MAXLAND BERHAD ("MAXLAND" OR THE "COMPANY")

PROPOSED RIGHTS ISSUE

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancy in the figures included in this announcement between the amounts stated and the totals thereof are due to rounding.

1. INTRODUCTION

On behalf of the Board of Directors of Maxland ("**Board**"), UOB Kay Hian (M) Sdn Bhd ("**UOBKH**") wishes to announce that the Company proposes to undertake a renounceable rights issue of up to 2,405,444,311 new ordinary shares in Maxland ("**Maxland Shares(s)**" or "**Share(s)**") ("**Rights Share(s)**") at an issue price of RM0.025 per Rights Share ("**Issue Price**"), on the basis of 1 Rights Share for every 1 existing Maxland Share held, on an entitlement date to be determined and announced later ("**Proposed Rights Issue**").

Further details of the Proposed Rights Issue are set out in the ensuing sections of this announcement.

2. PROPOSED RIGHTS ISSUE

2.1 Details of the Proposed Rights Issue

The Proposed Rights Issue entails the issuance of up to 2,405,444,311 Rights Shares on the basis of 1 Rights Share for every 1 existing Maxland Share held by the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the entitlement date to be determined and announced later ("**Entitlement Date**") ("**Entitled Shareholders**").

The basis of the Proposed Rights Issue was arrived at after taking into consideration, amongst others, the following:-

i. the minimum level of funds which the Company intends to raise amounting to RM3.20 million, which will be channelled towards the proposed utilisation of proceeds as set out in **Section 2.6** of this announcement; and

ii. the rationale for the Proposed Rights Issue as set out in **Section 3** of this announcement.

As at 10 July 2026, being the latest practicable date prior to the date of this announcement ("**LPD**"), Maxland has an issued share capital of RM247,733,671 comprising 1,603,629,673 Maxland Shares. In addition, as at the LPD, the Company has 801,814,638 outstanding warrants 2024/2029 in the Company ("**Warrant(s) B**"). The Warrants B are constituted by the deed poll dated 5 June 2024 ("**Deed Poll B**") and each Warrant B carries the entitlement to subscribe for 1 new Maxland Share during the 5-year exercise period up to 25 June 2029 at an exercise price of RM0.11 per Warrant B.

The Proposed Rights Issue will be undertaken on the minimum subscription level basis, after taking into consideration, amongst others, the following:-

i. the minimum level of funds the Company intends to raise from the Proposed Rights Issue amounting to RM3.20 million, which would entail a minimum subscription of 128,000,000 Rights Shares based on the Issue Price ("**Minimum Subscription Level**"); and

ii. the irrevocable and unconditional undertakings of the shareholders of Maxland, namely Chang Keng Sing and Dennis Lim Shie Mien ("**Dennis Lim**") (collectively referred to as the "**Undertaking Shareholders**"), vide their respective letters dated 13 July 2026 as follows:-

    a. both the Undertaking Shareholders shall subscribe in full for their respective entitlements based on their shareholdings as at the Entitlement Date ("**Entitlement Undertakings**"); and

b. both the Undertaking Shareholders have given their additional undertaking to subscribe in aggregate for additional 26,454,900 Rights Shares that remain unsubscribed by the Entitled Shareholders and/ or their renouncee(s) via the excess Rights Shares application if required ("**Additional Undertakings**").

The Entitlement Undertakings and Additional Undertakings are collectively referred to as the "**Undertakings**". Further details of the Undertakings are set out in **Section 2.5** of this announcement.

The actual number of Rights Shares to be issued will depend on the total issued Shares of the Company as at the Entitlement Date and the eventual subscription rate of the Proposed Rights Issue.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders may renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue.

In determining the entitlement of the Entitled Shareholders under the Proposed Rights Issue, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its sole and absolute discretion deem fit or expedient and in the best interests of the Company.

The Rights Shares which are not taken up, shall be made available for excess Rights Shares application by the other Entitled Shareholders and/ or their renouncee(s). The Board intends to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board and set out in the abridged prospectus to be issued at a later stage.

The Proposed Rights Issue will not be implemented in stages.

The Proposed Rights Issue will give rise to adjustments to the exercise price and the number of outstanding Warrants B held as specified in the Deed Poll B. Further details on the adjustments will be set out in the circular to shareholders of Maxland for the Proposed Rights Issue to be issued at a later stage.

For illustrative purposes, the effects of the Proposed Rights Issue shall be illustrated based on the following 3 scenarios:-

Minimum Scenario	:	Assuming none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is undertaken on the Minimum Subscription Level
Base Case Scenario	:	Assuming none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is fully subscribed by all the Entitled Shareholders
Maximum Scenario	:	Assuming all of the outstanding Warrants B are fully exercised prior to the Entitlement Date and the Proposed Rights Issue is fully subscribed by all the Entitled Shareholders

2.2 Basis and justification of arriving at the Issue Price of the Rights Shares

The issue price of RM0.025 per Rights Share has been fixed by the Board after taking into consideration, amongst others, the following:-

i. the minimum gross proceeds of RM3.20 million to be raised under the Minimum Scenario, which will be channelled towards the proposed utilisation of proceeds as set out in **Section 2.6** of this announcement;

ii. the prevailing market price of Maxland Shares. The Issue Price represents a discount of approximately 16.67% to the theoretical ex-rights price ("**TERP**") of Maxland Shares of RM0.03, computed based on the 5-day volume weighted average market price ("**VWAP**") of Maxland Shares up to and including 10 July 2026, being the last traded day of Maxland Shares prior to the date of this announcement ("**LTD**") of RM0.035 per Share.

In addition, the Issue Price represents the following discounts to the respective TERPs computed based on the respective VWAPs of Maxland Shares up to and including the LTD as follows:-

Up to and including the LTD	VWAP RM	TERP RM	Discount to the TERP RM	%
5-day VWAP of Shares	0.0350	0.0300	0.0050	16.67
1-month VWAP of Shares	0.0388	0.0319	0.0069	21.63
3-month VWAP of Shares	0.0347	0.0299	0.0049	16.39
6-month VWAP of Shares	0.0320	0.0285	0.0035	12.28
12-month VWAP of Shares	0.0322	0.0286	0.0036	12.59

(Source: Bloomberg)

Based on the above, the Issue Price represents a discount ranging from approximately 12.28% to 21.63% to the respective TERPs above;

iii. the Issue Price, which represents a discount of 16.67% to the TERP of RM0.03, was considered reasonable by the Board after taking into consideration the need to price the Rights Shares at an issue price that would be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders and/ or their renouncee(s); and

iv. the rationale for the Proposed Rights Issue as set out in **Section 3** of this announcement.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Maxland Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

2.4 Listing and quotation of the Rights Shares

An application will be made to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Rights Shares, the additional new Warrants B to be issued from adjustments as may be made pursuant to the Deed Poll B ("**Additional Warrants B**") and the new Maxland Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities.

2.5 Minimum Subscription Level and Undertakings

The Board has determined to undertake the Proposed Rights Issue on the Minimum Subscription Level after taking into consideration the minimum level of funds that the Company intends to raise from the Proposed Rights Issue amounting to RM3.20 million under the Minimum Scenario that will be channelled towards the proposed utilisation as set out in **Section 2.6** of this announcement.

In order to meet the Minimum Subscription Level, the shareholders of Maxland, namely Chang Keng Sing and Dennis Lim, had on 13 July 2026 undertaken to subscribe in full for their respective Rights Shares entitlement based on their shareholdings as at the Entitlement Date (which amounts to an aggregate of 101,545,100 Rights Shares as at the LPD), as well as to subscribe for additional 26,454,900 Rights Shares not subscribed by other Entitled Shareholders and/ or their renouncee(s) by way of the excess Rights Shares application (otherwise referred to as Additional Undertakings) if required.

The Additional Undertakings shall only crystallise in the event of a shortfall in the number of Rights Shares subscribed (after allocation to all other Entitled Shareholders' and/ or their renouncee(s)' respective entitlements) as at the closing date and time of receipt of applications, whereby the Undertaking Shareholders shall apply via the excess Rights Shares application (to fulfil their obligation under the Additional Undertakings) to subscribe for additional Rights Shares not taken up by other Entitled Shareholders and/ or their renouncee(s), if any.

