Reference Number :IQL-19092025-00001
19 September 2025

HCK CAPITAL GROUP BERHAD
Unit 7-01, Level 7, Lagenda Tower
No. 3 Jalan SS20/27
47400
Petaling Jaya
Selangor
Malaysia

Dear Sir/Madam,

Subject:PROPOSED JOINT VENTURE BETWEEN TRILINK ESSENTIAL SDN BHD AND BONGSOR DEVELOPMENT SDN BHD TO UNDERTAKE A DEVELOPMENT ON A PARCEL OF FREEHOLD LAND HELD UNDER GRN 290950, LOT 1095, PEKAN CHERAS, DAERAH ULU LANGAT, SELANGOR DARUL EHSAN ("PROPOSED JOINT VENTURE")

We refer to your Company's announcement dated 17 September 2025, in respect of the aforesaid matter.

In this connection, kindly furnish Bursa Securities with the following additional information for public release:-

1) To provide the background information on how did BD become the Landowner. If BD had previously acquired the Land from the Existing Landowners, please provide the relevant details which shall include the date of the sale and purchase agreement, the amount of purchase consideration and the completion date of the acquisition.

BD entered into a Sale and Purchase Agreement ("**SPA**") with the Existing Landowner on 4 July 2025. As at the date of this announcement, the parties are awaiting the notice of assessment from Lembaga Hasil Dalam Negeri ("**LHDN**") to facilitate the registration of the land transfer.

As TESB is not a party to the SPA, the detailed terms of the SPA remain privileged between BD and the Existing Landowner.

2) To clarify whether the plan and design for the Development has been submitted to the relevant authority(ies). If yes, please state the date of the application(s) and the expected approval timeline. Apart from this, to also tabulate the key milestones together with the indicative timeline for the proposed property development on the Land.

As at the date of this announcement, the Development is still under planning with estimated applications to the authorities from Q1 2026 to Q4 2027 and construction shall commence thereafter.

3) To indicate the estimated gross development cost ("GDC") and to provide the basis and relevant justifications on how to derive at such GDC as well as the GDV of RM600 million. In this respect, the details to be provided shall include the type and number of residential units to be developed.

TESB has conducted internal feasibility studies, taking into account prevailing market conditions, indicative selling prices of comparable developments in the surrounding vicinity, and the planned product mix of residential and/or commercial units in order to achieve the GDV of RM600 million.

As the project planning is still at an early stage, the GDC can only be finalised closer to the launch of the Development, once more detailed construction specifications, infrastructure requirements, and compliance costs are refined.

4) To also provide the agreed cost and profit sharing details between TESB and BD. In this respect, please also provide the following information:

TESB will bear all development costs, including construction, marketing, and compliance expenses. BD will contribute the Land and bear 40% of the land conversion premium.

With GDV of RM600 million, BD's entitlement comprises 30% in cash, and 70% in completed property units. If the GDV exceeds RM600 million, BD is entitled to additional 14.5% entitlement equally comprises 30% in cash, and 70% in completed property units in the excess of the RM600 million GDV. The actual amounts will depend on the final realised GDV and will be paid or delivered progressively in line with development milestones.

(a) Roles and responsibilities of TESB and BD respectively with regard to the Development.

TESB manages the development in full, while BD contributes the Land and assists with statutory matters as and when needed.

(b) The estimated value of BD's entitlement to be derived from the Development by stating the amount of cash payments (whether on a lump-sum basis or based on the milestones of Development) and the estimated value of the BD's Units respectively.

Under the JVA, BD's entitlement is structured as a combination of cash and property units as explained in Paragraph 4 above.

This structure reflects a fair allocation of risk and reward between the parties while ensuring alignment with the overall viability of the Development.

(c) The approach in allocating the BD's Units i.e. how would the selection of such units be made and in the event of any dispute/disagreement, who will be the final decision maker.

Allocation of BD's Units is a collaborative process. The value of each Unit is pegged to the prevailing SPA selling price at the time of allocation.

If there is a dispute or deadlock, it must be resolved through negotiation or, failing that, through the JVA's general dispute resolution mechanisms.

(d) To quantify the indicative valuation of comparable land in the surrounding vicinity and to cite the name/details of such comparable land if possible.

