THIS CIRCULAR TO SHAREHOLDERS OF W T K HOLDINGS BERHAD ("WTK" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

W T K HOLDINGS BERHAD

(Registration No. 197001000863 (10141-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-

PART A

(I) PROPOSED ACQUISITION BY WTK OF 100.0% EQUITY INTEREST IN DESACORP SDN BHD;

(II) PROPOSED ACQUISITION BY BIOPALM VENTURE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WTK ("BIOPALM VENTURE") OF 70.0% EQUITY INTEREST IN IMBOK ENTERPRISE SDN BHD; AND

(III) PROPOSED ACQUISITION BY BIOPALM VENTURE OF 70.0% EQUITY INTEREST IN WTK OIL MILL SDN BHD,

FROM A RELATED PARTY, W T K REALTY SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM555.0 MILLION ("PROPOSED ACQUISITIONS")

PART B

INDEPENDENT ADVICE LETTER FROM FHMH CORPORATE ADVISORY SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF WTK IN RELATION TO THE PROPOSED ACQUISITIONS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

UOBKayHian

UOB Kay Hian (M) Sdn Bhd
(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)
(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

bakertilly

FHMH Corporate Advisory Sdn Bhd
(Registration No. 200701016946 (774955-D))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The above Proposed Acquisitions will be tabled at the Extraordinary General Meeting ("**EGM**") of WTK, which will be held at Rafflesia Room, Level 1, RH Hotel, Jalan Kampung Nyabor, 96000 Sibu, Sarawak on Thursday, 29 January 2026 at 10.00 a.m., or any adjournment thereof.

The Notice of the EGM, Form of Proxy and this Circular are available at the Company's website at https://wtkholdings.com/extraordinary-general-meeting/.

If you are unable to attend and vote at the EGM, you may complete the instrument appointing a proxy and the completed instrument appointing a proxy should be lodged at the office of Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on or before the time and date indicated below.

The lodging of the instrument appointing a proxy will not preclude you from participating and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Tuesday, 27 January 2026 at 10.00 a.m., or at any adjournment thereof
Date and time of the EGM	:	Thursday, 29 January 2026 at 10.00 a.m., or at any adjournment thereof

This Circular is dated 14 January 2026

DEFINITIONS

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

"Act"	:	Companies Act 2016
"BioPalm Venture"	:	BioPalm Venture Sdn Bhd (Registration No. 202501022355 (1623768-D)), a wholly-owned subsidiary of WTK
"Board"	:	The board of directors of WTK
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Circular"	:	This circular dated 14 January 2026, issued to the shareholders of the Company in relation to the Proposed Acquisitions
"CPO"	:	Crude palm oil
"Datuk Wong Kie Nai (estate)"	:	The estate of late Datuk Wong Kie Nai, who is the Major Shareholder of WTK
"DCF"	:	Discounted cash flow
"Desacorp"	:	Desacorp Sdn Bhd (Registration No. 200601001056 (720803-P))
"Desacorp Plantation Estate"	:	8 parcels of plantation land with a combined land area measuring approximately 5,228.81 ha, located within Mukah Division, Sarawak and owned by Desacorp
"Desacorp Sale Shares"	:	7,000,000 ordinary shares in Desacorp, representing 100.0% equity interest in Desacorp
"Desacorp SSA"	:	Conditional share sale agreement between WTK and WTK Realty dated 4 September 2025 for the Proposed Desacorp Acquisition
"Director(s)"	:	The director(s) of WTK and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007, and includes any person who is or was within the preceding 6 months of the date of which the terms of the transaction were agreed upon; a director or a chief executive of WTK or any other company which is a subsidiary or holding company of WTK
"Director of Lands and Surveys"	:	The director of the Land and Survey Department of Sarawak, Malaysia
"Disposal of Immense Fleet"	:	The disposal of 100% equity interest in Immense Fleet Sdn Bhd by the Company for a total cash consideration of RM24,349,765. The Disposal of Immense Fleet was completed on 10 September 2025
"Disposal of Piramid Intan"	:	The disposal of 100% equity interest in Piramid Intan Sdn Bhd by the Company for a total cash consideration of RM16,000,000. The Disposal of Piramid Intan was completed on 10 September 2025
"Disposal of Song Logging"	:	The disposal of 100% equity interest in Song Logging Company Sendirian Berhad by the Company for a total cash consideration of RM23,500,000. The Disposal of Song Logging was completed on 5 December 2025

"Disposals of Companies"	:	Collectively, the Disposal of Immense Fleet, Disposal of Piramid Intan and Disposal of Song Logging
"DRC"	:	Depreciated replacement cost
"EGM"	:	Extraordinary general meeting
"EIA"	:	Environmental Impact Assessment
"EPS"	:	Earnings per share
"FFB"	:	Fresh fruit bunches
"FHCA" or the "Independent Adviser"	:	FHMH Corporate Advisory Sdn Bhd (Registration No. 200701016946 (774955-D))
"FPE"	:	Financial period ended/ ending, as the case may be
"FYE"	:	Financial year ended/ ending, as the case may be
"Imbok Enterprise"	:	Imbok Enterprise Sdn Bhd (Registration No. 198601002292 (151435-P))
"Imbok Enterprise Plantation Estate"	:	4 parcels of plantation land with a combined land area measuring approximately 11,020.10 ha, located within Bintulu Division and Miri Division, Sarawak and owned by Imbok Enterprise
"Imbok Enterprise Sale Shares"	:	14,000,000 ordinary shares in Imbok Enterprise, representing 70.0% equity interest in Imbok Enterprise
"Imbok Enterprise SSA"	:	Conditional share sale agreement between BioPalm Venture and WTK Realty dated 4 September 2025 for the Proposed Imbok Enterprise Acquisition
"Interested Directors"	:	Dato' Sri Patrick Wong Haw Yeong, Datin Sri Annie Wong Haw Bing and Tiffany Ting Wei Ying
"Interested Major Shareholders"	:	WTK Realty, Dato Sri Wong Kie Yik, Wong Kie Chie and Datuk Wong Kie Nai (estate)
"Interested Parties"	:	Collectively, the Interested Directors and Interested Major Shareholders
"KER"	:	Kernel extraction rate
"Land Code"	:	Sarawak Land Code Chapter 81 (1958 Edition)
"LAT"	:	Loss after tax
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	26 December 2025, being the latest practicable date prior to the date of this Circular
"LPS"	:	Loss per share

"Major Shareholder(s)"	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in the Company; or (ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "**interest**" shall have the same meaning of "**interest in shares**" given in Section 8 of the Act. This includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of WTK or any other company which is its subsidiary or holding company
"MFRS"	:	Malaysian Financial Reporting Standards
"MPERS"	:	Malaysian Private Entities Reporting Standard
"MPOB"	:	Malaysian Palm Oil Board
"MSPO"	:	Malaysian Sustainable Palm Oil
"NA"	:	Net assets
"NCA"	:	Net carrying amount
"OER"	:	Oil extraction rate
"Palm Oil Mill"	:	The palm oil mill of WTK OM located within the Imbok Enterprise Plantation Estate
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"Person(s) Connected"	:	Person(s) connected with the Directors or Major Shareholders and shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
"Proposed Acquisitions"	:	Collectively, the Proposed Desacorp Acquisition, Proposed Imbok Enterprise Acquisition and Proposed WTK OM Acquisition
"Proposed Desacorp Acquisition"	:	Proposed acquisition by WTK of the Desacorp Sale Shares from WTK Realty for a total cash consideration of RM230.0 million
"Proposed Imbok Enterprise Acquisition"	:	Proposed acquisition by BioPalm Venture of the Imbok Enterprise Sale Shares from WTK Realty for a total cash consideration of RM290.0 million
"Proposed WTK OM Acquisition"	:	Proposed acquisition by BioPalm Venture of the WTK OM Sale Shares from WTK Realty for a total cash consideration of RM35.0 million
"Purchase Consideration"	:	RM555.0 million, being the total cash consideration for the Proposed Acquisitions

"ROU"	:	Right-of-use
"SSAs"	:	Collectively, the Desacorp SSA, Imbok Enterprise SSA and WTK OM SSA
"Target Companies"	:	Collectively, Desacorp, Imbok Enterprise and WTK OM
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No. 199001003423 (194990-K))
"Updated Valuation Certificate"	:	The updated valuation certificate issued by the Independent Valuer dated 5 January 2026, with a material updated date of valuation of 30 September 2025 for the Desacorp Plantation Estate and 1 October 2025 for the Imbok Enterprise Plantation Estate and the Palm Oil Mill (enclosed as **Appendix VII** in this Circular)
"Valuation Certificate"	:	The valuation certificate issued by the Independent Valuer dated 1 October 2025 on the Desacorp Plantation Estate, Imbok Enterprise Plantation Estate and the Palm Oil Mill (enclosed as **Appendix VII** in this Circular)
"VPC Alliance" or the "Independent Valuer"	:	VPC Alliance (Sarawak) Sdn Bhd (Registration No. 198301006771 (101995-X)), an independent valuer appointed by the Company
"WTK" or the "Company"	:	W T K Holdings Berhad (Registration No. 197001000863 (10141-M))
"WTK Group" or the "Group"	:	Collectively, WTK and its subsidiaries
"WTK OM"	:	WTK Oil Mill Sdn Bhd (Registration No. 199301019540 (274278-P))
"WTK OM Sale Shares"	:	3,500,000 ordinary shares, representing 70.0% equity interest in WTK OM
"WTK OM SSA"	:	Conditional share sale agreement between BioPalm Venture and WTK Realty dated 4 September 2025 for the Proposed WTK OM Acquisition
"WTK Realty" or the "Vendor"	:	W T K Realty Sdn Bhd (Registration No. 198101008419 (74536-H))
"WTK Share(s)" or "Share(s)"	:	Ordinary share(s) in WTK

<u>Unit of measurement and currency:-</u>

"ha"	:	hectare
"MT"	:	Metric tonne
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively

All references to "**we**", "**us**", "**our**" and "**ourselves**" are to WTK. All references to "**you**" in this Circular are to the shareholders of WTK.

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

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

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that WTK's plans and objectives will be achieved.

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

APPENDICES **PAGE**

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PART A

LETTER TO THE SHAREHOLDERS OF WTK IN RELATION TO THE PROPOSED ACQUISITIONS

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Acquisitions. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Acquisitions before voting at the forthcoming EGM.

<table>
<tr><th>Key information</th><th>Description</th><th>Reference to Circular</th></tr>
<tr><td>Summary of the Proposed Acquisitions</td><td>
The Proposed Acquisitions entail the acquisition of the Desacorp Sale Shares, Imbok Enterprise Sale Shares and WTK OM Sale Shares from the Vendor as illustrated below:-
<table>
<tr><th rowspan="2">Target Companies</th><th rowspan="2">Purchaser</th><th colspan="2">Equity interest to be acquired</th><th>Purchase Consideration</th></tr>
<tr><th>No. of shares</th><th>%</th><th>RM’000</th></tr>
<tr><td>Desacorp</td><td>WTK</td><td>7,000,000</td><td>100.0</td><td>230,000</td></tr>
<tr><td>Imbok Enterprise</td><td>BioPalm Venture</td><td>14,000,000</td><td>70.0</td><td>290,000</td></tr>
<tr><td>WTK OM</td><td>BioPalm Venture</td><td>3,500,000</td><td>70.0</td><td>35,000</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td>555,000</td></tr>
</table>
The Proposed Acquisitions do not involve any arrangement for payment on a deferred basis.
The Proposed Acquisitions are subject to the terms and conditions of the respective SSAs.
</td><td>Part A, Section 2.1</td></tr>
<tr><td>Basis and justification of arriving at the Purchase Consideration</td><td>
The Purchase Consideration of RM555.0 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:-
(i) the adjusted unaudited NA of the Target Companies after taking into consideration, amongst others, the market value of the Desacorp Plantation Estate, Imbok Enterprise Plantation Estate and the Palm Oil Mill;
(ii) the sizeable land banks held by Desacorp and Imbok Enterprise of 5,228.81 ha and 11,020.10 ha with a total planted area of 4,543.30 ha and 9,845.97 ha respectively; and
(iii) the rationale and justifications for the Proposed Acquisitions and the future prospects of the Target Companies.
</td><td>Part A, Section 2.3</td></tr>
<tr><td>Mode of settlement</td><td>
Pursuant to the terms of the SSAs, the Purchase Consideration is to be satisfied in the following manner:-
<table>
<tr><th>Payment term</th><th>Desacorp SSA (RM’000)</th><th>Imbok Enterprise SSA (RM’000)</th><th>WTK OM SSA (RM’000)</th><th>Total (RM’000)</th></tr>
<tr><td>Upon the execution of the SSAs</td><td>23,000</td><td>29,000</td><td>3,500</td><td>55,500</td></tr>
<tr><td>Within 90 days from the date when the SSAs become unconditional, with an automatic extension of 1 month thereafter</td><td>207,000</td><td>261,000</td><td>31,500</td><td>499,500</td></tr>
<tr><td>Total</td><td>230,000</td><td>290,000</td><td>35,000</td><td>555,000</td></tr>
</table>
</td><td>Part A, Section 2.4</td></tr>
</table>

Key information	Description	Reference to Circular
Rationale and justifications	The Proposed Acquisitions are in line with WTK's overall strategy to expand its presence in the oil palm cultivation business in Sarawak which includes upstream oil palm plantation activities and palm oil mill operations, taking into consideration the following factors:- (i) the oil palm planted area held by the Group will increase from 17,420.59 ha to 31,809.86 ha, representing an increase of 82.60% (14,389.27 ha); (ii) the Palm Oil Mill will primarily support the processing of FFB from the Group's plantations, improving the overall operational efficiency of the Group's supply chain; (iii) the Group will become a stronger player in the plantation industry, with a larger operational scale and improved efficiency; and (iv) the consolidation of the Target Companies into the financial statements of the Group will strengthen the Group's asset base. Premised on the above, the Board (save for the Interested Directors as further detailed in **Section 10** of **Part A** of this Circular) is of the view that the Proposed Acquisitions are expected to contribute positively to the Group's revenue and earnings in the long run.	Part A, Section 3
Risk factors	The potential risk factors in relation to the Proposed Acquisitions include non-completion risk, acquisition risk, business and operational risk, financing risk as well as political, economic and regulatory risk.	Part A, Section 5
Approvals required	The Proposed Acquisitions are subject to the following being obtained:- (i) the approval from the non-interested shareholders of WTK at the forthcoming EGM; (ii) the approval (which was obtained on 22 December 2025) by the Vendor from the minister for the time being charged with the responsibility for land in Sarawak ("**Minister**") for the Proposed Desacorp Acquisition and Proposed Imbok Enterprise Acquisition in accordance with Section 6(1) of the Land (Companies) Rules 2022 of the Land Code; and (iii) the approval from any other relevant authorities, if applicable.	Part A, Section 7
Conditionality of the Proposed Acquisitions	The Proposed Desacorp Acquisition, Proposed Imbok Enterprise Acquisition and Proposed WTK OM Acquisition are inter-conditional upon each other. The Proposed Acquisitions are not conditional upon any other corporate exercises undertaken or to be undertaken by the Group.	Part A, Section 8
Interests of Directors, Major Shareholders and/or Persons Connected	Save for the Interested Parties as disclosed in **Section 10** of **Part A** of this Circular, none of the Directors, Major Shareholders and/or Persons Connected have any interest, whether direct or indirect, in the Proposed Acquisitions. The Vendor, WTK Realty is deemed interested in the Proposed Acquisitions by virtue of it being the Major Shareholder. Accordingly, Dato' Sri Patrick Wong Haw Yeong, Datin Sri Annie Wong Haw Bing, Tiffany Ting Wei Ying, Dato Sri Wong Kie Yik, the late Datuk Wong Kie Nai (estate) and Wong Kie Chie are also deemed interested in the Proposed Acquisitions by virtue of their directorship and/or shareholdings in the Company. Please refer to **Section 10** of **Part A** of this Circular for the list of the Interested Parties.	Part A, Section 10

Key information	Description	Reference to Circular
	In view of the interests of the Interested Parties, the Proposed Acquisitions are deemed as related party transactions under Paragraph 10.08 of the Listing Requirements.	
Directors' statement	The Board, save for the Interested Directors who have abstained from deliberating and voting in respect of the Proposed Acquisitions, after taking into consideration the evaluation of the Independent Adviser, as well as the relevant aspects of the Proposed Acquisitions, including but not limited to, the rationale and justifications, basis of arriving at the Purchase Consideration, salient terms of the SSAs and financial effects of the Proposed Acquisitions, is of the view that the Proposed Acquisitions are in the best interest of the Group. Accordingly, the Board, save for the Interested Directors, recommends that you vote in favour of the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.	Part A, Section 14

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

WTK

W T K HOLDINGS BERHAD

(Registration No. 197001000863 (10141-M))
(Incorporated in Malaysia)

Registered Office
Bangunan Hung Ann
No. 1, Jalan Bujang Suntong
96000 Sibu, Sarawak

14 January 2026

Board of Directors

Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie *(Chairman/ Independent Non-Executive Director)*

Y.A.M. Tengku Sulaiman Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj *(Deputy Chairman/ Non-Independent Non-Executive Director)*

Dato' Sri Patrick Wong Haw Yeong *(Group Managing Director and Chief Executive Officer)*

Lim Hong Hin *(Executive Director)*

Lai Soon Ong (*Executive Director)*

Datin Sri Annie Wong Haw Bing *(Non-Independent Non-Executive Director)*

Dr. Loh Leong Hua *(Senior Independent Non-Executive Director)*

Law Ngi Ping *(Independent Non-Executive Director)*

Tan Yen Lin (*Independent Non-Executive Director)*

Tiffany Ting Wei Ying (Alternate *Non-Independent Non-Executive Director)*

To: The shareholders of WTK

Dear Sir/ Madam,

(I) PROPOSED DESACORP ACQUISITION;
(II) PROPOSED IMBOK ENTERPRISE ACQUISITION; AND
(III) PROPOSED WTK OM ACQUISITION

---

1. INTRODUCTION

On 4 September 2025, UOBKH had, on behalf of the Board, announced that WTK had on the same date entered into the Desacorp SSA, while BioPalm Venture had concurrently entered into the Imbok Enterprise SSA and WTK OM SSA for the Proposed Acquisitions.

In view of the interest of the Interested Parties in the Proposed Acquisitions as disclosed in **Section 10** of **Part A** of this Circular, the Proposed Acquisitions are deemed as related party transactions under Paragraph 10.08 of the Listing Requirements. Accordingly, FHCA has been appointed on 10 June 2025 as the Independent Adviser to advise the non-interested directors and non-interested shareholders of the Company in relation to the Proposed Acquisitions.

Further details of the Proposed Acquisitions are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITIONS AS WELL AS TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITIONS

2.1 Background information on the Proposed Acquisitions

The Proposed Acquisitions entail the acquisition of the Desacorp Sale Shares, Imbok Enterprise Sale Shares and WTK OM Sale Shares from the Vendor as illustrated below:-

		Equity interest to be acquired		Purchase consideration per share	Purchase Consideration
Target Companies	**Purchaser**	**No. of shares**	**%**	**RM**	**RM'000**
Desacorp	WTK	7,000,000	100.0	32.86	230,000
Imbok Enterprise	BioPalm Venture	14,000,000	70.0	20.71	290,000
WTK OM	BioPalm Venture	3,500,000	70.0	10.00	35,000
Total					**555,000**

The Proposed Acquisitions do not involve any arrangement for payment on a deferred basis.

The Proposed Acquisitions are subject to the terms and conditions of the respective SSAs, the salient terms of which are set out in **Appendix I**, **Appendix II** and **Appendix III** of this Circular.

Pursuant to the SSAs, the Desacorp Sale Shares will be acquired by the Company whilst the Imbok Enterprise Sale Shares and WTK OM Sale Shares will be acquired by BioPalm Venture free from all encumbrances and together with all rights and benefits attached thereto at the Purchase Consideration which shall be satisfied wholly in cash.

Upon completion of the Proposed Acquisitions, Desacorp will become the wholly-owned subsidiary of WTK while Imbok Enterprise and WTK OM will become 70.0%-owned subsidiaries of BioPalm Venture.

2.2 Background information on the Target Companies

The information on the Target Companies as at the LPD is set out below:-

	Desacorp	Imbok Enterprise	WTK OM
Incorporation date	12 January 2006	1 March 1986	23 August 1993
Registered office and place of business	Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak	Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak	Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak
Issued share capital	RM7,000,000 comprising 7,000,000 ordinary shares	RM20,000,000 comprising 20,000,000 ordinary shares	RM5,000,000 comprising 5,000,000 ordinary shares
Principal activities	Planting and management of the Desacorp Plantation Estate	Planting and management of the Imbok Enterprise Plantation Estate	Operation and management of the Palm Oil Mill

Further information on the Target Companies is set out in **Appendix IV**, **Appendix V** and **Appendix VI** of this Circular.

2.3 Basis and justification of arriving at the Purchase Consideration

2.3.1 Purchase consideration of Desacorp

The purchase consideration of Desacorp of RM230.0 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:-

(i) the adjusted unaudited NA of Desacorp after taking into consideration, amongst others, the market value of the Desacorp Plantation Estate of RM250.0 million, as ascribed by the Independent Valuer pursuant to the inspections carried out in May 2025 and September 2025 which was subsequently set out in the Valuation Certificate and Updated Valuation Certificate. In evaluating the Desacorp Plantation Estate, the Independent Valuer has used the income approach (DCF method) and comparison approach. Further details on the valuation are set out in **Section 4** of **Appendix IV** and **Appendix VII** of this Circular.

The purchase consideration of Desacorp represents a discount of 2.95% to the adjusted unaudited NA of Desacorp as at 30 June 2025 as set out in the computation below:-

		RM'000
Unaudited NA of Desacorp as at 30 June 2025		146,326
Adjustments on the NA(1):-		
Add:	Adjustments for ROU assets(2)	140
(Less):	Adjustments for biological assets(2)	(16,899)
	Adjustments for lease liabilities(2)	(147)
	Allowance for impairment losses on other receivables	(121)
	Adjustments on prepayment	(75)
	Provision of tax expense(3)	(5,696)
		123,528
Adjustments on the revaluation:-		
Add:	Surplus arising from the revaluation of the Desacorp Plantation Estate(4)	149,292
(Less):	Estimated deferred tax liabilities on the surplus arising from the revaluation of the Desacorp Plantation Estate(5)	(35,830)
Adjusted unaudited NA of Desacorp		**236,990**
Purchase consideration of Desacorp		230,000
Adjusted unaudited NA of Desacorp		(236,990)
Difference		**(6,990)**
Discount (%)		**2.95**

Notes:-

(1) The adjustments on the NA were arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of Desacorp is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed Desacorp Acquisition. These adjustments are made primarily to align Desacorp's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit would have no impact on the Proposed Desacorp Acquisition or the purchase consideration of Desacorp.

(2) These adjustments mainly relate to the reclassification of leasehold lands to ROU assets, partially offset by reclassification from biological assets and the recognition of lease liabilities and ROU assets arising from the differences in accounting treatments among MFRS and MPERS.

(3) The tax provision mainly comprises the current tax expenses of approximately RM5.50 million for the period ended 30 June 2025 and deferred tax expenses of approximately RM0.20 million.

(4) The surplus arising from the revaluation of the Desacorp Plantation Estate is calculated based on the market value of the Desacorp Plantation Estate less the NCA of the Desacorp Plantation Estate as shown below:-

	RM'000
Estimated market value of the Desacorp Plantation Estate	*250,000*
(Less): Unaudited NCA of the Desacorp Plantation Estate as at 30 June 2025	*(100,708)*
Surplus arising from the revaluation of the Desacorp Plantation Estate	***149,292***

The market value of the Desacorp Plantation Estate was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Desacorp Plantation Estate.

(5) Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.0%.

(ii) the sizeable land banks held by Desacorp of 5,228.81 ha, with a total planted area of 4,543.30 ha, of which more than 90.0% of the oil palms are prime mature (9 to 14 years) and mature (15 to 18 years) as set out in **Section 4** of **Appendix IV** of this Circular; and

(iii) the rationale and justifications for the Proposed Acquisitions and future prospects of the Target Companies as set out in **Sections 3** and **4.3** of Part A of this Circular.

For information purposes, the purchase consideration of Desacorp translates to a purchase price of RM43,987.06 per ha.

2.3.2 Purchase consideration of Imbok Enterprise

The purchase consideration of Imbok Enterprise of RM290.0 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:-

(i) the adjusted unaudited NA of Imbok Enterprise after taking into consideration, amongst others, the market value of the Imbok Enterprise Plantation Estate of RM450.0 million, as ascribed by the Independent Valuer pursuant to the inspections carried out in May 2025 and October 2025 which was subsequently set out in the Valuation Certificate and Updated Valuation Certificate. In evaluating the Imbok Enterprise Plantation Estate, the Independent Valuer has used the income approach (DCF method) and comparison approach. Further details on the valuation are set out in **Section 4** of **Appendix V** and **Appendix VII** of this Circular.

The purchase consideration of Imbok Enterprise represents a premium of 1.01% to the adjusted unaudited NA of Imbok Enterprise as at 30 June 2025, represented by the 70.0% equity interest of Imbok Enterprise being acquired as set out in the computation below:-

		RM'000
Unaudited NA of Imbok Enterprise as at 30 June 2025		195,789
Adjustments on the NA[(1)]:-		
Add:	Adjustments for ROU assets[(2)]	257
(Less):	Adjustments for biological assets[(2)]	(15,606)
	Adjustments for lease liabilities[(2)]	(269)
	Allowance for impairment losses on other receivables[(3)]	(9,654)
	Adjustments on prepayment	(148)
	Provision of tax expense[(4)]	(6,134)
		164,235
Adjustments on the revaluation:-		
Add:	Surplus arising from the revaluation of the Imbok Enterprise Plantation Estate[(5)]	323,568
(Less):	Estimated deferred tax liabilities on the surplus arising from the revaluation of the Imbok Enterprise Plantation Estate[(6)]	(77,656)
Adjusted unaudited NA of Imbok Enterprise		**410,147**
Purchase consideration of Imbok Enterprise		290,000
70.0% of the adjusted unaudited NA of Imbok Enterprise		(287,103)
Difference		**2,897**
Premium (%)		**1.01**

Notes:-

(1) The adjustments on the NA was arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of Imbok Enterprise is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed Imbok Enterprise Acquisition. These adjustments are made primarily to align Imbok Enterprise's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit would have no impact on the Proposed Imbok Enterprise Acquisition or the purchase consideration of Imbok Enterprise.

(2) These adjustments mainly relate to the reclassification of leasehold lands to ROU assets, partially offset by reclassification from biological assets and the recognition of lease liabilities and ROU assets arising from the differences in accounting treatments among MFRS and MPERS.

(3) The impairment losses comprises the impairment arising from long outstanding receivables.

(4) The tax provision mainly comprises the current tax expenses of approximately RM1.94 million for the period ended 30 June 2025 and deferred tax expenses of approximately RM4.19 million.

(5) The surplus arising from the revaluation of the Imbok Enterprise Plantation Estate is calculated based on the market value of the Imbok Enterprise Plantation Estate less the NCA of the Imbok Enterprise Plantation Estate as shown below:-

	RM'000
Estimated market value of the Imbok Enterprise Plantation Estate	*450,000*
(Less): Unaudited NCA of the Imbok Enterprise Plantation Estate as at 30 June 2025	*(126,432)*
Surplus arising from the revaluation of the Imbok Enterprise Plantation Estate	***323,568***

The market value of the Imbok Enterprise Plantation Estate was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Imbok Enterprise Plantation Estate.

(6) Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.0%.

(ii) the sizeable land banks held by Imbok Enterprise of 11,020.10 ha, with a total planted area of 9,845.97 ha, of which more than 80.0% of the oil palms are immature (0 to 3 years) and young mature (4 to 8 years) as set out in **Section 4** of **Appendix V** of this Circular. As the oil palms mature and move into higher yielding age bracket, Imbok Enterprise's oil palm yields are poised to improve further and the growth momentum in Imbok Enterprise's revenue and earnings is expected to continue in the future financial years; and

(iii) the rationale and justifications for the Proposed Acquisitions and future prospects of the Target Companies as set out in **Sections 3** and **4.3** of Part A of this Circular.

For information purposes, the purchase consideration of Imbok Enterprise translates to a purchase price of RM37,593.64 per ha. The difference in the purchase price per ha between Desacorp and Imbok Enterprise is mainly due to the differing maturity profiles of the respective plantation estates.

The purchase consideration of Desacorp which translate to a higher price of RM43,987.06 per ha reflects that more than 90.0% of its planted area comprises prime mature and mature oil palms, which are already generating stable and immediate yields. In contrast, the purchase consideration of Imbok Enterprise that translates to a lower price of RM37,593.64 per ha is attributable to its younger plantation profile, with more than 80.0% of its oil palms being immature and young mature, resulting in a longer gestation period before optimal productivity is achieved. Accordingly, the difference in purchase price per ha reasonably reflects the differing yield potential and risk profiles of the two plantation estates.

Moreover, it is pertinent to note that the purchase consideration of Desacorp and Imbok Enterprise is for the acquisition of their equity interests, and not solely for the plantation estates. Accordingly, a direct comparison on a price-per-ha basis is not, in itself, an accurate measure of the relative valuation.

The difference in the implied price per ha is therefore incidental and arises from differences in the overall asset profiles of the two companies, including, amongst others, the maturity profile of the oil palm plantations, production and earnings contributions, associated infrastructure and facilities, land tenure characteristics as well as future growth potential. These factors were collectively taken into account in determining the respective purchase considerations.

2.3.3 Purchase consideration of WTK OM

The purchase consideration of WTK OM of RM35.0 million was arrived at on a willing-buyer willing-seller basis, after taking into consideration the following:-

(i) the adjusted unaudited NA of WTK OM after taking into consideration, amongst others, the market value of the Palm Oil Mill of RM56.20 million, as ascribed by the Independent Valuer pursuant to the inspections carried out in May 2025 and October 2025 which was subsequently set out in the Valuation Certificate and Updated Valuation Certificate. In evaluating the Palm Oil Mill, the Independent Valuer has used the cost approach by DRC method. Further details on the valuation are set out in **Section 4** of **Appendix VI** and **Appendix VII** of this Circular.