The details of the Undertakings are set out below:-

Undertaking Shareholder	Direct shareholdings as at the LPD		Entitlement Undertakings		Additional Undertakings		Direct shareholdings after the Proposed Rights Issue		Gross proceeds raised from Entitlement Undertakings	Gross proceeds raised from Additional Undertakings
	No. of Shares	%*1	No. of Shares	%*2	No. of Shares	%*2	No. of Shares	%*3	RM*4	RM*4
Chang Keng Sing	51,545,100	3.21	51,545,100	40.27	12,454,900	9.73	115,545,100	6.67	1,288,628	311,373
Dennis Lim	50,000,000	3.12	50,000,000	39.06	14,000,000	10.94	114,000,000	6.58	1,250,000	350,000
Total	**101,545,100**	**6.33**	**101,545,100**	**79.33**	**26,454,900**	**20.67**	**229,545,100**	**13.25**	**2,538,628**	**661,373**

Notes:-

*1 *Based on the total issued shares of Maxland as at the LPD comprising 1,603,629,673 Maxland Shares*

*2 *Based on 128,000,000 Rights Shares available for subscription*

*3 *Based on the enlarged share capital of Maxland comprising 1,731,629,673 Maxland Shares after the completion of the Proposed Rights Issue under the Minimum Scenario*

*4 *Computed based on the Issue Price*

Further, pursuant to their Undertakings, the Undertaking Shareholders have also undertaken:-

i. not to sell or in any way dispose of or transfer their existing interest in the Company or any part thereof during the period commencing from the date of the Undertakings up to the completion of the Proposed Rights Issue; and

ii. to subscribe for any additional Rights Shares entitlement in the event they increase their shareholdings in Maxland from the date of the Undertakings up to the Entitlement Date.

As the Proposed Rights Issue is undertaken on the Minimum Subscription Level, Maxland will not procure any underwriting arrangement for the remaining portion of the Rights Shares which are not subscribed for by other Entitled Shareholders and/ or their renouncee(s). The Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfil their Undertakings and such confirmation has been verified by UOBKH, being the adviser for the Proposed Rights Issue.

Mandatory take-over offer ("MGO") implication

The subscription of the Rights Shares by the Undertaking Shareholders will not trigger the obligation to undertake a mandatory offer for all the remaining Maxland Shares and Warrants B not already held by them pursuant to Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**") issued by the Securities Commission Malaysia ("**SC**").

Public shareholding spread

Pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), the Company must ensure that at least 25% of the total listed Maxland Shares are in the hands of public shareholders. For information purposes, the public shareholding spread of the Company is not expected to fall below 25% of the enlarged issued share capital of the Company after the completion of the Proposed Rights Issue. For illustration purposes, the pro forma effects of the Proposed Rights Issue under the Minimum Scenario on the public shareholding spread of Maxland are as follows:-

	As at the LPD		**After the Proposed Rights Issue**	
	No. of Shares	**%**	**No. of Shares**	**%**
Share capital (excluding treasury shares)	1,603,629,673	100.00	1,731,629,673	100.00
Less: Directors'/ substantial shareholders'/ associates' shareholding	793,872,972	49.50	857,872,972	49.54
Public shareholding	**809,756,701**	**50.50**	**873,756,701**	**50.46**

The Undertaking Shareholders will ensure compliance with the public shareholding spread requirements under the Listing Requirements at all times when subscribing for the Rights Shares.

For information purposes, the effects under the Base Case Scenario and Maximum Scenario are not illustrated hereinabove as the Proposed Rights Issue under both of these scenarios will not have any effect on the percentage of the shareholders' shareholdings, as the Rights Shares are assumed to be fully subscribed by all the Entitled Shareholders on a pro-rata basis.

2.6 Utilisation of proceeds

The gross proceeds to be raised from the Proposed Rights Issue will be utilised by Maxland Group in the following manner:-

Details of utilisation	Timeframe for utilisation[*1]	Minimum Scenario RM'000	%	Base Case Scenario RM'000	%	Maximum Scenario RM'000	%
Maintenance of timber camp infrastructure and processing plants[*2]	Within 12 months	600	18.75	12,000	29.93	15,000	24.95
Tree plantation[*3]	Within 12 months	300	9.37	8,000	19.95	8,000	13.30
Working capital[*4]	Within 12 months	1,452	45.38	19,243	48.00	36,288	60.34
Estimated expenses[*5]	Upon completion	848	26.50	848	2.12	848	1.41
Total		**3,200**	**100.00**	**40,091**	**100.00**	**60,136**	**100.00**

Notes:-

*1 *Timeframe for utilisation from completion of the Proposed Rights Issue*

*2 *The Group intends to utilise up to approximately RM15.00 million of the proceeds to be raised from the Proposed Rights Issue for the expansion of the Group's timber segment through the maintenance, upgrading and refurbishment of its timber camp infrastructure and timber processing plants.*

The timber camp infrastructure comprises access roads, bridges, base camp, accommodation facilities, storage facilities, utilities and log yard, while the processing plants include plywood manufacturing, sawmilling facilities, machineries and equipment. The maintenance works are expected to improve operational efficiency, reduce downtime, extend the useful life of existing assets and ensure compliance with safety and operational standards. The indicative allocation of the proceeds to be utilised for the maintenance works for the timber camp infrastructure and processing plants are as follows:-

	Indicative allocation					
Details	***Minimum Scenario RM'000***	***%***	***Base Case Scenario RM'000***	***%***	***Maximum Scenario RM'000***	***%***
Maintenance of timber camp infrastructure	*180*	*30.00*	*4,000*	*33.33*	*4,500*	*30.00*
Maintenance of timber processing plants	*420*	*70.00*	*8,000*	*66.67*	*10,500*	*70.00*
Total	***600***	***100.00***	***12,000***	***100.00***	***15,000***	***100.00***

The estimated total cost for the maintenance, upgrading and refurbishment of the Group's timber camp infrastructure and timber processing plants is approximately RM15.00 million, of which approximately RM4.50 million is allocated for the timber camp infrastructure, while approximately RM10.50 million is allocated for the timber processing plants. The estimated total cost is based on preliminary assessments of the scope of works required and may vary depending on the condition of existing assets upon detailed inspection, as well as fluctuations in material and labour costs and the Group's operational requirements at the time of implementation.

For shareholders' information, the maintenance works are expected to be carried out progressively over a period of 12 months commencing from the fourth quarter of 2026 and are therefore expected to be completed by the fourth quarter of 2027. The estimated costs include, amongst others, repair and replacement of machineries and equipment, refurbishment of accommodation facilities, maintenance of internal roads, upgrading of utilities, servicing of processing plants, purchase of spare parts and fuel, as well as labour and professional costs. The Group has not determined the breakdown of such proceeds at this juncture as the allocation will be dependent on the operating and funding requirements at the time of utilisation.

Any shortfall in the cost for the maintenance of timber camp infrastructure and processing plants may be funded via a combination of internally generated funds and other potential equity and/ or debt fundraising options, the exact quantum of which, can only be determined by the Board and management of Maxland at the material time, depending on the cost of funding and the Group's capital requirements.

*3 *The Group intends to utilise up to approximately RM8.00 million of the proceeds to be raised from the Proposed Rights Issue for the tree plantation. In line with the Group's long-term plantation strategy, the management of the Company has undertaken an assessment of the maturity profile, stand condition and growth performance of the Group's existing tree plantations. Based on this assessment, the Group has identified approximately 5,050 hectares of its plantation areas located in Sungai Pinangah forest reserve, District of Tongod, Sabah for replanting and plantation improvement works in order to improve overall production and future yield performance of the Group's timber segment. Accordingly, the allocation of up to RM8.00 million is intended to be utilised for the replanting and plantation improvement works at the plantation areas located in Sungai Pinangah forest reserve.*

For information purposes, as at the LPD, the Group has a contiguous tree plantation landbank of approximately 28,051 hectares located in Sabah. Of this, approximately 9,830 hectares are under tree plantation, comprising 4,780 hectares of established tree plantations, while the remaining area consists of unplanted and/ or immature plantation areas.

The breakdown of the Group's tree plantation landbank is set out below:-

Subsidiary	***Total land area (hectare)***	***Area under tree plantation (hectare)***	***Completed planting (hectare)***	***Land to be replanted (hectare)***
Maxland Timber Sdn Bhd	*7,900*	*2,830*	*2,281*	*549*
Beta Bumi Sdn Bhd	*20,151*	*7,000*	*2,499*	*4,501*
Total	***28,051***	***9,830***	***4,780***	***5,050***

The replanting and planting activities include, but are not limited to site clearing and land preparation works, felling and processing of old trees, planting of seedlings, tending and maintenance activities. The estimated total cost for the replanting and plantation improvement works at the plantation areas located in Sungai Pinangah Forest Reserve is approximately RM35.40 million, which is expected to be funded via the proceeds from the Proposed Rights Issue as well as internally generated funds and/ or other funding sources, where required. The total estimated cost is anticipated to be incurred over a period of approximately 36 months, in line with the phased implementation schedule of the replanting and plantation improvement programme. The exact breakdown of the utilisation of proceeds for these activities cannot be determined at this juncture and is dependent on the operating requirements of the replanting and planting programme at the material time, as well as the actual proceeds raised from the Proposed Rights Issue. The replanting and planting is expected to be implemented progressively over a period of approximately 36 months, subject to environmental conditions and operational scheduling.

