LOTUS KFM BERHAD ("LOTUS" OR "THE COMPANY")

MEMORANDUM OF UNDERSTANDING ENTERED WITH UNIVERSITI PUTRA MALAYSIA

1. INTRODUCTION

The Board of Directors of Lotus ("Board") wishes to announce that the Company had on 6 June 2026 entered into a Memorandum of Understanding ("MOU") with Universiti Putra Malaysia ("UPM") to collaborate on joint research and development, knowledge sharing, technology transfer and academic-industry engagement in areas related to sustainable forestry and forest products.

(Lotus and UPM are hereinafter individually referred to as a "Party" and collectively as the "Parties")

2. INFORMATION ON UPM

UPM is an established university which strives to enhance and strengthen its research and development and has taken various initiatives to complement its educational excellence and has entered into various collaborative arrangements with other parties to enhance networking.

3. SALIENT TERMS OF THE MOU

(a) **Scope of Collaboration**

The Parties have agreed to collaborate in the following areas:

- Exchange of academic personnel and joint research and publication;
- Sharing knowledge and technology transfer; and
- any other areas of co-operation to be mutually agreed upon by the Parties.

(b) **Duration and Termination**

The MOU shall take effect from the date of signing and will remain in effect for a period of five (5) years, unless extended for a further period as may be agreed in writing by the Parties.

4. RATIONALE OF THE MOU

The MOU is intended to establish a strategic collaboration between the Parties to facilitate joint research, academic and industry engagement, knowledge sharing and technology transfer in areas related to sustainable forestry and forest products. The collaboration is expected to leverage UPM's research expertise and Lotus's industry experience to promote innovation, sustainable development, talent cultivation and the commercialisation of research outcomes, whilst providing a framework for future mutually beneficial projects and initiatives.

5. FINANCIAL EFFECTS

The MOU will not have any effect on the share capital and substantial shareholders' shareholdings of the Company and is not expected to have any material effect on the earnings per share, net assets per share or gearing of the Company for the financial year ending 30 September 2026.

6. RISK FACTORS

The Board is of the view that the risks associated with the MOU are minimal, given its non-binding nature. In the event that the Company enters into any definitive agreements pursuant to the MOU, the Board will exercise due care in evaluating the associated risks and benefits.

7. APPROVALS REQUIRED

The MOU does not require the approval of the Company's shareholders and/or any regulatory authorities.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Lotus and/or persons connected with them has any interest, whether directly or indirectly, in the MOU.

9. DIRECTORS' STATEMENT

The Board, having taken into consideration all aspects of the MOU, is of the opinion that the MOU is in the best interests of the Company.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the MOU will be made available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, from Monday to Friday (except public holidays) for a period of three (3) months commencing from the date of this announcement.

This announcement is dated 8 June 2026.