The purchase consideration of WTK OM represents a discount of 16.84% to the adjusted unaudited NA of WTK OM as at 30 June 2025, represented by the 70.0% equity interest of WTK OM being acquired as set out in the computation below:-

		RM'000
Unaudited NA of WTK OM as at 30 June 2025		44,695
Adjustments on the NA(1):-		
Add:	Adjustments for ROU assets(2)	197
	Overprovision of tax and deferred tax(3)	3,134
(Less):	Adjustments for lease liabilities(2)	(206)
	Adjustments on prepayment	(16)
		47,804
Adjustments on the revaluation:-		
Add:	Surplus arising from the revaluation of the Palm Oil Mill(4)	16,216
(Less):	Estimated deferred tax liabilities on the surplus arising from the revaluation of the Palm Oil Mill(5)	(3,892)
Adjusted unaudited NA of WTK OM		**60,128**
Purchase consideration of WTK OM		35,000
70.0% of the adjusted unaudited NA of WTK OM		(42,090)
Difference		**(7,090)**
Discount (%)		**16.84**

Notes:-

(1) The adjustments of the NA was arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of WTK OM is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed WTK OM Acquisition. These adjustments are made primarily to align WTK OM's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit would have no impact on the Proposed WTK OM Acquisition or the purchase consideration of WTK OM.

(2) These adjustments mainly related to recognition of ROU assets and lease liabilities in accordance with the MFRS.

(3) The overprovision of tax and deferred tax mainly comprises the overprovision of tax income and deferred tax assets amounting to RM4.34 million in prior years (i.e. 2022 to 2024), partially offset by current tax expenses and deferred tax expenses of approximately RM1.21 million for the period ended 30 June 2025. The over-provision in prior years is primarily attributable to previously unrecognised deferred tax assets arising from unutilised reinvestment allowances.

(4) *The surplus arising from the revaluation of the Palm Oil Mill is calculated based on the market value of the Palm Oil Mill less the NCA of the Palm Oil Mill as shown below:-*

	RM'000
Estimated market value of the Palm Oil Mill	*56,200*
(Less): Unaudited NCA of the Palm Oil Mill as at 30 June 2025	*(39,984)*
Surplus arising from the revaluation of the Palm Oil Mill	***16,216***

The market value of the Palm Oil Mill was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Palm Oil Mill.

(5) *Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.0%.*

(ii) the rationale and justifications for the Proposed Acquisitions and future prospects of the Target Companies as set out in **Sections 3** and **4.3** of Part A of this Circular.

2.4 Mode of settlement

Pursuant to the terms of the SSAs, the Purchase Consideration is to be satisfied in the following manner:-

Payment term	**Desacorp SSA (RM'000)**	**Imbok Enterprise SSA (RM'000)**	**WTK OM SSA (RM'000)**	**Total (RM'000)**
Upon the execution of the SSAs[(1)]	23,000	29,000	3,500	55,500
Within 90 days from the date when the SSAs become unconditional, with an automatic extension of 1 month thereafter[(2)]	207,000	261,000	31,500	499,500
Total	**230,000**	**290,000**	**35,000**	**555,000**

Notes:-

(1) *Being 10.0% of the Purchase Consideration as deposit. The deposit under the respective SSAs has been paid to the Vendor on 4 September 2025 upon execution of the SSAs.*

(2) *Being 90.0% of the Purchase Consideration. The automatic extension of 1 month for payment is subject to an interest rate of 6.0% per annum, calculated on a day-to-day basis, on the amount of outstanding balance Purchase Consideration.*

2.5 Source of funding

The Purchase Consideration payable in cash pursuant to the terms of the respective SSAs shall be satisfied entirely via a combination of internally generated funds of the Group and bank borrowings/ sukuk financing.

Strictly for illustrative purposes, the breakdown and proportion of the sources of funding are expected to be in the following manner:-

Source of funding	**RM'000**	**%**
Internally generated funds	166,500	30.0
Bank borrowings/ sukuk financing[(1)]	388,500	70.0
Total	**555,000**	**100.0**

Note:-

*(1) The Company had, through its wholly-owned subsidiary, WTK Capital Sdn Bhd ("**WTK Capital**") on 20 January 2025 established an Islamic medium-term notes programme of up to RM1.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("**Sukuk Wakalah**") with a tenure of up to 30 years, commencing from the date of the 1st issuance of the Sukuk Wakalah.*

The salient terms and conditions of the Sukuk Wakalah programme are as follows:-

(i) The Sukuk Wakalah programme allows for the issuance of Sukuk Wakalah from time to time, whereby each issuance may be either rated or unrated, to be determined prior to issuance of the Sukuk Wakalah.

(ii) WTK Capital may issue the Sukuk Wakalah from time to time and the proceeds raised from the Sukuk Wakalah shall be utilised by WTK Group, except for subsidiaries involved in the food business operations, for the following Shariah-compliant purposes:-

- *capital expenditure;*
- *refinancing of existing and/or future Islamic financing/ repayment of existing conventional borrowing facilities;*
- *working capital;*
- *general corporate purposes; and/or*
- *defraying fees, costs and expenses in relation to the issuance of Sukuk Wakalah and the Sukuk Wakalah programme.*

(iii) For the avoidance of doubt, the Sukuk Wakalah shall at all times be utilised for Shariah-compliant purposes, and any advances of the Sukuk Wakalah proceeds within WTK Group shall be Shariah-compliant.

For information purposes, WTK Capital has issued Tranche 1 Series 1 of RM5.0 million on 30 May 2025 and Tranche 1 Series 2 of RM15.0 million on 29 August 2025. WTK intends to, through WTK Capital, issue Tranche 2 Sukuk Wakalah and the proceeds will be partially utilised to fund the Proposed Acquisitions.

For information purposes, the actual breakdown and proportion of the sources of funding can only be determined depending on the actual amount of bank borrowings/ sukuk financing to be secured by the Group.

WTK Group has a total cash and bank balances of approximately RM262.85 million and RM230.33 million as at 31 December 2024 and 30 September 2025 respectively.

2.6 Information on the Vendor

The Vendor, WTK Realty is a private limited company duly incorporated in Malaysia on 25 August 1981 and have its registered office and place of business located at Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak.

As at the LPD, WTK Realty has a total issued share capital of RM73,600,000 comprising of 19,150,000 ordinary shares.

WTK Realty is principally involved in investment holding, extraction and trading of logs including barges operation as well as property development.

The details on the shareholders of WTK Realty as at the LPD are as follows:-

Name	Nationality/ Place of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datuk Wong Kie Nai (estate)	Malaysia	4,000,000	20.89	-	-
Datin Kathryn Ma Wai Fong[(1)]	Malaysian	3,968,000	20.72	-	-
Successful Trend Investments Corporation[(2)]	British Virgin Islands	2,750,000	14.36	-	-
Wong Kie Chie	Malaysian	2,341,000	12.23	-	-
Dato Sri Wong Kie Yik	Malaysian	1,966,000	10.27	-	-
Pierre Wong Ho Zhen	Malaysian	1,375,000	7.18	-	-
Dato' Sri Patrick Wong Haw Yeong	Malaysian	1,000,000	5.22	-	-
Wong Hou Lianq	Malaysian	920,000	4.80	-	-
Happy Wong Fei Fei	Malaysian	187,500	0.98	-	-
Datin Sri Annie Wong Haw Bing	Malaysian	187,500	0.98	-	-
Audrey Wong Haw Ing	Malaysian	187,500	0.98	-	-
Penelope Wong Haw Yieng	Malaysian	187,500	0.98	-	-
Mimi Wong Hou Wai	Malaysian	60,000	0.31	-	-
Datin Kathryn Ma Wai Fong	Malaysian	20,000	0.10	-	-
Total		**19,150,000**	**100.00**	**-**	**-**

Notes:-

(1) As executrix to Datuk Wong Kie Nai (estate).

(2) The ultimate substantial shareholders of Successful Trend Investments Corporation are Dato Sri Wong Kie Yik, Wong Kie Chie and Datin Kathryn Ma Wai Fong.

The details on the directors of WTK Realty together with their respective shareholdings in WTK Realty as at the LPD are as follows:-

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	[(1)]%	No. of shares	%
Wong Kie Chie	Director	Malaysian	2,341,000	12.23	-	-
Dato Sri Wong Kie Yik	Director	Malaysian	1,966,000	10.27	-	-
Dato' Sri Patrick Wong Haw Yeong	Director	Malaysian	1,000,000	5.22	-	-
Wong Hou Lianq	Director	Malaysian	920,000	4.80	-	-
Mimi Wong Hou Wai	Director	Malaysian	60,000	0.31	-	-
Datin Sri Annie Wong Haw Bing	Alternate director[(2)]	Malaysian	187,500	0.98	-	-
Penelope Wong Haw Yieng	Alternate director[(3)]	Malaysian	187,500	0.98	-	-

Notes:-

(1) Based on 19,150,000 issued shares in WTK Realty as at the LPD.

(2) Alternate Director to Wong Kie Chie.

(3) Alternate Director to Dato Sri Wong Kie Yik.

2.7 Information on BioPalm Venture

BioPalm Venture is a private limited company duly incorporated in Malaysia on 20 May 2025 and have its registered office and place of business located at Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak.

As at the LPD, BioPalm Venture has a total issued share capital of RM1,000 comprising of 1,000 ordinary shares.

As at the LPD, BioPalm Venture is principally an investment holding company.

As at the LPD, BioPalm Venture is a wholly-owned subsidiary of WTK and the directors of BioPalm Venture are Dato' Sri Patrick Wong Haw Yeong (Malaysian) and Datin Sri Annie Wong Haw Bing (Malaysian).

2.8 Original cost and date of investment

2.8.1 Proposed Desacorp Acquisition

The original cost and date of investment by WTK Realty in Desacorp are as follows:-

Date of investment	No. of ordinary shares in Desacorp	Original cost of investment (RM)
23 November 2009	7,000,000	65,030,593

2.8.2 Proposed Imbok Enterprise Acquisition

The original cost and date of investment by WTK Realty in Imbok Enterprise are as follows:-

Date of investment	No. of ordinary shares in Imbok Enterprise	Original cost of investment (RM)
19 December 1989	14,000,000	9,998,902

2.8.3 Proposed WTK OM Acquisition

The original cost and date of investment by WTK Realty in WTK OM are as follows:-

Date of investment	No. of ordinary shares in WTK OM	Original cost of investment (RM)
25 October 1995	3,500,000	3,342,318

For information purposes, no development cost were incurred by WTK Realty, as all such costs were borne by the respective Target Companies.

2.9 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSAs as detailed in **Appendix I**, **Appendix II** and **Appendix III** of this Circular, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by the Group arising from the Proposed Acquisitions.

2.10 Additional financial commitment required

Save for the plantation development expenditure envisaged to be incurred as and when required for the continuing development and maintenance of the Desacorp Plantation Estate and Imbok Enterprise Plantation Estate, which is in the ordinary course of business, WTK does not expect to incur additional financial commitments to put the business of Desacorp and Imbok Enterprise on-stream upon completion of the Proposed Acquisitions in view that Desacorp and Imbok Enterprise are already on-going business entities with yielding plantation and an established historical profit track record as set out in **Appendix IV** and **Appendix V** of this Circular. However, the quantum of such expenditure to be incurred by WTK cannot be ascertained at this juncture.

In addition, there are no additional financial commitments to be incurred by the Group to put the Palm Oil Mill on-stream in view that the Palm Oil Mill is already in operation. Please refer to **Section 4** of **Appendix VI** of this Circular for further information on the Palm Oil Mill.

3. RATIONALE AND JUSTIFICATIONS

The Proposed Acquisitions are in line with WTK's overall strategy to expand its presence in the oil palm cultivation business in Sarawak which includes upstream oil palm plantation activities and palm oil mill operations, taking into consideration the following factors:-

(i) Strategic expansion of the Group's oil palm plantation estates

The Proposed Acquisitions will expand the Group's oil palm planted area from 17,420.59 ha to 31,809.86 ha, representing an increase of 82.60% (14,389.27 ha). This expansion aligns with the Group's long-term strategy of strengthening our footprint in the plantation sector, which has become a core revenue driver for the Group. Given the scarcity of sizeable and suitable land for oil palm cultivation in Malaysia, the Proposed Acquisitions present a valuable opportunity to secure land banks that will contribute to the Group's long-term production growth.

All of the Group's oil palm estates and palm oil mills are MSPO certified and the total palm oil planted area of WTK stands at 17,420.59 ha as at the LPD. The palm age profile of the Group's oil palm plantation estate before and after the Proposed Acquisitions is as follows:-

	[(1)]As at the LPD		[(2)]Upon completion of the Proposed Acquisitions	
Palm age (years)	**ha**	**%**	**ha**	**%**
Immature (0 to 3 years)	2,942.96	16.89	7,187.96	22.60
Young mature (4 to 8 years)	3,991.67	22.91	8,383.98	26.36
Prime mature (9 to 14 years)	8,204.06	47.10	9,746.58	30.64
Mature (15 to 18 years)	2,226.33	12.78	4,860.43	15.28
Old (19 to 25 years)	55.57	0.32	55.57	0.17
Extended (more than 25 years)	-	-	1,575.34	4.95
Total planted area	**17,420.59**	**100.00**	**31,809.86**	**100.00**

Notes:-

(1) After excluding the oil palm estates owned by Immense Fleet Sdn Bhd following the completion of the Disposal of Immense Fleet on 10 September 2025.

(2) *After accounting for the oil palm age profile of Desacorp Plantation Estate and Imbok Enterprise Plantation Estate as at the respective valuation dates as set out below:-*

	Desacorp Plantation Estate		***Imbok Enterprise Plantation Estate***	
Palm age (years)	***ha***	***%***	***ha***	***%***
Immature (0 to 3 years)	*135.19*	*2.98*	*4,109.81*	*41.74*
Young mature (4 to 8 years)	*231.49*	*5.09*	*4,160.82*	*42.26*
Prime mature (9 to 14 years)	*1,542.52*	*33.95*	*-*	*-*
Mature (15 to 18 years)	*2,634.10*	*57.98*	*-*	*-*
Old (19 to 25 years)	*-*	*-*	*-*	*-*
Extended (more than 25 years)	*-*	*-*	**1,575.34*	*16.00*
Total planted area	***4,543.30***	***100.00***	***9,845.97***	***100.00***

Note:-

* *WTK intends to carefully manage the extended trees in Imbok Enterprise Plantation Estate to maximise their remaining productive potential. Extended trees, which are older than the prime production period, typically yield lower FFB but can still contribute meaningfully to short-term harvests if properly maintained. WTK plans to implement targeted agronomic practices, such as selective pruning, fertilisation and pest management, to sustain productivity from these trees while monitoring overall yield performance.*

Over the medium term, WTK will adopt a phased replanting strategy, gradually replacing the least productive extended palms with new, high-yielding seedlings. This approach balances immediate FFB production with long-term plantation renewal, ensuring a smooth transition from extended to mature palms without disrupting cash flow. By strategically managing these extended trees, WTK aims to optimise both short-term revenue and the long-term sustainability of the plantation.

Oil palm trees typically begin producing FFB at 4 years of age. The yield gradually increases and reaches its prime productive period between 9 and 14 years, during which the palms generate maximum stable yields.

Additionally, it should be highlighted that the oil palm age profile of the Desacorp Plantation Estate are mostly at the mature age (more than 90.0% of the oil palms are prime mature and mature) while Imbok Enterprise Plantation Estate has the majority of its palms at a relatively young age (more than 80.0% of the oil palms are immature and young mature) and only 16.0% of its palms are at the extended age of more than 25 years old. As the palms enter into maturity and move into higher yielding age bracket, Imbok Enterprise Plantation Estate's oil palm yields are poised to further improve and the growth momentum in their earnings is expected to continue in the future financial years.

The operational statistics of the existing oil palm plantation estates under the Group, Desacorp Plantation Estate and Imbok Enterprise Plantation Estate are set out as follows:-

<u>WTK Group</u>

	FYE 31 December		
	2022	**2023**	**2024**
FFB production (MT)	109,764	172,832	231,180
Yield (MT/ha)(1)	9.32	10.81	13.15

<u>Desacorp Plantation Estate</u>

	FYE 30 September		
	2022	2023	2024
FFB production (MT)	95,829	90,465	95,866
Yield (MT/ha)[(1)]	22.72	20.66	22.96

<u>Imbok Enterprise Plantation Estate</u>

	FYE 30 September		
	2022	2023	2024
FFB production (MT)	130,873	116,219	92,847
Yield (MT/ha)[(1)]	18.84	19.39	18.18

Note:-

(1) For information purposes, the yield calculated only takes into consideration the hectarage of the mature oil palm trees.

(ii) Enhanced operational efficiency and milling integration

Upon completion of the Proposed WTK OM Acquisition, the Palm Oil Mill will primarily support in the processing of FFB from the Group's plantations. This will improve the overall efficiency of the Group's supply chain by securing a dedicated milling facility for its expanding plantation business, which includes the following benefits:-

(a) cost efficiencies by reducing reliance on third-party mills;

(b) better quality control over CPO production; and

(c) optimised logistics and transportation costs, as the Palm Oil Mill is located within the Imbok Enterprise Plantation Estate.

The operational statistics of the existing palm oil mills under the Group and the Palm Oil Mill are as follows:-

	WTK Group			Palm Oil Mill		
	FYE 31 December			FYE 30 September		
	2022	2023	2024	2022	2023	2024
OER (%)	21.70	20.50	19.70	18.83	18.89	19.93
KER (%)	4.90	4.60	4.10	5.39	4.79	4.51
CPO production (MT)	16,854	45,197	53,906	47,296	41,190	34,062
Palm kernel production (MT)	3,812	10,193	11,332	13,528	10,445	7,705
FFB processed (MT)[(1)]	77,537	220,325	274,234	251,119	218,051	170,944

Note:-

(1) Including FFB purchased from external parties.

The utilisation rate of the Palm Oil Mill is 87%, 76% and 59% for the FYE 30 September 2022, 2023 and 2024 respectively.

(iii) Long-term revenue and earnings growth

Upon completion of the Proposed Acquisitions, the Group will become a stronger player in the plantation industry, with a larger operational scale and improved efficiency. The higher yielding potential of Desacorp Plantation Estate and Imbok Enterprise Plantation Estate's young oil palm trees, coupled with WTK OM's dedicated milling operations, will contribute positively to revenue and earnings in the coming years. With increasing global demand for palm oil, we are well-positioned to capitalise on market opportunities, ensuring sustainable and profitable growth for the Group and its shareholders.

(iv) Strengthening the Group's financial position

Upon completion of the Proposed Acquisitions, Desacorp will become the wholly-owned subsidiary of WTK while Imbok Enterprise and WTK OM will become 70%-owned indirect subsidiaries of WTK. The equity interest in the Target Companies will be accounted for using the consolidated method in the Company's financial statements in accordance with the MFRS. The consolidation of the Target Companies into the Group's financial statements will strengthen the Group's asset base.

The contribution to earnings from the Desacorp Plantation Estate and Imbok Enterprise Plantation Estate is expected to grow as FFB production increases, providing a long-term revenue stream to the Group that enhances financial stability and profitability.

WTK is acquiring only a 70% stake in both Imbok Enterprise and WTK OM as the remaining shareholders have not expressed their intention to dispose of their shareholdings at this juncture. Accordingly, WTK is proceeding with the acquisition of a majority stake, which provides management control over the Target Companies while allowing the existing shareholders to retain their minority interests.

Premised on the above, the Board (save for the Interested Directors as further detailed in **Section 10** of **Part A** of this Circular) is of the view that the Proposed Acquisitions are expected to contribute positively to the Group's revenue and earnings in the long run.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap ("**NETR**") and New Industrial Master Plan 2030 ("**NIMP 2030**"), have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace. Overall, real gross domestic product in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

For 2025, the Malaysian economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of information and communication technology ("**ICT**") related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the electrical and electronics (E&E) segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of CPO and demand from food-related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shutdown for maintenance purposes.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

4.2 Overview and outlook of the oil palm industry in Malaysia

The Malaysian oil palm industry experienced a mixed performance in 2024 compared to the previous year. The oil palm planted area saw a slight decline, primarily due to ongoing site preparations for replanting initiatives, as well as the conversion of oil palm land to alternative agricultural or developmental uses, such as coconut cultivation and residential, commercial or industrial projects.

CPO production, however, saw a modest increase of 4.2%, reaching 19.34 million tonnes, up from 18.55 million tonnes in 2023. This growth was driven by improved labour availability in the plantation sector, which shortened harvesting intervals and enhanced maintenance activities. Additionally, the more efficient labour situation contributed to a 5.8% rise in FFB yield, which reached 16.70 tonnes per ha, compared to 15.79 tonnes per ha in 2023.

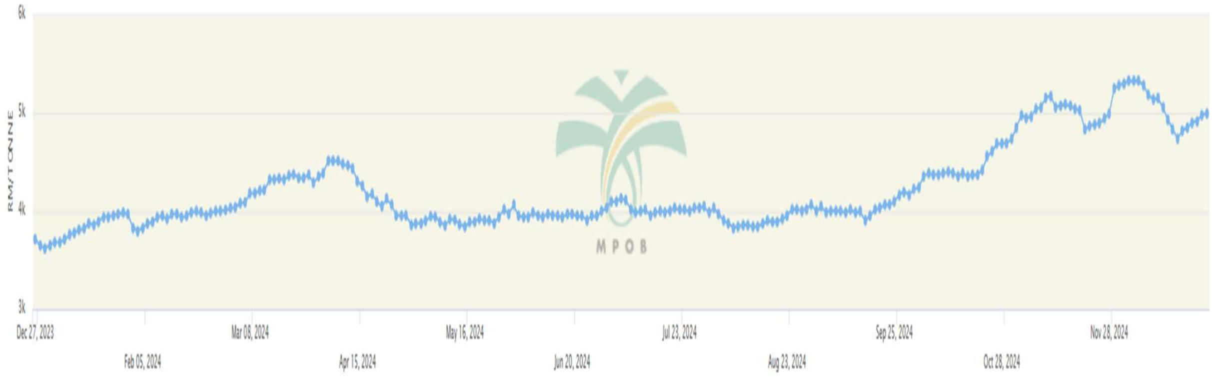
On the other hand, the OER declined by 1.0%, falling to 19.67% from 19.86% in 2023. This reduction was largely due to a lower proportion of ripe and high-quality FFB being processed by palm oil mills. Furthermore, adverse weather conditions, particularly heavy rainfall in June, July, and the last quarter of the year, led to flooding in certain areas, further affecting OER performance.

The decrease in palm oil stocks was a result of higher export activity. In 2024, Malaysia's palm oil exports rose to 16.90 million tonnes, up from 15.14 million tonnes in 2023. India remained the largest importer of Malaysian palm oil for the 11th consecutive year, receiving 3.03 million tonnes or 17.9% of total exports. Other significant markets included China (1.39 million tonnes, 8.2%), the European Union (1.29 million tonnes, 7.7%), Kenya (1.26 million tonnes, 7.5%), Turkiye (0.91 million tonnes, 5.4%), the Philippines (0.69 million tonnes, 4.1%) and Japan (0.60 million tonnes, 3.6%). These seven markets collectively accounted for 54.2% of total Malaysian palm oil exports in 2024, amounting to 9.17 million tonnes.

The average prices of oil palm products continued their upward trend in 2024, driven primarily by stronger export demand, lower palm oil stocks, and Indonesia's planned implementation of the B40 biofuel program in 2025. The average CPO price increased by 9.7%, reaching RM4,179.50 per tonne, compared to RM3,809.50 in 2023. The highest and lowest monthly average CPO prices were recorded in December and January, at RM5,119.50 per tonne and RM3,783.50 per tonne respectively. The prices of palm kernel and crude palm kernel oil also saw significant increases, rising by 31.2% to RM2,645.50 per tonne and RM5,475.50 per tonne, respectively. This surge was driven by supply tightness and higher lauric oil prices in the global market. The average price of FFB at 1% OER rose by 13.5%, or RM5.36, to RM44.98 per tonne, compared to RM39.62 per tonne the previous year, thereby boosting the income of both smallholders and estates.

The movement of CPO price in 2024 and 2025 is illustrated as follows:-

<u>2024</u>



<u>2025</u>

(Source: Malaysia Palm Oil Board)

As a result of the higher CPO prices, total export earnings surged by 15.2%, reaching RM109.39 billion, up from RM94.95 billion in 2023.

Palm oil ending stocks closed lower in December 2024 after three consecutive years of increases, reaching 1.71 million tonnes, a decline of 0.58 million tonnes, or 25.4%, compared to 2.29 million tonnes in December 2023. This decrease was driven by reduction in palm oil imports by 0.65 million tonnes, along with 1.77 million tonne increase in palm oil exports compared to the previous year.

(Source: Overview of the Malaysian Oil Palm Industry in 2024, Malaysia Palm Oil Board)

The direction of palm oil prices in 2025 will largely depend on the export supply dynamics of Malaysia and Indonesia, along with policy shifts in the United States of America and Indonesia. In Malaysia, palm oil production is anticipated to remain steady at 19.5 million tonnes in 2025, while Indonesia is projected to recover by approximately 2 million tonnes, reaching 48 million tonnes. However, the recovery in Indonesia's production is anticipated to be fully absorbed by the increased demand for B40 biodiesel blending. Therefore, export supplies from both Malaysia and Indonesia are unlikely to see significant growth.

(Source: Palm Oil Price Outlook in 2025: Policy Shifts to Drive Price Movements, Malaysia Palm Oil Council)

4.3 Prospects of the Target Companies

Upon completion of the Proposed Acquisitions, WTK Group will be strategically positioned for long-term growth and sustainable value creation across the Group's core business segments. The expansion of oil palm plantation and palm oil milling operations will strengthen revenue streams, improve operational efficiencies and enhance overall profitability.

As further detailed in **Section 4** of **Appendix IV** and **Section 4** of **Appendix V** of this Circular, Desacorp and Imbok Enterprise currently own oil palm estates predominantly in Mukah Division, Sarawak as well as Bintulu Division and Miri Division, Sarawak respectively. Desacorp holds a sizeable land bank totaling 5,228.81 ha with a total planted area of 4,543.30 ha, of which more than 90.0% of the oil palms are prime mature and mature while Imbok Enterprise holds sizeable land banks of 11,020.10 ha with a total planted area of 9,845.97 ha, of which more than 80.0% of the oil palms are immature and young mature. As these oil palms mature and move into higher yielding age bracket, the oil palm yields are poised to improve further and the growth momentum in revenue and earnings is expected to continue in the future financial years.

Upon completion of the Proposed Acquisitions, the Group anticipates a steady increase in FFB production and yields, supported by the following factors:-

(i) the relatively young age profile of Desacorp Plantation Estate and Imbok Enterprise Plantation Estate and such oil palms attaining maturity and moving into higher-yield brackets going forward;

(ii) better planting materials and sustainable agronomic practices used in new development and replanting programmes;

(iii) the facilities and resources to be shared amongst the plantation estates owned by the Group with Desacorp and Imbok Enterprise, which will help reduce the administration cost through economies of scale; and

(iv) the potential synergies to be created from the pooling of technical expertise and resources in development of plantation lands arising from any future collaboration between the Group, Desacorp and Imbok Enterprise.

The inclusion of Desacorp as a wholly-owned subsidiary as well as Imbok Enterprise and WTK OM as 70%-owned indirect subsidiaries will enhance the Group’s financial strength as their financial results will be fully consolidated into the Group’s accounts in line with the MFRS, bolstering the Group’s asset base and revenue streams, profitability and cash flow generation, long-term earnings visibility.

In the context of the 2025 industry outlook, WTK is strategically positioned to benefit from several favorable factors. Malaysian palm oil production is expected to remain stable at approximately 19.5 million tonnes, while global demand continues to strengthen, supported by robust import requirements from key markets such as India, China, the European Union and other emerging economies. This stable production, combined with strong export demand and favorable commodity prices, provides WTK with a reliable revenue base and enhances cash flow predictability. Additionally, the implementation of Indonesia’s B50 biodiesel program in 2026 is expected to absorb much of Indonesia’s production growth, thereby reducing the risk of oversupply and supporting regional palm oil prices, which benefits Malaysian exporters, including WTK.

With the combined portfolio from Desacorp, Imbok Enterprise and WTK OM, WTK Group can leverage a diversed age profile of plantations, ensuring a balanced mix of mature palms for immediate yield and younger palms for future growth. The operational scale and shared resources across estates provide efficiency gains, cost synergies and improved responsiveness to market fluctuations, while local management expertise ensures effective implementation of agronomic practices and plantation maintenance. These advantages allow WTK to maximize short-term revenue from mature palms, while simultaneously preparing for long-term yield improvements and sustainable growth as younger and extended trees reach peak production.

Given these structural, operational and market factors, the Group remains optimistic about the plantation division’s ability to deliver sustainable growth, profitability and long-term value creation.

5. RISK FACTORS

The Board does not foresee any material risk pursuant to the Proposed Acquisitions except for the inherent risk factors associated with the palm oil industry of which the Group is already involved in. Notwithstanding that, the potential risks that may have an impact on the Group pursuant to the Proposed Acquisitions, which may not be exhaustive, are set out below:-

5.1 Non-completion risk

The completion of the Proposed Acquisitions are subject to the fulfilment of the conditions precedent as set out in the SSAs as disclosed in **Section 2** of **Appendix I**, **Section 2** of **Appendix II** and **Section 2** of **Appendix III** of this Circular. In the event any of the conditions precedent is not fulfilled or waived within the stipulated timeframe and/or in the event an extension of time is not agreed between the relevant parties, the Proposed Acquisitions may be delayed or terminated, and the potential benefits arising therefrom may not materialise.

Notwithstanding the above, the Company will take all reasonable steps that are within the Group's control to ensure the conditions precedent are fulfilled within the stipulated timeframe to ensure the completion of the Proposed Acquisitions.

5.2 Acquisition risk

There is no assurance that the anticipated benefits arising from the Proposed Acquisitions will be realised or that the Target Companies will be able to generate sufficient returns to the Group in relation to the Group's further investments in the Target Companies, if any.

The Group will constantly monitor the performance of the Target Companies and to leverage on its management expertise and experience to properly manage the operations of the Target Companies. However, there can be no assurance that any adverse conditions to the palm oil industry, economic factors and/or increased competition will not affect the Group's business operations.