In the event of a surplus/ deficit between the actual proceeds raised and the allocated amounts for the above replanting works of up to RM8.00 million, such variance may be adjusted to/ from the proceeds allocated for the working capital requirements, depending on the respective funding requirements at the point of utilisation.

*3 *The proceeds earmarked for working capital shall be utilised to finance the working capital requirements of the Group which include, but are not limited to, payment to suppliers/ creditors of the Group, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and any other overhead expenditures.*

The Group has not determined the breakdown of such proceeds at this juncture as the allocation will be dependent on the operating and funding requirements at the time of utilisation. Notwithstanding that, and on a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows, subject to the operating and funding requirements of the Group at the time of utilisation:-

Details	***Estimated allocation of proceeds (%)***
Payment of trade creditors and repayment of trade payable	*30.00*
Factory and office operational expenditure and overhead costs such as salaries	*30.00*
Utilities	*20.00*
Administrative and selling expenses	*20.00*
Total	***100.00***

*4 *The proceeds earmarked for estimated expenses in relation to the Proposed Rights Issue will be utilised as set out below:-*

	RM'000
Professional fees	*671*
Regulatory fees	*89*
Other incidental expenses in relation to the Proposed Rights Issue	*88*
Total	***848***

Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds to be raised for working capital.

The Board wishes to highlight that the amount of up to approximately RM60.14 million is dependent on the eventual subscription rate of the Proposed Rights Issue and the total issued shares of the Company as at the Entitlement Date and purely based on the assumption that the Proposed Rights Issue is fully subscribed. In the event the Company does not achieve full subscription of the Proposed Rights Issue, it will not be able to raise the amount of RM60.14 million under the Maximum Scenario and in such event, the amount of proceeds raised will be utilised in the following priority:-

i. estimated expenses in relation to the Proposed Rights Issue;

ii. maintenance of timber camp infrastructure and processing plants;

iii. tree plantation; and

iv. working capital requirements.

Pending the utilisation of proceeds from the Proposed Rights Issue for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as the working capital of the Group.

Pursuant to Paragraph 9.19(32) of the Listing Requirements, the Company will make an immediate announcement to Bursa Securities should there be any deviation by 5% or more from the original utilisation of proceeds as set out in **Section 2.6** of this announcement. Further, pursuant to Paragraph 8.22 of the Listing Requirements, in the event that the deviation from the original utilisation of proceeds is deemed as a material variation (25% or more), the Company will seek its shareholders' approval for the variation at a general meeting.

2.7 Other equity fund raising exercises in the past 5 years

Redeemable Convertible Notes ("**RCN**")

On 16 July 2021, Bursa Securities had approved up to 818,984,505 Shares to be issued pursuant to the conversion of RCN. As at the LPD, the Company had issued 818,626,516 Shares pursuant to the conversion of the RCN, details of which are as follows:-

Issuance date	**Tranches**	**Principal amount (RM)**	**No. of shares converted**
28 February 2022	Tranche 1	20,000,000	354,962,518*1
11 April 2022 – 6 May 2022	Tranche 2	20,000,000	299,850,073*2
20 May 2022	Tranche 3	11,000,000	163,813,925*3
Total		**51,000,000**	**818,626,516**

Notes:-

[1] The breakdown of the Shares issued pursuant to Tranche 1 are set out below:-

Listing Date	***Conversion price (RM)***	***No. of Shares***	***Actual proceeds raised (RM)***
16 March 2022	*0.0500*	*180,000,000*	*9,000,000*
21 March 2022	*0.0600*	*100,000,000*	*6,000,000*
29 March 2022	*0.0667*	*74,962,518*	*5,000,000*

[2] The breakdown of the Shares issued pursuant to Tranche 2 are set out below:-

Listing Date	***Conversion price (RM)***	***No. of Shares***	***Actual proceeds raised (RM)***
20 April 2022	*0.0667*	*44,977,511*	*3,000,000*
6 May 2022	*0.0667*	*187,406,296*	*12,500,000*
13 May 2022	*0.0667*	*67,466,266*	*4,500,000*

[3] The breakdown of the Shares issued pursuant to Tranche 3 are set out below:-

Listing Date	***Conversion price (RM)***	***No. of Shares***	***Actual proceeds raised (RM)***
27 May 2022	*0.0667*	*149,925,037*	*10,000,000*
1 June 2022	*0.0720*	*13,888,888*	*1,000,000*

The Company has issued RCN with an aggregate principal amount of RM51.00 million. The status of the utilisation of proceeds as at the LPD is set out below:-

Details	**Expected timeframe for utilisation from receipt of funds**	**Actual proceeds raised RM'000**	**Actual utilisation RM'000**	**Balance proceeds unutilised RM'000**
Repayment of bank borrowings[1]	Within 6 months	19,028	19,028	-
Timber logging and reforestation operation[2]	Within 24 months	14,598	14,598	-
Timber downstream processing[3]	Within 24 months	14,600	14,600	-
Estimated expenses in relation to the RCN	Within 3 years	2,774	2,774	**-**
Total		**51,000**	**51,000**	**-**

Notes:-

[1] As at 31 December 2020, the total bank borrowings of the Group (comprising of term finance) were RM34.91 million. The proceeds utilised for the partial repayment of borrowings and the interest savings from the repayment are set out below:-

Bank borrowings	***Effective interest rate %***	***Amount outstanding RM'000***	***Utilisation of proceeds RM'000***	***Interest savings per annum RM'000***
Term finance	*10.35*	*34,913*	*19,028*	*1,969*

*2 *The gross proceeds of RM14.60 million has been utilised to finance the timber logging and reforestation operations of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***		***Actual utilisation RM'000***	***Balance unutilised RM'000***
Logging Business (timber logging and reforestation operation)	*Cost for tree planting (reforestation), logging camp infrastructure costs, harvesting activities and general costs for maintenance of forestland, the breakdown of which is as follows:-*		*14,598*	*-*
		RM'000		
	Reforestation and maintenance of forestland	*5,474*		
	Timber camp infrastructure costs	*2,281*		
	Working capital for harvesting of logs, the allocation of which had been based on actual utilisation and operational records, using appropriate cost drivers such as labour hours, equipment operating hours, fuel consumption and production volume, where applicable. The breakdown of which is as follows:-			
	i. Salary and wages	*1,939*		
	ii. Fuels and oil costs	*2,187*		
	iii. Equipment repair and maintenance costs	*2,368*		
	iv. Tools and parts expenses	*20*		
	v. Other overhead expenses	*329*		
		6,843		
	Total	***14,598***		
Total			***14,598***	***-***

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

*3 *The gross proceeds of RM14.60 million has been utilised to finance the timber downstream processing of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***		***Actual utilisation RM'000***	***Balance unutilised RM'000***
Manufacturing Business (timber downstream processing)	*Machinery maintenance costs and manufacturing costs of plywood, veneer, particleboard, sawn timber and other timber products, the breakdown of which is as follows:-*		*14,600*	*-*
		RM'000		
	Refurbishment/ maintenance of plywood manufacturing machines	*4,771*		
	Refurbishment/ maintenance of sawmill machineries	*2,386*		
	Working capital for plywood and sawmill processing, the allocation of which had been based on actual utilisation and operational records, using appropriate cost drivers such as labour hours, equipment operating hours, fuel consumption and production volume, where applicable. The breakdown of which is as follows:-			
	i. Cost of purchase of round logs, glue and other consumables	*5,304*		
	ii. Salary and wages	*972*		
	iii. Fuels and oil costs	*36*		
	iv. Equipment repair and maintenance costs	*242*		
	v. Other overhead expenses	*889*		
		7,443		
	Total	***14,600***		
Total			***14,600***	***-***

Private Placement I

On 21 December 2021, Bursa Securities had approved the listing and quotation of up to 40,949,294 new Shares to be issued pursuant to the private placement in accordance with Sections 75 and 76 of the Act ("**Private Placement I**"), of which a total of 40,949,294 Shares were placed out on 28 December 2021 at the issue price of RM0.05 per Share, raising gross proceeds of RM2.05 million.

