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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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MKH OIL PALM (EAST KALIMANTAN) BERHAD

Registration No. 200401023680 (662186-D)
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES
("PROPOSED RENEWAL OF SHARE BUY-BACK")**

The ordinary resolution in respect of the above Proposed Renewal of Share Buy-Back will be tabled as Special Business at the Twentieth Annual General Meeting (“20th AGM”) of MKH Oil Palm (East Kalimantan) Berhad to be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Thursday, 6 March 2025 at 10.00 a.m. or at any adjournment thereof. The Notice of the 20th AGM together with the Proxy Form are set out in the Annual Report 2024 of the Company dispatched together with this Statement.

If you are unable to attend and vote at the 20th AGM, you may complete the Proxy Form and deposit it with Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 24 hours before the time appointed for the taking of the poll or at any adjournment thereof.

Members can also have the option to submit the proxy appointment electronically via Tricor’s TIH Online website at <https://tiih.online> before the proxy form submission cut-off time as mentioned in the above. The lodgement of the Proxy Form does not preclude you from attending, participating, speaking and voting at the 20th AGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form : Wednesday, 5 March 2025 at 10.00 a.m.

Date and time of 20th AGM : Thursday, 6 March 2025 at 10.00 a.m., or at any adjournment thereof

DEFINITIONS

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

“Act”	The Malaysian Companies Act, 2016, as amended from time to time and includes any re-enactment thereof
“Activest”	Activest Sdn. Bhd. (201301001919 (1031756-A))
“AGM”	Annual General Meeting
“Board” or “Directors”	The Board of Directors of MKHOP
“Bursa Securities”	Bursa Malaysia Securities Berhad (200301033577(635998-W))
“Chen Choy & Sons Realty”	Chen Choy & Sons Realty Sdn. Bhd. (197601000523 (26485-H))
“Code”	The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and includes any re-enactment thereof
“Constitution”	The Constitution of MKHOP, as amended from time to time
“EGM”	Extraordinary General Meeting
“EPS”	Earnings Per Share
“IPO”	Initial public offering of 250,707,700 MKHOP Shares (“IPO Shares”) in MKHOP in conjunction with the listing of and quotation for the entire enlarged issued MKHOP Shares in MKHOP on the Main Market of Bursa Securities on 30 April 2024 comprising a public issue of 220,000,000 new MKHOP Shares and an offer for sale of 30,707,700 existing MKHOP Shares
“Ivakijaya”	Ivakijaya Sdn. Bhd. (200501015554 (692601-P))
“Joint Underwriters”	Collectively, M & A Securities Sdn. Bhd. (197301001503 (15017-H)) and Kenanga Investment Bank Berhad (197301002193 (15678-H))
“LPD”	31 December 2024, being the latest practicable date prior to the printing of this Statement
“Listing Requirements”	The Main Market Listing Requirements of Bursa Securities, and all amendments thereto
“Lotus Way”	Lotus Way Sdn. Bhd. (199601013973 (386323-M))
“Major Shareholder”	<p>A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amounts of those shares, is</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p> <p>A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of MKHOP or any other company which is its subsidiary or holding company</p>

DEFINITIONS (Cont'd)

Except where the context otherwise requires, the following definitions shall apply throughout this Statement (Cont'd):