5.3 Business and operational risk

The Proposed Acquisitions are subject to inherent risks in the palm oil industry of which the Group is already involved in and will be addressed as part of the Group's ordinary course of business. Some of these challenges and risk may include, amongst others, fluctuations in demand and commodity prices, high maintenance cost, the probable exposure to pests and diseases, fire or other natural disasters, adverse climate conditions as well as changes in law and tax regulations affecting oil palm plantations and palm oil. Any adverse changes in these conditions may have an adverse material effect on the palm oil sector in Malaysia and the Company.

The Group will adopt prudent management and efficient operating procedures to adapt to any negative changes in the palm oil industry. However, no assurance can be given that any changes in these factors will not have any material adverse effect on the Group's business and financial performance.

5.4 Financing risk

The Proposed Acquisitions will be financed via a combination of internally generated funds and bank borrowings/ sukuk financing. The Group's ability to obtain external financing and the costs of such financing are dependent on numerous factors, including general economic conditions, interest rates, credit availability from the banks or other lenders, or any restriction imposed by the Government of Malaysia and political, social and economic conditions in Malaysia.

There can be no assurance that the necessary financing will be available in amounts or on terms acceptable to us. In addition, we could potentially be exposed to interest rates fluctuation on such external financing obtained, leading to higher borrowing costs that may adversely affect the Group's financial performance, as well as the Group's ability to service future loan repayment obligations.

Nevertheless, the Group's management will actively review the Group's debt portfolio, by taking into consideration the level, structure and nature of the borrowings and seeking to adopt cost effective and optimal mix of financing options.

5.5 Political, economic and regulatory risk

The future growth and financial performance of the Target Companies could be affected by changes in, amongst others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability.

Any adverse changes in these conditions could have a negative effect on the oil palm plantation industry and affect the financial performance and growth of the Target Companies, which will in turn affect the Target Companies' share of profit contribution to the Group.

We are expected to adopt prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect the Target Companies' business.

6. FINANCIAL EFFECTS

6.1 Share capital and substantial shareholders' shareholding

The Proposed Acquisitions will not have any effect on the Group's share capital and substantial shareholders' shareholdings as the Proposed Acquisitions do not involve any issuance of new Shares.

6.2 NA per Share and gearing

For illustration purposes, based on the Group's latest audited consolidated financial statements as at 31 December 2024 on the assumption that the subsequent events and the Proposed Acquisitions had been completed on that date, the pro forma effects of the Proposed Acquisitions on the audited consolidated NA per Share and gearing of the Group are as follows:-

		Pro forma I	**Pro forma II**
	Audited as at 31 December 2024 (RM'000)	**(1)After adjusting for subsequent events (RM'000)**	**After the Proposed Acquisitions (RM'000)**
Share capital	309,346	309,346	309,346
Treasury shares	(12,026)	(12,026)	(12,026)
Other reserves	7,937	7,937	7,937
Retained earnings	410,382	452,685	(2)450,685
Shareholders' equity/ NA	**715,639**	**757,942**	**755,942**
Non-controlling interest	23,414	(6,129)	(3)134,954
Total equity	**739,053**	**751,813**	**890,896**
No. of WTK Shares in issue, excluding treasury shares ('000)	467,807	467,807	467,807
NA per WTK Share (RM)	**1.53**	**1.62**	**1.62**
Total borrowings (RM'000)	463,323	463,323	(4)851,823
Cash and bank balances (RM'000)	262,852	322,024	(2)(4)153,524
Net gearing (times)(5)	**0.28**	**0.19**	**0.92**

Notes:-

(1) After accounting for the following:-

(a) the acquisition of 15.0% equity interest in Durafarm Sdn Bhd on the non-controlling interest of the Group, which was completed on 10 January 2025;

(b) the Disposals of Companies, details of which is set out below:-

	Gain on disposal (RM'000)	***Cash proceeds (RM'000)***
Disposal of Piramid Intan	*11,376*	*16,000*
Disposal of Immense Fleet	*12,854*	*24,350*
Disposal of Song Logging	*22,751*	*23,500*
Total	***46,981***	***63,850***

(c) the final single-tier dividend in respect of the FYE 31 December 2024 amounting to RM4.68 million, which was paid on 7 August 2025.

(2) After deducting the estimated expenses amounting to RM2.0 million in relation to the Proposed Acquisitions.

(3) After accounting for the Proposed Acquisitions on the non-controlling interest of the Group.

(4) Assuming 70.0% of the Purchase Consideration of RM555.0 million (i.e. RM388.50 million) is to be satisfied via bank borrowings/ sukuk financing and the remaining 30.0% (i.e. RM166.50 million) is to be satisfied via internally generated funds of the Group.

(5) Computed based on total borrowings less cash and bank balances, divided by shareholders' equity/ NA.

6.3 (Loss)/Profit and (LPS)/EPS

For illustrative purposes only, based on the Group's audited consolidated financial statements for the FYE 31 December 2024 and assuming that the Proposed Acquisitions had been completed on 1 January 2024, being the beginning of the FYE 31 December 2024, the pro forma effects of the Proposed Acquisitions on the loss and LPS of the Group are as follows:-

		Pro forma I	**Pro forma II**
	Audited as at 31 December 2024	**After adjusting for subsequent events**	**After the Proposed Acquisitions**
LAT/PAT attributable to the owners of the Company (RM'000)	(43,224)	[(1)]3,757	[(2)]22,364
No. of WTK Shares in issue, excluding treasury shares ('000)	467,807	467,807	467,807
(LPS)/EPS (sen)[(3)]	**(9.24)**	**0.80**	**4.78**

Notes:-

*(1) After accounting for the total gain on disposals amounting to RM46.98 million in relation to the Disposals of Companies as set out in **note (1)(b)** of **Section 6.2** above.*

(2) After accounting for the following:-

(i) the aggregate audited PAT of the Target Companies for the FYE 30 September 2024 in proportion to the equity interest to be acquired as follows:-

Target Companies	***Audited PAT for the FYE 30 September 2024 (RM'000)***
Desacorp	*20,508*
Imbok Enterprise	**11,544*
WTK OM	**4,873*
Total	***36,925***

Note:-

* After accounting for 70.0% equity interest to be acquired.

(ii) *the estimated expenses of RM2.0 million in relation to the Proposed Acquisitions; and*

(iii) *the estimated interest expense of approximately RM16.32 million in respect of the bank borrowings/ sukuk financing amounting to RM388.50 million expected to be secured to fund the Proposed Acquisitions at an indicative prevailing rate of 4.2% per annum.*

(3) *Computed based on the (LAT)/PAT attributable to the owners of the Company divided by the number of WTK Shares in issue, excluding treasury shares.*

7. APPROVALS REQUIRED

The Proposed Acquisitions are subject to the following being obtained:-

(i) the approval from the non-interested shareholders of WTK, for the Proposed Acquisitions at the forthcoming EGM;

(ii) the approval to be obtained by the Vendor from the Minister for the Proposed Desacorp Acquisition and Proposed Imbok Enterprise Acquisition in accordance with Section 6(1) of the Land (Companies) Rules 2022 of the Land Code[(1)]; and

(iii) any other relevant authorities, if applicable.

Note:-

(1) *The applications to the Minister for the Proposed Desacorp Acquisition and the Proposed Imbok Enterprise Acquisition have been submitted by the Vendor's solicitors on 1 October 2025 and the approvals from the Minister have been obtained on 22 December 2025.*

8. CONDITIONALITY AND OUTSTANDING CORPORATE PROPOSALS

Save for the Proposed Acquisitions, there are no other corporate proposals which have been announced by the Group but pending completion as at the date of this Circular.

The Proposed Desacorp Acquisition, Proposed Imbok Enterprise Acquisition and Proposed WTK OM Acquisition are inter-conditional upon each other.

The Proposed Acquisitions are not conditional upon any other corporate exercises undertaken or to be undertaken by the Group.

9. HIGHEST PERCENTAGE RATIOS

The highest percentage ratios applicable to the Proposed Acquisitions pursuant to Paragraph 10.02(g) of the Listing Requirements based on the latest audited consolidated financial statements of the Group for the FYE 31 December 2024 is as follows:-

	Percentage ratios (%)
Proposed Desacorp Acquisition	32.14
Proposed Imbok Enterprise Acquisition	40.52
Proposed WTK OM Acquisition	4.89
Aggregate	**77.55**

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed below, none of the Directors, Major Shareholders and/or Persons Connected have any interest, whether direct or indirect, in the Proposed Acquisitions.

The Vendor, WTK Realty is deemed interested in the Proposed Acquisitions by virtue of it being the Major Shareholder (holding 13.88% direct equity interest as at the LPD). Accordingly, Dato' Sri Patrick Wong Haw Yeong, Datin Sri Annie Wong Haw Bing, Tiffany Ting Wei Ying, Dato Sri Wong Kie Yik, Datuk Wong Kie Nai (estate) and Wong Kie Chie are deemed interested in the Proposed Acquisitions by virtue of their directorship and/or shareholdings in the Company.

The direct and indirect shareholdings of the Interested Parties in the Company as at the LPD are set out below:-

	Direct		Indirect	
Name	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
Interested Directors				
Dato' Sri Patrick Wong Haw Yeong	33,979,100	7.26	-	-
Datin Sri Annie Wong Haw Bing	-	-	(2)15,000	(3)-
Tiffany Ting Wei Ying(4)	-	-	-	-
Interested Major Shareholders				
WTK Realty	64,949,844	13.88	(5)65,909,818	14.09
Dato Sri Wong Kie Yik	9,261,222	1.98	(6)140,708,480	30.08
Datuk Wong Kie Nai (estate)	3,429,600	0.73	(6)140,708,480	30.08
Wong Kie Chie	856,886	0.18	(6)140,708,480	30.08

Notes:-

(1) Based on 467,807,052 WTK Shares (excluding 13,537,500 treasury shares) as at the LPD.

(2) Deemed interested through her spouse.

(3) Less than 0.01%.

(4) Tiffany Ting Wei Ying is the daughter of Datin Sri Annie Wong Haw Bing (the Non-Independent Non-Executive Director of WTK) and the niece to Dato' Sri Patrick Wong Haw Yeong (the Group Managing Director and Chief Executive Officer and substantial shareholder of WTK). She is also the granddaughter of Dato Sri Wong Kie Yik (the substantial shareholder of WTK).

(5) Deemed interested through Kosa Bahagia Sdn Bhd and Ocarina Development Sdn Bhd (in liquidation) by virtue of Section 8 of the Act.

(6) Deemed interested through WTK Realty, Harbour-View Realty Sdn Bhd (in liquidation) and Ocarina Development Sdn Bhd (in liquidation) by virtue of Section 8 of the Act.

In view of the interests of the Interested Parties, the Proposed Acquisitions are deemed as related party transactions under Paragraph 10.08 of the Listing Requirements.

Accordingly, the Interested Directors had abstained and will continue to abstain from deliberating and voting at all relevant Board meetings in relation to the Proposed Acquisitions.

The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in WTK, if any, on the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

In addition, the Interested Parties will also undertake to ensure that all Persons Connected will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

11. TRANSACTIONS WITH THE RELATED PARTIES FOR THE PRECEDING 12 MONTHS

Save for the Proposed Acquisitions and the recurrent related party transactions pursuant to Paragraph 10.09 of the Listing Requirements as set out in the Company's circular to shareholders dated 28 April 2025, there were no other transactions entered into by the Company with the Interested Parties during the 12 months preceding the date of this Circular.

12. PRINCIPAL ADVISER AND INDEPENDENT ADVISER

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

In view that the Proposed Acquisitions are deemed as related party transactions under Paragraph 10.08 of the Listing Requirements, FHCA has been appointed by the Company on 10 June 2025 to act as the Independent Adviser to undertake the following in relation to the Proposed Acquisitions:-

(i) comment as to whether the Proposed Acquisitions are:-

  (a) fair and reasonable so far as WTK's non-interested shareholders are concerned; and

  (b) to the detriment of WTK's non-interested shareholders,

  and such opinion must set out the reasons for, the key assumptions made and factors taken into consideration in forming that opinion;

(ii) advise WTK's non-interested shareholders on whether they should vote in favour on the resolution pertaining to the Proposed Acquisitions at the forthcoming EGM; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in items (i) and (ii) above.

13. AUDIT COMMITTEE'S STATEMENT

WTK's Audit Committee, in arriving at their views, has sought independent advice from the Independent Adviser for the Proposed Acquisitions.

After taking into consideration the evaluation of the Independent Adviser, as well as the relevant aspects of the Proposed Acquisitions, including but not limited to, the rationale and justifications, basis of arriving at the Purchase Consideration, salient terms of the SSAs and financial effects of the Proposed Acquisitions, WTK's Audit Committee is of the opinion that the Proposed Acquisitions are:-

(i) in the best interest of WTK;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of WTK's non-interested shareholders.

14. DIRECTORS' STATEMENT

The Board, save for the Interested Directors who have abstained from deliberating and voting in respect of the Proposed Acquisitions, after taking into consideration the evaluation of the Independent Adviser, as well as the relevant aspects of the Proposed Acquisitions, including but not limited to, the rationale and justifications, basis of arriving at the Purchase Consideration, salient terms of the SSAs and financial effects of the Proposed Acquisitions, is of the view that the Proposed Acquisitions are in the best interest of the Group.

Accordingly, the Board, save for the Interested Directors, recommends that you vote in favour of the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

15. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Acquisitions are expected to be completed by the 2nd quarter of 2026.

The tentative timetable for the implementation of the Proposed Acquisition is set out below:-

Event	Tentative timing
EGM	29 January 2026
Fulfilment of the conditions precedent in respect of the SSAs	29 January 2026
Completion of the Proposed Acquisitions	2nd quarter of 2026

16. EGM

The Proposed Acquisitions will be tabled at the forthcoming EGM, which will be held at Rafflesia Room, Level 1, RH Hotel, Jalan Kampung Nyabor, 96000 Sibu, Sarawak on Thursday, 29 January 2026 at 10.00 a.m., or any adjournment thereof.

The Notice of the EGM, Form of Proxy and this Circular are available at the Company's website at https://wtkholdings.com/extraordinary-general-meeting/.

If you are unable to attend and vote at the EGM, you may complete the instrument appointing a proxy and the completed instrument appointing a proxy should be lodged at the office of Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on or before the time and date indicated below.

The lodging of the instrument appointing a proxy will not preclude you from participating and voting in person at the EGM, should you subsequently wish to do so.

17. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
W T K HOLDINGS BERHAD

TAN SRI DATUK SERI PANGLIMA SULONG BIN MATJERAIE
Chairman/ Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM FHCA TO THE NON-INTERESTED SHAREHOLDERS OF WTK IN RELATION TO THE PROPOSED ACQUISITIONS

EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE "DEFINITIONS" SECTION OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED ACQUISITIONS. NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAL IN ITS ENTIRETY FOR FURTHER INFORMATION AND THE RECOMMENDATIONS FROM FHCA, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED ACQUISITIONS. THIS IAL SHOULD ALSO BE READ IN CONJUNCTION WITH THE CIRCULAR, INCLUDING THE APPENDICES THEREIN, FOR ANY OTHER RELEVANT INFORMATION BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS AT THE FORTHCOMING EGM OF THE COMPANY.

1. INTRODUCTION

On 4 September 2025, UOBKH had, on behalf of the Board, announced that WTK and its wholly-owned subsidiary, BioPalm Venture, had entered into three (3) SSAs with WTK Realty for the Proposed Acquisitions.

The Proposed Acquisitions are deemed as RPTs pursuant to Paragraph 10.08 of the Listing Requirements as certain directors and major shareholders of the Company, together with the Persons Connected, has direct or indirect interest in the Proposed Acquisitions as described in **Section 10, Part A of the Circular**. Accordingly, the Board had on 10 June 2025 appointed FHCA as the Independent Adviser to advise the non-interested directors and non-interested shareholders of the Company in relation to the fairness and reasonableness of the Proposed Acquisitions.

The purpose of this IAL is to provide the non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Acquisitions together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified in this IAL, in relation to the Proposed Acquisitions.

2. RATIONALE OF THE PROPOSED ACQUISITIONS

The rationale for the Proposed Acquisitions is as set out in **Section 3, Part A of the Circular**.

The Group is diversified into four (4) main core business segments, namely plantation, food, packaging tapes and timber. According to the segmental financial results, revenue from the plantation segment increased by 26.8% from FYE 22 to FYE 23, followed by a 30.7% increase from FYE 23 to FYE 24. In FYE 24, the plantation segment had become the largest contributor to the Group's revenue, accounting for 43.9% of the total revenue.

In contrast, we note that the timber segment's revenue contribution to the total revenue has declined from 39.5% in FYE 22 to 30.3% in FYE 24. The persistent decline is primarily attributed to several market factors, including intense competition from Japanese local producers, weak demand from key importing countries and unfavourable average selling prices for timber products. This has resulted in the cessation of business in the Group's loss-making plywood manufacturing operations in Bintulu, operated by its subsidiary Cairnfield Sdn Bhd on 1 January 2025.

Furthermore, the plantation segment is the Group's main profit generator given the financial performance of other divisions. While the timber segment records losses and other segments show declining profitability, the plantation segment has remained a positive contributor to the Group's earnings. In FYE 23 and FYE 24, it was the largest source of profit delivering a profit before tax of RM23.3 million and RM13.5 million respectively. This performance signifies the importance of the Proposed Acquisitions.

Besides, we observe that the Proposed Acquisitions will allow the Group to expand its oil palm planted area by a 82.6% increase. In addition, the Proposed Acquisition will also strategically rebalance the Group's palm age profile, positioning WTK for both immediate and long-term production growth. Post-acquisitions, the percentage of immature palms will increase from 16.9% to 22.6%, while young mature palms will rise from 22.9% to 26.4%. The portfolio of prime mature palms will increase by over 1,542.52 ha. Also, the Proposed Acquisitions add a substantial number of mature palms, increasing by over 2,634.10 ha.

In addition, the Proposed Acquisitions will provide an increase to the Group's total FFB production. Based on the figures for FYE 24, the combined FFB production from Desacorp and Imbok Enterprise amounts to 188,713 MT. This would increase WTK's current FFB production by 82.0%. Moreover, Desacorp and Imbok Enterprise recorded impressive yields of 22.96 MT/ha and 18.18 MT/ha in FYE 24 which are significantly higher than WTK's yield of 13.15 MT/ha. This is an opportunity to immediately improve the Group's overall average yield.

According to the Group's annual report for FYE 24, WTK currently operates two (2) crude palm oil mills, each with a capacity of 30 MT of FFB per hour. Acquiring another large-scale mill aligns with the Group's significant expansion in upstream FFB production. Having to process 170,944 MT of FFB in FYE 24, WTK OM is viewed as a high-volume facility. Combined with WTK's existing processing capabilities, this dramatically increase the Group's total capacity.

Premised on the above, we are of the opinion that the rationale for the Proposed Acquisitions is reasonable and not detrimental to the interests of the non-interested shareholders of the Company.

Further information on the evaluation of the rationale of the Proposed Acquisitions is set out in **Section 5 of this IAL**.

3. EVALUATION OF THE PROPOSED ACQUISITIONS

3.1 JUSTIFICATION FOR THE PURCHASE CONSIDERATION OF DESACORP

The basis and justification on arriving at the purchase consideration of Desacorp are set out in **Section 2.3.1, Part A of the Circular**.

The purchase consideration of Desacorp arrived on a willing buyer and willing seller basis after taking into consideration the rationale of the Proposed Acquisition, the future prospects of Desacorp, the adjusted unaudited NA of Desacorp based on the management accounts for the FPE 30 June 2025 of RM236,990,216 after taking into consideration certain adjustments deemed necessary by the Company and the market value of the Desacorp Plantation Estate of RM250,000,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of Desacorp, we have considered various valuation methodologies to value the entire equity interest in Desacorp. We are of the opinion that the asset-based valuation methodology, i.e., the RNAV methodology, is the most suitable valuation methodology as it will more accurately reflect the value of Desacorp based on its underlying assets. We have also reviewed and taken note of the Desacorp Plantation Estate Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

Based on our evaluation, the purchase consideration of Desacorp represents a discount of 2.95% over the RNAV of Desacorp. As such, we are of the opinion that the purchase consideration of Desacorp is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the purchase consideration of Desacorp is set out in **Section 6.1 of this IAL**.

3.2 JUSTIFICATION FOR THE PURCHASE CONSIDERATION OF IMBOK ENTERPRISE

The basis and justification on arriving at the purchase consideration of Imbok Enterprise are set out in **Section 2.3.2, Part A of the Circular**.

The purchase consideration of Imbok Enterprise arrived on a willing buyer and willing seller basis after taking into consideration the rationale of the Proposed Acquisition, the future prospects of Imbok Enterprise, the adjusted unaudited NA of Imbok Enterprise based on the management accounts for the FPE 30 June 2025 of RM410,147,191 after taking into consideration certain adjustments deemed necessary by the Company and the market value of the Imbok Enterprise Plantation Estate of RM450,000,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of Imbok Enterprise, we have considered various valuation methodologies to value the entire equity interest in Imbok Enterprise. We are of the opinion that the asset-based valuation methodology, i.e., the RNAV methodology, is the most suitable valuation methodology as it will more accurately reflect the value of Imbok Enterprise based on its underlying assets. We have also reviewed and taken note of the Imbok Enterprise Plantation Estate Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

Based on our evaluation, the purchase consideration of Imbok Enterprise represents a premium of 1.01% over 70.00% of the RNAV of Imbok Enterprise. Despite the premium, we are of the opinion that the purchase consideration of Imbok Enterprise is fair and reasonable as the oil palm age profile of Imbok Enterprise Plantation Estate is exceptionally young, with approximately 84.00% of its planted area comprising immature and young mature palms, which is poised to significantly improve the FFB yields and future earnings of the Group as these palms enter their prime production phase. Furthermore, sizeable and suitable land for oil palm cultivation in Malaysia is scarce, and this acquisition presents a strategic opportunity for the Group to secure a significant land bank and ensure long-term production growth. In addition, the Proposed Acquisitions of Desacorp, Imbok Enterprise and WTK OM are interconditional, the acquisition of Imbok Enterprise will include a palm oil mill strategically located within the Imbok Enterprise Plantation Estate, which creates significant operational synergies by optimising logistics and reducing transportation costs.

As such, we are of the opinion that the purchase consideration of Imbok Enterprise is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the purchase consideration of Imbok Enterprise is set out in **Section 6.2 of this IAL**.

3.3 JUSTIFICATION FOR THE PURCHASE CONSIDERATION OF WTK OM

The basis and justification on arriving at the purchase consideration of WTK OM are set out in **Section 2.3.3, Part A of the Circular**.

The purchase consideration of WTK OM arrived on a willing buyer and willing seller basis after taking into consideration the rationale of the Proposed Acquisition, the future prospects of WTK OM, the adjusted unaudited NA of WTK OM based on the management accounts for the FPE 30 June 2025 of RM60,128,433 after taking into consideration certain adjustments deemed necessary by the Company and the market value of the WTK OM Palm Oil Mill of RM56,200,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of WTK OM, we had reviewed and taken note of the Palm Oil Mill Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

Based on our evaluation, the purchase consideration of WTK OM represents a discount of 16.84% over 70.00% of the RNAV of WTK OM. As such, we are of the opinion that the purchase consideration of WTK OM is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the purchase consideration of WTK OM is set out in **Section 6.3 of this IAL**.

3.4 SALIENT TERMS OF THE SSAs

We have reviewed the salient terms of the SSAs and we are of the view that the overall terms and conditions of the SSAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the salient terms of the SSAs are set out in **Section 7 of this IAL**.

4. INDUSTRY OVERVIEW AND PROSPECTS

We are of the view that the prospects of the Group following the completion of the Proposed Acquisitions appears to be favourable and barring unforeseen circumstances, is poised to improve its financial performance in the future.

Further information on the evaluation of the industry outlook and prospects are set out in **Section 8 of this IAL**.

5. RISK FACTORS

We take note of the risk factors as disclosed in **Section 5, Part A of the Circular**.

As the Group is already involved in the oil palm plantation and processing business, the Group is already exposed to the risks associated with the oil palm industry of which the Desacorp, Imbok Enterprise and WTK OM are also operating in.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Acquisitions, no assurance can be given that one or a combination of the risk factors as stated in **Section 5, Part A of the Circular** will not occur and give rise to material and adverse impact on the business and operations of the Group, its financial performance, financial position or prospects thereon.

Further information on the evaluation of risk factors is set out in **Section 9 of this IAL**.

6. EFFECTS OF THE PROPOSED ACQUISITIONS

a. The Proposed Acquisitions will not have any effect on the share capital of WTK and substantial shareholders' shareholdings in WTK as the Proposed Acquisitions do not involve any issuance of new ordinary shares in WTK.

b. The gearing of the Group will increase from 0.28 times to 0.92 times after the Proposed Acquisitions on the assumption that the Proposed Acquisitions will be 70.00% financed by bank borrowings / sukuk financing. As a result of the increased financing, the Group would be at a higher financial risk due to higher interest expense exposure and potentially higher interest rate for future bank borrowings.

c. For illustrative purposes, based on the audited consolidated financial statements of WTK for FYE 24, the Proposed Acquisitions are expected to be profitable to the Group. On a pro forma basis, the Group's LPS of (9.24) sen for FYE 24 is projected to reverse into an EPS of 4.78 sen.

Further information on the evaluation of the effects of the Proposed Acquisitions are set out in **Section 10 of this IAL**.

7. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Acquisitions, we are of the opinion that the Proposed Acquisitions are fair and reasonable and not detrimental to the interests of the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders of the Company to vote in favour of the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM of the Company.

We have not taken into consideration any specific investment objective, financial situation or particular need of any individual non-interested shareholders. We recommend that any non-interested shareholders who require advice in relation to the Proposed Acquisitions in the context of their individual investment objectives, financial situation or particular needs, consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ BOTH THIS IAL AND THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

bakertilly

FHMH Corporate Advisory Sdn Bhd
Company No. 200701016946 (774955-D)
(CMSL / A0212 / 2007)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

T : +603 2297 1150
F : +603 2282 9982

info@bakertilly.my
www.bakertilly.my

14 January 2026

To: The Non-Interested Shareholders of W T K Holdings Berhad

Dear Sir/Madam,

W T K HOLDINGS BERHAD ("WTK" OR "COMPANY")
INDEPENDENT ADVICE LETTER IN RELATION TO THE FOLLOWING:
(I) PROPOSED ACQUISITION BY WTK OF 100.0% EQUITY INTEREST IN DESACORP SDN BHD;
(II) PROPOSED ACQUISITION BY BIOPALM VENTURE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF WTK ("BIOPALM VENTURE") OF 70.0% EQUITY INTEREST IN IMBOK ENTERPRISE SDN BHD; AND
(III) PROPOSED ACQUISITION BY BIOPALM VENTURE OF 70.0% EQUITY INTEREST IN WTK OIL MILL SDN BHD,
FROM A RELATED PARTY, W T K REALTY SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM555.00 MILLION ("PROPOSED ACQUISITIONS")

This Independent Advice Letter ("**IAL**") is prepared for inclusion in the circular to shareholders of the Company dated 14 January 2026 in relation to the Proposed Acquisitions ("**Circular**") and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.

1 INTRODUCTION

On 4 September 2025, UOB Kay Hian (M) Sdn Bhd ("**UOBKH**") had, on behalf of the Board, announced that WTK and its wholly-owned subsidiary, BioPalm Venture Sdn Bhd ("**BioPalm Venture**"), had entered into three (3) conditional share sale agreements ("**SSAs**") with WTK Realty Sdn Bhd ("**WTK Realty**") for the following proposed acquisitions for a total cash consideration of RM555.00 million ("**Proposed Acquisitions**"):

(i) Acquisition by WTK of 7,000,000 ordinary shares representing 100.00% equity interest in Desacorp Sdn Bhd ("**Desacorp**") for a cash consideration of RM230.00 million ("**Proposed Desacorp Acquisition**");

(ii) Acquisition by BioPalm Venture of 14,000,000 ordinary shares representing 70.00% equity interest in Imbok Enterprise Sdn Bhd ("**Imbok Enterprise**") for a cash consideration of RM290.00 million ("**Proposed Imbok Enterprise Acquisition**"); and

(iii) Acquisition by BioPalm Venture of 3,500,000 ordinary shares representing 70.00% equity interest in WTK Oil Mill Sdn Bhd ("**WTK OM**") for a cash consideration of RM35.00 million ("**Proposed WTK OM Acquisition**").

The Proposed Acquisitions are deemed as Related Party Transactions ("**RPTs**") pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") as certain directors and major shareholders of the Company, together with the Persons Connected, have direct or indirect interest in the Proposed Acquisitions as described in **Section 10, Part A of the Circular**. Accordingly, the Board had on 10 June 2025 appointed FHCA as the Independent Adviser to advise the non-interested directors and non-interested shareholders of the Company in relation to the fairness and reasonableness of the Proposed Acquisitions.

The purpose of this IAL is to provide the non-interested shareholders of the Company with an independent evaluation of the Proposed Acquisitions, to form an opinion as to whether the Proposed Acquisitions are fair and reasonable in so far as the non-interested shareholders of the Company are concerned and whether the Proposed Acquisitions are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM, subject to the limitation of our role and evaluation as explained herein.

Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our expressed written consent.

NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE APPENDICES THEREON, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2 LIMITATIONS TO THE EVALUATION OF THE PROPOSED ACQUISITIONS

FHCA was not involved in the formulation of the Proposed Acquisitions or any deliberation and negotiation on the Proposed Acquisitions. Our role as the Independent Adviser does not extend to expressing an opinion on the commercial merits of the Proposed Acquisitions. The assessment of the commercial merits of the Proposed Acquisitions are solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Acquisitions. FHCA's terms of reference as the Independent Adviser is limited to expressing our independent evaluation of the Proposed Acquisitions which are based on the sources of information as highlighted below.

We have evaluated the Proposed Acquisitions and in forming our opinion, we have considered factors, which we believe, would be of relevance and general importance to the non-interested shareholders of the Company. Our evaluation is rendered solely for the benefit of the non-interested shareholders of the Company as a whole.