The Private Placement I was subsequently completed on 28 December 2021. The utilisation of proceeds as at the LPD are set out below:-

Details	**Expected timeframe for utilisation from receipt of funds**	**Actual proceeds raised RM'000**	**Actual utilisation RM'000**	**Balance proceeds unutilised RM'000**
Repayment of bank borrowings	Within 6 months	500	500	-
Working capital	Within 6 months	1,487	1,487	-
Estimated expenses	Upon completion of the Private Placement I	60	60	-
Total		**2,047**	**2,047**	**-**

Notes:-

**1* *As at 30 September 2021, the total bank borrowings of the Group (comprising of term finance) were RM36.99 million. The proceeds utilised for the partial repayment of borrowings and the interest savings from the repayment are set out below:-*

Bank borrowings	***Effective interest rate %***	***Amount outstanding RM'000***	***Utilisation of proceeds RM'000***	***Interest savings per annum RM'000***
Term finance	*10.35*	*36,991*	*500*	*52*

**2* *The gross proceeds of RM1.49 million has been utilised to finance the working capital requirements of Maxland Group, of which the breakdown is set out below:-*

Details	***Actual utilisation RM'000***	***Balance unutilised RM'000***
Cost for logging camp infrastructure costs, harvesting activities and general costs for maintenance of forestland, the breakdown of which is as follows:-	*952*	*-*
Machinery maintenance costs and manufacturing costs of plywood, veneer, sawn timber and other timber products, the breakdown of which is as follows:-	*535*	*-*
Total	***1,487***	***-***

Breakdown of the first item:

	RM'000
Timber camp infrastructure costs (i.e. cost of building roads, bridges and logs yard)	*191*
Working capital for harvesting of logs	*761*
Total	***952***

Breakdown of the second item:

	RM'000
Refurbishment/ maintenance of machines	*155*
Working capital for plywood and sawmill processing	*380*
Total	***535***

Private Placement II

On 21 July 2022, Bursa Securities had approved the listing and quotation of up to 135,915,619 new Shares to be issued pursuant to the private placement in accordance with Sections 75 and 76 of the Act ("**Private Placement II**"), of which a total of 135,915,325 Shares were placed out at the following prices, raising gross proceeds of RM13.64 million:-

Listing Date	**Issue price RM**	**Shares**	**Actual proceeds raised RM'000**
10 August 2022	0.0958	94,966,325	9,098
13 January 2023	0.1109	40,949,000	4,541
Total		**135,915,325**	**13,639**

The Private Placement II was subsequently completed on 13 January 2023. The status of the utilisation of proceeds as at the LPD is set out below:-

Details	**Expected timeframe for utilisation from receipt of funds**	**Actual proceeds raised RM'000**	**Actual utilisation RM'000**	**Balance proceeds unutilised RM'000**
Timber reforestation*1	Within 6 months	6,779	6,779	-
Working capital*2	Within 6 months	6,779	6,779	-
Estimated expenses	Upon completion of the Private Placement II	81	81	-
Total		**13,639**	**13,639**	**-**

Notes:-

*1 *The gross proceeds of RM6.78 million has been utilised to finance the various components of the timber reforestation of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***	***Actual utilisation RM'000***	***Balance unutilised RM'000***
Reforestation and maintenance of timber land	*Costs for site preparation, reforestation (tree planting) and maintenance of forestland (i.e. silvicultural practices), the breakdown of which is as follows:-*	*3,390*	*-*
Timber camp infrastructure cost	*Construction and maintenance of infrastructure of timber camp, such as the roads, bridges and logs yard*	*3,389*	*-*
Total		***6,779***	***-***

	RM'000
Site preparation cost	*1,130*
Reforestation cost	*1,130*
Maintenance cost i.e. silvicultural practice	*1,130*
Total	***3,390***

*2 *The gross proceeds of RM6.78 million has been utilised to finance the working capital requirements of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***	***Actual utilisation RM'000***	***Balance unutilised RM'000***
Working capital	*Costs for refurbishment of plywood making machine and processing of plywood, the breakdown of which is as follows:-*	*6,779*	*-*
Total		***6,779***	***-***

	RM'000
Refurbishment of plywood making machine	*2,034*
Plywood processing	*4,745*
Total	***6,779***

Private Placement III

On 16 October 2023, Bursa Securities had approved the listing and quotation of up to 108,558,152 new Shares pursuant to Sections 75 and 76 of the Act ("**Private Placement III**"), of which a total of 108,558,152 Shares were placed out at the following prices, raising gross proceeds of RM11.37 million:-

Listing date	**Issue price RM**	**Shares**	**Actual proceeds raised RM'000**
20 November 2023	0.1129	44,286,980	5,000
8 February 2024	0.0991	64,271,172	6,369
Total		**108,558,152**	**11,369**

The Private Placement III was subsequently completed on 8 February 2024. The status of the utilisation of proceeds as at the LPD is set out below:-

Details	**Expected timeframe for utilisation from receipt of funds**	**Actual proceeds raised RM'000**	**Actual utilisation RM'000**	**Balance proceeds unutilised RM'000**
Timber reforestation	Within 12 months	5,000	5,000	-
Working capital[*1]	Within 12 months	6,309	6,309	-
Estimated expenses	Upon completion of the Private Placement III	60	60	-
Total		**11,369**	**11,369**	**-**

Note:-

[*1] *The gross proceeds of RM5.00 million has been utilised to finance the various components of the timber reforestation of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***	***Actual utilisation RM'000***	***Balance unutilised RM'000***
Reforestation and maintenance of timber land	*Costs for site preparation, reforestation (tree planting) and maintenance of forestland (i.e. silvicultural practices). The allocation of which is based on actual operational records and site-specific activities and is apportioned using relevant cost drivers such as planted area (hectares), labour hours, equipment usage and material consumption, where applicable. The breakdown of which is as follows:-*	*4,951*	*-*
Timber camp infrastructure cost	*Construction and maintenance of infrastructure of timber camp, such as the roads, bridges and logs yard*	*49*	*-*
Total		***5,000***	***-***

	RM'000
Site preparation cost	*4,207*
Reforestation cost	*679*
Maintenance cost i.e. silvicultural practice	*65*
Total	***4,951***

*2 *The gross proceeds of RM6.31 million has been utilised to finance the working capital of Maxland Group, of which the breakdown is set out below:-*

Details	***Descriptions***	***Actual utilisation RM'000***	***Balance unutilised RM'000***
Timber downstream processing business	*Refurbishment of plywood making machine*	*3,139*	*-*
Shipyard and marine engineering business	*Shipyard repair and maintenance contract entered into with Marine Police Department, Jabatan Perikanan, Agensi Penguatkuasaan Maritim Malaysia, which holds a total contract value of RM7 million for a period of 6 years. The amount utilised represents costs incurred for repair and maintenance works carried out on vessels under the said contract, comprising labour, materials, spare parts and related services based on actual work orders and progress of works*	*2,093*	*-*
General working capital	*Payment of trade creditors and repayment of trade payable and/ or factory and office overhead costs such as salaries, administrative and selling expenses, shipping division and logs division expenses and utilities, the breakdown of which is as follows:-*	*1,077*	*-*
Total		***6,309***	***-***

Working capital requirements	***RM'000***
Payment of trade creditors and repayment of trade payable	*538*
Factory and office operational expenditure and overhead costs such as salaries	*323*
Utilities	*108*
Administrative and selling and shipping division and logs division expenses	*108*
Total	***1,077***

Subscription

On 26 November 2024, the Company had announced that the Company had on the even date, entered into 2 separate conditional share subscription agreements with Dayanine Equity Sdn Bhd and Utarasama Marine Sdn Bhd (collectively referred to as the "**Investors**"), whereby the Investors will subscribe for an aggregate amount of 320,725,934 new Shares at an issue price of RM0.0455 per new Share ("**Subscription**"). Subsequently, on 13 May 2025, the Board had announced the decision to abort the Subscription, after taking into consideration the latest funding objectives for the Group.

Previous Proposed Rights Issue

On 12 February 2026, the Company had announced the renounceable rights issue of 2,405,444,311 Rights Shares at the issue price of RM0.02 per Rights Share, on the basis of 1 Rights Share for every 1 existing Maxland Share held, on an entitlement date to be determined and announced later ("**Previous Proposed Rights Issue**"). Subsequently, on 1 July 2026, the Board had announced the decision to abort Previous Proposed Rights Issue, after taking into consideration the latest funding requirements for Maxland Group.