Based on publicly available information for the surrounding vicinity, comparable residential development lands are generally valued between RM90 to RM200 per square foot, depending on factors such as location, accessibility, and zoning status.

The Land has an approximate area of 739,178 sq. ft.. Based on internal feasibility and market studies, and after consultation and approval from the Board, TESB is of the view that an indicative land value of approximately RM150 per square foot is reasonable and well within the range of comparable lands in the vicinity. This translates to a total indicative land value of approximately RM110.9 million, which aligns with the Landowner's Entitlement.

5) To clarify whether TESB has made any cash payment to BD upon entering into the Joint Venture Agreement. If yes, to state the amount of the payment, the payment date and the purpose for such payment accordingly.

The First Payment in Cash fixed at Ringgit Malaysia Three Million (RM3,000,000.00) which forms part of BD's total cash entitlement (30% of BD's total entitlement) is paid to BD upon the execution of the JVA.

If the CPs are not fulfilled and the JVA is terminated, the First Payment in Cash, it must be fully refunded by BD to TESB within 3 months of TESB's written termination notice. If late, BD pays 8% annual interest on the outstanding sum.

6) To clarify whether there is any specified duration set for completion of residential property development (i.e. the maximum timeline allowed e.g. 36 months from the date of commencement of development). In this respect, please clarify whether the planned timeline of the Development disclosed under item (f) of Section 2.4 is in line with the timeline permitted by the relevant

authority(ies), if applicable.

The timeline under the JVA is a business arrangement between BD and TESB for the overall master development. TESB will ensure that each phase of the Development complies with all statutory timelines, including the 36-month completion requirement under the Housing Development (Control and Licensing) Act 1966 ("HDA"), where applicable.

7) Given the indicative size/scale of the Development which involves a GDV of RM600 million, please clarify whether HCK intends to appoint an independent market valuer to conduct valuation on the Land to ensure that the entire Proposed Joint Venture including the determination of the Landowner's Entitlement is a fair deal for the Company.

The joint venture is part of the Company's ordinary course of business has been structured after careful feasibility studies and market assessments. The Board is satisfied that the terms are commercially sound, but will consider appointing an independent valuer if deemed necessary.

8) Given that BD has yet to be the registered owner of the Land, please include a write-up on the potential risk with respect to the completion of the JVA together with the relevant mitigating factors.

The JVA may not proceed if BD fails to secure registration as the legal proprietor of the Land. In such circumstances, the Parties will revert to their pre-contractual positions, and neither Party will have any continuing obligation under the JVA, save for obligations expressly stated to survive termination.

To mitigate this risk, the JVA includes several protective measures, such as:-

- Conditions Precedent requiring, among others, the successful transfer of the Land to BD and delivery of all relevant approvals and documents within a specified timeline;
- Caveat protection to safeguard TESB's development rights; and
- An irrevocable Power of Attorney, enabling TESB to manage and progress the Development once BD becomes the registered owner.

These safeguards collectively serve to limit TESB's financial and legal exposure while providing a clear framework for either the successful implementation of the Development or an orderly termination and exit should the project not proceed.

9) Please state clearly the scope/details covered under the development-related approvals and the conversion approval mentioned under Section 9 together with the name of the respective approving party(ies)/authority(ies).

1. Jabatan Parit & Saliran (JPS)
2. Indah Water Konsoltium (IWK)
3. Tenaga Nasional Berhad (TNB)

4. Air Selangor (AIS)
5. Telekom Malaysia (TM)/Maxis/Time/CelcomDigi and etc
6. Lembaga Perumahan Hartanah Selangor (LPHS)
7. Plan Malaysia (JPBD)
8. Jabatan Kerja Raya (JKR)
9. Pejabat Tanah & Galian Negeri Selangor
10. Jabatan Pemetaan dan Ukur Malaysia (JUPEM)
11. Koridor Utiliti Selangor (KUSEL)
12. Jabatan Mineral Geologi (JMG)
13. Majlis Perbandaran Kajang (MPKJ)
14. Kementerian Perumahan dan Kerajaan Tempatan
15. Pejabat Daerah dan Tanah Hulu Langat
16. Jabatan Bomba dan Penyelamat Malaysia
17. Jawatankuasa Teknikal Pembangunan Kawasan Sensitif (JTPKSAS)

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully,

Listing

Regulation

Cc : Market Surveillance Dept. , Securities Commission