“Market Day(s)”	A day on which the stock market of Bursa Securities is open for trading of securities
“Maha Usaha”	Maha Usaha Sdn. Bhd. (198501011433 (143885-M)), an indirect wholly-owned subsidiary of MKH
“Metro Kajang (Oversea)”	Metro Kajang (Oversea) Sdn. Bhd. (199301016059 (270799-X)), a wholly-owned subsidiary of MKH
“MKH”	MKH Berhad (197901006663 (50948-T))
“MKH Plantation”	MKH Plantation Sdn. Bhd. (200601018004 (737756-U)), a wholly-owned subsidiary of MKH
“MKHOP” or “the Company”	MKH Oil Palm (East Kalimantan) Berhad (200401023680 (662186-D))
“MKHOP Group” or “Group”	MKHOP and its subsidiary companies
“MKHOP Share(s)” or “Share(s)”	Ordinary shares in MKHOP
“NA”	Net Asset
“Proposed Renewal of Share Buy-Back”	Proposed renewal of authority for MKHOP to undertake the Proposed Share Buy-Back
“Proposed Share Buy-Back”	Proposed general mandate from the shareholders of MKHOP for the Company to purchase its own shares up to a maximum of five per centum (5%) of the Company’s number of issued shares
“PT Hikmat”	PT Hikmat Aliran Sukses (Business Identification No. 1292000231906)
“PT MKH”	PT Maju Kalimantan Hadapan (Business Identification No. 8120014280519)
“PT SPS”	PT Sawit Prima Sakti (Business Identification No. 8120019071063)
“Purchased Shares”	MKHOP Shares purchased pursuant to the Proposed Share Buy-Back
“RM” or “Sen”	Ringgit Malaysia and sen respectively
“Statement”	This Statement dated 24 January 2025
“Treasury Shares”	Purchased Shares which are or will be retained as treasury shares by the Company and shall have the meaning given under Section 127 of the Act

All references to “our Company” and “MKHOP” in this Statement is made to MKH Oil Palm (East Kalimantan) Berhad and references to “our Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to the Company, or where the context requires, our Group or our subsidiaries. All reference to “you” in this Statement is made to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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MKH OIL PALM (EAST KALIMANTAN) BERHAD

Registration No. 200401023680 (662186-D)
(Incorporated in Malaysia)

Registered Office:

G-02 & G-03, Ground Floor
Wisma MKH
Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan
www.mkhoilpalm.com

Date: 24 January 2025

Directors:

Y.Bhg. Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
(*Non-Independent Non-Executive Chairman*)
Y.Bhg. Tan Sri Datuk Chen Lok Loi (*Non-Independent Non-Executive Director*)
Y.Bhg. Dato' Lee Khee Meng (*Executive Director*)
Ms. Chen Wei Chyong (*Executive Director*)
Mr. Yeo Kiat Seng (*Non-Independent Non-Executive Director*)
En. Yahya Bin Ariffin (*Senior Independent Non-Executive Director*)
Ms. Leong Sow Yoke (*Independent Non-Executive Director*)
Mr. Ong Kim Pin (*Independent Non-Executive Director*)
Mr. Tan Hoe Hing (*Independent Non-Executive Director*)
Dr. Hasuria Binti Che Omar (*Independent Non-Executive Director*)

To: The Shareholders of MKH Oil Palm (East Kalimantan) Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK

1.0 INTRODUCTION

At the EGM of the Company held on 10 September 2024, the Board had obtained the approval from its shareholders to undertake the Proposed Share Buy-Back. This authority shall lapse at the conclusion of the forthcoming 20th AGM unless a new mandate is obtained from the shareholder of MKHOP.

On 23 December 2024, the Company announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back at the forthcoming 20th AGM of the Company. The Proposed Renewal of Share Buy-Back is subject to compliance with Sections 112, 113 and 127 of the Act, Chapter 12 of the Listing Requirements and any other laws, rules, regulations, orders, guidelines and requirements ("Prevailing Laws") issued by any relevant authorities at the time of purchase.

The purpose of this Statement is to provide the shareholders of the Company with details of the Proposed Renewal of Share Buy-Back and to seek the approval of the shareholders for the ordinary resolution on the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 20th AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Board proposes to seek shareholders' approval for the Company to purchase not more than five per centum (5%) of its total number of issued shares of the Company at any point in time. The Proposed Renewal of Share Buy-Back is subject to the Prevailing Laws issued or to be issued by the relevant authorities.

The approval from shareholders, if granted, shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back at the forthcoming 20th AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM unless the authority is renewed subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) it is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back does not impose an obligation on the Company to purchase its own Shares but rather it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the above time period.

The purchase of such MKHOP Shares will be carried out through Bursa Securities via stockbrokers appointed by the Company.

2.1 QUANTUM AND FUNDING

As at LPD, the total number of issued Shares of the Company was 1,023,590,845 (including 7,123,700 Treasury Shares). Hence, up to 51,179,542 MKHOP Shares may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back.

The maximum amount of funds to be used for the Company to purchase its own Shares shall not exceed the total amount of its retained profits at the Company level. The Company will ensure that there are sufficient retained earnings at any time of purchase its own shares and will not result insolvent or its capital being impaired. The Company's audited retained profits as at 30 September 2024 was RM11,078,564.

The funding of the Proposed Renewal of Share Buy-Back will be sourced from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase. In the event that the Proposed Renewal of Share Buy-Back is to be partly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowings and that the repayment would not have any material effect on the cash flow of the Group. The Company shall satisfy the solvency test before execution of the Proposed Renewal of Share Buy-Back pursuant to Section 112(2) of the Act.

The actual number of MKHOP Shares to be purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on, *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources and the availability of the retained earnings reserve of the Company. Nevertheless, the Company is required to comply with the Bursa Securities' requirement to maintain at least 25% public shareholding spread.

2.2 Treatment Of Shares Purchased

In accordance with Section 127 of the Act, the Company would be able to deal with any MKHOP Shares so purchased by the Company in the following manner:

- i) to cancel the Purchased Shares;
- ii) to retain the Purchased Shares as Treasury Shares held by the Company;
- iii) to distribute the Treasury Shares as dividend to shareholders;
- iv) to resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;
- v) to transfer the Treasury Shares as purchase consideration; and/or
- vi) to deal in such manner as may be permitted pursuant to Section 127 of the Act, the provision of Listing Requirements and any other relevant authorities.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

If such Purchased Shares were held as Treasury Shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution, whether cash or otherwise, of the Company's assets (including any distribution of assets upon winding-up of the Company) would be suspended. The Treasury Shares would not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at shareholders meetings.

An immediate announcement will be made to Bursa Securities in respect of the Board decision on the treatment of MKHOP Shares purchased.

2.3 Purchase/Resale Price

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares on the Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price of MKHOP Shares for the five (5) Market Days immediately before the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as Treasury Shares through Bursa Securities at a price which is:

- (a) not less than the weighted average market price of MKHOP Shares for the five (5) Market Days immediately before the resale; or
- (b) at a discount of not more than five per centum (5%) to the weighted average market price of MKHOP Shares for the five (5) Market Days immediately before the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

2.4 Public Shareholding Spread Of MKHOP

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including in compliance with the 25% public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the public shareholding spread of the Company based on 1,016,467,145 (excluding 7,123,700 Treasury Shares) MKHOP Shares was 28.35%. The public shareholding spread of the Company is expected to reduce to 25.10% assuming the Company implements the Proposed Renewal of Share Buy-Back in full i.e. up to 5% of the existing number of issued Shares of the Company with the Shares purchased from public shareholders.

In this regard, the Board undertakes that the Proposed Renewal of Share Buy-Back will be implemented in a manner that will not result in a breach of Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed company being in breach of the 25% public shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

2.5 Implication Of The Proposed Renewal Of Share Buy-Back In Relation To The Code

As it is not intended for the Proposed Renewal of Share Buy-Back to trigger the obligation to undertake a mandatory offer under Rule 4.01 of the Code, by any of the Company's substantial shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares that are purchased, retained as Treasury Shares, if any, cancelled or distributed such that the Proposed Renewal of Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/or parties acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back.

2.6 Purchase Of Shares And Resale, Transfer Or Cancellation Of Treasury Shares

The details of the purchases made by the Company from 10 September 2024 up to LPD are as follows:

Date of Purchase	No. of Shares Purchased	Purchase Price (RM)			Total Consideration* (RM)
		Lowest	Highest	Average	
25/09/2024	600,000	0.580	0.585	0.583	350,340.18
26/09/2024	500,000	0.585	0.590	0.588	294,259.90
27/09/2024	600,000	0.595	0.600	0.598	359,560.47
30/09/2024	200,000	0.605	0.605	0.605	121,520.30
01/10/2024	725,700	0.600	0.605	0.603	439,187.94
02/10/2024	150,000	0.605	0.605	0.605	91,412.73
03/10/2024	210,000	0.605	0.605	0.605	127,597.27
04/10/2024	100,000	0.605	0.605	0.605	60,942.15
08/10/2024	200,000	0.620	0.620	0.620	124,533.20
09/10/2024	500,000	0.615	0.620	0.618	311,082.18
10/10/2024	210,000	0.615	0.620	0.618	133,766.04
11/10/2024	220,000	0.620	0.620	0.620	136,987.12
14/10/2024	120,000	0.620	0.620	0.620	74,943.72
15/10/2024	230,000	0.620	0.620	0.620	143,213.58
16/10/2024	225,000	0.620	0.620	0.620	140,100.35
17/10/2024	460,000	0.620	0.620	0.620	286,427.16
18/10/2024	264,000	0.615	0.615	0.615	163,058.79
21/10/2024	275,000	0.610	0.610	0.610	168,471.58
22/10/2024	379,000	0.600	0.600	0.600	228,378.42
23/10/2024	105,000	0.610	0.615	0.613	61,496.62
25/10/2024	30,000	0.615	0.615	0.615	18,585.24
28/10/2024	350,000	0.605	0.605	0.605	212,660.78
29/10/2024	230,000	0.600	0.600	0.600	138,593.40
30/10/2024	240,000	0.610	0.610	0.610	147,030.12
Total:	7,123,700				4,334,149.24

Note: *Inclusive transaction cost

As at the LPD, a total of 7,123,700 MKHOP Shares were being held as Treasury Shares. The Company has not resold, transferred, cancelled and/or distributed any Treasury Shares as dividends.

3.0 RATIONALE AND POTENTIAL ADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back will enable the Company to utilise its surplus financial resources not immediately required for use, to purchase its own Shares. The Proposed Renewal of Share Buy-Back may enhance the EPS and reduce the liquidity level of the Shares of the Company in Bursa Securities, which generally shall have a positive impact on the market price of the Shares of the Company. Other potential advantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:

- (a) to allow the Company the flexibility in attaining its desired capital structure, in terms of debt and equity composition and size of equity;
- (b) to stabilise the supply and demand of the Company's shares traded on Bursa Securities and reduce the volatility of the Company's share price. Hence, maintain investors' confidence;
- (c) to enable the Company to utilise its surplus financial resources more efficiently;
- (d) when the Shares bought back by the Company are cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net EPS of the Company and the Group will increase proportionately; and
- (e) the Purchased Shares may be held as Treasury Shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).

4.0 POTENTIAL DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The potential disadvantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:

- (a) the Proposed Renewal of Share Buy-Back will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge from time to time; and
- (b) the Proposed Renewal of Share Buy-Back will reduce the amount of financial resources available for distribution to shareholders of the Company in the form of cash dividends.

The Proposed Renewal of Share Buy-Back, if implemented, will reduce the financial resources of the Group, but since the amount is not substantial, the Board is of the view that the Proposed Renewal of Share Buy-Back will not affect the furtherance of the Group's business or payment of dividends by the Company. Nevertheless, the Board will be mindful of the interest of MKHOP and its shareholders in undertaking the Proposed Renewal of Share Buy-Back and in the subsequent cancellation of the Shares purchased.

5.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

5.1 Issued And Paid-Up Share Capital

The effects of the Proposed Renewal of Share Buy-Back on the number of Shares of the Company will depend on the intention of the Board with regards to the treatment of the Purchased Shares. If the Purchased Shares are cancelled, it will result in a reduction on the total number of Shares of the Company.

Conversely, if the Purchased Shares are retained as Treasury Shares, the Proposed Renewal of Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company. Nevertheless, the rights as to voting, dividends and participation in other distributions and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

For illustration purposes only, the scenario below shows the movement of the number of Shares of our Company as the LPD upon the implementation of the Proposed Renewal of Share Buy-Back, assuming that five per centum (5%) of our Company's existing number of Shares are purchased and cancelled:

	As at LPD	
	No. of Shares	%
Existing number of Shares	1,023,590,845*	100.0
Less: Maximum number of issued shares which may be purchased in respect of the Proposed Renewal of Share Buy-Back	(51,179,542)	(5.0)
Total number of issued shares after the Proposed Share Buy-Back and cancellation	972,411,303	95.0

Note:

* The existing number of shares is inclusive of the Treasury Shares held by the Company. As at LPD, the number of MKHOP Shares held as Treasury Shares are 7,123,700, none of which are cancelled.

5.2 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back on the consolidated earnings of our Group would depend on the purchase price(s) of the MKHOP Shares, the effective cost of funding, the number of MKHOP Shares purchased or any loss in interest income. The revised number of Shares subsequent to the Proposed Renewal of Share Buy-Back will generally have a positive impact, all other things being equal, on the consolidated EPS of the Group.

Assuming that any MKHOP Shares so purchased are retained as Treasury Shares and resold, the effects on the consolidated earnings of the Company will depend on the actual selling prices, the number of Treasury Shares resold and the effective gain or interest savings arising.

If the MKHOP Shares so purchased are cancelled, the consolidated EPS of the Group will increase provided the income foregone and interest expense incurred on these Purchased Shares is less than the consolidated EPS prior to such purchase.

5.3 Net Assets

The consolidated net assets per MKHOP Share may increase or decrease depending on the number of the MKHOP Shares purchased, the purchase price(s) of the MKHOP Shares to be bought back, the effective cost of funding and the treatment of the MKHOP Shares purchased.

The Proposed Renewal of Share Buy-Back will reduce the net assets per share when the purchase price exceeds the net assets per share at the time of purchase. On the contrary, the net assets per share will increase when the purchase price is less than the net assets per share at the time of purchase.

5.4 Working Capital

The Proposed Renewal of Share Buy-Back, as and when implemented will reduce the working capital and cash flow of the Group, the quantum being dependent on the number of Purchased Shares, the purchase price of MKHOP Shares and the amount of financial resources to be utilised for the purchase of MKHOP Shares. However, it is not expected to have a material effect on the working capital and cash flow of the Group.

For Purchased Shares which are retained as Treasury Shares, upon its resale, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

5.5 Dividend Policy

The Proposed Renewal of Share Buy-Back is not expected to have any material effect on the dividend policy of the Company with a proposed dividend payout of at least 50% of the Company's annual audited consolidated profit after tax attributable to the owners of the Company taking into account the Group's working capital requirement, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to the Company's cash requirements or any plans approved by the Board.

The dividend to be declared by the Company in the future, if any, will depend on, amongst others, the profitability and cash flow position of the Group and the Company. Nonetheless, the Treasury Shares purchased may be distributed as dividends to shareholders if the Company so decides.

5.6 Directors' And Major Shareholders' Interests

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a result of the Purchased Shares, none of our Directors and/or Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back.

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5.7 Shareholdings Of Directors And/OR Substantial Shareholders

The effects of the Proposed Renewal of Share Buy-Back on the shareholdings of Directors and Substantial Shareholders based on the Register of Directors' shareholdings and the Substantial Shareholders as at LPD are as follows:

	As at the LPD			After the Proposed Share Buy-Back		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%	
Directors						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngj Chong	89,582	0.009	698,828,857 ⁽¹⁾⁽²⁾	89,582	0.009	698,828,857 ⁽¹⁾⁽²⁾
Tan Sri Datuk Chen Lok Loi	1,514,692	0.149	697,699,048 ⁽¹⁾⁽³⁾	1,514,692	0.156	697,699,048 ⁽¹⁾⁽³⁾
Dato' Lee Khoo Meng	-	-	-	-	-	-
Chen Wei Chyong	4,302	0.000 ⁽⁴⁾	-	4,302	0.000 ⁽⁴⁾	-
Leong Sow Yoke	-	-	-	-	-	-
Yeo Kiat Seng	74,288	0.007	-	74,288	0.008	-
Ong Kim Pin	137,532	0.014	-	137,532	0.014	-
Tan Hoe Hing	147,000	0.014	-	147,000	0.015	-
Yahya Bin Ariffin	-	-	-	-	-	-
Dr. Hasuria Binti Che Omar	-	-	-	-	-	-
Substantial Shareholders						
Chen Choy & Sons Realty	30,477,919	2.998	665,950,339 ⁽⁴⁾⁽⁵⁾	30,477,919	3.134	665,950,339 ⁽⁴⁾⁽⁵⁾
MKH	293,520,019	28.877	369,147,463 ⁽⁶⁾	293,520,019	30.185	369,147,463 ⁽⁶⁾
Metro Kajang (Oversea)	316,479,801	31.135	-	316,479,801	32.546	-
MKH Plantation	51,967,662	5.113	-	51,967,662	5.344	-
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngj Chong	89,582	0.009	698,828,857 ⁽¹⁾⁽²⁾	89,582	0.009	698,828,857 ⁽¹⁾⁽²⁾
Tan Sri Datuk Chen Lok Loi	1,514,692	0.149	697,699,048 ⁽¹⁾⁽³⁾	1,514,692	0.156	697,699,048 ⁽¹⁾⁽³⁾
Datuk Chen Fook Wah	23,336	0.002	696,521,957 ⁽¹⁾⁽⁷⁾	23,336	0.002	696,521,957 ⁽¹⁾⁽⁷⁾

Notes:

⁽¹⁾ Less than 0.001%.

⁽²⁾ Deemed interested by virtue of his shareholdings in Chen Choy & Sons Realty, the controlling shareholder of MKH and is also deemed to be interested in the shares of all the subsidiaries of MKH and/or Chen Choy & Sons Realty have an interest.

⁽³⁾ Deemed interested by virtue of his shareholdings in Lotus Way and a nominee company.

⁽⁴⁾ Deemed interested by virtue of his shareholdings held through a nominee company.

⁽⁵⁾ Deemed interested by virtue of its shareholdings held through a nominee company.

⁽⁶⁾ Deemed interested by virtue of its shareholdings in MKH.

⁽⁷⁾ Deemed interested by virtue of its shareholdings in Metro Kajang (Oversea), MKH Plantation and Maha Usaha.

Deemed interested by virtue of his shareholdings in Activest and a nominee company.

6.0 HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of the Company's Shares traded on Bursa Securities since 30 April 2024 until December 2024:

	High	Low
2024	RM	RM
April	0.655	0.615
May	0.625	0.580
June	0.590	0.560
July	0.600	0.550
August	0.595	0.530
September	0.615	0.535
October	0.630	0.595
November	0.700	0.605
December	0.740	0.630

(Source: Bursa Securities)

The last transacted market price of MKHOP Share on Bursa Securities on the LPD, prior to the printing of this Statement was RM0.660.

7.0 CONDITIONS AND APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back is subject to the approval being obtained from the shareholders of MKHOP at the forthcoming 20th AGM and any other relevant authorities, if required. The Proposed Renewal of Share Buy-Back is not conditional upon any other proposal.

8.0 DIRECTORS' RECOMMENDATION

The Board of Directors having considered all aspects of the Proposed Renewal of Share Buy-Back is of the opinion that the said Proposed Renewal of Share Buy-Back is in the best interest of the Company and therefore recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 20th AGM.

9.0 ANNUAL GENERAL MEETING

The notice convening the 20th AGM to vote on the resolution pertaining to the Proposed Renewal of Share Buy-Back is set out in the Company's Annual Report 2024 accompanying this Statement. The 20th AGM of the Company will be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Thursday, 6 March 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution by way of poll to give effect to the Proposed Renewal of Share Buy-Back.

If you are unable to attend and vote during the forthcoming 20th AGM, you may appoint one or more proxies or chairman of the meeting as your proxy to attend and vote on your behalf by completing and lodging the Form of Proxy as set out in the Annual Report 2024 of the Company dispatched together with this Statement with the share registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 24 hours before the time appointed for the taking of the poll or at any adjournment thereof.

Members can also have the option to submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> before the proxy form submission cut-off time as mentioned in the above. The lodgement of the Proxy Form does not preclude you from attending, participating, speaking and voting at the 20th AGM, should you subsequently decide to do so.

10.0 FURTHER INFORMATION

Shareholders are advised to refer to the following for further information:

10.1 Directors' Responsibility Statement

This Statement has been seen and approved by the Board of Directors of MKHOP and they collectively and individually accept full responsibility for the accuracy and correctness of the information contained in the same 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 herein false and misleading.

10.2 Material Contracts

Save as disclosed below, MKHOP and its subsidiary have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the LPD:

- (i) Share sale agreement dated 20 December 2023 entered into between MKHOP and the vendors of PT MKH, namely Metro Kajang (Oversea) and PT Hikmat for the acquisition by MKHOP of 27,634 ordinary shares in PT MKH representing 5.7% equity interest from Metro Kajang (Oversea) and PT Hikmat for a total purchase consideration of RM53,515,709 which was satisfied via the issuance of 44,227,859 new MKHOP Shares at RM1.21 each pursuant to the pre-IPO reorganisation.
- (ii) Share sale agreement dated 20 December 2023 entered into between MKHOP and the vendors of PT SPS, namely MKH Plantation, Ivakijaya and PT Hikmat for the acquisition by MKHOP of 9,300 ordinary shares in PT SPS representing the entire equity interest from MKH Plantation, Ivakijaya and PT Hikmat for a total purchase consideration of RM27,863,922 which was satisfied via the issuance of 23,028,035 new MKHOP Shares at RM1.21 each pursuant to the pre-IPO reorganisation.
- (iii) Novation agreement dated 9 January 2024 entered into between MKHOP, PT MKH and Metro Kajang (Oversea) to novate an amount owing to Metro Kajang (Oversea) of RM54,966,141 by PT MKH to MKHOP pursuant to the pre-IPO reorganisation.
- (iv) Novation agreement dated 9 January 2024 entered into between MKHOP, PT SPS and MKH Plantation to novate an amount owing to MKH Plantation of RM55,487,000 by PT SPS to MKHOP pursuant to the pre-IPO reorganisation.
- (v) The Underwriting Agreement dated 21 February 2024 entered into between MKHOP and the Joint Underwriters for the underwriting of 51,209,800 IPO Shares.

10.3 Material Litigation

Neither MKHOP nor its subsidiary is engaged in any material litigation, claims or arbitration and the Board is not aware and do not have any knowledge of any proceedings pending or threatened against the Company or its subsidiary or any fact likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group.

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10.4 Documents For Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company at G-02 & G-03, Ground Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan during normal office hours on any business day falling from the date of this Statement up to and including the date of the 20th AGM:

- (a) Constitution of MKHOP;
- (b) Audited financial statements of MKHOP for the past two years ended 30 September 2023 and 30 September 2024; and
- (c) The material contracts referred in Section 10.2 above.

Yours faithfully
for and on behalf of the Board
MKH OIL PALM (EAST KALIMANTAN) BERHAD

TAN SRI DATO' CHEN KOOI CHIEW @
CHENG NGI CHONG
Non-Independent Non-Executive Chairman

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