Save for the Private Placement I, RCN, Private Placement II, Private Placement III, Subscription (which was aborted on 13 May 2025) and Previous Proposed Rights Issue (which was aborted on 1 July 2026), the Company has not undertaken any other equity fund raising exercises in the 5 years prior to the date of this announcement.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED RIGHTS ISSUE

The Board is of the view that the Proposed Rights Issue is the most appropriate avenue to raise the necessary funding for the Group as set out in **Section 2.6** of this announcement after taking into consideration the following:-

i. the Proposed Rights Issue will strengthen the financial position and capital base of the Company, by reducing its gearing level and increasing its net asset ("**NA**") thereby providing greater financial flexibility, as illustrated in **Section 5** of this announcement;

ii. the Proposed Rights Issue will enable the issuance of new Maxland Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue;

iii. the Proposed Rights Issue will provide all Entitled Shareholders with an opportunity to participate in an equity offering in the Company on a pro-rata basis and ultimately, participate in the prospects and future growth of the Group by subscribing to the Rights Shares; and

iv. the Proposed Rights Issue will enable the Company to raise the requisite funds as set out in **Section 2.6** of this announcement, without incurring additional interest expense, as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing.

4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (4Q 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics ("**E&E**") exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

On the supply side, growth in services sector moderated, reflecting a moderation in motor vehicle sales following the front-loading of purchases in the fourth-quarter ahead of the expiration of import duty waivers for electric vehicles. Meanwhile, manufacturing sector performance remained supported by stronger E&E performance, in line with continued demand for artificial intelligence and data centre-related components. Growth in the agriculture sector was lower amid normalisation in palm oil production following high output previously and ongoing replanting activities. The mining and quarrying sector contracted, mainly due to weaker oil and gas production. In addition, growth in the construction sector normalised from a double-digit growth amid a moderation in residential construction and civil engineering activities. On a quarter-on-quarter, seasonally-adjusted basis, the economy contracted by -0.01% (4Q 2025: 1.4%) given last quarter's very strong performance.

In the first quarter of 2026, the ringgit strengthened against currencies of Malaysia's major trading partners, as reflected in the 1.4% nominal effective exchange rate appreciation. The ringgit also appreciated by 0.5% against the US dollar during the quarter, despite the dollar strengthening following the onset of the Middle East conflict amid risk-off sentiment. The ringgit's appreciation was supported by Malaysia's strong domestic fundamentals and growth momentum, alongside continued non-resident inflows into domestic markets.

Looking ahead, while external factors will continue to drive exchange rate movements, Malaysia's firm economic prospects and sustained reform momentum are expected to provide enduring support to the ringgit. Bank Negara Malaysia ("**BNM**") will closely monitor global developments and remains committed to ensuring the orderly functioning of the domestic foreign exchange market.

As a small and open economy, Malaysia will inevitably face both direct and indirect impact from the ongoing geopolitical conflict in the Middle East. Higher energy prices, supply chain disruptions, and heightened uncertainty are expected to weigh on the external environment. Nevertheless, the Malaysian economy is expected to remain resilient in 2026, with growth expected to come in within the range of 4% - 5%, supported by steady domestic demand and continued expansion in our export performance.

The resilient domestic demand will provide a strong buffer against external headwinds. Household spending will be underpinned by firm labour market conditions and continuous policy support. Investment activity will be driven by the continued progress of multi-year projects in both the private and public sectors, as well as the ongoing implementation of national master plans. Despite the external headwinds, export growth will continue to be supported by the global technology expansion, particularly for E&E goods, reflecting Malaysia's role in global value chains.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2026, BNM)

In 2026, domestic demand is expected to register a growth of 5.4%, steered by sustained private sector expenditure at 5.7%. Strong consumption and investment activities will keep the private sector's contribution significant at 4.5 percentage points to gross domestic product ("**GDP**") growth. Meanwhile, public expenditure is anticipated to rise by 4.4%, contributing 0.8 percentage points to overall growth.

Private consumption is projected to grow by 5.1%, driven by sustained income growth and favourable employment prospects. In addition, spillover effects from the implementation of Phase 2 of the Public Service Remuneration System, Sumbangan Tunai Rahmah and the BUDI MADANI RON95 (BUDI95) targeted subsidy programme are expected to provide further impetus to household spending, particularly among lower- and middle-income groups.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.2 Overview and outlook of the timber industry in Malaysia

Malaysia's export of major timber products in 2024 stood at RM22.92 billion, with an increase of 4.9% from the previous year. Malaysia was listed as the 17th largest exporter of timber and timber products in 2024.

The export value of several wooden products increased year-on-year, however, log exports declined 11.5% to RM498.04 million. The export of sawn timber also declined by 10.4% to RM2,053.47 million, followed by fibreboard with an 8.7% decrease to RM748.94 million and plywood with a 3.3% decline to RM2,403.19 million. However, several other products showed positive growth in export value including wooden furniture with RM9,893.57 million (+8.4%), builders joinery & carpentry with RM1,323.23 million (+3.1%), mouldings with RM929.14 million (+9.4%), chipboard/particleboard with RM234.52 million (+2.1%), and veneer with RM108.10 million (+34.0%), and other products with RM4,723.15 million (+15.0%).

While export value increased for several products, export volume varied. Veneer recorded the highest increase in export volume at 41.7%, followed by mouldings with a 35.6% year-on-year rise. Chipboard/particleboard saw a 15.5% increase while log exports grew by 3.9%. However, sawn timber and fibreboard quantities decreased by 5.2% and 10.7%, respectively. This observation has led to changes in price per unit with veneer at RM1,924.60/m^3, mouldings at RM2,295.24/m^3, and logs at RM684.14/m^3. Overall, wooden furniture contributed the largest share to export value at 43.2%, followed by other products (20.6%) and plywood (10.5%).

Malaysian timber products have a strong global market presence in key export markets. According to the Global Trade Atlas, seven timber product exports from Malaysia were ranked among the Top 10 and Top 20 globally in terms of export value in 2024. In the Top 10 segment, wooden furniture and plywood were ranked 5th, mouldings 7th, and wooden frame 9th. In the Top 20 segment, builders joinery & carpentry was ranked 14th, while both sawn timber and fibreboard were ranked 17th in 2024.

Looking ahead to 2025, the Malaysian timber industry must stay informed on global and domestic policy developments in order to effectively align its strategies with relevant market requirements and tap into emerging or niche segments. Achieving Dasar Agrikomoditi Negara 2021-2030 targets will require focused efforts to enhance labour productivity, adopt advanced technologies to improve manufacturing efficiency, and integrate sustainability into the supply chains. These strategies will be key to ensuring the industry remains competitive, resilient, and adaptable amid an increasingly complex global economic environment.

(Source: Annual Report 2024, Malaysian Timber Council)

Malaysia is targeting to export up to RM32.8 billion in timber products by 2030, despite the industry facing growing challenges in terms of pricing and cost of production. Malaysia's export of timber and wood-based products exceed RM20 billion annually, according to the secretary general, with wooden furniture now making up 43% of all timber exports. The ministry is partnering with the Malaysian Timber Industry Board (MTIB), the Malaysian Timber Council (MTC), and the Malaysian Timber Certification Council (MTCC) to achieve its target. It aims to further expand international market access, implement sustainable forestry practices, and enhance the global reputation and quality of Malaysian furniture.

(Source: Media article titled "Malaysia targets RM32.8 bil in timber exports by 2030, says govt deputy sec-gen" dated 4 March 2026 issued by The Edge Malaysia)

4.3 Future prospects of the Group

At this juncture, Maxland Group is mainly involved in the following business segments:-

i. extraction and sale of logs as well as reforestation ("**Logging Business**");

ii. manufacture and sale of plywood, veneer, sawn timber and barecore board ("**Manufacturing Business**"); and

iii. investment holding and provision of road maintenance services ("**Other Business**").

The segmental revenue breakdown for the past 3 financial years up to the 17-month financial period ended ("**FPE**") 30 November 2025 is as follows:-

	<-------------------------------Audited	-------------------------------	------------------------------>
	12-month FYE 31 December 2022	**18-month FPE 30 June 2024[*1]**	**17-month FPE 30 November 2025**
	RM'000	**RM'000**	**RM'000**
Revenue	**129,354**	**89,288**	**84,674**
Logging Business	1,956	5,326	4,815
Manufacturing Business	125,717	62,122	74,756
Shipyard Business[*2]	1,335	7,480[*3]	4,612
Sand dredging service	-	13,840	-
Other Business	346	520	491
Profit/ (Loss) after tax ("PAT/ (LAT)")	**17,183**	**(61,226)**	**(10,312)**

Notes:-

*[*1] The Company had on 11 December 2023 announced that the Board has changed the Company's financial year from 31 December 2023 to 30 June 2024*

*[*2] For information purposes, the Shipyard Business previously comprised the provision of marine services including among others, the repair and maintenance of vessels, tugboat and barge. Nevertheless, the Group has since June 2025 discontinued the Shipyard Business*

*[*3] Maxland Group's Shipyard Business recorded revenue of RM7.48 million for the 18-month FPE 30 June 2024 which represents an increase of RM6.15 million or more than 100%, as compared to RM1.34 million recorded for the 12-month FYE 31 December 2022. The higher revenue recorded was mainly due to the securing of several new ship repair contracts during the financial period*

For information purposes, the Company had also on 26 June 2025 announced that the Board has changed the Company's financial year from 30 June 2025 to 30 November 2025.

As shown in the table above, the Manufacturing Business has been the Group's largest revenue contributor in recent financial years. The Group had incurred losses since the 18-month FPE 30 June 2024, recording a LAT of RM61.23 million. This was mainly attributable to higher operational losses driven by low production levels and unfavourable timber market, alongside fair value reductions in biological assets and increased finance cost amounting to RM25.83 million and arbitration related expenses of RM20.56 million. These were partially offset by a higher reversal of expected credit losses amounting to RM48.33 million. However, the Group reduced its losses in the 17-month FPE 30 November 2025 compared with the previous financial period through operational improvements, implementation of cost rationalisation initiatives and waiver of debts amounting to RM28.77 million pursuant to a settlement agreement.

As at the LPD, the Group's loans and borrowings stood at RM16.99 million. The Proposed Rights Issue will provide the Group with the flexibility and control over internally generated funds while reducing reliance on conventional bank borrowings which will require the Group to service interest and repay the principal sum on a periodic basis. This in turn may place the Group on a better financial and/ or liquidity position to undertake new projects as well as capitalise on investment opportunity(ies) as and when they arise.

Notwithstanding the above, the Proposed Rights Issue is also undertaken to raise funds in an expeditious manner to fund the Group's working capital requirements. For the Logging Business, the Group had invested approximately RM1.40 million in logging machinery and vehicles to meet the requirements of the Reduced Impact Logging under Sabah's Sustainable Forest Management regime. This full-fledged fleet has the capacity to handle more than 150,000 m^3 of timber harvesting per year. Meanwhile, for the Manufacturing Business, the Group had positioned its integrated modernised plywood and sawn timber complexes on more than 100 acres of land each in Seguntor and Batu Sapi, Sandakan. Hence, providing the Group with capacities to produce 180,000 m^3 and 48,000 m^3 of plywood and sawn timber a year, respectively.

In addition, the Group has observed encouraging improvements in its operating environment. Timber production has gradually recovered following improved harvesting activities, supported by a stronger and more stable supply of logs. This has contributed to better utilisation of the Group's manufacturing facilities, enabling production levels to improve compared with the previous financial period. Subject to prevailing market conditions, the management expects the aforementioned initiatives to contribute positively to its operational efficiency. Further, the Group will continue to monitor developments in the timber and plywood markets and seek to benefit from any improvement in plywood demand and pricing, where applicable.

Internally, the Group will continue to take efforts to improve its efficiency to enhance productivity and carry out the implementation of cost rationalisation exercises in its existing segments to review and address recurring administrative and other operating expenses in the Group's business. This includes amongst others, the reduction of staff cost, repair and maintenance and office administrative expenses, as means to retain adequate working capital to be utilised in a more efficient manner. The management anticipates that such on-going cost rationalisation exercises may optimise the Group's allocation of resources and improve the financial condition of the Group moving forward.

In view of the above, alongside the industry outlook as set out in **Section 4.2** of this announcement, and barring any unforeseen circumstances, the Board is cautiously optimistic about the future prospects of the Group. The Board will continue to monitor and review the performance and progress of the Group's operations and financial performance, and to introduce measures to enhance the Group's financial, if required

(Source: Management of Maxland)

5. EFFECTS OF THE PROPOSED RIGHTS ISSUE

5.1 Issued share capital

The pro forma effects of the Proposed Rights Issue on the issued share capital of the Company are as follows:-

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares ('000)	RM'000	No. of Shares ('000)	RM'000	No. of Shares ('000)	RM'000
Issued share capital as at the LPD	1,603,630	247,734	1,603,630	247,734	1,603,630	247,734
Assuming full exercise of outstanding Warrants B	-	-	-	-	801,815	88,200*1
	1,603,630	**247,734**	**1,603,630**	**247,734**	**2,405,444**	**335,934**
Rights Shares to be issued pursuant to the Proposed Rights Issue	128,000	3,200*2	1,603,630	40,091	2,405,444	60,136*2
Enlarged issued share capital	**1,731,630**	**250,934**	**3,207,259**	**287,825**	**4,810,889**	**396,070**

Notes:-

*1 *Assuming all 801,814,638 outstanding Warrants are converted at the exercise price of RM0.11 per Warrant B*

*2 *Computed based on the number of Rights Shares multiplied by the Issue Price under the respective scenario*

5.2 NA and gearing level

For illustration purposes only, the pro forma effects of the Proposed Rights Issue on the audited consolidated NA and gearing level of the Group as at 30 November 2025 are as follows:-

Minimum Scenario

	Audited as at 30 November 2025 RM	I After the Proposed Rights Issue RM
Share capital	247,733,671	250,933,671*1
Other reserves	27,133	27,133
Accumulated losses	(64,653,055)	(65,501,055)*2
Shareholders' equity/ NA	**183,107,749**	**185,459,749**
No. of Shares in issue	1,603,629,673	1,731,629,673*1
NA per Share (RM)	0.11	0.11
Total borrowings	17,148,757	17,148,757
Gearing ratio (times)	0.09	0.09

Notes:-

*1 *Assuming that 128,000,000 Rights Shares are issued at the Issue Price to the Undertaking Shareholders under the Minimum Scenario*

*2 *After deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue*

Base Case Scenario

	Audited as at 30 November 2025 RM	I After the Proposed Rights Issue RM
Share capital	247,733,671	287,824,413*1
Other reserves	27,133	27,133
Accumulated losses	(64,653,055)	(65,501,055)*2
Shareholders' equity/ NA	**183,107,749**	**222,350,491**
No. of Shares in issue	1,603,629,673	3,207,259,346*1
NA per Share (RM)	0.11	0.07
Total borrowings	17,148,757	17,148,757
Gearing ratio (times)	0.09	0.08

Notes:-

*1 *Assuming all 1,603,629,673 Rights Shares are issued at the Issue Price to all the Entitled Shareholders under the Base Case Scenario*

*2 *After deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue*

Maximum Scenario

	Audited as at 30 November 2025 RM	I Assuming conversion of all outstanding Warrants B RM	II After I and the Proposed Rights Issue RM
Share capital	247,733,671	335,933,281*1	396,069,389*2
Other reserves	27,133	27,133	27,133
Accumulated losses	(64,653,055)	(64,653,055)	(65,501,055)*3
Shareholders' equity/ NA	**183,107,749**	**271,307,359**	**330,595,467**
No. of Shares in issue	1,603,629,673	2,405,444,311*1	4,810,888,622*2
NA per Share (RM)	0.11	0.11	0.07
Total borrowings	17,148,757	17,148,757	17,148,757
Gearing ratio (times)	0.09	0.06	0.05

Notes:-

*1 *Assuming all 801,814,638 outstanding Warrants B are converted at the exercise price of RM0.11 per Warrant B*

*2 *Assuming all 2,405,444,311 Rights Shares are issued at Issue Price to all the Entitled Shareholders under the Maximum Scenario*

*3 *After deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue*

5.3 Earnings and earnings per Share ("EPS")

The Proposed Rights Issue is not expected to have any material effect on the earnings and EPS of the Group for the FYE 30 November 2026. However, there will be a dilution in the EPS of the Group for the FYE 30 November 2026 due to the increase in the number of Shares in issue arising from the Proposed Rights Issue. Notwithstanding that, the Proposed Rights Issue is expected to contribute positively to the future earnings of the Group in the ensuing financial year(s) via the utilisation of the proceeds as set out in **Section 2.6** of this announcement.

5.4 Substantial shareholders' shareholding

The effects of the Proposed Rights Issue on the substantial shareholders' shareholding in Maxland are as follows:-

Minimum Scenario

	As at the LPD				I After the Proposed Rights Issue			
	<------------Direct------------>		<---------Indirect--------->		<----------Direct----------->		<--------Indirect--------->	
	No. of Shares	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**
Exempt an for Kenanga Investors Bhd[*3]	394,223,763	24.58	-	-	394,233,763	22.77	-	-
Datuk Lim Nyuk Sang @ Freddy Lim	333,968,198	20.83	-	-	333,968,198	19.29	-	-
Chang Keng Sing	51,545,100	3.21	-	-	115,545,100	6.67	-	-
Dennis Lim	50,000,000	3.12	-	-	114,000,000	6.58	-	-

Notes:-

*1 *Based on the total issued shares of Maxland as at the LPD comprising 1,603,629,673 Maxland Shares*

*2 *Based on the enlarged total issued shares of Maxland comprising 1,731,629,673 Maxland Shares after the completion of the Proposed Rights Issue under the Minimum Scenario*

*3 *For the avoidance of doubt, Kenanga Investors Bhd is the sole beneficial owner of all the 394,223,763 Shares held under this exempt account as at the LPD*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Base Case Scenario

	As at the LPD				After the Proposed Rights Issue			
	<------------Direct------------>		<---------Indirect---------->		<----------Direct----------->		<--------Indirect---------->	
	No. of Shares	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**
Exempt an for Kenanga Investors Bhd[*3]	394,223,763	24.58	-	-	788,447,526	24.58	-	-
Datuk Lim Nyuk Sang @ Freddy Lim	333,968,198	20.83	-	-	667,936,396	20.83	-	-
Chang Keng Sing	51,545,100	3.21	-	-	103,090,200	3.21	-	-
Dennis Lim	50,000,000	3.12	-	-	100,000,000	3.12	-	-

Notes:-

[*1] *Based on the total issued shares of Maxland as at the LPD comprising 1,603,629,673 Maxland Shares*

[*2] *Based on the enlarged total issued shares of Maxland comprising 3,207,259,346 Maxland Shares after the completion of the Proposed Rights Issue under the Base Case Scenario*

[*3] *For the avoidance of doubt, Kenanga Investors Bhd is the sole beneficial owner of all the 394,223,763 Shares held under this exempt account as at the LPD*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Maximum Scenario

	Shareholdings as at the LPD				I Assuming conversion of all outstanding Warrants B			
	<--------Direct-------->		<-----Indirect------->		<--------Direct--------->		<----Indirect----->	
	No. of Shares	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**
Exempt an for Kenanga Investors Bhd[*4]	394,223,763	24.58	-	-	619,935,291	25.77	-	-
Datuk Lim Nyuk Sang @ Freddy Lim	333,968,198	20.83	-	-	473,092,696	19.67	-	-
Chang Keng Sing	51,545,100	3.21	-	-	51,545,100	2.14	-	-
Dennis Lim	50,000,000	3.12	-	-	50,000,000	2.08	-	-

	II After I and the Proposed Rights Issue			
	<--------Direct-------->		<--------Indirect-------->	
	No. of Shares	**%[*3]**	**No. of Shares**	**%[*3]**
Exempt an for Kenanga Investors Bhd[*4]	1,239,870,582	25.77	-	-
Datuk Lim Nyuk Sang @ Freddy Lim	946,185,392	19.67	-	-
Chang Keng Sing	103,090,200	2.14	-	-
Dennis Lim	100,000,000	2.08	-	-

Notes:-

*[*1] Based on the total issued shares of Maxland as at the LPD comprising 1,603,629,673 Maxland Shares*

*[*2] Based on the enlarged total issued shares of Maxland comprising 2,405,444,311 Maxland Shares after assuming full conversion of the outstanding Warrants B*

*[*3] Based on the enlarged total issued shares of Maxland comprising 4,810,888,622 Maxland Shares after the completion of the Proposed Rights Issue under the Maximum Scenario*

*[*4] For the avoidance of doubt, Kenanga Investors Bhd is the sole beneficial owner of all the 394,223,763 Shares held under this exempt account as at the LPD*

5.5 Convertible securities

As at the LPD, save for the outstanding Warrants B, the Company does not have any outstanding convertible securities.

The Proposed Rights Issue will give rise to adjustments to the exercise price and number of Warrants B which are not exercised prior to the Entitlement Date pursuant to the provisions of the Deed Poll B. Any necessary adjustments arising from the Proposed Rights Issue in relation to the outstanding Warrants B will only be finalised on the Entitlement Date.

The details of the actual adjustments to the exercise price and number of outstanding Warrants B shall be set out in the circular to shareholders of Maxland for the Proposed Rights Issue to be issued at a later stage and in a notice of adjustments to the holders of the Warrants B, which shall be despatched within 30 days of such adjustments.

The rights and obligations of the holders of the Warrants B shall remain unchanged, save for the potential adjustment to the number and exercise price of outstanding Warrants B.

6. APPROVALS REQUIRED

The Proposed Rights Issue is subject to the following approvals being obtained:-

i. listing and quotation of the Rights Shares and Additional Warrants B pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities;

ii. listing and quotation of the new Maxland Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities;

iii. the shareholders of Maxland at an extraordinary general meeting to be convened; and

iv. any other relevant authority and/ or parties, if required.

The Proposed Rights Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposed Rights Issue, save for their respective entitlements under the Proposed Rights Issue, to which all Entitled Shareholders are similarly entitled.

8. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Rights Issue, including but not limited to the rationale and effects of the Proposed Rights Issue as well as the proposed utilisation of proceeds to be raised from the Proposed Rights Issue, is of the opinion that the Proposed Rights Issue is in the best interest of the Company.

9. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposed Rights Issue is expected to be made within a period of 2 months from the date of this announcement.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approvals being obtained from the relevant authorities, the Proposed Rights Issue is expected to be completed by the fourth quarter of 2026.

11. ADVISERS

UOBKH has been appointed by the Company to act as the Principal Adviser for the Proposed Rights Issue.

This announcement is dated 13 July 2026.

1. Financial performance and financial position of Maxland Group

The audited financial information of Maxland Group for the past 3 financial years up to the 17-month FPE 30 November 2025, is set out below:-

	<----------Audited	---------->	
	12-month FYE 31 December 2022 RM'000	**18-month FPE 30 June 2024 RM'000**	**17-month FPE 30 November 2025 RM'000**
Revenue	129,354	89,289	84,674
Gross profit/ (loss)	20,297	(31,513)	(7,756)
Profit/ (Loss) before tax ("**PBT**"/ "**(LBT)**")	21,559	(69,248)	(12,094)
PAT/ (LAT) attributable to owners of the Company	17,183	(61,226)	(10,312)
EPS/ (LPS) (sen)	1.18	(3.82)	(0.64)
Total borrowings	16,889	17,175	17,149
Gearing ratio (times)	0.07	0.09	0.09
Current assets	85,585	47,611	47,311
Current liabilities	100,460	117,435	76,789
Current ratio (times)	0.85	0.41	0.62
Shareholders' funds/ NA	239,272	193,569	183,108
Number of Maxland Shares in issue ('000)	1,454,123	1,603,630	1,603,630
NA per share (RM)	0.16	0.12	0.11
Net cash (used in)/ from operating activities	(17,985)	29,113	(23,545)

<u>18-month FPE 30 June 2024 vs 12-month FYE 31 December 2022</u>

On 11 December 2023, the Company had announced the change in Maxland's financial year end from 31 December 2023 to 30 June 2024. As such the comparative figures for the 18-month FPE 30 June 2024 and the 12-month FYE 31 December 2022 may not be entirely comparable.

Maxland Group recorded revenue of RM89.29 million for the 18-month FPE 30 June 2024 which represents a decrease of RM40.06 million or 30.97%, as compared to RM129.35 million recorded for the 12-month FYE 31 December 2022. The lower revenue recorded was mainly due to the weak international timber market. Nevertheless, the Group shall continue to monitor market trends and implement cost efficient strategies to mitigate the impact.

Maxland Group also registered a LAT of RM61.23 million for the 18-month FPE 30 June 2024 as compared to a PAT of RM17.18 million recorded for the 12-month FYE 31 December 2022. The LAT recorded was mainly due to the weak global timber market, characterised by softer demand and downward pressure on timber prices which affected the Group's revenue and margins. The LAT was further substantiated by a reduction in the value of biological assets arising from lower market prices which lead to revisions in valuation assumptions. In addition, the strengthening of the United States Dollar towards the end of the reporting period increased the Group's United States Dollar-denominated loans and borrowings, resulting in higher unrealised foreign exchange losses and increased financing costs. The LAT was also impacted by replanting costs, interest expenses, arbitrator's fees and legal representation costs amounting to RM20.56 million incurred in connection with the final award rendered against the Group in an arbitration proceeding.

<u>17-month FPE 30 November 2025 vs 18-month FPE 30 June 2024</u>

On 26 June 2025, the Company had announced the change in Maxland's financial year end from 30 June 2025 to 30 November 2025. As such the comparative figures for the 17-month FPE 30 November 2025 and the 18-month FPE 30 June 2024 may not be entirely comparable.

Maxland Group recorded revenue of RM84.67 million for the 17-month FPE 30 November 2025 which represents a decrease of RM4.62 million or 5.17%, as compared to RM89.29 million recorded for the 18-month FPE 30 June 2024. Based on the above, the management opines that the monthly revenue for both the financial periods remained fairly consistent, at approximately RM4.96 to RM4.98 million per month.