In rendering our advice, we have taken note of the pertinent issues that we have considered important in enabling us to assess the implications of the Proposed Acquisitions and therefore of general concern to the non-interested shareholders of the Company. As such:

(i) the scope of FHCA's responsibility regarding the evaluations and recommendations contained herein are confined to the assessment of the fairness and reasonableness of the Proposed Acquisitions and other implications of the Proposed Acquisitions only. Comments or points of consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Acquisitions are included in our overall evaluation as we deem it necessary for disclosure purposes to enable the non-interested shareholders of the Company to consider and form their views thereon;

(ii) FHCA's views and advice as contained in this IAL only cater to the non-interested shareholders of the Company at large and not to any non-interested shareholders individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders; and

(iii) we recommend that any individual non-interested shareholder or group of non-interested shareholders of the Company who is in doubt as to the action to be taken or require advice in relation to the Proposed Acquisitions in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, to consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

We shall not be liable for any damage or loss sustained or suffered by any individual shareholder or any group of shareholders in reliance on the opinion stated herein for any purpose whatsoever which is particular to such individual shareholder or group of shareholders.

In performing our evaluation, we have relied on the following sources of information:

(i) the Company's announcements dated 4 September 2025 and 9 September 2025 in relation to the Proposed Acquisitions;
(ii) the SSAs;
(iii) audited financial statements of the Target Companies for the FYE 30 September 2024;
(iv) management accounts for the Target Companies for the FPE 30 June 2025;
(v) valuation certificate issued by the Independent Valuer dated 5 January 2026 on the Desacorp Plantation Estate, Imbok Enterprise Plantation Estate and the Palm Oil Mill;
(vi) financial and tax due diligence reports for the Target Companies dated 21 August 2025;
(vii) information contained in Part A of the Circular and the appendices attached thereto;
(viii) other relevant information furnished to us by the management of the Company and the Target Companies; and
(ix) other publicly available information which we deemed relevant and reasonable.

We have made all reasonable enquiries to and have relied on the Board and management of the Company to exercise due care to ensure that all information and documents as mentioned above and all relevant facts, information and representations necessary for our evaluation of the Proposed Acquisitions have been disclosed to us and that such information is accurate, valid, reasonable, complete and there is no omission of material facts. We have also performed our reasonableness check and where possible, corroborating such information with independent sources. The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this IAL, and for the accuracy of the information in respect of the Proposed Acquisitions (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

Based on the above and after undertaking reasonableness check and corroborating such information with independent sources, where possible, we are satisfied with the information and documents provided by the Company and the Target Companies are reasonable, reliable and to our knowledge, free from material omission for the purpose of our evaluation and opinion as set out in this IAL. We are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate, incomplete, omitted or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. We have also assumed that the Proposed Acquisitions will be implemented based on the terms of the Agreements without material waiver or modification.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account of the information, events and conditions arising after the date hereof. After the dispatch of this IAL, should FHCA become aware of any significant change affecting the information contained in this IAL or have reasonable grounds to believe that any statement in this IAL is misleading or deceptive or have reasonable grounds to believe that there is material omission in this IAL, we will immediately notify the shareholders. If circumstances require, a supplementary IAL will be sent accordingly to the shareholders.

FHCA confirms that it is not aware of any circumstances which exist or are likely to give rise to a possible conflict of interest situation for FHCA to carry out the role as the Independent Adviser in connection to the Proposed Acquisitions. FHCA also confirms that it has not had any professional relationship with the Company for the past two (2) years.

FHCA is licensed under the Capital Market and Services Act 2007 to carry out the regulated activity of advising on corporate finance. FHCA has undertaken the role as an independent adviser for corporate exercises in the past two (2) years prior to LPD, which include amongst others, the following:

(i) The settlement of an aggregate amount of RM33,834,500 debt owing to creditors by Techna-X Berhad ("**TXB**") via the issuance of 2,487,830,882 new ordinary shares in TXB at an issue price of RM0.0136 per settlement share via TXB's letter to shareholders dated 16 January 2024; and

(ii) The provision of financial assistance by Ajiya Berhad to Chin Hin Group Berhad for a loan of up to RM250.0 million within a period of 24 months via Ajiya Berhad's letter to shareholder dated 28 June 2024.

Premised on the foregoing, FHCA is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested directors and non-interested shareholders of the Company on the Proposed Acquisitions.

3 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Parties are set out in **Section 10, Part A of the Circular**.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting for the Proposed Acquisitions at the relevant Board meetings and on the resolutions pertaining to the Proposed Acquisitions.

The Interested Parties shall also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

In addition, the Interested Parties have undertaken to ensure that Persons Connected to them will also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM of the Company.

[*the remaining of this page is intentionally left blank*]

4 EVALUATION OF THE PROPOSED ACQUISITIONS

The full details of the Proposed Acquisitions are as set out in **Section 2, Part A of this Circular** and should be read and fully understood in its entirety by the non-interested shareholders.

Our conclusion and recommendations are based on the assessment of the Proposed Acquisitions considering the following key factors:

Consideration factors		Section
i	Rationale of the Proposed Acquisitions	5
ii	Basis and justification for determining the Purchase Consideration of the Proposed Acquisitions	6
iii	Salient terms of the SSAs	7
iv	Industry overview and prospects	8
v	Risk factors relating to the Proposed Acquisitions	9
vi	Financial effects of the Proposed Acquisitions	10

The views expressed by FHCA in this IAL are based on, amongst others, current economic, market and political conditions prevailing as at the LPD. In this respect, the non-interested shareholders of the Company should take further note of any announcements relevant to their consideration of the Proposed Acquisitions which may be released after the LPD.

[the remaining of this page is intentionally left blank]

5 RATIONALE OF THE PROPOSED ACQUISITIONS

The rationale for the Proposed Acquisitions is as set out in **Section 3, Part A of the Circular**.

The Group is diversified into four (4) main core business segments, namely plantation, food, packaging tapes and timber. The Group's revenue and profitability contribution by segments for FYE 31 December 2022 ("**FYE 22**"), FYE 31 December 2023 ("**FYE 23**"), FYE 31 December 2024 ("**FYE 24**") and FPE 30 June 2025 ("**FPE 2025**") are tabled as follows:

Revenue segmentation

	FYE 22		FYE 23		FYE 24		FPE 25 [1]		FYE 23 vs FYE 22	FYE 24 vs FYE 23
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	Variance (%)	
Plantation	178,174	37.7	225,904	40.3	295,283	43.9	158,834	53.9	26.8	30.7
Timber	186,694	39.5	183,064	32.6	203,877	30.3	45,054	15.3	(1.9)	11.4
Food	37,675	8.0	78,760	14.0	103,646	15.4	66,090	22.4	109.1	31.6
Tapes	68,936	14.6	69,222	12.3	65,027	9.7	22,936	7.8	0.4	(6.1)
Other revenue [2]	1,554	0.3	3,882	0.7	4,073	0.6	1,819	0.6	149.8	4.9
Total revenue	**473,033**	**100.0**	**560,832**	**100.0**	**671,906**	**100.0**	**294,732**	**100.0**	**18.6**	**19.8**

Profit/(loss) before tax segmentation

	FYE 22	FYE 23	FYE 24	FPE 25 [1]	FYE 23 vs FYE 22	FYE 24 vs FYE 23
	RM'000	RM'000	RM'000	RM'000	Variance (%)	
Plantation	20,912	23,297	13,530	20,034	11.4	(41.9)
Timber	(25,733)	(49,668)	(39,308)	(4,629)	93.0	(20.9)
Food	20,559	118	804	2,148	(99.4)	581.4
Tapes	6,644	4,883	3,724	(10,803)	(26.5)	(23.7)
Other revenue [2]	(726)	(1,060)	(15,169)	(6,823)	46.0	1331.0
Total profit/(loss) before tax	**21,656**	**(22,430)**	**(36,419)**	**(73)**	**(203.6)**	**62.4**

Notes:
[1] The figures above for FPE 25 are provided by the Management from the management account as at 30 June 2025;
[2] Other revenue includes revenue from amusement and recreation activity, sales of poultry and agriculture produce, load and raft services, interest income, dividend income from investment securities and rental income from investment properties, none of which are of sufficient size to be reported separately.

The Group's plantation segment is actively engaged in the oil palm industry with operations encompassing both upstream cultivation and downstream crude palm oil milling. The segment owns and operates seven (7) oil palm estates and two (2) crude palm oil mills which are all situated in Sarawak, Malaysia. Notably, all of these assets are certified under the Malaysian Sustainable Palm Oil ("**MSPO**") and the MSPO Supply Chain Certification Standard ("**MSPO SCCS**"), which confirm the Group's adherence to MSPO standards for agricultural practices, environmental management, and supply chain integrity.

According to the segmental financial results, revenue from the plantation segment increased by 26.8% from FYE 22 to FYE 23, followed by a 30.7% increase from FYE 23 to FYE 24. In FYE 24, the plantation segment had become the largest contributor to the Group's revenue, accounting for 43.9% of the total revenue. This consistent growth is partly attributable to strategic acquisitions, specifically B.H.B. Sdn Bhd in FYE 23 and Durafarm Sdn Bhd in FYE 24. These acquisitions expanded the Group's planted oil palm area, positioning it for sustainable and continuous revenue and earnings in the future.

In contrast, we note that the timber segment's revenue contribution to the total revenue has declined from 39.5% in FYE 22 to 30.3% in FYE 24. The persistent decline is primarily attributed to several market factors, including intense competition from Japanese local producers and weak demand from key importing countries like Japan and Taiwan. This has resulted in the cessation of business in the Group's loss-making plywood manufacturing operations in Bintulu, operated by its subsidiary Cairnfield Sdn Bhd on 1 January 2025.

Furthermore, the plantation segment is the Group's main profit generator given the financial performance of other divisions. While the timber segment records losses and other segments show declining profitability, the plantation segment has remained a positive contributor to the Group's earnings. In FYE 23 and FYE 24, it was the largest source of profit delivering a profit before tax of RM23.3 million and RM13.5 million respectively. This performance signifies the importance of the Proposed Acquisitions.

The Group's total land bank for oil palm plantation estate and palm age profile before and after the Proposed Acquisitions extracted from **Section 3, Part A of the Circular** is as follows:

Palm age (years)	WTK		Desacorp		Imbok Enterprise		Upon completion of the Proposed Acquisitions	
	ha	%	ha	%	ha	%	ha	%
Immature (0 to 3 years)	2,942.96	16.9	135.19	3.0	4,109.81	41.7	7,187.96	22.6
Young mature (4 to 8 years)	3,991.67	22.9	231.49	5.1	4,160.82	42.3	8,383.98	26.4
Prime mature (9 to 14 years)	8,204.06	47.1	1,542.52	34.0	-	-	9,746.58	30.6
Mature (15 to 18 years)	2,226.33	12.8	2,634.10	58.0	-	-	4,860.43	15.3
Old (19 to 25 years)	55.57	0.3	-	-	-	-	55.57	0.2
Extended (> 25 years)	-	0.0	-	-	1,575.34	16.0	1,575.34	5.0
Total ha	**17,420.59**	**100.0**	**4,543.30**	**100.0**	**9,845.97**	**100.0**	**31,809.86**	**100.0**

We observe that the Proposed Acquisitions will allow the Group to expand its oil palm planted area from 17,420.59 ha as at the LPD to 31,809.86 ha, adding 14,389.27 ha to its portfolio, being a 82.6% increase in planted area. In addition, the Proposed Acquisition will also strategically rebalance the Group's palm age profile, positioning WTK for both immediate and long-term production growth.

Post-acquisitions, the percentage of immature palms (0 to 3 years) will increase from 16.9% to 22.6%, while young mature palms (4 to 8 years) will rise from 22.9% to 26.4%. This is a crucial benefit as these younger palms represent future long-term production. As the trees enter their prime production years, the Group can anticipate significant and a sustainable increase in Fresh Fruit Bunch ("**FFB**") yields which translates to an increase in the sales of crude palm oil and palm kernel.

The portfolio of prime mature palms (9 to 14 years) will increase by over 1,542.52 ha. While the overall percentage of prime palms decreases from 47.1% to 30.6%, the significant increase of young and immature palms creates a more sustainable long-term age profile, reducing future replanting pressures and ensuring continuous production. The Proposed Acquisitions add a substantial number of mature palms (15 to 18 years), increasing by over 2,634.10 ha. These trees will continue to provide stable FFB yields in the close future, bridging the production gap as the younger palms mature.

The Proposed Acquisitions offer a key opportunity for the Group to secure land for future production growth given the scarcity of suitable land for oil palm cultivation in Malaysia.

[the remaining of this page is intentionally left blank]

Below shows the operational statistics of the existing oil palm plantation estates under the Group, Desacorp Plantation Estate and Imbok Enterprise Plantation Estate extracted from **Section 3, Part A of the Circular**:

	WTK	Desacorp	Imbok Enterprise
FFB production (MT) in FYE 24 [1]	231,180	95,866	92,847
Yield (MT/ha)	13.15	22.96	18.18

Note:

[1] We note that the financial year ends for WTK and the Target Companies are different whereby WTK's financial year ends on 31 December and the Target Companies' financial year ends on 30 September.

The Proposed Acquisitions will provide an immediate increase to the Group's total FFB production. Based on the figures for FYE 24, the combined FFB production from Desacorp (95,866 MT) and Imbok Enterprise (92,847 MT) amounts to 188,713 MT. This would increase WTK's current FFB production of 231,180 MT by 82.0%, creating a larger production base and strengthening the Group's position in the upstream plantation sector. In result, the Proposed Acquisitions enhances self-sufficiency in FFB supply for the Group's crude palm oil mills. According to WTK's annual report for FYE 24, the Group's mills sourced 39.0% of their FFB from third-party estates. This reliance on external suppliers exposes the Group to price volatility, supply uncertainty, and competition for raw materials. The substantial increase in internal FFB production from acquiring Desacorp and Imbok will directly reduce this dependency.

Furthermore, Desacorp and Imbok Enterprise recorded impressive yields of 22.96 MT/ha and 18.18 MT/ha, respectively in FYE 24 which are significantly higher than WTK's yield of 13.15 MT/ha. By acquiring these high-performing plantation estates is an opportunity to immediately improve the Group's overall average yield and potentially integrate best practices in estate management from Desacorp and Imbok to enhance productivity across the Group's existing plantations.

The operational statistics of the existing palm oil mills under the Group and WTK OM extracted from **Section 3, Part A of the Circular** are as follows:

	WTK			WTK OM		
	FYE 22	FYE 23	FYE 24	FYE 22	FYE 23	FYE 24
Oil extraction rate ("**OER**") (%)	21.7	20.5	19.7	18.8	18.9	19.9
Kernel extraction rate (%)	4.9	4.6	4.1	5.4	4.79	4.51
CPO production (MT)	16,854	45,197	53,906	47,296	41,190	34,062
Palm kernel production (MT)	3,812	10,193	11,332	13,528	10,445	7,705
FFB processed (MT)	77,537	220,325	274,234	251,119	218,051	170,944

According to the Group's annual report for FYE 24, WTK currently operates two (2) crude palm oil mills, each with a capacity of 30 MT of FFB per hour. Acquiring another large-scale mill aligns with the Group's significant expansion in upstream FFB production from the Proposed Desacorp Acquisition and Proposed Imbok Enterprise Acquisition. This ensures that the Group's increased FFB production can be processed internally. Having to process 170,944 MT of FFB in FYE 24, WTK OM is viewed as a high-volume facility. Combined with WTK's existing processing capabilities, this increases the Group's total processing capacity. In addition, securing WTK OM's palm oil mill provides a dedicated facility to process FFB from the Group's expanding plantations. This integration reduces reliance on third-party mills for processing, leading to cost efficiencies. The mill's location within Imbok Enterprise optimises transportation costs. Furthermore, direct oversight of the facility gives the Group control over its crude palm oil and palm kernel production quality. The Target Companies have also obtained the MSPO certifications.

Premised on the above, we are of the opinion that the rationale for the Proposed Acquisitions is reasonable and not detrimental to the interests of the non-interested shareholders of the Company. Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the Proposed Acquisitions are subject to certain risk factors as disclosed in Section 5, Part A of the Circular. Our assessment and evaluation of the risk factors are also being discussed in Section 9 of this IAL.

6 BASIS AND JUSTIFICATION FOR DETERMINING THE PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITIONS

6.1 Justification for purchase consideration of Desacorp

The basis and justification on arriving at the purchase consideration of Desacorp are set out in **Section 2.3.1, Part A of the Circular**.

The purchase consideration of Desacorp was arrived at on a willing-buyer and willing-seller basis after taking into consideration the following, amongst others:

i) the rationale of the Proposed Acquisitions as set out in **Section 3, Part A of the Circular**;

ii) the future prospects of Desacorp as set out in **Section 4.3, Part A of the Circular**; and

iii) the adjusted unaudited net asset ("**NA**") of Desacorp based on the management accounts for the FPE 30 June 2025 of RM236,990,217 after taking into consideration, amongst others, certain adjustments deemed necessary by the Company and the market value of the Desacorp Plantation Estate of RM250,000,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of Desacorp, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration Desacorp's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business consideration and risk factors affecting its businesses.

In evaluating and arriving at the valuation of the entire equity interest in Desacorp, we are of the opinion that the asset-based valuation methodology, i.e., the Revalued Net Asset Valuation ("**RNAV**") methodology, is the most suitable valuation methodology as it will more accurately reflect the value of Desacorp based on its underlying assets, i.e. the Desacorp Plantation Estate, which have yet to be revalued and it is a commonly used valuations for asset-based companies.

<u>**RNAV methodology**</u>

RNAV is a commonly adopted valuation methodology in approaching valuations of asset-based companies where all, or a substantial portion of its property-related assets are carried at its historical costs. RNAV takes into consideration any surplus and/or deficit arising from the revaluation of the material assets of a company to reflect their current market values, based on the assumption that the market values of the assets are realisable on willing-buyer willing-seller basis in the open market. It is computed in the following manner:-

$$RNAV = Current\ Net\ Asset\ Value - Contingent\ Liabilities + Fair\ Value\ Adjustment\ of\ its\ Assets$$

The RNAV is adjusted to take into consideration the Valuation Certificate prepared by the Valuer to reflect the fair market value of the Desacorp Plantation Estate.

RNAV analysis assumes, amongst other things, the existence of ready and committed buyers for each asset at the fully revalued basis, and that the sale can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the sale process. In forming our opinion on the fairness and reasonableness of the purchase consideration of Desacorp, we have reviewed and taken note of the Desacorp Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

We note that the Desacorp Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission of Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations. We have made all reasonable enquiries and conducted our own reviews, where possible, with regard to the Desacorp Valuation Report provided to us and are satisfied that the methodologies and assumptions provide a reasonable basis for the Valuer in arriving at their valuations.

In arriving at the market value of the Desacorp Plantation Estate, the Valuer had adopted different valuation approaches for the different maturity of the fields. For planted fields with matured palms the Income Approach by Discounted Cash Flow ("**DCF**") Method was adopted as the primary approach and cross-checked against the Comparison Approach. We are of the view that the adoption of DCF Method is the most appropriate for the matured palms as these palms are income-generating and it takes into consideration of various factors such as date of planting, stand per hectare, yield per hectare, cost of productions which are unique to the matured palms. As it is extremely difficult to find a comparable which shares the exact same characteristics as the Desacorp Plantation Estate, adopting the Comparison Approach would require various adjustments to be made to the comparable value which is often subjective and less reliable. Therefore, the Comparison Approach is merely used as a cross-check or guide.

The immature fields and land under development for replanting are valued by Cost Approach where the unimproved value of the land is first determined by the Comparison Approach and subsequently adding the costs incurred for the lands. The remaining land which includes plantation villages and nursery are valued by the Comparison Approach by comparing the land with similar properties that were sold recently and those that are currently offered for sale in the vicinity.

The description of the methodologies adopted by the Valuer according to the field maturity are as follows: -

Valuation methodology	General description
Income approach	<u>DCF Method</u> The DCF Method entails the following to derive its market value:- i) the estimated annual gross sale income derived from the FFB on an ex-mill basis for the planted areas of the estates. The cash outflows including, amongst others, general charges, maintenance and manuring costs, harvesting and transportation costs are then deducted from the annual gross sale income. The net annual income is discounted at an appropriate rate of return to arrive at its market value; and ii) the basic land value to which the planted land reverts at the end of the economic life of the oil palms. The basic land value is derived by aggregating the unimproved land value with the infrastructure costs as well as the value of the land occupied by the infrastructure on the estate and discounted at an appropriate rate of discount. Unimproved land refers to land in its original physical state and without any improvements such as land clearing, levelling, compacting, site infrastructures etc.
Comparison approach	Estimates the value of the subject property by analysing sales of similar properties within the neighbourhood and making adjustments to those sales for dissimilarities (physical, legal and economic) between each of the selected comparable and the property under consideration. A reconciliation of adjusted values and a selection of the more suitable comparable and a final decision will be made judgementally based on professional experience.

Key bases and assumptions

We have reviewed the key bases and assumptions adopted by the Valuer based on the DCF Method which are summarised and tabled as follows along with our commentaries:-

<table>
<tr><th>Valuer's Assumptions</th><th>Commentaries</th></tr>
<tr><td>

Projected yield (matured fields)

FFB yield projections ranges from 6 MT to 25 MT per ha over the life span of the oil palms.

</td><td>

We note that the FFB projected yield profile adopted by the Valuer is based on information and statistics published by the Malaysian Palm Oil Board ("**MPOB**") and their discussion with Desacorp's Management in regard to the company's in-house FFB yield projections. The FFB projected benchmark yield from MPOB is tabled below:

<table>
<tr><th></th><th colspan="3">FFB Yield Profile</th></tr>
<tr><th>Ages of Palm</th><th>Low</th><th>Medium</th><th>High</th></tr>
<tr><td>3</td><td>4.6</td><td>8</td><td>10.5</td></tr>
<tr><td>4</td><td>8.8</td><td>12</td><td>15.5</td></tr>
<tr><td>5</td><td>13.1</td><td>18</td><td>22</td></tr>
<tr><td>6</td><td>17.1</td><td>22</td><td>26</td></tr>
<tr><td>7</td><td>20.4</td><td>26</td><td>31</td></tr>
<tr><td>8</td><td>21.4</td><td>27</td><td>32.5</td></tr>
<tr><td>9</td><td>22.4</td><td>28</td><td>33.5</td></tr>
<tr><td>10</td><td>22.4</td><td>28</td><td>33.5</td></tr>
<tr><td>11</td><td>21.4</td><td>27</td><td>32.5</td></tr>
<tr><td>12</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>13</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>14</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>15</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>16</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>17</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>18</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>19</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>20</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>21</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>22</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>23</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>24</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>25</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>Average</td><td>17.5</td><td>22.4</td><td>27.3</td></tr>
</table>

We note that the FFB yield per ha of planted area for Desacorp Plantation Estate for the FYE 24 is 22.96 MT/ha. As Desacorp's prime mature and mature oil palm plants weigh approximately 92% of the portfolio, the company is in its prime harvesting period and shows potential to achieve the projected FFB yield.

Based on the above, we are of the view that the assumption adopted by the Valuer is reasonable.

</td></tr>
</table>

<table>
<tr><th>Valuer’s Assumptions</th><th>Commentaries</th></tr>
<tr><td><u>OER and KER</u>

Average OER of 19.50% and KER of 4.25%.</td><td>The historical record of Desacorp’s OER for crude palm oil from FYE 2020 to FYE 24 is 19.75% while the KER from FYE 2020 to FYE 24 maintains at 4%.

The MPOB guide for OER and KER in Sabah or Sarawak is as follow:

<table><tr><th></th><th>OER</th><th>KER</th></tr><tr><td>Range</td><td>17.00% - 22%</td><td>5.00%</td></tr><tr><td>Average</td><td>19.50%</td><td>5.00%</td></tr></table>
We note that the adoption of the OER and KER are largely in line with the historical data of Desacorp and the MPOB guide.

Accordingly, we are of the view that the OER and KER adopted by the Valuer are reasonable.</td></tr>
<tr><td><u>FFB sale prices</u>

Long-term net FFB Sale Price (ex-mill gate) ranging from RM643.89 per MT to RM687.58 per MT, depending on the age of the palms.

This was calculated based on their adopted long-term CPO price of RM3,600 per MT and PK price of RM2,300 per MT</td><td>In arriving at their long-term CPO and PK price assumptions, the Valuer considered the historical ten (10) year and five (5) year average prices.

For comparison, we refer to data published by the MPOB for Malaysia of ten (10) years from 2015 to 2024 which is tabled as follows:

<table><tr><th>Year</th><th>MPOB Statistics</th></tr><tr><td>2015</td><td>459.00</td></tr><tr><td>2016</td><td>594.00</td></tr><tr><td>2017</td><td>606.00</td></tr><tr><td>2018</td><td>468.00</td></tr><tr><td>2019</td><td>422.00</td></tr><tr><td>2020</td><td>561.00</td></tr><tr><td>2021</td><td>955.00</td></tr><tr><td>2022</td><td>1,087.00</td></tr><tr><td>2023</td><td>778.00</td></tr><tr><td>2024</td><td>875.00</td></tr></table>
This data indicates that the historical average FFB price (mill gate) ranges between RM422.00 per MT to RM1,087.00 per MT with an average of RM680.50 per MT.

The Valuer's derived net FFB sale price range is noted to be approximately within the historical MPOB average.

Accordingly, we are of the view that the long-term FFB sale prices adopted in the valuation are reasonable.</td></tr>
</table>

Valuer's Assumptions	Commentaries
<u>Production cost</u> The projected production costs for 2025 onwards for the following components: (i) Manuring: RM2,393 to RM2,816 per ha (ii) Field Upkeep & Maintenance: RM1,500 per ha (iii) Harvesting, Collection & Transportation: RM100 per MT (iv) General Charges: RM1,600 per ha	The Valuer's projections are based on the historical production costs of Desacorp Plantation Estate from FYE 2020 to FYE 24. We have compared these projections against the actual costs for the most recent three years (FYE 22 to FYE 24): (i) Manuring: The projected range is in line with the actual costs of RM2,221 per ha (FYE 22) and RM2,430 per ha (FYE 23), representing a conservative estimate compared to the lower FYE 24 cost of RM1,545 per ha. (ii) Field Upkeep: The projection of RM1,500 per ha is within the recent historical range of RM1,018 per ha to RM1,964 per ha (iii) Harvesting & Transport: The projection of RM100 per MT is at the higher end of the recent historical range (RM91 per MT to RM102 per MT). (iv) General Charges: The projection of RM1,600 per ha is consistent with the actual costs recorded, which ranged from RM1,578 per ha to RM1,701 per ha. These general charges mainly comprises of salary and administration costs including HQ expenses. Accordingly, we are of the view that the production costs adopted by the Valuer are reasonable.
<u>Estimated economic life of oil palm trees</u> Total economic life span for the oil palm trees is twenty-five (25) years. This comprises three (3) years from planting to maturity, followed by an economic harvesting life of twenty-two (22) years.	Oil palm trees generally produce viable volumes of FFB over a lifespan of 25 to 30 years. Although the oil palm trees may still be productive after 25 years, the economics of harvesting FFB from oil palms are significantly reduced given the low yields, coupled with higher cost of harvesting (taller trees). We note that the Valuer has assumed that there will no replanting at the end of the 25 years life span, due to the difficulty in estimating the associated costs in future for planting new oil palms and the actual replanting timing. However, the basic land value at the end of the cropping life of the present crop has been considered. Accordingly, we are of the view that the life span adopted of 25 years is reasonable.

<table>
<tr><th>Valuer's Assumptions</th><th>Commentaries</th></tr>
<tr><td>
<u>Reversionary land value</u>

Basic land value, derived based on unimproved value of the land, coupled with the basic infrastructure and estate buildings is as follow:

<table>
<tr><th></th><th>RM per hectare</th></tr>
<tr><td>Bare land value</td><td>18,533</td></tr>
<tr><td>Infrastructure</td><td>12,000</td></tr>
<tr><td>Reversion to bare land</td><td>30,533</td></tr>
</table>
</td><td>
We have reviewed the listed comparable and the comparable adopted by the Valuer to derive the vacant land value. We note that the comparable adopted is located within the same locality, is of a similar size, similar terrain and similar soil type as compared to Desacorp Plantation Estate as opposed to the other comparables. The details of the comparable adopted is as follows:

<table>
<tr><th>Comparable Values</th><th>Description</th></tr>
<tr><td>Lot no.</td><td>Lot 6 Block 40 Kabang Land District</td></tr>
<tr><td>Date of transaction</td><td>23 March 2016</td></tr>
<tr><td>Market value / transaction (RM)</td><td>73,290,354</td></tr>
<tr><td>Transaction (RM/ha)</td><td>16,060</td></tr>
<tr><td>Transaction (RM/acre)</td><td>6,500</td></tr>
<tr><td>Transferor</td><td>Hua Seng Plantation Sdn Bhd</td></tr>
<tr><td>Transferee</td><td>Kristal Mahamas Sdn Bhd</td></tr>
<tr><td>Adjustments</td><td>Time, location, tenure, soil type, terrain, area/land size</td></tr>
<tr><td>Adjusted value (RM/ha)</td><td>18,471</td></tr>
<tr><td>Adjusted value (RM/acre)</td><td>7,475</td></tr>
<tr><td>Say</td><td>7,500</td></tr>
<tr><td>Source</td><td>Sales data from Valuation and Property Services Department ("JPPH")</td></tr>
</table>
The comparable adopted is assigned with an adjusted value of RM18,471.00 per ha after making adjustments for, amongst others, time, location, tenure and terrain, of which the Valuer has adopted the value for the unimproved land.

The basic land value derived above is then aggregated with the basic infrastructure and estate buildings cost based on actual costs incurred and informal inquiries with plantation developers or consultants.

Accordingly, we are of the view that the bare land value adopted is reasonable.
</td></tr>
</table>

[the remaining of this page is intentionally left blank]

<table>
<tr><th>Valuer's Assumptions</th><th>Commentaries</th></tr>
<tr><td><u>Capitalisation rate</u>

Discount rate of 10.00% for net income from mature oil palm and 6.00% for the reversionary bare land value at the end of cropping life.</td><td>In evaluating the discount rate adopted, we have considered the discount rates adopted by oil palm plantation companies listed on Bursa Securities ("Oil Palm Companies") for the annual impairment testing of its Malaysia oil palm plantations. The discount rates adopted by the listed oil palm plantation companies for their annual impairment testing are typically derived using the WACC methodology, which comprises of cost of equity and debt components, capital structure and current market contexts. The discount rates are extracted from the respective companies' annual reports as follows:

<table>
<tr><th>Company</th><th>FYE</th><th>Discount rate</th></tr>
<tr><td>MHC Plantations Bhd</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Rimbunan Sawit Berhad</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Sarawak Oil Palms Berhad</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Riverview Rubber Estates Berhad</td><td>31-Dec-24</td><td>10.38%</td></tr>
<tr><td>Cepatwawasan Group Berhad</td><td>31-Dec-24</td><td>10.50%</td></tr>
<tr><td>TH Plantations Berhad</td><td>31-Dec-24</td><td>12.00%</td></tr>
<tr><td>United Plantations Berhad</td><td>31-Dec-24</td><td>13.20%</td></tr>
<tr><td>Average</td><td></td><td>10.87%</td></tr>
<tr><td>Median</td><td></td><td>10.38%</td></tr>
<tr><td>High</td><td></td><td>13.20%</td></tr>
<tr><td>Low</td><td></td><td>10.00%</td></tr>
</table>

We note that the discount rates adopted by the Valuer fall within the range of the discount rates adopted by the Oil Palm Companies for their annual impairment testing of Malaysia oil palm plantations. Accordingly, we are of the view that the discount rates adopted by the Valuer is reasonable.</td></tr>
</table>

[the remaining of this page is intentionally left blank]

RNAV computation

The computation of the RNAV is as follows:

Descriptions	RM
Adjusted unaudited NA as at 30 June 2025 [1]	123,528,647
Add: Fair value adjustment for the Desacorp Plantation Estate [2]	149,291,539
(Less): Deferred tax liabilities arising from the fair value adjustment for the Desacorp Plantation Estate [3]	(35,829,969)
RNAV	**236,990,217**

Notes:

[1] The unaudited adjustments made are tabled as follows:

		RM
Unaudited NA of Desacorp as at 30 June 2025		*146,326,053*
Add:	*adjustments for right-of-use ("**ROU**") assets*	*140,663*
(Less):	*adjustments for biological assets*	*(16,898,694)*
	adjustments for lease liabilities	*(147,360)*
	allowance for impairment losses on other receivables	*(121,111)*
	adjustments on prepayment	*(74,862)*
	provision of tax expense	*(5,696,042)*
Adjusted unaudited NA of Desacorp as at 30 June 2025		*123,528,647*

The adjustments on the NA was arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of Desacorp is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed Desacorp Acquisition. These adjustments are made primarily to align the Desacorp's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit are expected to be immaterial and would have no impact on the Proposed Desacorp Acquisition or the purchase consideration of Desacorp.

These adjustments mainly relate to the reclassification of leasehold lands to ROU assets, partially offset by reclassification from biological assets and the recognition of lease liabilities and ROU assets arising from the differences in accounting treatments among MFRS and MPERS. The tax provision mainly comprises the current tax expenses of approximately RM5.50 million for the period ended 30 June 2025 and deferred tax expenses of approximately RM0.46 million.

[2] The surplus arising from the revaluation of the Desacorp Plantation Estate was calculated based on the market value of the Desacorp Plantation Estate of RM250,000,000 as ascribed by the Valuer less the unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Desacorp as at 30 June 2025 of RM100,708,461. The market value of the Desacorp Plantation Estate was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Desacorp Plantation Estate.

The adjustments to arrive at the unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Desacorp as at 30 June 2025 of RM100,708,461 involve the following:

		RM
Unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Desacorp as at 30 June 2025		*120,224,261*
Add:	*adjustments for the ROU*	*56,467,187*
(Less):	*adjustments for the property, plant and equipment*	*(25,128,330)*
	adjustments for the biological assets	*(50,854,657)*
Adjusted unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Desacorp as at 30 June 2025		*100,708,461*

[3] Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.00%.

Purchase consideration of Desacorp

The comparison between the purchase consideration and RNAV of Desacorp is tabled below:

Descriptions	RM
Purchase consideration of Desacorp	230,000,000
RNAV of Desacorp	236,990,217
Difference in premium / (discount)	**(6,990,217)**

The purchase consideration for Desacorp is RM230,000,000, representing a purchase price of RM43,987.06 per ha across its total land bank of 5,228.81 ha. Based on the RNAV method, the purchase consideration for Desacorp represents a discount of 2.95% over the RNAV of Desacorp of RM236,990,217.

In conclusion, after considering the above, we are of the opinion that the purchase consideration of Desacorp is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

[the remaining of this page is intentionally left blank]

6.2 Justification for purchase consideration of Imbok Enterprise

The basis and justification on arriving at the purchase consideration of Imbok Enterprise are set out in **Section 2.3.2, Part A of the Circular**.

The purchase consideration of Imbok Enterprise was arrived at on a willing-buyer and willing-seller basis after taking into consideration the following, amongst others:

i) the rationale of the Proposed Acquisitions as set out in **Section 3, Part A of the Circular**;

ii) the future prospects of Imbok Enterprise as set out in **Section 4.3, Part A of the Circular**; and

iii) the adjusted unaudited NA of Imbok Enterprise based on the management accounts for the FPE 30 June 2025 of RM410,147,191 after taking into consideration, amongst others, certain adjustments deemed necessary by the Company and the market value of the Imbok Enterprise Plantation Estate of RM450,000,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of Imbok Enterprise, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration Imbok Enterprise's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business consideration and risk factors affecting its businesses.

In evaluating and arriving at the valuation of the entire equity interest in Imbok Enterprise, we are of the opinion that the asset-based valuation methodology, i.e., the RNAV methodology, is the most suitable valuation methodology as it will more accurately reflect the value of Imbok Enterprise based on its underlying assets, i.e. the Imbok Enterprise Plantation Estate, which have yet to be revalued and it is a commonly used valuations for asset-based companies.

<u>RNAV methodology</u>

RNAV is a commonly adopted valuation methodology in approaching valuations of asset-based companies where all or a substantial portion of its property-related assets are carried at its historical costs. RNAV takes into consideration any surplus and/or deficit arising from the revaluation of the material assets of a company to reflect their current market values, based on the assumption that the market values of the assets are realisable on willing-buyer willing-seller basis in the open market. It is computed in the following manner:-

$$RNAV = Current\ Net\ Asset\ Value - Contingent\ Liabilities + Fair\ Value\ Adjustment\ of\ its\ Assets$$

The RNAV is adjusted to take into consideration the Valuation Certificate prepared by the Valuer to reflect the fair market value of the Imbok Enterprise Plantation Estate.

RNAV analysis assumes, amongst other things, the existence of ready and committed buyers for each asset at the fully revalued basis, and that the sale can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the sale process. In forming our opinion on the fairness and reasonableness of the purchase consideration of Imbok Enterprise, we have reviewed and taken note of the Imbok Enterprise Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

We note that the Imbok Enterprise Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission of Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations. We have made all reasonable enquiries and conducted our own reviews, where possible, with regard to the Imbok Enterprise Valuation Report provided to us and are satisfied that the methodologies and assumptions provide a reasonable basis for the Valuer in arriving at their valuations.

In arriving at the market value of the Imbok Enterprise Plantation Estate, the Valuer had adopted different valuation approaches for the different maturity of the fields. For planted fields with matured palms the Income Approach by Discounted Cash Flow ("**DCF**") Method was adopted as the primary approach and cross-checked against the Comparison Approach. We are of the view that the adoption of DCF Method is the most appropriate for the matured palms as these palms are income-generating and it takes into consideration of various factors such as date of planting, stand per hectare, yield per hectare, cost of productions which are unique to the matured palms. As it is extremely difficult to find a comparable which shares the exact same characteristics as the Imbok Enterprise Plantation Estate, adopting the Comparison Approach would require various adjustments to be made to the comparable value which is often subjective and less reliable. Therefore, the Comparison Approach is merely used as a cross-check or guide.

The lands due for replanting, immature fields and land under development for replanting are valued by Cost Approach where the unimproved value of the land is first determined by the Comparison Approach and subsequently adding the costs incurred for the lands. The remaining land which includes plantation villages and nursery are valued by the Comparison Approach by comparing the land with similar properties that were sold recently and those that are currently offered for sale in the vicinity.

The description of the methodologies adopted by the Valuer according to the field maturity are as follows: -

Valuation methodology	General description
Income approach	<u>DCF Method</u> The DCF Method entails the following to derive its market value:- i) the estimated annual gross sale income derived from the FFB on an ex-mill basis for the planted areas of the estates. The cash outflows including, amongst others, general charges, maintenance and manuring costs, harvesting and transportation costs are then deducted from the annual gross sale income. The net annual income is discounted at an appropriate rate of return to arrive at its market value; and ii) the basic land value to which the planted land reverts at the end of the economic life of the oil palms. The basic land value is derived by aggregating the unimproved land value with the infrastructure costs as well as the value of the land occupied by the infrastructure on the estate and discounted at an appropriate rate of discount. Unimproved land refers to land in its original physical state and without any improvements such as land clearing, levelling, compacting, site infrastructures etc.
Comparison approach	Estimates the value of the subject property by analysing sales of similar properties within the neighbourhood and making adjustments to those sales for dissimilarities (physical, legal and economic) between each of the selected comparable and the property under consideration. A reconciliation of adjusted values and a selection of the more suitable comparable and a final decision will be made judgementally based on professional experience.

Key bases and assumptions

We have reviewed the key bases and assumptions adopted by the Valuer based on the DCF Method which are summarised and tabled as follows along with our commentaries:-

<table>
<tr><th>Valuer's Assumptions</th><th>Commentaries</th></tr>
<tr><td><u>Projected yield (matured fields)</u>

FFB yield projections ranges from 6 MT to 25 MT per ha over the life span of the oil palms.</td><td>We note that the FFB projected yield profile adopted by the Valuer is based on information and statistics published by the MPOB and their discussion with Imbok Enterprise's Management in regard to the company's in-house FFB yield projections. The FFB projected benchmark yield from MPOB is tabled below:

<table>
<tr><th></th><th colspan="3">FFB Yield Profile</th></tr>
<tr><th>Ages of Palm</th><th>Low</th><th>Medium</th><th>High</th></tr>
<tr><td>3</td><td>4.6</td><td>8</td><td>10.5</td></tr>
<tr><td>4</td><td>8.8</td><td>12</td><td>15.5</td></tr>
<tr><td>5</td><td>13.1</td><td>18</td><td>22</td></tr>
<tr><td>6</td><td>17.1</td><td>22</td><td>26</td></tr>
<tr><td>7</td><td>20.4</td><td>26</td><td>31</td></tr>
<tr><td>8</td><td>21.4</td><td>27</td><td>32.5</td></tr>
<tr><td>9</td><td>22.4</td><td>28</td><td>33.5</td></tr>
<tr><td>10</td><td>22.4</td><td>28</td><td>33.5</td></tr>
<tr><td>11</td><td>21.4</td><td>27</td><td>32.5</td></tr>
<tr><td>12</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>13</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>14</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>15</td><td>19.5</td><td>25</td><td>31</td></tr>
<tr><td>16</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>17</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>18</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>19</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>20</td><td>18.5</td><td>23</td><td>28</td></tr>
<tr><td>21</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>22</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>23</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>24</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>25</td><td>16</td><td>21</td><td>25.5</td></tr>
<tr><td>Average</td><td>17.5</td><td>22.4</td><td>27.3</td></tr>
</table>

The actual FFB yield for Imbok Enterprise Plantation Estate for the FYE 24 was 18.18 MT per ha. The valuation report notes that this recent yield reflects the ongoing replanting of older palm areas. The plantation has a predominantly young age profile, with 42% of palms in the Young Mature category (4 to 8 years) and another 42% in the Immature category (0 to 3 years).

As these substantial areas of young and immature palms enter their prime harvesting period in the coming years, the plantation has potential to achieve the higher yields projected by the Valuer.

Based on the above, we are of the view that the assumption adopted by the Valuer is reasonable.</td></tr>
</table>

<table>
<tr><th>Valuer’s Assumptions</th><th>Commentaries</th></tr>
<tr><td><u>OER and KER</u>

Average OER of 19.50% and KER of 4.25%.</td><td>The historical record of Imbok Enterprise’s OER for crude palm oil from FYE 2020 to FYE 24 ranges between 18.84% to 19.39% while the KER from FYE 2020 to FYE 24 ranges between 4.51% to 5.39%.

The MPOB guide for OER and KER in Sabah or Sarawak is as follow:

<table><tr><th></th><th>OER</th><th>KER</th></tr><tr><td>Range</td><td>17.00% - 22%</td><td>5.00%</td></tr><tr><td>Average</td><td>19.50%</td><td>5.00%</td></tr></table>
We note that the Valuer's projected rates are consistent with the recent historical performance of the plantation. The adopted rates are also slightly conservative when compared to the MPOB guide.

Accordingly, we are of the view that the OER and KER adopted by the Valuer are reasonable.</td></tr>
<tr><td><u>FFB sale prices</u>

Long-term net FFB Sale Price (ex-mill gate) ranging from RM643.89 per MT to RM687.58 per MT, depending on the age of the palms.

This was calculated based on their adopted long-term CPO price of RM3,600 per MT and PK price of RM2,300 per MT</td><td>In arriving at their long-term CPO and PK price assumptions, the Valuer considered the historical ten (10) year and five (5) year average prices.

For comparison, we refer to data published by the MPOB for Malaysia of ten (10) years from 2015 to 2024 which is tabled as follows:

<table><tr><th>Year</th><th>MPOB Statistics</th></tr><tr><td>2015</td><td>459.00</td></tr><tr><td>2016</td><td>594.00</td></tr><tr><td>2017</td><td>606.00</td></tr><tr><td>2018</td><td>468.00</td></tr><tr><td>2019</td><td>422.00</td></tr><tr><td>2020</td><td>561.00</td></tr><tr><td>2021</td><td>955.00</td></tr><tr><td>2022</td><td>1,087.00</td></tr><tr><td>2023</td><td>778.00</td></tr><tr><td>2024</td><td>875.00</td></tr></table>
This data indicates that the historical average FFB price (mill gate) ranges between RM422.00 per MT to RM1,087.00 per MT with an average of RM680.50 per MT.

The Valuer's derived net FFB sale price range is noted to be approximately within the historical MPOB average.

Accordingly, we are of the view that the long-term FFB sale prices adopted in the valuation are reasonable.</td></tr>
</table>

Valuer’s Assumptions	Commentaries
<u>Production cost</u> The projected production costs for 2025 onwards for the following components: (i) Manuring: RM1,832 to RM2,566 per ha (ii) Field Upkeep & Maintenance: RM1,500 per ha (iii) Harvesting, Collection & Transportation: RM90 per MT (iv) General Charges: RM1,600 per ha	The Valuer's projections are based on the historical production costs of Imbok Enterprise Plantation Estate from FYE 2020 to FYE 24. We have compared these projections against the actual costs for the most recent three years (FYE 22 to FYE 24): (i) Manuring: The projected range is higher than the recent historical costs which ranged from RM816 per ha to RM1,963 per ha. This is a prudent assumption, as the plantation's very young age profile will require more intensive manuring as it enters its prime productive years. (ii) Field Upkeep: The projection of RM1,500 per ha is also higher than the historical range of RM448 per ha to RM667 per ha. This is a conservative estimate, reflecting the greater maintenance required for a developing plantation. (iii) Harvesting & Transport: The projection of RM90 per MT is in line with the recent historical range of RM88 to RM99 per MT. (iv) General Charges: The projection of RM1,600 per ha is lower than the recent historical range but is consistent with a normalisation of costs after a peak in FYE 23. These general charges mainly comprises of salary and administration costs including HQ expenses. Accordingly, we are of the view that the production costs adopted by the Valuer are reasonable.
<u>Estimated economic life of oil palm trees</u> Total economic life span for the oil palm trees is twenty-five (25) years. This comprise three (3) years from planting to maturity, followed by an economic harvesting life of twenty-two (22) years.	Oil palm trees generally produce viable volumes of FFB over a lifespan of 25 to 30 years. Although the oil palm trees may still be productive after 25 years, the economics of harvesting FFB from oil palms are significantly reduced given the low yields, coupled with higher cost of harvesting (grown higher). We note that the Valuer has assumed that there will no replanting at the end of the 25 years life span, due to the difficulty in estimating the associated costs in future for planting new oil palms and the actual replanting timing. However, the basic land value at the end of the cropping life of the present crop has been considered. Accordingly, we are of the view that the life span adopted of 25 years is reasonable.

Valuer's Assumptions	Commentaries
<u>Reversionary land value</u> Basic land value, derived based on unimproved value of the land, coupled with the basic infrastructure and estate buildings is as follow:	We have reviewed the listed comparable and the comparable adopted by the Valuer to derive the vacant land value. We note that the comparable adopted is located within the same locality, is of similar terrain and similar soil type as compared to Imbok Enterprise Plantation Estate as opposed to the other comparables. The details of the comparable adopted is as follows:

	RM per hectare
Bare land value	18,533
Infrastructure	12,000
Reversion to bare land	**30,533**

Comparable Values	Description
Lot no.	Lot 26 Punan Land District
Date of transaction	3 April 2021
Market value / transaction (RM)	115,809,180
Transaction (RM/ha)	14,300
Transaction (RM/acre)	5,787
Transferor	Ekran Berhad
Transferee	Kumpulan Sama Sdn Bhd
Adjustments	Time, location, tenure, soil type, terrain, area/land size
Adjusted value (RM/ha)	18,590
Adjusted value (RM/acre)	7,523
Say	7,500
Source	Sales data from JPPH

The comparable adopted is assigned with an adjusted value of RM18,590.00 per ha after making adjustments for, amongst others, time, location, tenure and terrain, of which the Valuer has adopted the value for the unimproved land.

The basic land value derived above is then aggregated with the basic infrastructure and estate buildings cost based on actual costs incurred and informal inquiries with plantation developers or consultants.

Accordingly, we are of the view that the bare land value adopted is reasonable.

<table>
<tr><th>Valuer's Assumptions</th><th>Commentaries</th></tr>
<tr><td><u>Capitalisation rate</u>

Discount rate of 10.00% for net income from mature oil palm and 6.00% for the reversionary bare land value at the end of cropping life.</td><td>In evaluating the discount rate adopted, we have considered the discount rates adopted by oil palm plantation companies listed on Bursa Securities ("Oil Palm Companies") for the annual impairment testing of its Malaysia oil palm plantations. The discount rates adopted by the listed oil palm plantation companies for their annual impairment testing are typically derived using the WACC methodology, which comprises of cost of equity and debt components, capital structure and current market contexts. The discount rates are extracted from the respective companies' annual reports as follows:

<table>
<tr><th>Company</th><th>FYE</th><th>Discount rate</th></tr>
<tr><td>MHC Plantations Bhd</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Rimbunan Sawit Berhad</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Sarawak Oil Palms Berhad</td><td>31-Dec-24</td><td>10.00%</td></tr>
<tr><td>Riverview Rubber Estates Berhad</td><td>31-Dec-24</td><td>10.38%</td></tr>
<tr><td>Cepatwawasan Group Berhad</td><td>31-Dec-24</td><td>10.50%</td></tr>
<tr><td>TH Plantations Berhad</td><td>31-Dec-24</td><td>12.00%</td></tr>
<tr><td>United Plantations Berhad</td><td>31-Dec-24</td><td>13.20%</td></tr>
<tr><td>Average</td><td></td><td>10.87%</td></tr>
<tr><td>Median</td><td></td><td>10.38%</td></tr>
<tr><td>High</td><td></td><td>13.20%</td></tr>
<tr><td>Low</td><td></td><td>10.00%</td></tr>
</table>

We note that the discount rates adopted by the Valuer is in close range of the discount rates adopted by the Oil Palm Companies for their annual impairment testing of Malaysia oil palm plantations. Accordingly, we are of the view that the discount rates adopted by the Valuer is reasonable.</td></tr>
</table>

[the remaining of this page is intentionally left blank]

RNAV computation

The computation of the RNAV is as follows:

Descriptions	RM
Adjusted unaudited NA as at 30 June 2025 [1] Add: Fair value adjustment for the Imbok Enterprise Plantation Estate [2] (Less): Deferred tax liabilities arising from the fair value adjustment for the Imbok Enterprise Plantation Estate [3]	164,235,243 323,568,353 (77,656,405)
RNAV	**410,147,191**

Notes:

[1] The unaudited adjustments made are tabled as follows:

		RM
Unaudited NA of Imbok Enterprise as at 30 June 2025		*195,788,813*
Add:	*adjustments for ROU assets*	*257,100*
(Less):	*adjustments for biological assets*	*(15,605,909)*
	adjustments for lease liabilities	*(268,898)*
	allowance for impairment losses on other receivables	*(9,653,642)*
	adjustments on prepayment	*(148,105)*
	provision of tax expense	*(6,134,116)*
Adjusted Unaudited NA of Imbok Enterprise as at 30 June 2025		*164,235,243*

The adjustments on the NA was arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of Imbok Enterprise is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed Imbok Enterprise Acquisition. These adjustments are made primarily to align Imbok Enterprise's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit would have no impact on the Proposed Imbok Enterprise Acquisition or the purchase consideration of Imbok Enterprise.

These adjustments mainly relate to the reclassification of leasehold lands to ROU assets, partially offset by reclassification from biological assets and the recognition of lease liabilities and ROU assets arising from the differences in accounting treatments among MFRS and MPERS. The impairment losses comprises the impairment arising from long outstanding receivables. The tax provision mainly comprises the current tax expenses of approximately RM1.94 million for the period ended 30 June 2025 and deferred tax expenses of approximately RM4.19 million.

[2] The surplus arising from the revaluation of the Imbok Enterprise Plantation Estate is calculated based on the market value of the Imbok Enterprise Plantation Estate of RM450,000,000 as ascribed by the Valuer less the unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Imbok Enterprise as at 30 June 2025 of RM126,431,647. The market value of the Imbok Enterprise Plantation Estate was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Imbok Enterprise Plantation Estate.

The adjustments to arrive at the unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Imbok Enterprise as at 30 June 2025 of RM 126,431,647 involve the following:

		RM
Unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Imbok Enterprise as at 30 June 2025		*144,801,030*
Add:	*adjustments for the ROU*	*6,332,150*
	adjustments for the property, plant and equipment	*97,833,345*
(Less):	*adjustments for the biological assets*	*(121,343,290)*
	excluding the non-plantation PPE cash generating units	*(1,191,588)*
Adjusted unaudited net carrying amount of biological assets (i.e. oil palm tree) and the property, plant and equipment of Imbok Enterprise as at 30 June 2025		*126,431,647*

[3] Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.00%.

Purchase consideration of Imbok Enteprise

The comparison between the purchase consideration and RNAV of Imbok Enterprise is tabled below:

Descriptions	RM
Purchase consideration of Imbok Enterprise	290,000,000
RNAV of Imbok Enterprise	410,147,191
70.00% of RNAV of Imbok Enterprise	287,103,034
Difference in premium / (discount)	**2,896,966**

The purchase consideration for Imbok Enterprise is RM290,000,000 representing a purchase price of RM37,593.64 per ha based on a 70% proportionate share of its 11,020.10 ha land bank. The purchase consideration per ha of Imbok Enterprise is lower than Desacorp's RM43,987.06 per hectare, primarily due to differing maturity profiles. Specifically, 92.00% of Desacorp's planted area consists of prime mature and mature palms which ensures immediate FFB yields. In contrast, 84.00% of Imbok Enterprise's planted area comprised of immature and young mature palms which require a longer gestation period and higher maintenance costs before reaching peak harvest. As such, we are of the opinion that the purchase consideration per ha of Imbok Enterprise is fair and reasonable based on the justifications above. Based on the RNAV method, the purchase consideration of Imbok Enteprise represents a premium of 1.01% over the 70.00% of the RNAV of Imbok Enterprise of RM410,147,191. Despite the premium, we are of the opinion that the purchase consideration of Imbok Enterprise is fair and reasonable based on the following key factors:

(i) The oil palm age profile of Imbok Enterprise Plantation Estate is exceptionally young, with approximately 84.00% of its planted area comprising immature (0 to 3 years) and young mature (4 to 8 years) palms. This is poised to significantly improve the FFB yields and future earnings of the Group as these palms enter their prime production phase;

(ii) In Malaysia, sizeable and suitable land for oil palm cultivation is scarce. This acquisition presents a strategic opportunity for the Group to secure a significant land bank and ensure long-term production growth; and

(iii) As the Proposed Acquisitions of Imbok and WTK OM are interconditional, the acquisition of Imbok will include a palm oil mill strategically located within the Imbok Enterprise Plantation Estate. This creates significant operational synergies by optimising logistics and reducing transportation costs, a key benefit that supports the valuation.

In conclusion, after considering the above, we are of the opinion that the purchase consideration of Imbok Enterprise is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

[the remaining of this page is intentionally left blank]

bakertilly

6.3 Justification for purchase consideration of WTK OM

The basis and justification on arriving at the purchase consideration of WTK OM are set out in **Section 2.3.3, Part A of the Circular**.

The purchase consideration of WTK OM was arrived at on a willing-buyer and willing-seller basis after taking into consideration the following, amongst others:

i) the rationale of the Proposed Acquisitions as set out in **Section 3, Part A of the Circular**;

ii) the future prospects of WTK OM as set out in **Section 4.3, Part A of the Circular**; and

iii) the adjusted unaudited NA of WTK OM based on the management accounts for the FPE 30 June 2025 of RM60,128,433 after taking into consideration, amongst others, certain adjustments deemed necessary by the Company and the market value of the WTK OM Palm Oil Mill of RM56,200,000 as ascribed by the Valuer.

In establishing our opinion on the fairness and reasonableness of the purchase consideration of WTK OM, we had reviewed and taken note of the Palm Oil Mill Valuation Report. The Valuation Certificate is appended in **Appendix VII of the Circular**.

We note that the Palm Oil Mill Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission of Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations. We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the Palm Oil Mill Valuation Report provided to us and are satisfied that the methodologies and assumptions provide a reasonable basis for the Valuer in arriving at their valuations.

<u>Cost Approach methodology</u>

In arriving at the market value of the WTK OM's Palm Oil Mill, the Valuer had adopted the Cost Approach's Depreciated Replacement Cost ("**DRC**") Method as the valuation approach, which considers the cost to reproduce or replace in new condition in accordance with current market prices for similar assets, with allowance for depreciation or loss of value arising from condition, utility, age, wear and tear, and obsolescence present, after taking into consideration the past and present maintenance policy and rebuilding history. We are of the view that the DRC Method applied is appropriate as there is no direct sale comparables of similar capacity, age, condition and location to provide exact indications of value and the income approach is not preferred due to difficulties in reliably forecasting the anticipated revenue, operating costs and other financial metrics over a defined forecast period. The summary of WTK OM's Palm Oil Mill valuation together with our commentaries are set out below.

Description	Market Value (RM million)	Commentaries
Building and site improvements	25.50	We note that the valuer adopted the DRC method, which is appropriate for a specialised asset of this nature. The replacement cost for buildings was benchmarked against the BCISM (Building Cost Information Services Malaysia) Cost Book 2024. The BCISM rates for heavy-duty factories/warehouses range from RM177 to RM247 per square foot. The site improvement costs were based on internal data and cross-checked with comparable mills. An annual depreciation rate of 1.50% to 2.00% was applied. We are of the opinion that the assumptions are reasonable.

Description	Market Value (RM million)	Commentaries
Plant, Machinery and Equipment	30.70	The machinery and equipment value was also derived using the DRC method. The replacement cost new of machinery and equipment was based on supplier quotations, published industry cost data, and costs of recent comparable installations. An average accumulated depreciation of 52% was applied to process equipment and 70% to mobile equipment. We are of the opinion that the derivation of the market value is reasonable as the replacement costs were derived from credible sources and the depreciation applied reflects the age and condition of the assets.
Total	**56.20**	

RNAV computation

The computation of the RNAV is as follows:

Descriptions	RM
Adjusted NA as at 30 June 2025 [1]	47,804,122
Add: Fair value adjustment for the WTK OM Palm Oil Mill [2]	16,216,199
(Less): Deferred tax liabilities arising from the fair value adjustment for the WTK OM Palm Oil Mill [3]	(3,891,888)
RNAV	**60,128,433**

Notes:

[1] The unaudited adjustments made are tabled as follows:

		RM
Unaudited NA of WTK OM as at 30 June 2025		*44,694,554*
Add:	*adjustments for ROU assets*	*197,095*
	overprovision of tax and deferred tax	*3,134,081*
(Less):	*adjustments for lease liabilities*	*(206,109)*
	adjustments on prepayment	*(15,499)*
Adjusted Unaudited NA of WTK OM as at 30 June 2025		*47,804,122*

The adjustments of the NA was arrived at after taking into consideration certain adjustments deemed necessary by the Company arising from the financial and tax due diligence conducted and differences in accounting treatments among MPERS and MFRS. The financial statements of the Company is prepared in accordance with MFRS, whilst the financial statements of WTK OM is prepared in accordance with MPERS.

The unaudited adjustments are subject to audit by the external auditors of the Company, which will be conducted after the completion of the Proposed WTK OM Acquisition. These adjustments are made primarily to align WTK OM's financial statements with MFRS, which the Company already applies, and are therefore not expected to deviate materially upon audit. Any differences arising from the audit would have no impact on the Proposed WTK OM Acquisition or the purchase consideration of WTK OM.

These adjustments mainly related to recognition of ROU assets and lease liabilities in accordance with the MFRS. The overprovision of tax and deferred tax mainly comprises the overprovision of tax income and deferred tax assets amounting to RM4.34 million in prior years (i.e. 2022 to 2024), partially offset by current tax expenses and deferred tax expenses of approximately RM1.21 million for the period ended 30 June 2025. The over-provision in prior years is primarily attributable to previously unrecognised deferred tax assets arising from unutilised reinvestment allowances.

[2] *The surplus arising from the revaluation of the WTK OM Palm Oil Mill is calculated based on the market value of the WTK OM Palm Oil Mill of RM56,200,000 as ascribed by the Valuer less the unaudited net carrying amount of palm oil mill of WTK OM as at 30 June 2025 of RM39,983,801. The market value of the Palm Oil Mill was ascribed by the Independent Valuer and did not take into consideration the unaudited NCA, as the valuation was solely based on the Palm Oil Mill.*

The adjustments to arrive at the unaudited net carrying amount of WTK OM Palm Oil Mill as at 30 June 2025 of RM39,983,801 involve the following:

		RM
Unaudited net carrying amount of palm oil mill of WTK OM as at 30 June 2025		*40,110,716*
Add:	*adjustments for the ROU*	*197,095*
(Less):	*adjustments for motor vehicles*	*(324,010)*
Adjusted Unaudited net carrying amount of palm oil mill of WTK OM as at 30 June 2025		*39,983,801*

[3] *Adjusted for deferred taxation at the statutory corporate tax rate in Malaysia of 24.00%.*

Purchase consideration of WTK OM

The comparison between the purchase consideration and RNAV of WTK OM is tabled as follows:

Descriptions	**RM**
Purchase consideration of WTK OM	35,000,000
RNAV of WTK OM	60,128,433
70.00% of RNAV of WTK OM	42,089,903
Difference in premium / (discount)	**(7,089,903)**

The purchase consideration of WTK OM is RM35,000,000. Based on the RNAV method, the purchase consideration of WTK OM represents a discount of 16.84% over 70.00% of the the RNAV of WTK OM of RM60,128,433.

In conclusion, after considering the above, we are of the opinion that the purchase consideration of WTK OM is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

[the remaining of this page is intentionally left blank]

7 SALIENT TERMS OF THE SSAs

The salient terms of the SSAs are disclosed in **Appendix I, Appendix II and Appendix III of the Circular**. The following sets out only a summary of the material terms of the SSAs that were considered by us and non-interested shareholders of the Company are advised to read **Appendix I, Appendix II and Appendix III of the Circular** in the entirety. All clauses referred to in this Section are referring to the clauses in the SSAs. "**Purchaser**" are referring to WTK & BioPalm Venture. Our comments on the salient terms of the SSAs are as follows:

Salient Terms	FHCA Comments
<u>Conditions precedent</u>	
(i) The completion of the sale and purchase of the Desacorp Sale Shares and Imbok Enterprise Sale Shares is in all respects conditional upon the following:	
(a) The Vendor at its own costs and expenses obtain the approval in writing from the Minister for the disposal of the Desacorp Sale Shares and Imbok Enterprise Sale Shares to WTK and BioPalm Venture in accordance with Section 6(1) of the Land (Companies) Rules 2022 of the Land Code; and (b) WTK obtaining the approval of its shareholders for the Proposed Acquisition of the Target Companies.	We are of the view that this condition is fair and reasonable. Pursuant to Section 6(1) of the Land (Companies) Rules 2022 under the Land Code of Sarawak, this is a mandatory statutory requirement for transactions involving companies that own significant land assets in Sarawak to obtain approval from the Minister for the transfer of land, and as such, it is a necessary condition for the legal completion of the Proposed Desacorp Acquisition and and the Proposed Imbok Enterprise Acquisition. Therefore, this term is not detrimental to the interests of the non-interested shareholders of WTK.
(ii) If the condition is not satisfied or waived by the Cut-Off Date, then any party will be entitled to issue a Notice of Termination to the other party whereupon the SSAs shall terminate and clauses 11.3(b)(1) to 11.3(b)(3) shall apply and thereafter neither party shall have any continuing obligations to the other party save for any antecedent breaches or any obligations expressly provided in the SSAs that survive the termination of the SSAs.	We are of the view that this term is reasonable as WTK is a listed company and approval is required in compliance with the Listing Requirements. We are of the view that this term is reasonable as clauses 11.3(b)(1) to 11.3(b)(3) stipulates the responsibility of the Parties in the event of a Notice of Termination.
(iii) The SSAs shall become unconditional on the day upon which the condition has been fulfilled or waived.	This term is reasonable as it serves to protect the interest of the Purchaser in the event the Proposed Acquisitions are aborted.
<u>Pre-completion obligation</u> Commencing from the date of the SSAs and until the Completion Date, the Vendor shall ensure and procure that, except with the prior written consent of the Purchaser or as expressly required by the SSAs or necessary to give effect to the SSAs adhere to clause 3 of the SSAs.	These terms are reasonable as they serve to protect the interest of the Purchaser against any potential transaction that is not in the best interest of the Purchaser.

Salient Terms	FHCA Comments
Simultaneous completion	
(i) The completion of the sale and purchase of the Sale Shares under the SSAs shall be inter-conditional with the following: (a) the completion of the sale and purchase of 3,500,000 ordinary share held by the Vendor in WTK Oil Mill Sdn Bhd under the share sale agreement entered into between the Vendor and BioPalm Venture Sdn Bhd on the same date; (b) the completion of the sale and purchase of 14,000,000 ordinary shares held by the Vendor in Imbok Enterprise Sdn Bhd under the share sale agreement entered into between the Vendor and BioPalm Venture Sdn Bhd on the same date; and (c) the completion of the sale and purchase of 7,000,000 ordinary shares held by the Vendor in Desacorp Sdn Bhd under the share sale agreement entered into between the Vendor and W T K Holdings Berhad on the same date. (ii) In the event that completion under the SSAs do not occur in accordance with its terms, the parties agree that the completion under the SSAs shall not take place and the SSAs shall be deemed terminated, whereby: (a) the Purchaser shall return all documents, if any, delivered to them by or on behalf of the Company or the Vendor to the Vendor; (b) the Vendor shall return all documents, if any, delivered to them by or on behalf of the Purchaser; and (c) the Vendor shall refund to the Purchaser, free of interest, the Deposit and the Balance Consideration or any part thereof received by the Vendor if any; thereafter neither party shall have any continuing obligations to the other party save for any antecedent breaches or any obligations expressly provided in the SSAs that survive the termination of the SSAs.	We are of the view that this is a fair and reasonable term for a multi-part transaction where the full strategic value is only realised if all components are acquired together. This clause ensures that WTK does not acquire any of the Target Companies in isolation without also securing the counterparts. Acquiring only a piece of the overall portfolio would expose the Group to the risk of not achieving the intended operational synergies such as integrated milling and a balanced age profile. Therefore, this term protects the interests of WTK and its non-interested shareholders by ensuring the complete strategic rationale of the Proposed Acquisitions is fulfilled.

Salient Terms	FHCA Comments
Payment term The Purchaser shall pay the Consideration in the following manner: (i) 10% of the Consideration ("**Deposit**") will be paid to the Vendor upon the execution of the SSAs. (ii) 90% of the Consideration ("**Balance Consideration**") will be paid to the Vendor on the Completion Date.	These terms set out the payment obligations in relation to the Proposed Acquisition. The deposit of 10% is fair and reasonable and is commonly adopted in similar transactions. The final payment on Completion Date wherein after all approvals have been obtained is also reasonable and not detrimental to non-interested shareholders of WTK.
Extended completion date (i) In the event that the Balance Consideration is not paid in full on the Completion Date, the Vendor shall automatically grant to the Purchaser an extension of one (1) calendar month commencing from the date next following the Completion Date to pay the Balance Consideration. (ii) The Purchaser shall pay interest to the Vendor at the rate of six per centum (6%) per annum, calculated on a day-to-day basis, on the amount of the outstanding Balance Consideration from the date next following the Completion Date until such time as the actual payment of the Balance Consideration is fully paid to the Vendor.	We are of the view that this clause provides a practical and commercially standard mechanism for managing potential short term delays in payment. The automatic one (1) month extension gives the Group a necessary degree of flexibility without immediately triggering a default. The requirement to pay 6.00% per annum interest on the outstanding balance during the extension period is a fair and common commercial term. The rate is comparable to the cost of short term corporate financing in Malaysia benchmarked against several financial institution's base lending rates. Therefore, this term is not detrimental to the interests of the non-interested shareholders of WTK.

[the remaining of this page is intentionally left blank]

Salient Terms	FHCA Comments
<u>Completion</u> (i) On completion the parties shall perform the following: (a) The vendor shall deliver to the Purchaser of all documents set out in clause 6.3(a); (b) Upon the delivery of all documents set out in clause 6.3(a), the Purchaser shall pay the Balance Consideration to the Vendor; and (c) The Vendor shall procure that circular resolutions in writing of the Board are passed or a meeting of the Board is held at which the agendas set out in clause 6.3(c) are completed and approved.	Clause 6.3(a) states that the Vendor shall deliver to the Purchaser:- 1. the original share certificates for the Sale Shares; 2. share transfer forms, duly completed and executed by the Vendor, in favour of the Purchaser in respect of the Sale Shares; 3. the certificate of incorporation, any certificates of incorporation on change of name or re-registration, the statutory books written up to date, share certificate books, minute books, all unused cheque books and the common seal of the Company; 4. all credit and charge cards held for the account of the Company, if any; 5. all original issue documents of titles to the Properties; and 6. all other papers and documents relating to the Company which are in the possession of or under the control of the Vendor, including the financial books and records of the Company for the past years. Clause 6.3(c) states that the Vendor shall procure that circular resolutions in writing of the Board are passed or a meeting of the Board is held at which: 1. the share transfer form referred to in clause 6.3(a)(2) is approved and (subject to them being appropriately stamped) registered in the Company's books; 2. authority is given to the company secretary of the Company to cancel the existing shares certificates and new shares certificates be issued in the name of the Purchaser; 3. if applicable, the persons nominated by the Purchaser are appointed as directors of the Company; 4. if applicable, the persons nominated by the Purchaser are appointed as the company secretary and auditor of the Company; 5. the mandates given by the Company to its bankers are revoked or revised as the Purchaser may require; and 6. the execution and completion of the other documents to be entered into by the Company under this agreement is approved. These terms are reasonable as it sets out the responsibilities of the Vendor and Purchaser for the completion of the transaction.

Salient Terms	FHCA Comments
<u>Termination</u>	
(i) Prior to Completion, the Vendor or Purchaser may, at any time while such default subsists, give a Notice of Termination to the other party in any event listed in clause 11.1 and clause 11.2; (ii) In the event of a Notice of Termination being duly given under the provisions of clause 11.1 and clause 11.2, the consequences of termination are stated in clause 11.3(a) and 11.3(b) with the arrangement for the refund of deposit and balance considerations highlighted as follows: (a) In the event of a Notice of Termination being duly given by the Vendor under the provision of clause 11.1, the Deposit shall be absolutely forfeited to the Vendor as agreed liquidated damages but shall refund to the Purchaser, free of interest, the Balance Consideration or any part thereof received by the Vendor, if any; and (b) In the event of a Notice of Termination being duly given by the purchaser under the provision of clause 11.2, the Vendor shall refund to the Purchaser, free of interest, the Deposit and the Balance Consideration or any part thereof received by the Vendor, if any and the Vendor shall pay to the Purchaser an additional sum equivalent to the Deposit as agreed liquidated damages.	These terms are reasonable as it sets out the events of default, whereby the Vendor and Purchaser are required to fulfill their obligations pursuant to the SSA. Prior to Completion, the Vendor or Purchaser may at any time give or issue a Notice of Termination to the other party if the other party at any time have breached the default events listed in clause 11.1 and 11.2 subsists. The forfeiture of the Desacorp Deposit to the sum of liquidated damages, if any, is reasonable and is commonly adopted in transactions of such nature. The terms stated herein will safeguard the Purchaser's interests in the event of default.

Premised on the above, we are of the view that the abovementioned salient terms of the SSAs are fair and reasonable as far as the interests of the Purchaser are concerned and not detrimental to the non-interested shareholders of WTK.

[the remaining of this page is intentionally left blank]

8 INDUSTRY OVERVIEW AND PROSPECTS

We take note of the industry overview and prospects as disclosed in **Section 4, Part A of the Circular**.

8.1 Malaysian economic outlook

Malaysia's economy is projected to maintain a robust growth trajectory, with the 13th Malaysia Plan ("**13MP**") targeting an average annual gross domestic product ("**GDP**") growth rate of 4.5% to 5.5% for the period 2026-2030. This builds upon the 2025 forecast of 4.0%-4.8% by Bank Negara Malaysia ("**BNM**") and the International Monetary Fund's ("**IMF**") revised projections of 4.5% for 2025 and 4.0% for 2026.

The primary impetus for this growth is anticipated to be resilient domestic demand, particularly private consumption, which is projected to increase by 5.5% annually, maintaining its pivotal role in the economy. Investment activities are also expected to expand steadily, supported by the realization of new and existing projects, including catalytic initiatives under national development plans such as NIMP 2030, NETR, and PIKAS 2030. The consistent emphasis on domestic demand as the primary growth driver, particularly amidst global uncertainties, suggests that revenue streams for businesses heavily reliant on internal consumption may exhibit greater stability and predictability compared to those tied closely to export markets. The explicit mention of strategic government-led investment catalysts under the 13MP indicates a national commitment to structural economic transformation and productivity enhancement.

While the global economy is expected to moderate, with the IMF forecasting an average growth of 3.1% per annum from 2026 to 2030, Malaysia's diversified economic structure and domestic resilience are anticipated to provide a buffer against external headwinds. Exports are projected to moderate to around 4.1% annually, reflecting a cautious global trade environment and persistent geopolitical uncertainties. A moderated export sector could influence overall national wealth accumulation and foreign exchange stability. However, if key export sectors like electrical and electronics and tourism remain strong, it could support high-income employment.

The 13MP projects headline inflation to remain between 2.0% and 3.0% during the 2026-2030 period. This follows a moderate inflation rate of 1.8% in 2024 and a projected 1.5%-3.5% range for 2025. The moderation is largely attributed to easing global costs and contained domestic demand pressures. The government is also expected to refrain from implementing reform measures that could significantly spark inflation beyond 2026, signaling a commitment to price stability. A low and stable inflationary environment implies that the purchasing power of Malaysian households will be relatively preserved. Although wage growth has historically lagged inflation, the 13MP's focus on increasing employee compensation to 40% of GDP by 2030 suggests a future improvement in real incomes.

(Source: Bank Negara Malaysia. (2025, March 24). Economic and monetary review 2024: Outlook and policy in 2025.; Bank Negara Malaysia. (2025, July 28). Malaysia's economy remains on a strong footing and is projected to grow between 4%–4.8% in 2025.; International Monetary Fund. (2025, July 29). World economic outlook update, July 2025: Global economy: Tenuous resilience amid persistent uncertainty.; Ministry of Economy. (2025, July 31). Rancangan Malaysia Ke-13: 2026–2030 Melakar Semula Pembangunan Ringkasan Eksekutif.)

[the remaining of this page is intentionally left blank]

8.2 Oil palm industry outlook

Long-term demand for palm oil is projected to remain strong. The global market is forecast to grow from 78 million tonnes in 2024 to 130 million tonnes by 2035, a compound annual growth rate ("**CAGR**") of approximately 5.11%. Key drivers for this growth include global population increases, urbanisation, and rising incomes in emerging markets, which fuel demand for consumer goods that use palm oil as a key ingredient.

The food and beverage sector remains the dominant end-user, accounting for roughly 67% of the market. However, the biofuels and oleochemical sectors are also projected to see significant growth, driven by government renewable energy policies and a consumer shift towards biodegradable products. The Asia Pacific region, particularly India and China, will remain the largest consumer market.

In 2024, the average CPO prices shown strong performance where it increased 9.7% to RM4,179.50 per tonne from RM3,809.50 in 2023, early 2025 prices have remained robust. In addition, Malaysia's palm oil export performance strengthened in 2024, with total exports rising to 16.90 million tonnes compared to 15.14 million tonnes in 2023. This increased export activity, combined with reduced imports, resulted in palm oil ending stocks declining 25.4% to 1.71 million tonnes by December 2024 from 2.29 million tonnes in December 2023. The tighter stock position has provided structural price support. India remained Malaysia's largest export destination for the 11th consecutive year, absorbing 17.9% of total exports, followed by China (8.2%), the European Union (7.7%), and Kenya (7.5%). Total export earnings surged 15.2% to RM109.39 billion, up from RM94.95 billion in 2023, reflecting both higher volumes and stronger pricing.

A significant factor supporting global prices is Indonesia's biofuel policy. The planned increase of its mandatory biodiesel blend to 40% (B40) in 2025 will divert millions of tonnes of Indonesian palm oil from the export market to its domestic energy sector. As Indonesia is the world's largest producer, this reduction in global supply is expected to prevent the buildup of stocks and support higher prices, creating a structural price floor from which Malaysia, as the second-largest producer, stands to benefit.

Land availability is another primary constraint. Malaysia's total oil palm planted area is forecast to remain the same at 5.64 million ha in 2025, a negligible increase from 2024. This stagnation means future production growth must come from yield improvements rather than land expansion.

The Malaysian government has acknowledged the critical replanting issue and is introducing financial incentives. The 2025 budget allocated RM100 million in matching grants, with a more substantial RM1.4 billion replanting fund proposed for 2026 to 2030 primarily targeting smallholders.

Effective from 1 January 2025, the revised MSPO 2.0 standard (MS2530:2022) became mandatory. This updated standard introduces more stringent criteria, including a definitive deforestation cut-off date of 31 December 2019, mandatory reporting of greenhouse gas emissions, and strengthened principles on labor rights. Achieving full compliance with the more rigorous demands of MSPO 2.0 will require significant investment from producers.

(Source: Malaysian Palm Oil Board. (2025). Overview 2024.; MIDF Research. (2025, January 15). Plantation Thematic: Tactical Positive As Of Now.; Malaysian Palm Oil Council. (2024, April 16). Crude Palm Oil Prices Expected to Hit RM4,200 per Tonne.; Bernama. (2025, September 11). Planted Oil Palm Area To Hit 5.64 Mln Hectares In 2025.; The Star. (2025, October 7). CPO prices buoyed by tight supply, firm demand.; Malaysian Palm Oil Board. (2025, September). Monthly Release September 2025.; The Business Standard. (2025, August 12). Palm oil price worries in local market as Indonesia plans export cut.; Malaysian Palm Oil Board. (2025). Summary of the Malaysian Palm Oil Industry 2025.; Malaysian Palm Oil Board. (2025, September 9). MSPO 2.0: Experts see stronger global position for Malaysian palm oil.; Malaysian Palm Oil Council. (2025). UK Environment Act a Silver Bullet for Malaysian Sustainable Palm Oil.; ChemAnalyst. (2025). Palm Oil Market Size, Share, Trends, Growth & Forecast.)

8.3 **Prospects of the Target Companies**

As set out in **Section 4.3, Part A of the Circular**, the Proposed Acquisitions are in line with the Group's strategy to expand its plantation business and are expected to position the enlarged Group for long-term growth and sustainable value creation. The expansion of the Group's oil palm plantations and palm oil milling operations will strengthen its revenue streams, improve operational efficiencies, and enhance overall profitability.

Premised on the above, we are of the view that the prospects of the prospects of the Target Companies will be favourable. The outlook is supported by a newly balanced oil palm age profile, where Desacorp's mature plantation provides immediate stable production, while Imbok Enterprise's predominantly young and immature palms (over 80.0%) ensure a strong pipeline for future growth in FFB yields, revenue, and earnings. This growth is further supported by the potential synergies from sharing resources to achieve economies of scale and pooling technical expertise across the enlarged Group.

Nonetheless, we wish to highlight that the above are subject to uncertainties which are not within the Board's control such as, amongst others, change in Government policies, pandemic risk, fluctuation in commodity prices and changes in global climate. The occurrence of any of such events may materially impact the businesses and may adversely affect the Group's revenue and profitability to be derived from the Proposed Acquisitions.

9 **RISK FACTORS**

In considering the Proposed Acquisitions, the non-interested shareholders of WTK are advised to give careful consideration to the risk factors as set out in **Section 5, Part A of the Circular**. The following are the key risk factors and our comments relating to the Proposed Acquisitions:-

9.1 **Non-completion risk**

We are of the view that the non-completion risk of the Proposed Acquisitions is common aspect of similar proposals. We note that in the event any of the conditions precedent of the SSAs are not able to be fulfilled, some of which are beyond the control of the Group, the Group will not be able to complete the Proposed Acquisitions, thus resulting non-materialisation of the potential benefits expected from the Proposed Acquisitions.

9.2 **Acquisition risk**

We are of the view that the risk of the Proposed Acquisitions not yielding the anticipated returns is inherent in any acquisition. The future financial performance of the Target Companies is subject to the risks of the palm oil industry. However, we note that the Board will leverage its existing management expertise to oversee the operations of the Target Companies.

9.3 **Business and operation risk**

We are of the view that the business and operational risks associated with the Proposed Acquisitions are risks that the Group is already exposed to given its existing involvement in the palm oil industry. These risks, which include commodity price fluctuations, adverse weather conditions and changes in regulations will be managed as part of the Group's ordinary course of business.

9.4 Financing risk

We wish to highlight that the gearing of the Group may increase in the event the Purchase Considerations for the Proposed Acquisitions are financed via bank borrowings and/or issuance of debt securities. Accordingly, the Group will be exposed to additional debt obligations and any increase in interest rates may affect the Group's future financial performance.

9.5 Political, economic and regulatory risk

We are of the view that this is a general risk faced by all businesses operating in Malaysia. Changes in economic conditions, government policies, and taxation could affect the palm oil industry and the future profitability of the enlarged Group. We note that the Board is expected to adopt prudent management practices to mitigate these external factors.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Acquisitions, no assurance can be given that one or a combination of the risk factors as stated in **Section 5, Part A of the Circular** will not occur and give rise to material and adverse impact on the business and operations of the Group, its financial performance, financial position or prospects thereon.

In evaluating the Proposed Acquisitions, non-interested shareholders of the Company should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolutions pertaining to the Proposed Acquisitions at the forthcoming EGM of the Company. Non-interest shareholders of the Company should also note that the risk factors mentioned therein are not meant to be exhaustive.

10 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

The financial effects of the Proposed Acquisitions as disclosed in **Section 6, Part A of the Circular** are as follows:

10.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the share capital of WTK and substantial shareholders' shareholdings in WTK as the Proposed Acquisitions do not involve any issuance of new ordinary shares in WTK.

10.2 NA per share and gearing

The gearing of the Group will increase from 0.28 times to 0.92 times after the Proposed Acquisitions on the assumption that the Proposed Acquisitions will be 70.00% financed by bank borrowings / sukuk financing. As a result of the increased financing, the Group would be at a higher financial risk due to higher interest expense exposure and potentially higher interest rate for future bank borrowings.

[the remaining of this page is intentionally left blank]

10.3 (Loss)/profit and (loss)/earnings per Share ("LPS/EPS")

We note that for illustrative purposes, based on the audited consolidated financial statements of WTK for FYE 24, the Proposed Acquisitions are expected to be profitable to the Group. On a pro forma basis, the Group's LPS of (9.24) sen for FYE 24 is projected to reverse into an EPS of 4.78 sen. This positive turnaround is a result of several key adjustments which are summarised as follows:

(i) Effect of Subsequent Events (Pro forma I): The initial shift from a loss to a profit is driven by a one-off gain on disposals of approximately RM46.98 million which turned the audited loss after tax of (RM43.22 million) into a profit after tax ("**PAT**") of RM3.76 million.

(ii) Effect of the Proposed Acquisitions (Pro forma II): The PAT is further increased to RM22.36 million after factoring in the financial impact of the Proposed Acquisitions which includes:

(a) Profit Contribution: The addition of the aggregate audited PAT from the Target Companies, amounting to approximately RM36.93 million;
(b) One-off expenses related to the Proposed Acquisitions of approximately RM2.0 million; and
(c) Estimated annual finance costs of approximately RM16.32 million for the new borrowings used to fund the Proposed Acquisitions.

We wish to highlight that the pro forma calculation includes a significant one-off gain from disposals. The future recurring earnings of the Group will be primarily dependent on the operational performance of the newly acquired oil palm plantations and palm oil mill and will be subjected to the inherent risks of the palm oil industry.

Based on the above, we are of the opinion that the financial effects of the Proposed Acquisitions are fair and reasonable and not to the detriment of the non-interested shareholders of the Company.

[the remaining of this page is intentionally left blank]

11 CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisitions and have set out our evaluation in **Section 4 to Section 10 of this IAL**. After assessing the pertinent factors, we summarise our opinion on the fairness and reasonableness of the Proposed Acquisition as follows:

Factors Evaluated	Our Conclusion
Rationale and Justifications	The Proposed Acquisitions are fair and reasonable as it is aligned with the Group's strategy to expand its profitable plantation business. This Proposed Acquisition strengthens the Group by significantly increasing its land bank and FFB production, improving the palm age profile for long-term growth, and enhancing operational self-sufficiency.
Basis for Purchase Consideration	The Purchase Considerations are fair and reasonable and are supported by independent valuations. The prices for Desacorp and WTK OM are at a discount to their respective RNAVs. The slight premium for Imbok Enterprise is justified by its strategic value, exceptionally young palm age profile and operational synergies.
Salient Terms of the SSAs	The terms are fair and reasonable and not detrimental to shareholders' interests. The salient terms of the SSAs are commercially standard for similar transactions and the inter-conditional clause is a key term that protects the Group by ensuring all strategic components are acquired together to realise the intended synergies.
Business Risk Profile Post-Acquisition	The risk profile is reasonable. The key risks identified are largely inherent to the palm oil industry in which the Group already has significant operational experience. These risks are considered manageable through the Board's existing expertise and prudent management practices.
Financial Effects	The financial effects are fair and reasonable. Although gearing is expected to increase the acquisitions are projected to be profitable for the Group. Proforma financials indicate a positive turnaround, reversing the Group's loss per share into an earnings per share.

We have taken cognisance of the rationale and justification, financial evaluation, effects and risk factors of the Proposed Acquisitions. Based on our evaluation and comments on the Proposed Acquisitions, we are of the opinion that the Proposed Acquisitions are **fair and reasonable** and are **not detrimental** to the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders of the Company to vote in favour of the resolutions pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM of the Company.

Before arriving at the decision to vote on the resolutions pertaining to the Proposed Acquisitions, it is pertinent that the non-interested shareholders of the Company consider the issues and implication raised in this IAL as well as other considerations set out in **Part A of the Circular** carefully and the recommendation of the Board (save for the Interested Directors) as set out in **Section 14, Part A of the Circular**.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD

DING SU-LYNN	**ANDREW HENG**
Director	Director
Investment Representative	**Investment Representative**
eCMSRL/B8965/2019	**eCMSRL/B9095/2019**

SALIENT TERMS OF THE DESACORP SSA

1. BASIS OF SALE

WTK Realty agrees to sell to WTK, and WTK agrees to purchase the Desacorp Sale Shares free from all encumbrances and with full legal and beneficial title, with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the Desacorp SSA Completion Date (as defined in **Section 3** in this **Appendix I** below) and on the basis of the warranties under the Desacorp SSA.

2. CONDITIONS PRECEDENT

The completion of the sale and purchase of the Desacorp Sale Shares in accordance with the terms of the Desacorp SSA is in all respects conditional upon the fulfilment of the following:-

(i) WTK Realty, at its own costs and expenses, obtaining the approval in writing from the Minister for the disposal of the Desacorp Sale Shares to WTK in accordance with Section 6(1) of the Land (Companies) Rules 2022 of the Land Code; and

(ii) WTK, at its own costs and expenses, obtaining the approval from its shareholders at a general meeting for the Proposed Desacorp Acquisition.

(Collectively, "**Desacorp Conditions Precedent**")

If any of the Desacorp Conditions Precedent is not satisfied or waived by the date falling 6 months from the date of the Desacorp SSA, or such other dates as mutually agreed by the parties to the Desacorp SSA, then any party will be entitled to issue a notice of termination to the other party terminating the Desacorp SSA and the provision in **Section 7.2(i) to (iii)** of this **Appendix I** below shall apply, and thereafter neither party shall have any continuing obligations to the other party save for any antecedent breaches or any obligations expressly provided in the Desacorp SSA that survive the termination of the Desacorp SSA.

The completion of the sale and purchase of the Desacorp Sale Shares shall become unconditional on the day upon which the last of the Desacorp Conditions Precedent is fulfilled in accordance with the provisions of the Desacorp SSA or waived by mutual agreements by parties.

3. PURCHASE CONSIDERATION OF DESACORP

WTK shall pay the purchase consideration of Desacorp to WTK Realty in the following manner:-

(i) RM23.0 million, being 10.0% of the purchase consideration of Desacorp upon the execution of Desacorp SSA ("**Desacorp SSA Deposit**"); and

(ii) RM207.0 million, being 90.0% of the purchase consideration of Desacorp ("**Desacorp Balance Consideration**") on or before the expiry of the date falling no later than 90 days after Desacorp SSA becoming unconditional, or such other date as may be agreed upon between the parties upon which Desacorp SSA Completion (as defined in **Section 4** of this **Appendix I** below) is to take place ("**Desacorp SSA Completion Date**").

In the event that the Desacorp Balance Consideration is not paid in full on the Desacorp SSA Completion Date, WTK Realty shall automatically grant to WTK an extension of 1 calendar month commencing from the date next following the Desacorp SSA Completion Date to pay the Desacorp Balance Consideration, provided that WTK shall pay interest to WTK Realty at the rate of 6% per annum, calculated on a day to day basis, on the amount of the outstanding Desacorp Balance Consideration from the date following the Desacorp SSA Completion Date until such time as the actual payment of the Desacorp Balance Consideration is fully paid to WTK Realty.

4. COMPLETION

4.1 Commencing from the date of the Desacorp SSA and until the Desacorp SSA Completion Date, WTK Realty shall ensure and procure that, except with the prior written consent of WTK or expressly required by the Desacorp SSA:-

(i) Desacorp carries on business in the normal course;

(ii) Desacorp does not do anything that is not in its ordinary course of business;

(iii) prior notice of not less than 5 business days is given to WTK of meetings of the board of directors of Desacorp ("**Desacorp's Board**") (together with an agenda of the business to be transacted at such meetings and all supporting documents) and a duly authorised representative of WTK is permitted to attend and to participate fully in the discussions at all those meetings;

(iv) no resolutions (including circular resolutions) which is contrary to the intention of Desacorp SSA will be passed by Desacorp's Board except at duly held meetings of the Desacorp's Board of which WTK has been given notice in accordance with **Section 4.1(iii)** of this **Appendix I** above;

(v) the officers, employees and agents of Desacorp, upon the request of WTK, supply to WTK such information concerning the business of Desacorp as WTK reasonably require, and allow representatives of WTK access to Desacorp's premises during the business hours of Desacorp, for the purpose of obtaining knowledge of the day-to-day activities of Desacorp's business;

(vi) Desacorp will not:-

(a) lend any money;

(b) borrow any money other than in relation to the operation of existing bank overdrafts within existing limits as required in the ordinary course of business;

(c) give or create any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking;

(d) allow to exist, except as disclosed in the disclosure letter, any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking unless it is in the ordinary course of business;

(e) enter into any capital expenditure commitments, hire purchase, leasing, rental or conditional sale agreements, where the value of any individual transaction exceeds RM300,000 and above, or where the aggregate value of all such transactions exceed RM1.0 million;

(f) enter into any agreement unless it is in the ordinary course of its business or in relation to the purchase or sale of goods in the ordinary course of its business;

(g) declare, make or pay any dividend or other distribution or allot, issue, grant any options over, redeem, purchase, consolidate, convert, sub divide or reduce any share or loan capital or issue any share warranties or securities convertible into shares;

(h) sell, transfer or otherwise dispose of the whole or any part of its business, undertakings or assets otherwise than in the ordinary course of its business;

(i) give any financial or other guarantees, securities or indemnities for any purpose;

(j) commence any litigation or compromise or settle any claim, dispute or other matter in which it is involved;

(k) alter its constitution or capital structure; and

(l) attempt to do any of the matters set out in this **Section 4.1(vi)** of this **Appendix I**;

(vii) there is no change in existing composition of Desacorp's Board and no additional directors are appointed to Desacorp's Board;

(viii) no resolution which is contrary to the intentions of Desacorp SSA is passed by the shareholders of Desacorp other than that required by the Act;

(ix) no change is made in the terms and conditions of employment of any employee or of remuneration of any director of Desacorp, and no other payment or provision for any discretionary bonus to any employee of Desacorp is made;

(x) no new person is employed or offered to be employed by Desacorp in a managerial, executive or professional role, save for non-executive or foreign workers employed for plantation in the ordinary course of business;

(xi) no act is performed or omission allowed which would result in any of the warranties given by WTK Realty under the Desacorp SSA being breached or becoming misleading at any time up to and including Desacorp SSA Completion (as defined in **Section 4.2** of this **Appendix I** below);

(xii) Desacorp does not knowingly permit any of its insurances to lapse or their premium to increase or do anything to make any policy of insurance void or voidable;

(xiii) Desacorp pays its creditors in the ordinary course of its business or within the normal terms of payment of such creditors; and

(xiv) Desacorp informs WTK immediately of any material adverse effect affecting the financial position of Desacorp.

4.2 On a date when the completion of the sale and purchase of Desacorp Sale Shares by the performance by the parties of Desacorp SSA of their respective obligations under **Section 4.2** of this **Appendix II** ("**Desacorp SSA Completion**"):-

(i) WTK Realty shall deliver to WTK the following:-

(a) the original share certificates for the Desacorp Sale Shares;

(b) share transfer forms, duly completed and executed by WTK Realty, in favour of WTK in respect of the Desacorp Sale Shares;

(c) the certificate of incorporation, any certificates of incorporation on change of name or re-registration, the statutory books written up to date, share certificate books, minute books, all unused cheque books and the common seal of Desacorp;

(d) all credit and charge cards held for the account of Desacorp, if any;

(e) all original issue document of titles to the properties owned by Desacorp; and

(f) all other papers and documents relating to Desacorp which are in the possession of or under the control of WTK Realty.

(ii) Upon the delivery of all documents set out in **Section 4.2(i)** of this **Appendix I**, WTK shall pay the Desacorp Balance Consideration to WTK Realty.

(iii) WTK Realty shall procure that the circular resolutions in writing of Desacorp's Board are passed or a meeting of the Desacorp's Board is held at which:-

(a) the share transfer forms referred to in **Section 4.2(i)(b)** of this **Appendix I** are approved and (subject to them being appropriately stamped) registered in Desacorp's books;

(b) authority is given to the company secretary of Desacorp to cancel the existing shares certificates and new shares certificates be issued in the name of WTK;

(c) if applicable, the persons nominated by WTK are appointed as directors of Desacorp;

(d) if applicable, the persons nominated by WTK are appointed as the company secretary and auditor of Desacorp;

(e) the mandates given by Desacorp to its bankers are revoked or revised as WTK may require; and

(f) the execution and completion of the other documents to be entered into by Desacorp under the Desacorp SSA is approved.

4.3 The completion of the Desacorp SSA shall be inter-conditional with the completion of the Imbok Enterprise SSA and WTK OM SSA.

4.4 If any of the requirements of **Section 4.2** of this **Appendix I** are not complied with on Desacorp SSA Completion Date, WTK may:-

(i) defer Desacorp SSA Completion with respect to all of Desacorp Sale Shares to a date not less than 7 nor more than 28 days after that date (in which case the provisions of this section shall also apply to Desacorp SSA Completion as so deferred);

(ii) proceed to Desacorp SSA Completion so far as practicable but without prejudice to any other rights which it or they may have under the Desacorp SSA; or

(iii) issue a notice of termination to WTK Realty whereby Desacorp SSA shall terminate and the consequences of termination under Desacorp SSA shall apply.

5. VENDOR'S RIGHT TO TERMINATE

Prior to the Desacorp SSA Completion, WTK Realty may, at any time while such default subsists, give a notice of termination to WTK in the event that:-

(i) WTK defaults in the satisfaction of the purchase consideration of Desacorp (or any part thereof) in accordance with the provisions of the Desacorp SSA or is otherwise in fundamental breach of its obligations under the Desacorp SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the Desacorp SSA, of WTK being requested to do so by WTK Realty;

(ii) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of WTK;

(iii) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of WTK;

(iv) WTK becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or make a general assignment for the benefit of its creditors; or

(v) any of the representations or warranties given by WTK as disclosed in the Desacorp SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by WTK within 14 days, or such longer period as may be mutually agreed between the parties of being so requested to do by WTK Realty.

6. PURCHASER'S RIGHT TO TERMINATE

WTK may, at any time while such default subsists, give a notice of termination to WTK Realty in the event that:-

(i) WTK Realty fails or refuses to complete the sale in accordance with the provisions of the Desacorp SSA;

(ii) WTK Realty is otherwise in fundamental breach of its obligations under the Desacorp SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the Desacorp SSA, of WTK Realty being requested to do so by WTK; or

(iii) any of the representations or warranties given by WTK Realty as disclosed in the Desacorp SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by WTK Realty within 14 days, or such longer period as may be mutually agreed between the parties, of WTK Realty being requested to do by WTK Realty.

7. CONSEQUENCES OF TERMINATION

7.1 In the event WTK Realty issues a notice of termination in accordance with the Desacorp SSA:-

(i) the Desacorp SSA Deposit shall be absolutely forfeited to WTK Realty as agreed liquidated damages;

(ii) WTK shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of Desacorp or WTK Realty to WTK Realty;

(iii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of WTK to WTK; and

(iv) WTK Realty shall refund to WTK, free of interest, the Desacorp Balance Consideration or any part thereof received by WTK Realty.

SALIENT TERMS OF THE DESACORP SSA (CONT'D)

7.2 In the event WTK issues a notice of termination in accordance with the Desacorp SSA:-

(i) WTK shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of Desacorp or WTK Realty to WTK Realty;

(ii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of WTK to WTK;

(iii) WTK Realty shall refund to WTK, free of interest, the purchase consideration of Desacorp or any part thereof received by WTK Realty; and

(iv) WTK Realty shall pay to WTK an additional sum equivalent to the Desacorp SSA Deposit as agreed liquidated damages.

7.3 Following the giving of a notice of termination under any of the provisions of Desacorp SSA, neither party of Desacorp SSA will have any further obligations under Desacorp SSA to the other party, except in respect of:-

(i) their respective obligations under **Sections 7.1** and **7.2** of this **Appendix I**;

(ii) any obligation under the Desacorp SSA which is expressed to apply after the termination of the Desacorp SSA; and

(iii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Desacorp SSA to either party prior to such termination.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

SALIENT TERMS OF THE IMBOK ENTERPRISE SSA

1. BASIS OF SALE

WTK Realty agrees to sell to BioPalm Venture, and BioPalm Venture agrees to purchase the Imbok Enterprise Sale Shares free from all encumbrances and with full legal and beneficial title, with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the Imbok Enterprise SSA Completion Date (as defined in **Section 3** of this **Appendix II** below) and on the basis of the warranties under the Imbok Enterprise SSA.

2. CONDITIONS PRECEDENT

The completion of the sale and purchase of Imbok Enterprise Sale Shares in accordance with the terms of the Imbok Enterprise SSA is in all respects conditional upon the fulfilment of the following:-

(i) WTK Realty, at its own costs and expenses, obtaining the approval in writing from the Minister for the disposal of Imbok Enterprise Sale Shares to BioPalm Venture in accordance with Section 6(1) of the Land (Companies) Rules 2022 of the Land Code; and

(ii) BioPalm Venture, at its own costs and expenses, obtaining the approval from the shareholders of WTK at a general meeting for the Proposed Imbok Enterprise Acquisition.

(Collectively, "**Imbok Enterprise Conditions Precedent**")

If any of the Imbok Enterprise Conditions Precedent is not satisfied or waived by the date falling 6 months from the date of Imbok Enterprise SSA, or such other dates as mutually agreed by the parties to the Imbok Enterprise SSA, then any party will be entitled to issue a notice of termination to the other party terminating the Imbok Enterprise SSA and the provision in **Section 7.2(i)** to **(iii)** of this **Appendix II** below shall apply, and thereafter neither party shall have any continuing obligations to the other party save for any antecedent breaches or any obligations expressly provided in the Imbok Enterprise SSA that survive the termination of the Imbok Enterprise SSA.

The completion of the sale and purchase of the Imbok Enterprise Sale Shares shall become unconditional on the day upon which the last of the Imbok Enterprise Conditions Precedent is fulfilled in accordance with the provisions of the Imbok Enterprise SSA or waived by mutual agreements by parties.

3. PURCHASE CONSIDERATION OF IMBOK ENTERPRISE

BioPalm Venture shall pay the purchase consideration of Imbok Enterprise to WTK Realty in the following manner:-

(i) RM29.0 million being 10.0% of the purchase consideration of Imbok Enterprise upon the execution of Imbok Enterprise SSA ("**Imbok Enterprise SSA Deposit**"); and

(ii) RM261.0 million being 90.0% of the purchase consideration of Imbok Enterprise ("**Imbok Enterprise Balance Consideration**") on or before the expiry of the date falling no later than 90 days after Imbok Enterprise SSA becoming unconditional, or such other date as may be agreed upon between the parties upon which Imbok Enterprise SSA Completion (as defined in **Section 4** of this **Appendix II** below) is to take place ("**Imbok Enterprise SSA Completion Date**").

In the event that the Imbok Enterprise Balance Consideration is not paid in full on the Imbok Enterprise SSA Completion Date, WTK Realty shall automatically grant to BioPalm Venture an extension of 1 calendar month commencing from the date next following the Imbok Enterprise SSA Completion Date to pay the Imbok Enterprise Balance Consideration, provided that BioPalm Venture shall pay interest to WTK Realty at the rate of 6% per annum, calculated on a day to day basis, on the amount of the outstanding Imbok Enterprise Balance Consideration from the date next following the Imbok Enterprise SSA Completion Date until such time as the actual payment of the Imbok Enterprise Balance Consideration is fully paid to WTK Realty.

4. COMPLETION

4.1 Commencing from the date of the Imbok Enterprise SSA and until the Imbok Enterprise SSA Completion Date, WTK Realty shall ensure and procure that, except with the prior written consent of BioPalm Venture or expressly required by the Imbok Enterprise SSA:-

(i) Imbok Enterprise carries on business in the normal course;

(ii) Imbok Enterprise does not do anything that is not in its ordinary course of business;

(iii) prior notice of not less than 5 business days is given to BioPalm Venture of meetings of the board of directors of Imbok Enterprise ("**Imbok Enterprise's Board**") (together with an agenda of the business to be transacted at such meetings and all supporting documents) and a duly authorised representative of BioPalm Venture is permitted to attend and to participate fully in the discussions at all those meetings;

(iv) no resolutions (including circular resolutions) which is contrary to the intention of Imbok Enterprise SSA will be passed by Imbok Enterprise's Board except at duly held meetings of the Imbok Enterprise's Board of which BioPalm Venture has been given notice in accordance with **Section 4.1(iii)** of this **Appendix I** above;

(v) the officers, employees and agents of Imbok Enterprise, upon the request of BioPalm Venture, supply to BioPalm Venture such information concerning the business of Imbok Enterprise as BioPalm Venture reasonably require, and allow representatives of BioPalm Venture access to Imbok Enterprise's premises during the business hours of Imbok Enterprise, for the purpose of obtaining knowledge of the day-to-day activities of Imbok Enterprise's business;

(vi) Imbok Enterprise will not:-

(a) lend any money;

(b) borrow any money other than in relation to the operation of existing bank overdrafts within existing limits as required in the ordinary course of business;

(c) give or create any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking;

(d) allow to exist, except as disclosed in the Disclosure Letter, any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking unless it is in the ordinary course of business;

(e) enter into any capital expenditure commitments, hire purchase, leasing, rental or conditional sale agreements, where the value of any individual transaction exceeds RM300,000 and above, or where the aggregate value of all such transactions exceed RM1.0 million;

(f) enter into any agreement unless it is in the ordinary course of its business or in relation to the purchase or sale of goods in the ordinary course of its business;

(g) declare, make or pay any dividend or other distribution or allot, issue, grant any options over, redeem, purchase, consolidate, convert, sub divide or reduce any share or loan capital or issue any share warranties or securities convertible into shares;

(h) sell, transfer or otherwise dispose of the whole or any part of its business, undertakings or assets otherwise than in the ordinary course of its business;

(i) give any financial or other guarantees, securities or indemnities for any purpose;

(j) commence any litigation or compromise or settle any claim, dispute or other matter in which it is involved;

(k) alter its constitution or capital structure; and

(l) attempt to do any of the matters set out in this **Section 4.1(vi)** of this **Appendix I**;

(vii) there is no change in existing composition of Imbok Enterprise's Board and no additional directors are appointed to Imbok Enterprise's Board;

(viii) no resolution which is contrary to the intentions of Imbok Enterprise SSA is passed by the shareholders of Imbok Enterprise other than that required by the Act;

(ix) no change is made in the terms and conditions of employment of any employee or of remuneration of any director of Imbok Enterprise, and no other payment or provision for any discretionary bonus to any employee of Imbok Enterprise is made;

(x) no new person is employed or offered to be employed by Imbok Enterprise in a managerial, executive or professional role, save for non-executive or foreign workers employed for plantation in the ordinary course of business;

(xi) no act is performed or omission allowed which would result in any of the warranties given by WTK Realty under the Imbok Enterprise SSA being breached or becoming misleading at any time up to and including Imbok Enterprise SSA Completion (as defined in **Section 4.2** below);

(xii) Imbok Enterprise does not knowingly permit any of its insurances to lapse or their premium to increase or do anything to make any policy of insurance void or voidable;

(xiii) Imbok Enterprise pays its creditors in the ordinary course of its business or within the normal terms of payment of such creditors; and

(xiv) Imbok Enterprise informs BioPalm Venture immediately of any material adverse effect affecting the financial position of Imbok Enterprise.

SALIENT TERMS OF THE IMBOK ENTERPRISE SSA (CONT'D)

4.2 On a date when completion of the sale and purchase of Imbok Enterprise Sale Shares by the performance by the parties of Imbok Enterprise SSA of their respective obligations under **Section 4.2** of this **Appendix II** ("**Imbok Enterprise SSA Completion**"):-

(i) WTK Realty shall deliver to BioPalm Venture:-

(a) the original share certificates for the Imbok Enterprise Sale Shares;

(b) share transfer forms, duly completed and executed by WTK Realty, in favour of BioPalm Venture in respect of the Imbok Enterprise Sale Shares;

(c) the certificate of incorporation, any certificates of incorporation on change of name or re-registration, the statutory books written up to date, share certificate books, minute books, all unused cheque books and the common seal of Imbok Enterprise;

(d) all credit and charge cards held for the account of Imbok Enterprise, if any;

(e) all original issue document of titles to the properties owned by Imbok Enterprise; and

(f) all other papers and documents relating to Imbok Enterprise which are in the possession of or under the control of WTK Realty.

(ii) Upon the delivery of all documents set out in **Section 4.2(i)** of this **Appendix II**, BioPalm Venture shall pay the Imbok Enterprise Balance Consideration to WTK Realty.

(iii) WTK Realty shall procure that the circular resolutions in writing of Imbok Enterprise's Board are passed or a meeting of the Imbok Enterprise's Board is held at which:-

(a) the share transfer forms referred to in **Section 4.2(i)(b)** of this **Appendix II** are approved and (subject to them being appropriately stamped) registered in Imbok Enterprise's books;

(b) authority is given to the company secretary of Imbok Enterprise to cancel the existing shares certificates and new shares certificates be issued in the name of BioPalm Venture;

(c) if applicable, the persons nominated by BioPalm Venture are appointed as directors of Imbok Enterprise;

(d) if applicable, the persons nominated by BioPalm Venture are appointed as the company secretary and auditor of Imbok Enterprise;

(e) the mandates given by Imbok Enterprise to its bankers are revoked or revised as BioPalm Venture may require; and

(f) the execution and completion of the other documents to be entered into by Imbok Enterprise under the Imbok Enterprise SSA is approved.

4.3 The completion of the Imbok Enterprise SSA shall be inter-conditional with the completion of the Desacorp SSA and WTK OM SSA.

4.4 If any of the requirements of **Section 4.2** of this **Appendix II** are not complied with on Imbok Enterprise SSA Completion Date, BioPalm Venture may:-

(i) defer Imbok Enterprise SSA Completion with respect to all of Imbok Enterprise Sale Shares to a date not less than 7 nor more than 28 days after that date (in which case the provisions of this section shall also apply to Imbok Enterprise SSA Completion as so deferred);

(ii) proceed to Imbok Enterprise SSA Completion so far as practicable but without prejudice to any other rights which it or they may have under the Imbok Enterprise SSA; or

(iii) issue a notice of termination to WTK Realty whereby Imbok Enterprise SSA shall terminate and the consequences of termination under Imbok Enterprise SSA shall apply.

5. VENDOR'S RIGHT TO TERMINATE

Prior to Imbok Enterprise SSA Completion, WTK Realty may, at any time while such default subsists, give a notice of termination to BioPalm Venture in the event that:-

(i) BioPalm Venture defaults in the satisfaction of the purchase consideration of Imbok Enterprise (or any part thereof) in accordance with the provisions of the Imbok Enterprise SSA or is otherwise in fundamental breach of its obligations under the Imbok Enterprise SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the Imbok Enterprise SSA, of BioPalm Venture being requested to do so by WTK Realty;

(ii) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of BioPalm Venture;

(iii) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of BioPalm Venture;

(iv) BioPalm Venture becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or make a general assignment for the benefit of its creditors; or

(v) any of the representations or warranties given by BioPalm Venture as disclosed in the Imbok Enterprise SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by BioPalm Venture within 14 days, or such longer period as may be mutually agreed between the parties of being so requested to do by WTK Realty.

SALIENT TERMS OF THE IMBOK ENTERPRISE SSA (CONT'D)

6. PURCHASER'S RIGHT TO TERMINATE

BioPalm Venture may, at any time while such default subsists, give a notice of termination to WTK Realty in the event that:-

(i) WTK Realty fails or refuses to complete the sale in accordance with the provisions of the Imbok Enterprise SSA;

(ii) WTK Realty is otherwise in fundamental breach of its obligations under the Imbok Enterprise SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the Imbok Enterprise SSA, of WTK Realty being requested to do so by BioPalm Venture; or

(iii) any of the representations or warranties given by WTK Realty as disclosed in the Imbok Enterprise SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by WTK Realty within 14 days, or such longer period as may be mutually agreed between the parties, of WTK Realty being requested to do by BioPalm Venture.

7. CONSEQUENCES OF TERMINATION

7.1 In the event WTK Realty issues a notice of termination in accordance with the Imbok Enterprise SSA:-

(i) the Imbok Enterprise SSA Deposit shall be absolutely forfeited to WTK Realty as agreed liquidated damages;

(ii) BioPalm Venture shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of Imbok Enterprise or WTK Realty to WTK Realty;

(iii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of BioPalm Venture to BioPalm Venture; and

(iv) WTK Realty shall refund to BioPalm Venture, free of interest, the Imbok Enterprise Balance Consideration or any part thereof received by WTK Realty.

7.2 In the event BioPalm Venture issues a notice of termination in accordance with the Imbok Enterprise SSA:-

(i) BioPalm Venture shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of Imbok Enterprise or WTK Realty to WTK Realty;

(ii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of BioPalm Venture to BioPalm Venture;

(iii) WTK Realty shall refund to BioPalm Venture, free of interest, the purchase consideration of Imbok Enterprise or any part thereof received by WTK Realty; and

(iv) WTK Realty shall pay to BioPalm Venture an additional sum equivalent to the Imbok Enterprise SSA Deposit as agreed liquidated damages.

SALIENT TERMS OF THE IMBOK ENTERPRISE SSA (CONT'D)

7.3 Following the giving of a notice of termination under any of the provisions of Imbok Enterprise SSA, neither party of Imbok Enterprise SSA will have any further obligations under Imbok Enterprise SSA to the other party, except in respect of:-

(i) their respective obligations under **Sections 7.1** and **7.2** of this **Appendix II**;

(ii) any obligation under the Imbok Enterprise SSA which is expressed to apply after the termination of the Imbok Enterprise SSA; and

(iii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Imbok Enterprise SSA to either party prior to such termination.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

SALIENT TERMS OF THE WTK OM SSA

1. BASIS OF SALE

WTK Realty agrees to sell to BioPalm Venture, and BioPalm Venture agrees to purchase the WTK OM Sale Shares free from all encumbrances and with full legal and beneficial title, with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the WTK OM SSA Completion Date (as defined in **Section 3** of this **Appendix III** below) and on the basis of the warranties under the WTK OM SSA.

2. CONDITIONS PRECEDENT

The completion of the sale and purchase of WTK OM Sale Shares in accordance with the terms of the WTK OM SSA is in all respects conditional upon BioPalm Venture, at its own costs and expenses, obtaining the approval from the shareholders of WTK at a general meeting for the Proposed WTM OM Acquisition ("**WTK OM Condition Precedent**").

If the WTK OM Condition Precedent is not satisfied by the date falling 6 months from the date of WTK OM SSA, or such other dates as mutually agreed by the parties to the WTK OM SSA, then any party will be entitled to issue a notice of termination to the other party terminating the WTK OM SSA and the provision in **Section 7.2(i) to (iii)** of this **Appendix III** below shall apply, and thereafter neither party shall have any continuing obligations to the other party save for any antecedent breaches or any obligations expressly provided in the WTK OM SSA that survive the termination of the WTK OM SSA.

The completion of the sale and purchase of the WTK OM Sale Shares shall become unconditional on the day upon which the WTK OM Condition Precedent is fulfilled in accordance with the provisions of the WTK OM SSA or waived by mutual agreements by parties.

3. PURCHASE CONSIDERATION OF WTK OM

BioPalm Venture shall pay the purchase consideration of WTK OM to WTK Realty in the following manner:-

(i) RM3.5 million being 10.0% of the purchase consideration of WTK OM upon the execution of WTK OM SSA ("**WTK OM SSA Deposit**"); and

(ii) RM31.5 million being 90.0% of the purchase consideration of WTK OM ("**WTK OM Balance Consideration**") on or before the expiry of the date falling no later than 90 days after WTK OM SSA becoming unconditional, or such other date as may be agreed upon between the parties upon which WTK OM SSA Completion (as defined in **Section 4** of this **Appendix III** below) is to take place ("**WTK OM SSA Completion Date**").

In the event that the WTK OM Balance Consideration is not paid in full on the WTK OM SSA Completion Date, WTK Realty shall automatically grant to BioPalm Venture an extension of 1 calendar month commencing from the date next following the WTK OM SSA Completion Date to pay the WTK OM Balance Consideration, provided that BioPalm Venture shall pay interest to WTK Realty at the rate of 6% per annum, calculated on a day to day basis, on the amount of the outstanding WTK OM Balance Consideration from the date next following the WTK OM SSA Completion Date until such time as the actual payment of the WTK OM Balance Consideration is fully paid to WTK Realty.

4. COMPLETION

4.1 Commencing from the date of the WTK OM SSA and until the WTK OM SSA Completion Date, WTK Realty shall ensure and procure that, except with the prior written consent of BioPalm Venture or expressly required by the WTK OM SSA:-

(i) WTK OM carries on business in the normal course;

(ii) WTK OM does not do anything that is not in its ordinary course of business;

(iii) prior notice of not less than 5 business days is given to BioPalm Venture of meetings of the board of directors of WTK OM ("**WTK OM's Board**") (together with an agenda of the business to be transacted at such meetings and all supporting documents) and a duly authorised representative of BioPalm Venture is permitted to attend and to participate fully in the discussions at all those meetings;

(iv) no resolutions (including circular resolutions) which is contrary to the intention of WTK OM SSA will be passed by WTK OM's Board except at duly held meetings of the WTK OM's Board of which BioPalm Venture has been given notice in accordance with **Section 4.1(iii)** of this **Appendix III** above;

(v) the officers, employees and agents of WTK OM, upon the request of BioPalm Venture, supply to BioPalm Venture such information concerning the business of WTK OM as BioPalm Venture reasonably require, and allow representatives of BioPalm Venture access to WTK OM's premises during the business hours of WTK OM, for the purpose of obtaining knowledge of the day to day activities of WTK OM's business;

(vi) WTK OM will not:-

(a) lend any money;

(b) borrow any money other than in relation to the operation of existing bank overdrafts within existing limits as required in the ordinary course of business;

(c) give or create any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking;

(d) allow to exist, except as disclosed in the Disclosure Letter, any debenture, mortgage, charge or other encumbrance over any of its assets or undertaking unless it is in the ordinary course of business;

(e) enter into any capital expenditure commitments, hire purchase, leasing, rental or conditional sale agreements, where the value of any individual transaction exceeds RM300,000 and above, or where the aggregate value of all such transactions exceed RM1.0 million;

(f) enter into any agreement unless it is in the ordinary course of its business or in relation to the purchase or sale of goods in the ordinary course of its business;

(g) declare, make or pay any dividend or other distribution or allot, issue, grant any options over, redeem, purchase, consolidate, convert, sub divide or reduce any share or loan capital or issue any share warranties or securities convertible into shares;

(h) sell, transfer or otherwise dispose of the whole or any part of its business, undertakings or assets otherwise than in the ordinary course of its business;

(i) give any financial or other guarantees, securities or indemnities for any purpose;

(j) commence any litigation or compromise or settle any claim, dispute or other matter in which it is involved;

(k) alter its constitution or capital structure; and

(l) attempt to do any of the matters set out in this **Section 4.1(vi)**;

(vii) there is no change in existing composition of WTK OM's Board and no additional directors are appointed to WTK OM's Board;

(viii) no resolution which is contrary to the intentions of WTK OM SSA is passed by the shareholders of WTK OM other than that required by the Act;

(ix) no change is made in the terms and conditions of employment of any employee or of remuneration of any director of WTK OM, and no other payment or provision for any discretionary bonus to any employee of WTK OM is made;

(x) no new person is employed or offered to be employed by WTK OM in a managerial, executive or professional role, save for non-executive or foreign workers employed for plantation in the ordinary course of business;

(xi) no act is performed or omission allowed which would result in any of the warranties given by WTK Realty under the WTK OM SSA being breached or becoming misleading at any time up to and including WTK OM SSA Completion (as defined in **Section 4.2** in this **Appendix III** below);

(xii) WTK OM does not knowingly permit any of its insurances to lapse or their premium to increase or do anything to make any policy of insurance void or voidable;

(xiii) WTK OM pays its creditors in the ordinary course of its business or within the normal terms of payment of such creditors; and

(xiv) WTK OM informs BioPalm Venture immediately of any material adverse effect affecting the financial position of WTK OM.

4.2 On a date when completion of the sale and purchase of WTK OM Sale Shares by the performance by the parties of WTK OM SSA of their respective obligations under **Section 4.2** of this **Appendix III** ("**WTK OM SSA Completion**"):-

(i) WTK Realty shall deliver to BioPalm Venture:-

(a) the original share certificates for the WTK OM Sale Shares;

(b) share transfer forms, duly completed and executed by WTK Realty, in favour of BioPalm Venture in respect of the WTK OM Sale Shares;

(c) the certificate of incorporation, any certificates of incorporation on change of name or re registration, the statutory books written up to date, share certificate books, minute books, all unused cheque books and the common seal of WTK OM;

(d) all credit and charge cards held for the account of WTK OM, if any; and

(e) all other papers and documents relating to WTK OM which are in the possession of or under the control of WTK Realty.

(ii) Upon the delivery of all documents set out in **Section 4.2(i)** of this **Appendix III**, BioPalm Venture shall pay the WTK OM Balance Consideration to WTK Realty.

(iii) WTK Realty shall procure that the circular resolutions in writing of WTK OM's Board are passed or a meeting of the WTK OM's Board is held at which:-

(a) the share transfer forms referred to in **Section 4.2(i)(b)** of this **Appendix III** are approved and (subject to them being appropriately stamped) registered in WTK OM's books;

(b) authority is given to the company secretary of WTK OM to cancel the existing shares certificates and new shares certificates be issued in the name of BioPalm Venture;

(c) if applicable, the persons nominated by BioPalm Venture are appointed as directors of WTK OM;

(d) if applicable, the persons nominated by BioPalm Venture are appointed as the company secretary and auditor of WTK OM;

(e) the mandates given by WTK OM to its bankers are revoked or revised as BioPalm Venture may require; and

(f) the execution and completion of the other documents to be entered into by WTK OM under the WTK OM SSA is approved.

4.3 The completion of the WTK OM SSA shall be inter-conditional with the completion of the Desacorp SSA and Imbok Enterprise SSA.

4.4 If any of the requirements of **Section 4.2** of this **Appendix III** are not complied with on WTK OM SSA Completion Date, BioPalm Venture may:-

(i) defer WTK OM SSA Completion with respect to all of WTK OM Sale Shares to a date not less than 7 nor more than 28 days after that date (in which case the provisions of this section shall also apply to WTK OM SSA Completion as so deferred);

(ii) proceed to WTK OM SSA Completion so far as practicable but without prejudice to any other rights which it or they may have under the WTK OM SSA; or

(iii) issue a notice of termination to WTK Realty whereby WTK OM SSA shall terminate and the consequences of termination under WTK OM SSA shall apply.

5. VENDOR'S RIGHT TO TERMINATE

Prior to WTK OM SSA Completion, WTK Realty may, at any time while such default subsists, give a notice of termination to BioPalm Venture in the event that:-

(i) BioPalm Venture defaults in the satisfaction of the purchase consideration of WTK OM (or any part thereof) in accordance with the provisions of the WTK OM SSA or is otherwise in fundamental breach of its obligations under the WTK OM SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the WTK OM SSA, of BioPalm Venture being requested to do so by WTK Realty;

(ii) a petition is presented (and such petition is not stayed or struck-out within 30 business days of the petition being served) or an order is made or a resolution is passed for the winding up of BioPalm Venture;

(iii) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of BioPalm Venture;

(iv) BioPalm Venture becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or make a general assignment for the benefit of its creditors; or

(v) any of the representations or warranties given by BioPalm Venture as disclosed in the WTK OM SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by BioPalm Venture within 14 days, or such longer period as may be mutually agreed between the parties of being so requested to do by WTK Realty.

6. PURCHASER'S RIGHT TO TERMINATE

BioPalm Venture may, at any time while such default subsists, give a notice of termination to WTK Realty in the event that:-

(i) WTK Realty fails or refuses to complete the sale in accordance with the provisions of the WTK OM SSA;

(ii) WTK Realty is otherwise in fundamental breach of its obligations under the WTK OM SSA and fails to rectify such breach within 14 days, or such longer period as may be mutually agreed between the parties of the WTK OM SSA, of WTK Realty being requested to do so by BioPalm Venture; or

(iii) any of the representations or warranties given by WTK Realty as disclosed in the WTK OM SSA is found at any time to be untrue or incorrect and which, if capable of rectification, has not been rectified by WTK Realty within 14 days, or such longer period as may be mutually agreed between the parties, of WTK Realty being requested to do by BioPalm Venture.

7. CONSEQUENCES OF TERMINATION

7.1 In the event WTK Realty issues a notice of termination in accordance with the WTK OM SSA:-

(i) the WTK OM SSA Deposit shall be absolutely forfeited to WTK realty as agreed liquidated damages;

(ii) BioPalm Venture shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of WTK OM or WTK Realty to WTK Realty;

(iii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of BioPalm Venture to BioPalm Venture; and

(iv) WTK Realty shall refund to BioPalm Venture, free of interest, the WTK OM Balance Consideration or any part thereof received by WTK Realty.

SALIENT TERMS OF THE WTK OM SSA (CONT'D)

7.2 In the event BioPalm Venture issues a notice of termination in accordance with the WTK OM SSA:-

(i) BioPalm Venture shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of WTK OM or WTK Realty to WTK Realty;

(ii) WTK Realty shall, within 7 days from the notice of termination, return all documents, if any, delivered to them by or on behalf of BioPalm Venture to BioPalm Venture;

(iii) WTK Realty shall refund to BioPalm Venture, free of interest, the purchase consideration of WTK OM or any part thereof received by WTK Realty; and

(iv) WTK Realty shall pay to BioPalm Venture an additional sum equivalent to the WTK OM SSA Deposit as agreed liquidated damages.

7.3 Following the giving of a notice of termination under any of the provisions of WTK OM SSA, neither party of WTK OM SSA will have any further obligations under WTK OM SSA to the other party, except in respect of:-

(i) their respective obligations under **Sections 7.1** and **7.2** of this **Appendix III**;

(ii) any obligation under the WTK OM SSA which is expressed to apply after the termination of the WTK OM SSA; and

(iii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the WTK OM SSA to either party prior to such termination.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

INFORMATION ON DESACORP

1. BACKGROUND INFORMATION ON DESACORP

Desacorp is a private limited company duly incorporated in Malaysia on 12 January 2006. Desacorp commenced its business operation in year 2006 and have its registered office and place of business located at Bangunan Hung Ann, No. 1, Jalan Bujang Suntong, 96000 Sibu, Sarawak.

Desacorp is principally engaged in the business of planting and management of the Desacorp Plantation Estate in Mukah Division, Sarawak. The principal market for its products and services are solely in Sarawak region.

Desacorp does not have any subsidiary or associate company as at the LPD.

2. SHARE CAPITAL

The issued share capital of Desacorp is RM7,000,000 comprising 7,000,000 ordinary shares as at the LPD.

3. DIRECTORS AND SHAREHOLDERS

Desacorp is a wholly-owned subsidiary of WTK Realty as at the LPD.

The details on the directors of Desacorp and their respective shareholdings in Desacorp as at the LPD are as follows:-

			Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of shares**	**%**	**No. of shares**	**(1)%**
Dato' Sri Patrick Wong Haw Yeong	Director	Malaysian	-	-	(2)7,000,000	100.00
Mimi Wong Hou Wai	Director	Malaysian	-	-	(2)7,000,000	100.00
Wong Hou Lianq	Director	Malaysian	-	-	(2)7,000,000	100.00
Dato Sri Wong Kie Yik	Director	Malaysian	-	-	(2)7,000,000	100.00
Datin Sri Annie Wong Haw Bing	Director	Malaysian	-	-	(2)7,000,000	100.00
Happy Wong Fei Fei	Alternate director(3)	Malaysian	-	-	(2)7,000,000	100.00

Notes:-

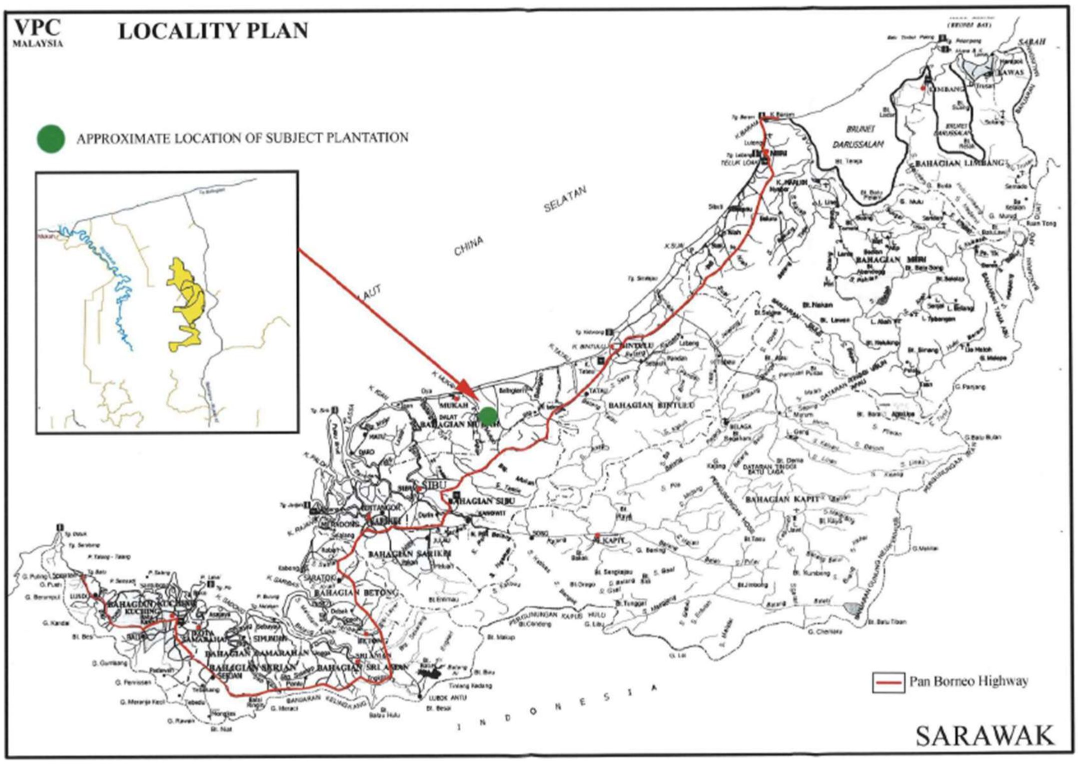
(1) Based on 7,000,000 issued shares in Desacorp as at the LPD.

(2) Deemed interested through WTK Realty by virtue of Section 8 of the Act.

(3) Alternate Director to Dato Sri Wong Kie Yik.

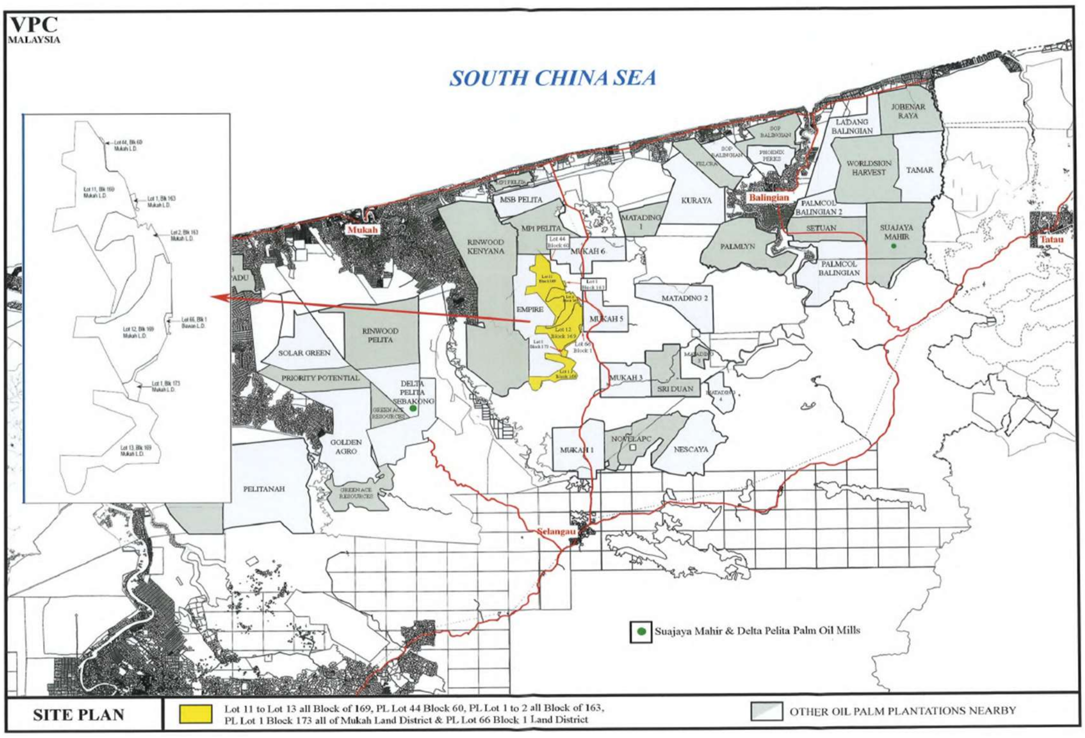
4. DETAILS ON THE DESACORP PLANTATION ESTATE

The locality plan of the Desacorp Plantation Estate is shown below:-



(Source: the Independent Valuer)

The site plan showing the specific plot of the Desacorp Plantation Estate is shown below:-



(Source: the Independent Valuer)

INFORMATION ON DESACORP (CONT'D)

Further details on the Desacorp Plantation Estate are set out below:-

Location : Mukah Division, Sarawak

Title particulars :
(i) Lot 11 Block 169 Mukah Land District
(ii) Lot 12 Block 169 Mukah Land District
(iii) Lot 13 Block 169 Mukah Land District
(iv) PL Lot 44 Block 60 Mukah Land District
(v) PL Lot 1 Block 163 Mukah Land District
(vi) PL Lot 2 Block 163 Mukah Land District
(vii) PL Lot 1 Block 173 Mukah Land District
(viii) PL Lot 66 Block 1 Bawan Land District

Registered owner : Desacorp

Tenure :
<u>Leasehold for a period of 60 years expiring on 20 August 2067</u>
(i) Lot 11 Block 169 Mukah Land District
(ii) Lot 12 Block 169 Mukah Land District
(iii) Lot 13 Block 169 Mukah Land District
<u>Leasehold for a period of 60 years expiring on 20 August 2084</u>
(i) PL Lot 44 Block 60 Mukah Land District
(ii) PL Lot 1 Block 163 Mukah Land District
(iii) PL Lot 2 Block 163 Mukah Land District
(iv) PL Lot 1 Block 173 Mukah Land District
(v) PL Lot 66 Block 1 Bawan Land District

Land area :

Description	ha	%
Planted area	4,543.30	86.89
Area under development	132.20	2.53
Remaining land[1]	553.31	10.58
Total	**5,228.81**	**100.00**

Age profile of the oil palms :

Age profile	ha	%
Immature (0 to 3 years)	135.19	2.98
Young mature (4 to 8 years)	231.49	5.09
Prime mature (9 to 14 years)	1,542.52	33.95
Mature (15 to 18 years)	2,634.10	57.98
Old (19 to 25 years)	-	-
Extended (more than 25 years)	-	-
Total	**4,543.30**	**100.00**

INFORMATION ON DESACORP (CONT'D)

Average FFB production :

For the FYE 30 September	MT
2022	95,829
2023	90,465
2024	95,866

PAT (in respect of Desacorp) :

For the FYE 30 September	RM'000
2022	33,189
2023	8,109
2024	20,508

Category of land use/ planning details : Country land

Encumbrances/ Restraint of dealings : Lot 12 Block 169 Mukah Land District

An area of this parcel of land measuring approximately 31.39 square meter is subleased to Syarikat Sesco Berhad for a period of 43 years from 29 January 2024 to 28 January 2067 at the monthly rental of RM1.00 vide L.1984/2024 of 19 August 2024. The sublease is for the construction and operation of an electricity substation to supply power to the Desacorp Plantation Estate.

Express conditions for:-

- **Lot 11 Block 169 Mukah Land District**
- **Lot 12 Block 169 Mukah Land District**
- **Lot 13 Block 169 Mukah Land District**

:

(i) this land shall be used only for agricultural purposes and purposes incidental to the production and processing of crops grown thereon and such other purposes as may be time to time approved by the Director of Lands and Surveys;

(ii) no building shall be erected within a distance of 300 feet from the edge of a road reserve without the prior approval in writing of the Director of Lands and Surveys;

(iii) all points of ingress to and egress from any trunk road shall be subject to the approval in writing of the Director of Lands and Surveys which approval shall be obtained prior to the commencement of construction and/or use of such point of ingress or egress;

(iv) the proprietor shall not disturb the land within the 66 feet reserve, along the bank of navigable river or stream;

(v) the proprietor shall have no rights to extract timber or mineral deposits from the land without an appropriate license issued by the relevant authority;

(vi) the development of this land shall not interfere with the rights of the existing timber and/or mining licensee to fell and extract timber or to extract mineral deposit within the respective licensee's authorised area of operation;

(vii) the proprietor is required under the Natural Resources and Environment (Prescribed Activities) Order, 1994 to undertake an EIA Study on the area prior to project implementation and to submit 10 copies of the report to the Secretary, Natural Resources and Environment Board;

(viii) in the event that adjacent areas have been alienated for different crops and crop zoning is not possible, a buffer zone of 200 metres shall be instituted along the common boundary of the estates. No drain shall be built within the distance of 200 metres from each side of the estate's boundary. Activities carried out within this buffer zone shall be limited and have to be approved by the Land Plantation Committee or any designated authority;

(ix) prior to commercial development of peat soils, the project proponent shall carry out a survey and submit a report on the peat depth and long term drainability of the proposed project area. (This is in addition to the EIA Report);

(x) no transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys;

(xi) no sublease affecting this land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of 5 years from 21 August 2007;

(xii) the proprietor shall commence field planting within 2 years from 21 August 2007.The whole of the nett plantable area shall be fully planted by the end of the fifth year from 21 August 2007;

(xiii) the observance of condition (xii) shall be enforced by the minister for the time being responsible for land development in Sarawak ("**Land Development Minister**") or any agents duly authorised by him in writing in that behalf and the Land Development Minister or the agents so appointed shall have the rights of access to the land at all reasonable time; and

(xiv) a breach or a default in the observance of any or all the conditions specified above shall render the land liable to forfeiture and the Superintendent or other officer authorised by him may, on behalf of the Sarawak State Government, declare the estate or interest secured by that document of title to be forfeited and re-enter the land or the portion thereof in respect of which the breach or default occurs in accordance with Section 33(1) of the Land Code.

Express conditions for:-

- **PL Lot 44 Block 60 Mukah Land District**
- **PL Lot 1 Block 163 Mukah Land District**
- **PL Lot 2 Block 163 Mukah Land District**
- **PL Lot 1 Block 173 Mukah Land District**

: (i) upon the completion of a proper survey of the land the holder of this provisional lease will be given a lease in accordance with the provisions of the Land Code, and subject to the following express conditions and restrictions:-

(a) this land shall be used only for agricultural purposes and purposes incidental to the production and processing of crops grown thereon and such other purposes as may be from time to time approved by the Director of Lands and Surveys;

(b) no building shall be erected within a distance of 300 feet from the edge of the road reserve without the prior authority in writing of the Director of Lands and Surveys;

(c) the lessee shall not be entitled to a lease for an area equal to the area stated to be alienated if, upon completion of a survey, such area is not found to be available for any reason including that required to implement local plan;

- **PL Lot 66 Block 1 Bawan Land District**

(d) the proprietor shall not disturb the land within the 66 feet reserve along the bank of navigable river or stream;

(e) the proprietor shall have no rights to extract timber or mineral deposits from the land without an appropriate license issued by the relevant authority;

(f) the development of this land shall not interfere with the rights of the existing timber and/or mining licensee to fell and extract timber or to extract mineral deposit within the respective licensee's authorised area of operation;

(g) the proprietor is required under the Natural Resources and Environment (Prescribed Activities) Order, 1994 to undertake an EIA Study on the area prior to project implementation and to submit 10 copies of the report to the Secretary, Natural Resources and Environment Board;

(h) no transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys;

(i) no sublease affecting this land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of 5 years from the date of registration of this lease;

(j) the proprietor shall commence field planting within two 2 of the issue of this lease. The whole of the nett plantable area shall be fully planted by the end of the fifth year from the date of the issue of this lease;

(k) the observance of condition (j) shall be enforced by the Land Development Minister or any agents duly authorised by him in writing in that behalf and the Land Development Minister or the agents so appointed shall have the rights of access to the land at all reasonable time;

(l) a breach or a default in the observance of any or all the conditions specified above shall render the land liable to forfeiture and the Superintendent or other officer authorised by him may, on behalf of the Government, declare the estate or interest secured by that document of title to be forfeited and re-enter the land or the portion thereof in respect of which the breach or default occurs in accordance with Section 33(1) of the Land Code;

(m) in the event that adjacent areas have been alienated for different crops and crop zoning is not possible, a buffer zone of 200 metres shall be instituted along the common boundary of the estates. No drain shall be built within the distance of 200 metres from each side of the estate's boundary. Activities carried out within this buffer zone shall be limited and have to be approved by the Land Plantation Committee or any designated authority;

(n) prior to commercial development of peat soils, the project proponent shall carry out a survey and submit a report on the peat depth and long term drainability of the proposed project area; and

(o) the lessee shall carry out the perimeter survey of this land in accordance with the boundary of this provisional lease and must be completed within 2 years from the date of registration of this lease;

(ii) the term of years for which any such lease shall be granted shall be the balance then remaining of the term of 60 years from the date of this provisional lease; and

(iii) the holder of this provisional lease shall not be entitled to a lease of an area equal to the area above stated but only to such an area as the survey shows to be available.

Existing/ proposed use : Oil palm plantation

Dates of inspection : 22 May 2025 and 30 September 2025

Valuation approaches(2) : (i) income approach by DCF method;

(ii) comparison approach; and

(iii) cost approach

Market value : RM250.0 million

Audited NCA as at 30 September 2024 : RM122.9 million

Notes:-

(1) Comprising undeveloped area, developed but unplanted area, unplantable area (there are no plantation or development activities on the unplantable area as at the date of valuation due to too swampy or river reserve) and area planted by outsiders.

(2) In evaluating the Desacorp Plantation Estate, the Independent Valuer has used the following valuation approaches:-

Asset type	***Area (ha)***	***Valuation methodology***
Planted fields		
- Matured oil palms	*4,408.11*	*Based on the income approach (DCF method), which involves capitalisation of all future net income from the plantation operations using an appropriate discount rate. In addition, the comparison approach is used as a cross-check, whereby the Desacorp Plantation Estate is compared with similar properties that have been sold recently or are currently offered for sale in the vicinity.*
- Immature oil palms	*135.19*	*Based on the cost approach, the unimproved value of the land is first determined using the comparison approach. Subsequently, the cost of land clearing, infrastructure development, estate buildings, establishment of oil palms, maintenance and interest incurred are added to derive the value.*
Area under development	*132.20*	*Based on the cost approach, the unimproved value of the land is first determined using the comparison approach. Subsequently, the cost of land clearing, infrastructure development and interest incurred are then added to derive the value.*
Remaining land	*553.31*	*Based on the comparison approach, the land is valued by comparing with similar properties that have been sold recently or are currently offered for sale in the vicinity.*
Total	***5,228.81***	

5. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information on Desacorp for the past 3 financial years up to the FYE 30 September 2024 and the latest unaudited FYE 30 September 2025 are as follows:-

	Audited			Unaudited
	FYE 30 September			FYE 30 September 2025
	2022	2023	2024	
	RM'000	RM'000	RM'000	RM'000
Revenue	99,265	64,739	70,156	78,365
Gross profit	55,037	25,778	34,081	39,392
PBT	43,644	11,552	26,251	29,888
PAT	33,189	8,109	20,508	22,624
PAT margin (%)	33.43	12.53	29.23	28.87
Share capital	7,000	7,000	7,000	7,000
Shareholders' funds/ NA	117,243	117,352	130,859	148,483
Cash and cash equivalents	2,855	10,331	3,179	6,366
Total borrowings	-	-	-	-
No. of shares in issue ('000)	7,000	7,000	7,000	7,000
EPS (RM)	4.74	1.16	2.93	3.23
NA per share (RM)	16.75	16.76	18.69	21.21
Gearing ratio (times)	(1)-	(1)-	(1)-	(1)-
Current ratio (times)	2.33	5.33	7.19	12.39

Note:-

(1) Not applicable as Desacorp has no borrowings for the respective financial year.

During the years under review:-

(i) there were no exceptional and/or extraordinary items in the financial statements of Desacorp;

(ii) there have been no accounting policies adopted by Desacorp which are peculiar; and

(iii) there have been no audit qualifications to the financial statements of Desacorp.

Commentary on past performance

(i) FYE 30 September 2023

Desacorp recorded a revenue of RM64.74 million in the FYE 30 September 2023, representing a decrease of 34.78% as compared to the revenue of RM99.27 million in the previous financial year. The decrease was mainly due to the drop in average FFB selling price of RM320 per MT in the FYE 30 September 2023 as compared to RM716 per MT in the FYE 30 September 2022.

In line with the decrease in revenue, Desacorp recorded PAT of RM8.11 million in the FYE 30 September 2023 as compared to RM33.19 million in the previous financial year.

(ii) FYE 30 September 2024

Desacorp recorded a revenue of RM70.16 million in the FYE 30 September 2024, representing an increase of 8.37% as compared to the revenue of RM64.74 million in the previous financial year. The increase was mainly due to the higher FFB production of 95,866 MT in the FYE 30 September 2024 as compared to 90,465 MT in the FYE 30 September 2023 as a result of changes in palm age.

In line with the increase in revenue, Desacorp recorded PAT of RM20.51 million in the FYE 30 September 2024 as compared to RM8.11 million in the previous financial year.

(iii) FYE 30 September 2025

Desacorp recorded a revenue of RM78.37 million in the FYE 30 September 2025, representing an increase of 11.70% as compared to the revenue of RM70.16 million in the previous financial year. The increase was mainly due to the higher average FFB selling price of RM868 per MT in the FYE 30 September 2025 as compared to RM732 per MT in the FYE 30 September 2024.

In line with the increase in revenue, Desacorp recorded PAT of RM22.62 million in the FYE 30 September 2025 as compared to RM20.51 million in the previous financial year.

6. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by Desacorp which upon becoming enforceable, may have a material impact on the financial results or position of Desacorp.

7. MATERIAL CONTRACTS

As at the LPD, Desacorp has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the LPD.

8. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results or position of Desacorp.

9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD and save as disclosed below, Desacorp is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant. Desacorp's Board is not aware and have no knowledge of any proceedings pending or threatened against Desacorp, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of Desacorp.

Originating summons in the High Court of Sibu (SBW-24NCvC-7-5/2025) ("OS") brought by Datin Kathryn Ma Wai Fong and her children, Wong Hou Lianq and Mimi Wong Hou Wai (collectively referred to as "the Plaintiffs")

The Plaintiffs had on 9 May 2025 filed an originating summons in the High Court of Sibu against multiple parties including Dato Sri Wong Kie Yik, Wong Kie Chie, Datin Sri Annie Wong Haw Bing, Dato' Sri Patrick Wong Haw Yeong, Happy Wong Fei Fei, Pierre Wong Ho Zhen, WTK Realty, Southwind Plantation Sdn Bhd ("**Southwind**"), Imbok Enterprise, WTK OM and Desacorp (Collectively, "**Defendants**").

The Plaintiffs (Datin Kathryn Ma Wai Fong in her personal capacity as well as in the capacity as the executrix of the estate of a deceased shareholder ("**1st Plaintiff**")), Dato Sri Wong Kie Yik, Wong Kie Chie, Datin Sri Annie Wong Haw Bing, Dato' Sri Patrick Wong Haw Yeong, Happy Wong Fei Fei, Pierre Wong Ho Zhen are shareholders of WTK Realty.

Wong Hou Lianq ("**2nd Plaintiff**") and Mimi Wong Hou Wai ("**3rd Plaintiff**") are also directors of WTK Realty and Southwind.

The companies named as defendants ("**Defendant Companies**") in the OS are either subsidiaries of WTK Realty directly (such as Southwind) and/or indirectly through Southwind. Based on the matters alleged, Pierre Wong Ho Zhen is a nominal Defendant as he is a shareholder of WTK Realty.

Dato Sri Wong Kie Yik, Wong Kie Chie, Datin Sri Annie Wong Haw Bing (as an alternate director to Wong Kie Chie) and Dato' Sri Patrick Wong Haw Yeong are directors of WTK Realty and Southwind. Happy Wong Fei Fei is the company secretary of WTK Realty and Southwind.

The Plaintiffs in OS allege that Dato Sri Wong Kie Yik, Wong Kie Chie, Datin Sri Annie Wong Haw Bing, Dato' Sri Patrick Wong Haw Yeong and Happy Wong Fei Fei (collectively referred to as the "**Defendant Shareholders**") who are in control management and decision making of WTK Realty and the Defendant Companies:-

(i) have acted oppressively against the Plaintiffs by systematically excluded the 2nd Plaintiff and the 3rd Plaintiff from receiving directors' remuneration paid by the Defendant Companies;

(ii) have unfairly enriched themselves by continuing to approve and pay themselves substantial directors' remuneration to unfairly benefit their families to the exclusion of the 2nd Plaintiff and the 3rd Plaintiff;

(iii) have conducted the affairs of Southwind oppressively, unfairly, unfairly prejudicial and/or disregard to the 1st Plaintiff's rights and interests by refusing to recognise and register the 1st Plaintiff as the executrix of a deceased shareholder; and

(iv) have conducted the affairs of the Defendant Companies in an autocrative manner and/or oppressively and/or unfairly prejudicial and/or in disregard of the 2nd Plaintiff and 3rd Plaintiff's rights and interest by approving a series of disposal of substantial assets and investments of WTK Realty and Southwind without proper disclosure, rationale and the provision of necessary information to the 2nd Plaintiff and 3rd Plaintiff. In this regard, the Plaintiffs have identified the disposal of WTK Realty's equity interest in the Target Companies.

The Plaintiffs in OS have sought for, amongst others, the following:-

(i) an order that the Defendant Shareholders shall purchase all the shares of WTK Realty held by the Plaintiffs at a fair price to be determined by an independent valuer to be appointed by the Court;

(ii) an order that the Defendant Shareholders shall purchase all the shares of Southwind held by the Plaintiffs at a fair price to be determined by an independent valuer to be appointed by the Court;

(iii) that for the purpose of the valuation of the Plaintiffs' shares, there shall be no discount for minority holding;

(iv) an order that the valuation of the Plaintiffs' shares shall take into account all the directors' remuneration taken by the Defendant Shareholders and/or any adverse effects caused by the Defendant Shareholders' purported unfair conduct; and

(v) alternatively, an order that WTK Realty and Southwind be wound up.

The Defendant Shareholders categorically deny that they have acted oppressively towards the Plaintiffs or have managed the Defendant Companies in an autocratic manner to deprive them or that their actions were oppressive or had unfairly prejudiced the Plaintiffs as alleged and have filed affidavits to oppose OS.

The Defendant Companies have on their part, filed affidavits in OS.

OS is currently fixed for case management on 22 January 2026 pending the conclusion of the exchange of affidavits between the Plaintiffs and the Defendants.

The claims and reliefs (including damages) sought by the Plaintiffs are made against the Defendant Shareholders in their personal capacities. The Plaintiffs in OS are not making any claims for damages or reliefs directly against WTK Realty or the Defendant Companies (which includes the Target Companies).

Whilst it is still too early to opine on the outcome of OS, Dato Sri Wong Kie Yik, Wong Kie Chie and Dato' Sri Patrick Wong Haw Yeong have been advised by their solicitors that there is a fair chance that the Plaintiffs' claim will be dismissed.

As the sale of the shares in Imbok Enterprise, WTK OM and Desacorp pursuant to the Proposed Acquisitions were duly tabled for approval and approved by the shareholders at an extraordinary general meeting of the shareholders of WTK Realty, of which the Plaintiffs attended through their proxies, the solicitors are of the view that OS and its outcome would not affect the completion of the sale of shares in the Target Companies pursuant to the SSAs.

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK