)</b>                   | <b>-</b>                  | <b>79,789,373</b>   |
| <b>Other segment<br/>information</b>                    |                          |                                      |                           |                     |
| Changes in fair value of<br>biological assets           | (2,362,091)              | -                                    | -                         | (2,362,091)         |
| Depreciation and<br>amortisation                        | 35,001,064               | 498,477                              | -                         | 35,499,541          |
| Inventories written off                                 | 360                      | -                                    | -                         | 360                 |
| Loss on foreign<br>exchange:                            |                          |                                      |                           |                     |
| Realised                                                | 58,390                   | 248,830                              | -                         | 307,220             |
| Unrealised                                              | 29,092                   | -                                    | -                         | 29,092              |
| Provision of post-<br>employment benefit<br>obligations | 4,948,751                | -                                    | -                         | 4,948,751           |

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| <b>2024</b>                                             | <b>Plantation<br/>RM</b> | <b>Investment<br/>holding<br/>RM</b> | <b>Elimination<br/>RM</b> | <b>Total<br/>RM</b> |
|---------------------------------------------------------|--------------------------|--------------------------------------|---------------------------|---------------------|
| <b>Revenue</b>                                          |                          |                                      |                           |                     |
| Total external revenue                                  | 352,217,484              | -                                    | -                         | 352,217,484         |
| Inter-segment revenue                                   | 17,574,840               | 34,191,250                           | (51,766,090)              | -                   |
| <b>Total segment revenue</b>                            | <b>369,792,324</b>       | <b>34,191,250</b>                    | <b>(51,766,090)</b>       | <b>352,217,484</b>  |
| <b>Results</b>                                          |                          |                                      |                           |                     |
| Operating results                                       | 88,732,546               | (2,965,603)                          | (2,815,632)               | 82,951,311          |
| Interest expense                                        | (4,011,491)              | (181,776)                            | 2,815,632                 | (1,377,635)         |
| Interest income                                         | 2,104,317                | 1,340,460                            | -                         | 3,444,777           |
| <b>Segment results</b>                                  | <b>86,825,372</b>        | <b>(1,806,919)</b>                   | <b>-</b>                  | <b>85,018,453</b>   |
| Tax expense                                             | (19,315,936)             | (1,492,808)                          | -                         | (20,808,744)        |
| <b>Profit/(Loss) for the<br/>financial year</b>         | <b>67,509,436</b>        | <b>(3,299,727)</b>                   | <b>-</b>                  | <b>64,209,709</b>   |
| <b>Other segment<br/>information</b>                    |                          |                                      |                           |                     |
| Bad debts written off                                   | 66,987                   | -                                    | -                         | 66,987              |
| Changes in fair value of<br>biological assets           | (2,904,078)              | -                                    | -                         | (2,904,078)         |
| Depreciation and<br>amortisation                        | 33,753,761               | 389,459                              | -                         | 34,143,220          |
| Inventories written off                                 | 10,947                   | -                                    | -                         | 10,947              |
| Loss on foreign<br>exchange:                            |                          |                                      |                           |                     |
| Realised                                                | 993,093                  | 357,854                              | 11,606                    | 1,362,553           |
| Unrealised                                              | 5,301,636                | -                                    | (5,260,949)               | 40,687              |
| Provision of post-<br>employment benefit<br>obligations | 4,965,494                | -                                    | -                         | 4,965,494           |



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| 2025                                                                   | Plantation<br>RM   | Investment<br>holding<br>RM | Elimination<br>RM | Total<br>RM        |
|------------------------------------------------------------------------|--------------------|-----------------------------|-------------------|--------------------|
| <b>Assets</b>                                                          |                    |                             |                   |                    |
| Total assets                                                           | <u>443,964,936</u> | <u>208,796,742</u>          | <u>-</u>          | <u>652,761,678</u> |
| <b>Liabilities</b>                                                     |                    |                             |                   |                    |
| Segment liabilities                                                    | 45,161,504         | 1,385,177                   | -                 | 46,546,681         |
| Loans and borrowings                                                   | -                  | 728,714                     | -                 | 728,714            |
| Deferred tax liabilities                                               | 17,324,525         | 56,000                      | -                 | 17,380,525         |
| Current tax liabilities                                                | <u>4,604,873</u>   | <u>520,100</u>              | <u>-</u>          | <u>5,124,973</u>   |
| Total liabilities                                                      | <u>67,090,902</u>  | <u>2,689,991</u>            | <u>-</u>          | <u>69,780,893</u>  |
| <b>Other segment<br/>information</b>                                   |                    |                             |                   |                    |
| Additions to non-current<br>assets other than<br>financial instruments | <u>13,235,165</u>  | <u>523,035</u>              | <u>-</u>          | <u>13,758,200</u>  |
| <b>2024</b>                                                            |                    |                             |                   |                    |
| <b>Assets</b>                                                          |                    |                             |                   |                    |
| Segment assets                                                         | 415,074,061        | 223,359,427                 | -                 | 638,433,488        |
| Current tax assets                                                     | <u>413,558</u>     | <u>-</u>                    | <u>-</u>          | <u>413,558</u>     |
| Total assets                                                           | <u>415,487,619</u> | <u>223,359,427</u>          | <u>-</u>          | <u>638,847,046</u> |
| <b>Liabilities</b>                                                     |                    |                             |                   |                    |
| Segment liabilities                                                    | 48,609,222         | 1,163,905                   | -                 | 49,773,127         |
| Loans and borrowings                                                   | -                  | 624,451                     | -                 | 624,451            |
| Deferred tax liabilities                                               | 15,340,329         | 50,600                      | -                 | 15,390,929         |
| Current tax liabilities                                                | <u>-</u>           | <u>1,012,942</u>            | <u>-</u>          | <u>1,012,942</u>   |
| Total liabilities                                                      | <u>63,949,551</u>  | <u>2,851,898</u>            | <u>-</u>          | <u>66,801,449</u>  |
| <b>Other segment<br/>information</b>                                   |                    |                             |                   |                    |
| Additions to non-current<br>assets other than<br>financial instruments | <u>22,289,561</u>  | <u>242,586</u>              | <u>-</u>          | <u>22,532,147</u>  |

**Geographical information**

Revenue and non-current assets information is presented based on the segment's country of domicile. Revenue from external customers based on the location of its customers has not been disclosed as revenue earned outside the segment's country of domicile is insignificant. Non-current assets do not include receivables, deposits and prepayments.

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|                       | Revenue            |                    | Non-current assets |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
|                       | 2025               | 2024               | 2025               | 2024               |
|                       | RM                 | RM                 | RM                 | RM                 |
| Malaysia              | -                  | -                  | 1,473,299          | 1,448,741          |
| Republic of Indonesia | 363,189,716        | 352,217,484        | 314,225,279        | 345,782,329        |
|                       | <u>363,189,716</u> | <u>352,217,484</u> | <u>315,698,578</u> | <u>347,231,070</u> |

**Major customer information**

Total revenue from one (2024: one) major customers which individually contributed 10% or more of the Group's revenue amounted to RM325,950,113 (2024: RM287,904,103), arising from the plantation segment.

**28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS TO THE END OF THE FINANCIAL YEAR**

On 26 August 2025, the Company and its subsidiary, HMSB entered into a Conditional Shares Sale and Purchase Agreement with PT Sinar Reka Murni ("PT Sinar") to acquire 999 ordinary shares and 1 ordinary share respectively, representing 100% equity interest in PT Tunas Tani Tutus ("PT Tunas") from PT Sinar for a total purchase consideration of IDR34,965,000,000 (equivalent to RM9,100,729).

On 19 September 2025, the Company made a deposit payment of IDR16,000,000,000 (equivalent to RM4,208,165) as disclosed in Note 14(d), representing the total purchase consideration for 457 ordinary shares of PT Tunas from PT Sinar.

On 14 October 2025, the Company and HMSB perfected the shares transfer for 456 ordinary shares and 1 ordinary share respectively. On the same date, the Company and HMSB subscribed for additional 18,001 ordinary shares and 999 ordinary shares respectively in PT Tunas at a nominal value of IDR500,000 per ordinary share with a total cash subscription of IDR9,500,000,000 (equivalent to RM2,474,383). PT Sinar has declined to take up the shares proportionately allocated to it. Accordingly, the Company and HMSB hold 92.285% and 5.00% equity interest in PT Tunas respectively.

On 20 October 2025, PT Tunas received approval from the Ministry of Law of the Republic of Indonesia for the transition from a domestic local company to a foreign-owned entity. This change will allow PT Tunas to operate within the framework of foreign investment. Accordingly, PT Tunas became a subsidiary of the Group and of the Company. As at the reporting date, the acquisition of the subsidiary had not yet been fully completed, as it remains subject to the fulfilment of certain conditions, including the remaining staged payment arrangements and applicable regulatory requirements.

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**29. FINANCIAL INSTRUMENTS**
**Categories of financial instruments**

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|                                                          | <b>The Group</b>   |                    | <b>The Company</b> |                   |
|----------------------------------------------------------|--------------------|--------------------|--------------------|-------------------|
|                                                          | <b>2025</b>        | <b>2024</b>        | <b>2025</b>        | <b>2024</b>       |
|                                                          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>         |
| <b>Financial assets</b>                                  |                    |                    |                    |                   |
| At FVTPL:                                                |                    |                    |                    |                   |
| Short-term placement                                     | 74,029,781         | 65,380,019         | 74,029,781         | 65,380,019        |
| At amortised cost:                                       |                    |                    |                    |                   |
| Receivables and deposits                                 | 35,878,224         | 20,007,860         | 120,950,075        | 115,349,063       |
| Cash, bank balances, and term deposit                    | <u>168,221,952</u> | <u>159,844,357</u> | <u>12,504,343</u>  | <u>41,062,477</u> |
| <b>Financial liabilities</b>                             |                    |                    |                    |                   |
| At amortised cost:                                       |                    |                    |                    |                   |
| Payables and accruals, excluding advances from customers | 22,103,529         | 21,543,027         | 1,370,093          | 1,161,745         |
| Loans and borrowings                                     | <u>728,714</u>     | <u>624,451</u>     | <u>728,714</u>     | <u>624,451</u>    |

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is a subsidiary of MKH Berhad and is guided by the Group's financial risk management policies.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's and from the Company's normal course of business are as follows:

**(i) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arise from the receivables. For other financial assets, the Group minimises credit risk by dealing with high credit rating counterparties. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The credit risk concentration profile of the Group's net trade related receivables at the reporting date are 100% derived from Republic of Indonesia.

At the reporting date, the Group has concentration of credit risk on trade receivables whereby amount owing by one (2024: two) customer with balance amounting to RM3,987,046 (2024: RM2,450,232) representing 100% (2024: 89%) of the total trade receivables balances.

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary for credit terms granted to a subsidiary.

The Company monitors on an ongoing basis the repayments made by the subsidiary and their financial performance.

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the securities pledged by the subsidiary and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions so as to achieve overall cost effectiveness.

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

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Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

|                                                             | Carrying<br>amount<br>RM | Total<br>contractual<br>amount<br>RM | On demand<br>or within<br>1 year<br>RM | 1 to 2<br>years<br>RM | 2 to 5<br>years<br>RM |
|-------------------------------------------------------------|--------------------------|--------------------------------------|----------------------------------------|-----------------------|-----------------------|
| <b>The Group</b>                                            |                          |                                      |                                        |                       |                       |
| <b>2025</b>                                                 |                          |                                      |                                        |                       |                       |
| <b>Financial liabilities:</b>                               |                          |                                      |                                        |                       |                       |
| Payables and accruals, excluding<br>advances from customers | 22,103,529               | 22,103,529                           | 22,103,529                             | -                     | -                     |
| Loans and borrowings                                        | 728,714                  | 782,564                              | 257,596                                | 264,180               | 260,788               |
|                                                             | <u>22,832,243</u>        | <u>22,886,093</u>                    | <u>22,361,125</u>                      | <u>264,180</u>        | <u>260,788</u>        |
| <b>The Company</b>                                          |                          |                                      |                                        |                       |                       |
| <b>2025</b>                                                 |                          |                                      |                                        |                       |                       |
| <b>Financial liabilities:</b>                               |                          |                                      |                                        |                       |                       |
| Payables and accruals, excluding<br>advances from customers | 1,370,093                | 1,370,093                            | 1,370,093                              | -                     | -                     |
| Loans and borrowings                                        | 728,714                  | 782,564                              | 257,596                                | 264,180               | 260,788               |
|                                                             | <u>2,098,807</u>         | <u>2,152,657</u>                     | <u>1,627,689</u>                       | <u>264,180</u>        | <u>260,788</u>        |

(Forward)



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| <b>The Group</b>                                         |                                |                                  |                    |                    |  |
|----------------------------------------------------------|--------------------------------|----------------------------------|--------------------|--------------------|--|
| <b>2024</b>                                              |                                |                                  |                    |                    |  |
| <b>Financial liabilities:</b>                            |                                |                                  |                    |                    |  |
| Payables and accruals, excluding advances from customers |                                |                                  |                    |                    |  |
| Loans and borrowings                                     |                                |                                  |                    |                    |  |
| Carrying amount<br>RM                                    | Total contractual amount<br>RM | On demand or within 1 year<br>RM | 1 to 2 years<br>RM | 2 to 5 years<br>RM |  |
| 21,543,027                                               | 21,543,027                     | 21,543,027                       | -                  | -                  |  |
| 624,451                                                  | 676,347                        | 184,720                          | 191,304            | 300,323            |  |
| <u>22,167,478</u>                                        | <u>22,219,374</u>              | <u>21,727,747</u>                | <u>191,304</u>     | <u>300,323</u>     |  |
| <b>The Company</b>                                       |                                |                                  |                    |                    |  |
| <b>2024</b>                                              |                                |                                  |                    |                    |  |
| <b>Financial liabilities:</b>                            |                                |                                  |                    |                    |  |
| Payables and accruals, excluding advances from customers |                                |                                  |                    |                    |  |
| Loans and borrowings                                     |                                |                                  |                    |                    |  |
| 1,161,745                                                | 1,161,745                      | 1,161,745                        | -                  | -                  |  |
| 624,451                                                  | 676,347                        | 184,720                          | 191,304            | 300,323            |  |
| <u>1,786,196</u>                                         | <u>1,838,092</u>               | <u>1,346,465</u>                 | <u>191,304</u>     | <u>300,323</u>     |  |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

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**(iii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases, term loans and advances from related companies that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM") and Indonesian Rupiah ("IDR"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD") and RM. Foreign currency exposure in transactions and currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and cash equivalents denominated in USD for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in Republic of Indonesia are not hedged as currency positions in IDR are considered to be long-term in nature.

Financial assets and financial liabilities denominated in USD and RM are as follows:

|                        | <b>The Group</b> |                  | <b>The Company</b> |               |
|------------------------|------------------|------------------|--------------------|---------------|
|                        | <b>2025</b>      | <b>2024</b>      | <b>2025</b>        | <b>2024</b>   |
|                        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>          | <b>RM</b>     |
| <b>USD</b>             |                  |                  |                    |               |
| Cash and bank balances | <u>1,661,144</u> | <u>2,060,851</u> | <u>463,307</u>     | <u>21,303</u> |
| <b>RM</b>              |                  |                  |                    |               |
| Cash and bank balances | <u>1,011,049</u> | <u>101,531</u>   | <u>-</u>           | <u>-</u>      |



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Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) and equity for the financial year to a reasonably possible change in the USD, RM and IDR exchange rates against their respective functional currencies, with all other variables held constant. The 5% (2024: 5%) sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

|                 | Profit/(Loss) for the financial year |                 |                 |              |
|-----------------|--------------------------------------|-----------------|-----------------|--------------|
|                 | The Group                            |                 | The Company     |              |
|                 | 2025                                 | 2024            | 2025            | 2024         |
|                 | RM                                   | RM              | RM              | RM           |
| USD/RM          |                                      |                 |                 |              |
| Strengthened 5% | 17,600                               | 810             | 17,600          | 810          |
| Weakened 5%     | <u>(17,600)</u>                      | <u>(810)</u>    | <u>(17,600)</u> | <u>(810)</u> |
| USD/IDR         |                                      |                 |                 |              |
| Strengthened 5% | 46,700                               | 79,500          | -               | -            |
| Weakened 5%     | <u>(46,700)</u>                      | <u>(79,500)</u> | <u>-</u>        | <u>-</u>     |
| RM/IDR          |                                      |                 |                 |              |
| Strengthened 5% | 39,400                               | 4,000           | -               | -            |
| Weakened 5%     | <u>(39,400)</u>                      | <u>(4,000)</u>  | <u>-</u>        | <u>-</u>     |
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**(iv) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial asset of the Group includes term deposit and short-term placement and interest bearing financial assets of the Company include amount due from a subsidiary and short-term placement. Interest bearing financial liabilities of the Group and of the Company include hire purchase liabilities.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

The hire purchase liabilities totaling RM728,714 (2024: RM624,451) and amount due from a subsidiary amounting to RM43,966,141 (2024: RM54,966,141) at fixed rate exposes the Group and/or the Company to fair value interest rate risk. The term deposit and short-term placement amounting to RM2,530,000 (2024: Nil) and RM74,029,781 (2024: RM65,380,019) respectively at floating rate exposes the Group and the Company to cash flow interest rate risk.

The Group and the Company actively review its debts portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

At the reporting date, a change of 50 (2024: 50) basis points in interest rates, with all other variables held constant, would increase/decrease the equity and profit/loss after tax by approximately RM290,900 (2024: RM248,400), arising mainly as a result of higher/lower interest expense on floating rate of term deposit and short-term placement.

### 31. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payments*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

**(a) Fair value measurement of financial instruments**

The methods and assumptions used to estimate the fair values of the following classes of financial assets and financial liabilities are as follows:

**(i) Cash and bank balances, term deposit and short-term placement, receivables and deposits and payables and accruals**

The carrying amounts of current financial assets and financial liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

**(ii) Long-term other receivables**

The fair values of long-term other receivable are estimated using expected future cash flows of contractual instalment payments discounted at current prevailing rates offered for similar types of credit or lending arrangements.

**(iii) Hire-purchase liabilities**

The fair value of hire purchase liabilities is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangement.

The carrying amounts and fair value of financial instruments, other than the carrying amounts which are reasonable approximation of fair values, are as follows:

|                             | <b>The Group</b>                  |                              |
|-----------------------------|-----------------------------------|------------------------------|
|                             | <b>Carrying<br/>Amount<br/>RM</b> | <b>Fair<br/>Value<br/>RM</b> |
| <b>2025</b>                 |                                   |                              |
| <b>Financial asset</b>      |                                   |                              |
| Long-term other receivables | <u>9,622</u>                      | <u>9,622</u>                 |
| <b>Financial liability</b>  |                                   |                              |
| Hire purchase liabilities   | <u>728,714</u>                    | <u>782,564</u>               |
| <b>2024</b>                 |                                   |                              |
| <b>Financial asset</b>      |                                   |                              |
| Long-term other receivables | <u>10,344</u>                     | <u>10,344</u>                |
| <b>Financial liability</b>  |                                   |                              |
| Hire purchase liabilities   | <u>624,451</u>                    | <u>676,347</u>               |

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)

Registration No. 200401023680 (662186-D)

## (b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets at the reporting date:

| The Group                                                      | Fair value measurement using |               |               | Total<br>RM |
|----------------------------------------------------------------|------------------------------|---------------|---------------|-------------|
|                                                                | Level 1<br>RM                | Level 2<br>RM | Level 3<br>RM |             |
| <b>2025</b>                                                    |                              |               |               |             |
| <b>Buildings under property, plant and equipment (Note 10)</b> |                              |               |               |             |
| Production buildings                                           | -                            | -             | 21,735,230    | 21,735,230  |
| <b>Short-term placement (Note 17)</b>                          | 74,029,781                   | -             | -             | 74,029,781  |
| <b>Biological assets (Note 16)</b>                             | -                            | 9,875,602     | -             | 9,875,602   |
| <b>Liability for which fair value is disclosed</b>             |                              |               |               |             |
| Hire purchase liabilities                                      | -                            | 782,564       | -             | 782,564     |
| <b>Asset for which fair value is disclosed</b>                 |                              |               |               |             |
| Long-term other receivables                                    | -                            | 9,622         | -             | 9,622       |
| <b>2024</b>                                                    |                              |               |               |             |
| <b>Short-term placement (Note 17)</b>                          | 65,380,019                   | -             | -             | 65,380,019  |
| <b>Biological assets (Note 16)</b>                             | -                            | 8,268,800     | -             | 8,268,800   |
| <b>Liability for which fair value is disclosed</b>             |                              |               |               |             |
| Hire purchase liabilities                                      | -                            | 676,347       | -             | 676,347     |
| <b>Asset for which fair value is disclosed</b>                 |                              |               |               |             |
| Long-term other receivables                                    | -                            | 10,344        | -             | 10,344      |

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**

Registration No. 200401023680 (662186-D)

Fair value reconciliation of production buildings under property, plant and equipment measured at Level 3 are as follows:

| <b>The Group</b>                                                | <b>2025<br/>RM</b> |
|-----------------------------------------------------------------|--------------------|
| <b>Production buildings under property, plant and equipment</b> |                    |
| At beginning of year                                            | 11,597,391         |
| Reclassification                                                | 3,696,042          |
| Depreciation charge for the financial year                      | (1,529,938)        |
| Revaluation                                                     | 8,982,455          |
| Effect of movements in exchange rates                           | <u>(1,010,720)</u> |
| At end of year                                                  | <u>21,735,230</u>  |

Description of valuation techniques used and key unobservable inputs to valuation on production buildings under property, plant and equipment measured at Level 3 are as follows:

| <b>Property category</b> | <b>Valuation technique</b> | <b>Significant unobservable inputs</b> | <b>Range</b> |
|--------------------------|----------------------------|----------------------------------------|--------------|
| Production buildings     | Cost method                | Construction price per square feet     | RM9 – RM129  |

The estimated fair value would increase/decrease if the construction price per square feet were higher/lower.

**Cost method of valuation**

In the cost method of valuation, the market value of the subject property is the sum of the market value of the production building. The value of the building is assumed to have a direct relationship with its cost of construction, which is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value.

**Valuation processes applied by the Group**

The fair value of production buildings under property, plant and equipment is determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The Group revalues its buildings every five years or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from the carrying amounts.

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MKHOP FOR THE FYE 30 SEPTEMBER 2025 (Cont'd)**


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Registration No. 200401023680 (662186-D)

**Transfer between Level 1 and 2 fair values**

There is no transfer between Level 1 and 2 fair values during the financial year.

**32. CAPITAL MANAGEMENT**

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to sustain future development of the business so that they can continue to maximise returns for its shareholders and benefits for other stakeholders.

The Group and the Company manage their capital structure and make adjustments to them, in light of changes in economic conditions. To maintain or to adjust capital structure, the Group and the Company may adjust the dividend payment to shareholder, return capital to shareholder, issue new shares or take additional or repay its loans and borrowings. No changes were made in the objectives, policies and processes during the financial years ended 30 September 2025 and 30 September 2024.

The Group and the Company are not subject to any externally imposed capital requirements other than the subsidiary, PTMKH which is required to maintain a debt-to-equity ratio of 75:25 in respect of the revolving credit facility.

## INFORMATION ON THE VENDORS

### 1. CCSR

CCSR was incorporated in Malaysia under the Companies Act 1965 on 21 February 1976 as a private company limited by shares and is deemed registered under the Act. CCSR was incorporated under its present name.

CCSR's principal activity is investment holding, where its investments are of listed and unlisted shares, with the business activities of the companies mainly in investment holding.

As at the LPD, the issued share capital of CCSR is RM55,550,000 comprising 5,000,000 ordinary shares ("**CCSR Shares**") and 240,000 redeemable convertible non-cumulative preference shares ("**RCNCPS**"). The substantial shareholders and directors of CCSR and their respective shareholding in CCSR as at the LPD are as follows:

#### (i) CCSR Shares

| Name                  | Designation | Direct             |      | Indirect           |   |
|-----------------------|-------------|--------------------|------|--------------------|---|
|                       |             | No. of CCSR Shares | %    | No. of CCSR Shares | % |
| TSCKC                 | Director    | 1,645,000          | 32.9 | -                  | - |
| TSCLL                 | Director    | 1,235,000          | 24.7 | -                  | - |
| DCFW                  | Director    | 1,592,500          | 31.9 | -                  | - |
| Chen Ying @ Chin Ying | Director    | -                  | -    | -                  | - |
| Binary Source Sdn Bhd | -           | 527,500            | 10.6 | -                  | - |

#### (ii) RCNCPS

| Name                  | Country of incorporation | Direct        |       | Indirect     |   |
|-----------------------|--------------------------|---------------|-------|--------------|---|
|                       |                          | No. of RCNCPS | %     | No. of RCNPS | % |
| Binary Source Sdn Bhd | Malaysia                 | 240,000       | 100.0 | -            | - |

### 2. TSCKC

TSCKC, a Malaysian male aged 82, is a substantial shareholder of CCSR, MKH and MKHOP. He is the Group Executive Chairman of MKH and the Non-Independent Non-Executive Chairman of MKHOP.

Other than real estate and property development, he has successfully led the MKH Group to establish and develop oil palm plantation as one of MKH's present core businesses. He has been involved in business for about 65 years, of which 47 years were in the property development and construction industry and 33 years were in the plantation sector.

### 3. TSCLL

TSCLL, a Malaysian male aged 73, is a substantial shareholder of CCSR, MKH and MKHOP. He is the Group Managing Director of MKH and the Non-Independent Non-Executive Director of MKHOP. He graduated with a Bachelor of Business (Marketing) from Monash University, Australia.

He has 44 years of experience in property development and construction related businesses and is the former Chairman of Perbadanan PR1MA Malaysia.



**INFORMATION ON THE VENDORS (Cont'd)**
**4. DCFW**

DCFW, a Malaysian aged 69, is a substantial shareholder of CCSR, MKH and MKHOP. He is the Deputy Managing Director of MKH. He graduated with a Master of Business Administration from University of Wales, United Kingdom.

He has been with the MKH Group since 1979. He was admitted to the Board of Valuers and Real Estate Agent of Malaysia in 1986.

**5. Lotus Way**

Lotus Way was incorporated in Malaysia under the Companies Act 1965 on 7 May 1996 as a private company limited by shares and is deemed registered under the Act.

Lotus Way's principal activity is investment holding of properties as well as listed and unlisted shares, with the business activity of the companies in investment holding/property investment.

As at the LPD, the issued share capital of Lotus Way is RM100,000 comprising 100,000 ordinary shares. Lotus Way is wholly-owned by Tan Sri Dato' Chen Kooi Chiew (L) Foundation (formerly known as Tan Sri Dato' Alex Chen (L) Foundation). The directors of Lotus Way are TSCKC, Chen Wei Ling, Chen Wei Chyong, Chen Way Liang, Chen Wei Chee and Chen Way Kian.

**6. Liberty Alliance**

Liberty Alliance was incorporated in Malaysia under the Companies Act 1965 on 8 May 1995 as a private company limited by shares and is deemed registered under the Act.

Liberty Alliance's principal activity is investment holding in properties as well as listed and unlisted shares.

As at the LPD, the issued share capital of Liberty Alliance is RM1,600,002 comprising 1,600,002 ordinary shares ("**Liberty Alliance Shares**"). The substantial shareholders and directors of Liberty Alliance and their respective shareholding in Liberty Alliance as at the LPD are as follows:

| Name                       | Designation | Direct                         |      | Indirect                       |   |
|----------------------------|-------------|--------------------------------|------|--------------------------------|---|
|                            |             | No. of Liberty Alliance Shares | %    | No. of Liberty Alliance Shares | % |
| TSCLL                      | Director    | 1,599,998                      | 99.9 | -                              | - |
| Puan Sri Datin Tan Sou Yee | Director    | 1                              | *    | -                              | - |
| Chen Yunn Shin             | Director    | 1                              | *    | -                              | - |
| Chen Wei Jia               | Director    | 1                              | *    | -                              | - |
| Chen Yunn Li               | Director    | 1                              | *    | -                              | - |

**Note:**

\* Less than 0.1%

**INFORMATION ON THE VENDORS (Cont'd)**


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**7. Activest**

Activest was incorporated in Malaysia under the Companies Act 1965 on 16 January 2013 as a private company limited by shares and is deemed registered under the Act.

Activest's principal activity is investment holding in properties as well as listed and unlisted shares.

As at the LPD, the issued share capital of Activest is RM200,000 comprising 200,000 ordinary shares ("**Activest Shares**"). The substantial shareholders and directors of Activest and their respective shareholding in Activest as at the LPD are as follows:

| Name             | Designation | Direct                 |      | Indirect               |   |
|------------------|-------------|------------------------|------|------------------------|---|
|                  |             | No. of Activest Shares | %    | No. of Activest Shares | % |
| DCFW             | Director    | 199,999                | 99.9 | -                      | - |
| Chen Wei Sern    | Director    | 1                      | *    | -                      | - |
| Chen Foong Szeen | Director    | -                      | -    | -                      | - |

**Note:**

\* Less than 0.1%

## FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular 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 in this Circular false or misleading.

All information relating to the Vendors as contained in this Circular has been obtained from the Vendors. All information relating to MKH and MKHOP as contained in this Circular has been obtained from publicly available information and the Vendors. Therefore, the responsibility of our Board with respect to such information is limited to ensuring that such information is accurately reproduced in this Circular.

### 2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

Maybank IB, being the Principal Adviser to our Company for the Proposals, has given and has not withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction service businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future may have interest or take actions that may conflict with the interest of our Group and/or our affiliates. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and a Chinese wall between different business divisions.

As at the LPD, the Maybank Group has extended credit facilities to our Group amounting to RM2.7 billion in the ordinary course of business, of which RM1.3 billion is outstanding. In addition, the Maybank Group had on 8 July 2026, extended credit facilities to our Company of up to RM1.2 billion to part finance the Acquisitions and to settle in full the consideration for the Proposed MO and the Possible MO.

Notwithstanding, Maybank IB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposals as:

- (i) the extension of credit facilities arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by the Financial Services Act 2013, the Islamic Financial Services Act 2013 and the Maybank Group's internal controls and checks; and

**FURTHER INFORMATION (Cont'd)**

- (iii) the total outstanding amount owed by our Group to the Maybank Group is not material when compared with the audited and unaudited consolidated NA attributable to equity holders of Malayan Banking Berhad as at 31 December 2025 and 31 March 2026 of RM93.4 billion and RM90.3 billion, respectively.

Save as disclosed above, Maybank IB confirms that it is not aware of any other circumstances which would or is likely to give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Proposals.

**3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****3.1 Material commitments**

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitments incurred or known to be incurred by our Group which may have a material impact on the profits or NA of our Group:

|                                                | <b>RM'000</b>  |
|------------------------------------------------|----------------|
| <b>Capital expenditure</b>                     |                |
| Approved and contracted                        | 329,746        |
| Approved but not contracted                    | 630,882        |
|                                                | <u>960,628</u> |
| <b>Joint venture</b>                           |                |
| Share of capital commitment of a joint venture | <u>24,153</u>  |

**3.2 Contingent liabilities**

As at the LPD, our Board is not aware of any contingent liability, which upon becoming enforceable, may have a material impact on the profits or NA of our Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at our registered office at Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan, Malaysia from Monday to Friday (except public holidays) during normal business hours from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the constitution of BKB;
- (ii) the constitution of MKH;
- (iii) the constitution of MKHOP;
- (iv) the audited consolidated financial statements of our Company for the FYE 30 September 2024 and the FYE 30 September 2025 as well as the latest unaudited consolidated financial statements of our Company for the 6-month FPE 31 March 2026;

**FURTHER INFORMATION** *(Cont'd)*

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- (v) the audited consolidated financial statements of MKH for the FYE 30 September 2024 and the FYE 30 September 2025 as well as the latest unaudited consolidated financial statements of MKH for the 6-month FPE 31 March 2026;
- (vi) the audited consolidated financial statements of MKHOP for the FYE 30 September 2024 and the FYE 30 September 2025 as well as the latest unaudited consolidated financial statements of MKHOP for the 6-month FPE 31 March 2026;
- (vii) the SSAs for the Acquisitions, the MKH Conditional SSA and the Letters of Agreement;
- (viii) the material contract referred to in **Section 7 of Appendix IV** of this Circular;
- (ix) the cause papers in respect of the material litigation referred to in **Section 8 of Appendix II** of this Circular; and
- (x) the letter of consent referred to in **Section 2** of this Appendix.

# BATU KAWAN BERHAD

Registration No. 196501000504 (6292-U)  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Batu Kawan Berhad (“**BKB**” or “**Company**”) will be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Wednesday, 5 August 2026 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:

### ORDINARY RESOLUTION

- (I) **PROPOSED ACQUISITION BY WHITMORE HOLDINGS SDN BHD (“WHITMORE”), A WHOLLY-OWNED SUBSIDIARY OF BKB, OF AN AGGREGATE OF 104,433,373 ORDINARY SHARES IN MKH BERHAD (“MKH”) (“MKH SHARES”) (“MKH SALE SHARES”), REPRESENTING 18.1% EQUITY INTEREST IN MKH (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM208.9 MILLION OR RM2.00 PER MKH SALE SHARE (“PROPOSED MKH ACQUISITION”);**
- (II) **PROPOSED CONDITIONAL MANDATORY TAKE-OVER OFFER (“MO”) FOR THE REMAINING VOTING SHARES IN MKH NOT ALREADY OWNED BY WHITMORE AND BKB (“MKH OFFER SHARES”) AFTER THE PROPOSED MKH ACQUISITION FOR A CASH CONSIDERATION OF RM2.00 PER MKH OFFER SHARE (“PROPOSED MO”); AND**
- (III) **POSSIBLE MO FOR THE REMAINING VOTING SHARES IN MKH OIL PALM (EAST KALIMANTAN) BERHAD (“MKHOP”) NOT ALREADY OWNED BY WHITMORE, BKB, PERSONS ACTING IN CONCERT WITH THEM (“PACS”), METRO KAJANG (OVERSEA) SDN BHD, MKH PLANTATION SDN BHD AND MAHA USAHA SDN BHD (COLLECTIVELY, THE “MKH SUBSIDIARIES”) (“MKHOP OFFER SHARES”) AFTER THE PROPOSED MO FOR A CASH CONSIDERATION OF RM0.6626 PER MKHOP OFFER SHARE (“POSSIBLE MO”)**

### (TO BE COLLECTIVELY REFERRED TO AS “PROPOSALS”)

**“THAT** subject to all approvals and consents being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to BKB for Whitmore to:

- (i) undertake the Proposed MKH Acquisition for a total cash consideration of RM208.9 million in accordance with the terms and conditions of the conditional share sale agreement dated 20 May 2026 (“**SSA**”) entered into between Whitmore and Chen Choy & Sons Realty Sdn Bhd, Tan Sri Dato’ Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi, Datuk Chen Fook Wah, Lotus Way Sdn Bhd, Liberty Alliance (M) Sdn Bhd and Activest Sdn Bhd (collectively, “**Vendors**”), the salient terms of which are set out in **Appendix I** of the circular to shareholders of BKB dated 20 July 2026 (“**Circular**”);
- (ii) undertake a take-over offer for the remaining voting shares in MKH not already owned by Whitmore and BKB after the Proposed MKH Acquisition pursuant to subsection 218(2) of the Capital Markets and Services Act 2007 (“**CMSA**”) and subparagraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“**Rules**”) for a cash consideration of RM2.00 per MKH Offer Share (“**MKH Offer Price**”). The MKH Offer Price shall be subject to adjustments in relation to dividend and/or other distribution of any nature whatsoever declared, made or paid by MKH on or after the date of the SSA in respect of the Proposed MKH Acquisition but prior to the closing of the Proposed MO which the holders of the MKH Offer Shares are entitled to retain subject to the Rules; and

- (iii) upon the Proposed MO becoming unconditional following the fulfilment of the Acceptance Condition of the Proposed MO (as defined in the Circular), undertake a take-over offer for the remaining voting shares in MKHOP not already owned by Whitmore, BKB, the PACs and the MKH Subsidiaries pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules for a cash consideration of RM0.6626 per MKHOP Offer Share;

**THAT** the Board of Directors of BKB ("**Board**") be and is hereby empowered and authorised to do or to procure to be done all acts, deeds and things, to take all such steps as are necessary or expedient to undertake, implement, finalise and give full effect to the Proposals, including any extension(s) of the closing date, and the implementation, facilitation and undertaking of any delisting exercise of MKH (and all acts, steps, acquisitions and proposals necessary to achieve the delisting) with full power to assent to and accept any terms, conditions, modifications, variations, arrangements and/or amendments as may be required or imposed or permitted by the relevant authorities/parties or otherwise thought fit by the Board to be in the best interests of the Company, and to execute, sign and deliver and cause to be delivered on behalf of the Company, all such documents and/or arrangements as it may deem necessary, expedient and/or appropriate to implement, give full effect to and to complete the Proposals, with full power to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit, necessary or expedient in the best interests of the Company in connection with the Proposals or as a consequence of any requirements imposed by the relevant authorities and/or as may be required to comply with any applicable laws or the Rules, in relation to the Proposals;

**AND THAT** any and all previous actions taken by the Board for the purpose of or in connection with the Proposals be and are hereby adopted, approved, ratified and confirmed."

By order of the Board

**JARROD QUAH SWEE JIN (MIA 54769) SSM PC 202508000297**

**CHIEW CINDY (MAICSA 7057923) SSM PC 202008002202**

(Company Secretaries)

Ipoh, Perak Darul Ridzuan, Malaysia.

20 July 2026

**NOTES:**

**(1) Members Entitled to Attend**

Only members whose names appear on the General Meeting Record of Depositors or Register of Members as at 29 July 2026 shall be entitled to attend and vote at this EGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to participate, speak and vote in his/her stead.

**(2) Appointment of Proxy**

- (a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend and vote at the same meeting on his/her behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies in the instrument appointing the proxies the proportion of shareholdings to be represented by each proxy.
- (b) The proxy form must be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, it must be signed under its common seal or where the corporation does not have a common seal, by any two (2) of its authorised officers or under the hand of its officer or attorney duly authorised. In the case of a corporation with a single director, it shall be signed by the single director and countersigned by the company secretary of the corporation.



- (c) Where a member of the Company is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, who holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (d) Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (e) The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by the Company not less than twenty-four (24) hours before the time appointed for the taking of the poll:
  - In hardcopy form  
The original proxy form shall be deposited at the Company Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("**Boardroom**"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - By electronic means  
The proxy form can be electronically lodged with Boardroom via Boardroom's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com).
- (f) The power of attorney or other authority, if any, under which it is signed or a notarially certified of that power or authority, shall be deposited with Boardroom not less than twenty-four (24) hours before the time appointed for the taking of the poll.

### (3) Voting by Poll

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the notice of EGM shall be put to vote by poll.

### Explanatory Note to the Ordinary Resolution

The Ordinary Resolution is to approve the proposed acquisition by Whitmore (a wholly-owned subsidiary of the Company) of 18.1% equity interest in MKH (excluding treasury shares) and the mandatory take-over offers that Whitmore will be required to undertake pursuant to the CMSA and the Rules following the Proposed MKH Acquisition, as explained below.

#### (i) Proposed MKH Acquisition

The acquisition by Whitmore of 18.1% equity interest in MKH (excluding treasury shares) from the Vendors pursuant to the conditional SSA entered into between Whitmore and the Vendors. As at 30 June 2026, being the latest practicable date prior to the printing of the Circular, the direct shareholding of Whitmore in MKH is 30.6% (excluding treasury shares). Upon completion of the Proposed MKH Acquisition, the direct shareholding of Whitmore in MKH will further increase to 48.7% (excluding treasury shares).

#### (ii) Proposed MO

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, an acquirer who has obtained control in, among others, a listed corporation shall make a take-over offer for the remaining voting shares in such listed corporation.

Upon the completion of the Proposed MKH Acquisition, Whitmore and BKB would be deemed to have obtained control of MKH and Whitmore would be obliged to extend the Proposed MO in respect of the remaining voting shares in MKH not already owned by Whitmore and BKB for a cash consideration of RM2.00 per MKH Offer Share.

(iii) Possible MO

Pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, a mandatory take-over offer may apply when there is acquisition of more than 50% of an upstream entity thereby acquiring or consolidating control in a downstream company, if the downstream company is a significant part of the upstream entity or obtaining its control is a significant purpose of the acquisition. Should the Proposed MO become unconditional as to acceptances, Whitmore would be obliged to undertake the Possible MO in respect of the remaining voting shares in MKHOP not already owned by Whitmore, BKB, the PACs and the MKH Subsidiaries for a cash consideration of RM0.6626 per MKHOP Offer Share as MKHOP is a significant downstream company of MKH, where the earnings of the MKHOP Group constitute more than 50% of the earnings to the MKH Group.

For information, MKH and the MKH Subsidiaries collectively hold 65.3% of the voting shares in MKHOP.

Please refer to the Circular dated 20 July 2026 which is accessible online on the Company's website at [www.bkawan.com.my/investor-relations/](http://www.bkawan.com.my/investor-relations/), for information pertaining to the Proposals under the Ordinary Resolution. You are advised to read and carefully consider the entire content of the Circular before voting on the Ordinary Resolution.

# PROXY FORM

# BATU KAWAN BERHAD

196501000504 (6292-U)

| No. of Shares Held | CDS Account No. | Tel No. |
|--------------------|-----------------|---------|
|                    |                 |         |

I/We \_\_\_\_\_  
(full name in capital letters as per NRIC/Passport/Certificate of Incorporation)

NRIC/Passport/Company No. \_\_\_\_\_

of \_\_\_\_\_  
(full address)

being a member of BATU KAWAN BERHAD hereby appoint

\_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(full name in capital letters as per NRIC/Passport)

\*and/or \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(full name in capital letters as per NRIC/Passport)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan, Malaysia on Wednesday, 5 August 2026 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

| Relating to:                                          | For | Against |
|-------------------------------------------------------|-----|---------|
| ORDINARY RESOLUTION                                   |     |         |
| PROPOSED MKH ACQUISITION, PROPOSED MO AND POSSIBLE MO |     |         |

\*Please delete if inapplicable.

Please indicate with a tick (✓) how you wish your vote to be cast

| For appointment of two (2) proxies, percentage of shareholding to be represented by the proxies: |                |
|--------------------------------------------------------------------------------------------------|----------------|
|                                                                                                  | Percentage (%) |
| Proxy 1                                                                                          |                |
| Proxy 2                                                                                          |                |

\_\_\_\_\_  
Signature of Shareholder

Date: \_\_\_\_\_

## Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend and vote at the same meeting on his/her behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies in the instrument appointing the proxies the proportion of shareholdings to be represented by each proxy.
- Where the proxy form is executed by a corporation, it must be signed under its common seal or where the corporation does not have a common seal, by any two (2) of its authorised officers or under the hand of its officer or attorney duly authorised. In the case of a corporation with a single director, it shall be signed by the single director and countersigned by the company secretary of the corporation.
- Where a member of the Company is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, who holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by the Company not less than twenty-four (24) hours before the time appointed for the taking of the poll:
  - In hardcopy form  
The original proxy form shall be deposited at the Company Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("Boardroom"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.



- By electronic means  
The proxy form can be electronically lodged with Boardroom via Boardroom's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at [bsr.proxy@boardroomlimited.com](mailto:bsr.proxy@boardroomlimited.com).
- (e) The power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority, shall be deposited with Boardroom not less than twenty-four (24) hours before the time appointed for the taking of the poll.
- (f) If neither "for" nor "against" is indicated above, the proxy will vote or abstain as he/she thinks fit.
- (g) Only members whose names appear on the General Meeting Record of Depositors or Register of Members as at 29 July 2026 shall be entitled to attend and vote at this EGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to participate, speak and vote in his/her stead.

**Personal Data Privacy**

*By submitting the duly executed proxy form, the member (i) consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Extraordinary General Meeting, including any adjournment thereof and (ii) warrants that where the member discloses the personal data of the member's proxy(ies), attorney(s) and/or representative(s) to the Company (and/or its agents/service providers), the member has obtained the prior consent of such persons for the collection, use and disclosure by the Company (and/or its agents/service providers) of the personal data of such persons for the purpose of the Extraordinary General Meeting, including any adjournment thereof, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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AFFIX  
STAMP

**BATU KAWAN BERHAD**  
**C/O BOARDROOM SHARE REGISTRARS SDN BHD**  
**11th Floor, Menara Symphony**  
**No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13**  
**46200 Petaling Jaya**  
**Selangor Darul Ehsan**  
**Malaysia**

2nd Fold Here

Fold This Flap For Sealing