Maxland Group also registered a LAT of RM10.31 million for the 17-month FPE 30 November 2025 as compared to the LAT of RM61.23 million recorded for the 18-month FPE 30 June 2024. The decrease in LAT recorded was mainly attributable to increase in production of plywood and lower production cost due to greater cost efficiency, higher production and finance cost waived by a third party creditor.

2. Value creation and impact of the Proposed Rights Issue to the Group and its shareholders

As set out in **Section 2.6** of this announcement, the proceeds raised from the Proposed Rights Issue will mainly facilitate the Group in the maintenance of timber camp infrastructure and processing plants, tree plantation and the working capital requirements for growing and upkeeping the Group's business activities without relying solely on internally generated funds and/ or bank borrowings, which will allow the Group flexibility in respect of financial allocations for its operational requirements. Such financial flexibility may allow the Group to carry out its operations in a more timely and efficient manner.

Based on the above, the Board is of the view that the intended utilisation of the proceeds from the Proposed Rights Issue is expected to contribute positively to the future earnings of the Group and in turn, this would lead to an improvement in the Group's financial position and enhancement in shareholders' value.

The effects of the Proposed Rights Issue on the issued share capital, substantial shareholders' shareholding, the NA and gearing, earnings and EPS of the Group are disclosed in **Section 5** of this announcement.

Based on the Issue Price, the Proposed Rights Issue is expected to raise gross proceeds of up to RM60.14 million. The Proposed Rights Issue is expected to result in the following effects:-

Minimum Scenario

	Audited as at 30 November 2025	**I** **After the Proposed Rights Issue**
Issued share capital	RM247.73 million comprising 1,603.63 million Maxland Shares	RM250.93 million comprising 1,731.63 million Maxland Shares[*1]
Current assets	RM47.31 million	RM49.66 million[*1]
Current liabilities	RM76.79 million	RM76.79 million
Current ratio	0.62 times	0.65 times
NA	RM183.11 million	RM185.46 million[*1]
NA per Share (RM)	0.11	0.11
Gearing ratio (times)	0.09	0.09

Note:-

[1] Computed based on the assumption that 128,000,000 Rights Shares are issued at the Issue Price to the Undertaking Shareholders under the Minimum Scenario and after deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue

Base Case Scenario

	Audited as at 30 November 2025	I After the Proposed Rights Issue
Issued share capital	RM247.73 million comprising 1,603.63 million Maxland Shares	RM287.82 million comprising 3,207.26 million Maxland Shares[*1]
Current assets	RM47.31 million	RM86.55 million[*1]
Current liabilities	RM76.79 million	RM76.79 million
Current ratio	0.62 times	1.13 times
NA	RM183.11 million	RM222.35 million[*1]
NA per Share (RM)	0.11	0.07
Gearing ratio (times)	0.09	0.08

Note:-

[1] Computed based on the assumption that 1,603,629,673 Rights Shares are issued at the Issue Price to all the Entitled Shareholders under the Base Case Scenario and after deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue

Maximum Scenario

	Audited as at 30 November 2025	I Assuming conversion of all outstanding Warrants B	II After I and the Proposed Rights Issue
Issued share capital	RM247.73 million comprising 1,603.63 million Maxland Shares	RM335.93 million comprising 2,405.44 million Maxland Shares[*1]	RM396.07 million comprising 4,810.89 million Maxland Shares[*2]
Current assets	RM47.31 million	RM135.51 million[*1]	RM194.80 million[*2]
Current liabilities	RM76.79 million	RM76.79 million	RM76.79 million
Current ratio	0.62 times	1.76 times	2.54 times
NA	RM183.11 million	RM271.31 million[*1]	RM330.60 million[*2]
NA per Share (RM)	0.11	0.11	0.07
Gearing ratio (times)	0.09	0.06	0.05

Notes:-

[1] Assuming all 801,814,638 outstanding Warrants B are converted at the exercise price of RM0.11 per Warrant B

[2] Computed based on the assumption that 2,405,444,311 Rights Shares are issued at the Issue Price to all the Entitled Shareholders under the Maximum Scenario and after deducting the estimated expenses of RM0.85 million in relation to the Proposed Rights Issue

The Proposed Rights Issue, which is expected to be completed in the fourth quarter of 2026, is not expected to have any material effect on the earnings and EPS of the Group for the FYE 30 November 2026. However, there will be a dilutive effect on the EPS of the Group for the FYE 30 November 2026 due to the increase in the number of Maxland Shares in issue pursuant to the Proposed Rights Issue. Notwithstanding that, the proceeds from the Proposed Rights Issue are expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

3. Steps taken to improve the financial condition of the Group and the adequacy of the Proposed Rights Issue in addressing the Group's financial concerns

Based on the latest audited 17-month FPE 30 November 2025, the Group's cash and bank balances stood at RM1.82 million. The management intends to preserve the Group's cash and bank balances and use it for the timber reforestation plans of the Group in a timely manner. Further, considering the inflationary pressure in Malaysia, the management is cautious in utilising further banking facilities or debt instruments for the Group's working capital requirements as well as timber reforestation plans which may impact the gearing ratio (which stood at 0.09 times based on the latest audited 17-month FPE 30 November 2025).

At this juncture, the management is of the view that the primary financial concerns of the Group are to maintain an adequate level of cash surplus for the Group's recurring operating expenses amidst the current economic condition led by the US-China trade tension, along with elevated core inflation, geopolitical tension and uncertainty in major economies. Further, based on the latest audited 17-month FPE 30 November 2025, the Group's existing current liabilities has exceeded its current assets by RM29.48 million, which poses as one of the key financial concerns to Maxland Group.

To address the Group's financial concerns, the management is carrying out the implementation of cost rationalisation exercises in its existing segments to review and address recurring administrative and other operating expenses in the Group's business. This includes amongst others, the reduction of staff cost, repair and maintenance and office administrative expenses, as means to retain adequate working capital to be utilised in a more efficient manner. The management anticipates that such on-going cost rationalisation exercises may optimise the Group's allocation of resources and improve the financial condition of the Group moving forward.

In addition to the cost rationalisation exercises described above, the management has, since the 18-month FPE 30 June 2024, undertaken a series of restructuring measures with the objective of mitigating the Group's recurring losses and strengthening its overall operational and financial position. These measures include the disposal of non-core businesses and assets to streamline the Group's operations, the reduction of operating costs through various efficiency initiatives, the enforcement of greater focus on its core timber-related operations, the strengthening of the management team and operational oversight, initiatives to improve production efficiency and optimise the utilisation of its manufacturing facilities, as well as the implementation of a capital reduction exercise to enhance the financial profile of Maxland Group with its bankers, customers, suppliers, investors, and other stakeholders of Maxland Group following the elimination of the accumulated losses. Collectively, these measures are intended to enhance the Group's operational efficiency, strengthen its financial position and provide a more sustainable platform for its future operations.

The Proposed Rights Issue represents another step taken by the management and Board to address the financial concerns and improve the financial performance of the Group. The Group has earmarked up to RM15.00 million of the proceeds raised from the Proposed Rights Issue for the maintenance of timber camp infrastructure and processing plants. Further, the Group has earmarked up to RM8.00 million of the proceeds raised from the Proposed Rights Issue for tree plantation. Additionally, the Group will from time to time require additional funding to meet its increasing working capital requirements for machinery, labour and other project-related costs. As such, the Board has earmarked up to RM36.29 million of the proceeds from the Proposed Rights Issue to fund its working capital requirements accordingly for its ongoing business activities.

At this juncture, the Board is of the view that the Proposed Rights Issue is adequate in addressing the financial needs of the Group, whilst retaining an adequate level of cash surplus to weather any operational headwinds in the short-term. Moving forward, further fundraising exercises, either via equity, debt or otherwise, may be contemplated, as and when deemed required and necessary at that material point in time to ensure that the Group's business continuity is not affected by cash flow constraints.

Premised on the above, and as part of the Group's objective to improve its overall financial performance moving forward, the Proposed Rights Issue will, on an immediate basis, allow the Group to raise funds on an expeditious manner to facilitate the Group's business activities. Barring any unforeseen circumstances, the Board is of the view that the Proposed Rights Issue is expected to place the Group on a better financial footing and potentially generate positive returns to the Group, and in turn be adequate to turnaround the financial condition of the Group as well as to grow and further improve the financial performance of the Group moving forward. In the long term, the Board will continue to assess the Group's funding requirements which may include the need of carrying out other corporate proposals, after taking into consideration the Group's capital structure and cost of funds.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK