

MKH BERHAD (197901006663 (50948-T)) (“MKH” OR “THE COMPANY” OR “THE GROUP”)

- PROPOSED ACQUISITION OF FREEHOLD LAND BY SERENTAK MAJU CORPORATION SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF MKH BERHAD

1.0 INTRODUCTION

The Board of Directors of MKH wishes to announce that Serentak Maju Corporation Sdn. Bhd. (Company Registration No. 198901005584 (182889-D)) (“**SMCSB**” or “**Purchaser**”), a wholly-owned subsidiary of the Company has on 28 April 2025 entered into a Sale and Purchase Agreement (“**SPA**”) with Inch Kenneth Kajang Rubber Public Limited Company (Company Registration No. 194602000041 (990261-M)) (“**IKKRPLC**” or “**Vendor**”) for the proposed acquisition of a parcel of freehold land, measuring approximately 6.0323 hectares (approximately 14.91 acres) (the “**Land**”) for a total cash consideration of Ringgit Malaysia Forty Two Million Two Hundred and Five Thousand (RM42,205,000-00) only (“**Purchase Price**” or “**Consideration**”) (hereinafter referred to as the “**Proposed Acquisition**”)

The Purchase Price was arrived at based on “willing buyer willing seller basis” taking into consideration our internal assessment for commercial development viability upon conversion of the Land to commercial.

2.0 INFORMATION ON SMCSB AND IKKRPLC

2.1 Information on SMCSB

SMCSB is a company incorporated in Malaysia and having its registered office at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The current issued and paid-up share capital of SMCSB is RM100,000-00 comprising 500,000 ordinary shares. Its principal activity is in property development.

2.2 Information on IKKRPLC

IKKRPLC is a company registered and incorporated as a public company limited by shares in Scotland, United Kingdom. IKKRPLC is listed on the Main Market of Bursa Malaysia Securities Berhad and having its registered office in Malaysia at 22nd Floor, Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The current issued and paid-up share capital of IKKRPLC is RM287,343,000-00 comprising 420,750,000 ordinary shares. IKKRPLC is involved in investment holding and carries on the business of an oil palm grower in Selangor, Malaysia.

3.0 INFORMATION ON THE LAND

The freehold Land held under Geran 342880, Lot 540, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor is strategically located in Bangi, Selangor and is facing and accessible via Jalan Bangi Lama main road. The Land is currently planted mainly with oil palm trees. The surrounding vicinity of the Land includes Serene Heights and Taman Setia Alam Sari housing development and Universiti Kebangsaan Malaysia.

SMCSB proposes to undertake commercial development project on the Land with an estimated gross development value of approximately RM170.0 million.

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4.0 SALIENT TERMS OF THE SPA

4.1 The Consideration for the Proposed Acquisition shall be payable as follows:-

	Consideration
Upon execution of SPA :- (i) RM19,836,350-00 being deposit of the Purchase Price has been paid to the Vendor; and (ii) RM1,266,150-00 being three per centum (3%) of the Purchase Price has been deposited with the Vendor's solicitors as stakeholders for Real Property Gains Tax Retention Sum.	RM21,102,500-00
<u>Balance Purchase Price:-</u> Within fourteen (14) days upon submission of application for conversion of the Land use to “Commercial” to the Land Office (“ the Completion Period ”) :- (i) RM17,602,500-00 is to be paid to the Vendor; and (ii) RM3,500,000-00 to be deposited with the Purchaser's solicitors as stakeholders for payment of land conversion premium (“ the Purchaser's Premium Deposit ”). Should the Purchaser's share towards the premium amount levied for the conversion approval (after being apportioned equally between the Vendor and the Purchaser) be more than the Purchaser's Premium Deposit, the excess should be borne by the Vendor and in the event it is lesser than the Purchaser's Premium Deposit, the balance of the Purchaser's Premium Deposit should be released to the Vendor.	RM21,102,500-00
TOTAL	RM42,205,000-00

The Completion Period shall be automatically extended for a further period of one (1) month with interest at the rate of eight per centum (8%) per annum, calculated on a daily basis on the unpaid Balance Purchase Price from the expiry of the Completion Period until full settlement thereof.

4.2 The Vendor shall apply and obtain the approval for rezoning of the Land to “Commercial” usage (“**the Rezoning Approval**”) and subsequently apply for conversion of the title from “Tiada” to “Commercial” (“**the Conversion Approval Submission**”) within twelve (12) months from date of the SPA (“**the Conditional Period**”) (hereinafter referred to as “**the Condition Precedent**”) and the Purchaser shall agree to grant to the Vendor a further period of thirty (30) days for the Rezoning Approval and the Conversion Approval Submission (“**the Extended Conditional Period**”).

The costs and expenses for application for the Rezoning Approval and Conversion Approval Submission shall be borne by the Vendor. Any premium amount levied for the conversion approval shall be borne equally by the Vendor and Purchaser.

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4.0 SALIENT TERMS OF THE SPA (CONT'D)

The Purchaser is entitled to terminate the SPA in the event the Condition Precedent cannot be fulfilled within the Conditional Period or Extended Conditional Period and/or application for the Rezoning Approval be refused or rejected. Thereafter, the Vendor shall refund to the Purchaser the Purchase Price or any part thereof, free from any interest within fourteen (14) days from date of Vendor's receipt of notice of termination of the SPA, failing which Vendor shall be liable to pay the Purchaser interest at the rate of eight per centum (8%) per annum on the said refund, calculated on a daily basis from the expiry of fourteen (14) days until actual date of payment and upon such refund having been made.

5.0 RATIONALE AND PROSPECTS

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. The proposed residential and commercial development on the Land augurs well for the Group's future growth and earnings prospects.

6.0 RISK FACTORS

As in any business venture, the development on the Land is subject to certain business and operating risks inherent in the property sector that include, among others, changes in demand for housing, retail and/or commercial units, changes in interest rate, variation in building materials and labour cost, delay in commencement and completion and other external factors. SMCSB will monitor these risks and take appropriate measures to mitigate the various business and operating risks identified.

The Board of Directors of MKH is not aware of any risk factor arising from the Proposed Acquisition other than the normal business, market and economic risks.

7.0 SOURCE OF FUNDS

The Proposed Acquisition will be funded by SMCSB through mixture of internally generated funds and bank borrowings.

8.0 LIABILITIES TO BE ASSUMED

There is no other liabilities to be assumed by the Company arising from the SPA.

9.0 EFFECTS OF THE PROPOSED ACQUISITION

9.1 On Share Capital and Substantial Shareholders' Shareholding

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of the Company for the financial year ending 30 September 2025 (“**FYE 2025**”) as the Proposed Acquisition does not involve any allotment or issuance of new shares of the Company.

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9.0 EFFECTS OF THE PROPOSED ACQUISITION (CONT'D)

9.2 Net Assets and Gearing

The Proposed Acquisition will not have any material impact on the consolidated net assets and gearing of MKH for the FYE 2025.

9.3 Earnings and Earnings per Share (“EPS”)

The Proposed Acquisition will not have any material impact on the EPS of MKH Group for the FYE 2025.

10.0 DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or Major Shareholders of the Company and persons connected with them, have any interest, direct or indirect, in the Proposed Acquisition.

11.0 DIRECTORS' RECOMMENDATION

The Board of Directors, having considered all aspects of the Proposed Acquisition, are of the opinion that the Proposed Acquisition are fair and reasonable and are in the best interests of the Group.

12.0 PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Main Market Listing Requirements is 2.31%.

13.0 APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approvals of the shareholders of the Company or any other relevant authorities.

14.0 DOCUMENTS FOR INSPECTION

The SPA is available for inspection at the registered office of the Company at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan between 8.30 a.m. till 5.45 p.m. from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 28 April 2025.