

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON MKHOP

Our Company was incorporated in Malaysia under the Companies Act 1965 on 10 August 2004 as a private company limited by shares under the name of Detik Merdu Sdn Bhd and is deemed registered under the Act. On 7 January 2021, we changed our name to MKH Global Plantation Sdn Bhd. Subsequently, on 1 October 2021, we further changed our name to MKH Oil Palm (East Kalimantan) Sdn Bhd. On 11 August 2022, our Company was converted into a public company limited by shares and assumed our present name.

Our Company's principal activities are investment holding and management services. Through our subsidiaries, we are principally involved in the cultivation of oil palm and production and sale of CPO and PK. The principal activities of our subsidiaries are set out in Section 6.4.

There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our issued share capital is RM[•] million comprising 803,590,845 Shares. The movements in our share capital since the date of our incorporation are set out below:

(a) Ordinary shares

Date of allotment	No. of Shares allotted	Consideration/ Type of issue	Cumulative share capital	
			RM	No. of Shares
10 August 2004	2	RM2/ Subscriber's shares	2	2
16 August 2006	99,998	RM99,998/ Cash	100,000	100,000
28 September 2018	26,561,050	RM26,561,050/ Otherwise than cash	26,661,050	26,661,050
28 September 2018	38,950	RM38,950/ Cash	26,700,000	26,700,000
23 September 2019	4,685	RM4,685/ Cash	26,704,685	26,704,685
23 September 2019	35,963,315	RM35,963,315/ Otherwise than cash	62,668,000	62,668,000
30 June 2021	47,800,000	Nil/ Redemption and conversion of 478,000 RCPS by way of a fresh issue	110,468,000	110,468,000
[•]	552,340,000	Nil/ Share Split	110,468,000	662,808,000
[•]	44,227,859	RM53,515,709/ Allotment of shares pursuant to the Acquisition of PT MKH	163,983,709	707,035,859
[•]	23,028,035	RM27,863,922/ Allotment of shares pursuant to the Acquisition of PT SPS	191,847,631	730,063,894
[•]	52,463,315	RM[•]/ Allotment of shares pursuant to the Capitalisation ⁽¹⁾	[•]	782,527,209
[•]	21,063,636	RM[•]/ Allotment of shares pursuant to the Capitalisation ⁽²⁾	[•]	803,590,845

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) The Shares were allotted by way of capitalising the entire amount owing by our Company to Metro Kajang (Oversea) of RM[●] pursuant to the Capitalisation. Please refer to Section 6.2(d) for further details of the Capitalisation.
- (2) The Shares were allotted by way of capitalising RM[●], being part of the amount owing by our Company to MKH Plantation of RM55,487,000 pursuant to the Capitalisation. Please refer to Section 6.2(d) for further details of the Capitalisation.

(b) RCPS

Date of allotment	No. of RCPS allotted/ (redeemed)	Consideration/ Type of issue	Cumulative share capital RM
27 May 2011	420,000	RM42,000,000/ Cash	42,000,000
1 July 2013	58,000	RM5,800,000/ Cash	47,800,000
30 June 2021	(478,000)	Nil/ Redemption and conversion of RCPS	-

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM[●] million comprising 1,023,590,845 Shares.

6.2 PRE-IPO REORGANISATION

In preparation for our Listing, we have undertaken the Pre-IPO Reorganisation comprising the Share Split, Acquisition of PT MKH, Acquisition of PT SPS and Capitalisation.

Details of the Pre-IPO Reorganisation undertaken by our Group are as follows:

6.2.1 Share Split

Our Company had on [●] undertaken a subdivision of every 1 existing MKHOP Share into 6 new MKHOP Shares.

Upon completion of the Share Split, the resultant number of MKHOP Shares in the issued share capital of our Company is as follows:

	No. of MKHOP Shares	Issued share capital RM
Existing	110,468,000	110,468,000
Issued under the Share Split	552,340,000	-
	662,808,000	110,468,000

The Share Split had not resulted in any change to our Company's cumulative value of issued share capital.

6. INFORMATION ON OUR GROUP (Cont'd)**6.2.2 Acquisition of PT MKH**

On 29 March 2023, our Company entered into a conditional share sale agreement with Metro Kajang (Oversea) and PT Hikmat to acquire a total of 27,634 ordinary shares in PT MKH representing 5.7% equity interest for a total purchase consideration of RM53.5 million which was satisfied via the issuance of 44,227,859 new MKHOP Shares (after the Share Split) to the vendors at an issue price of RM1.21 each ("PT MKH SSA").

Details of the vendors and the number of MKHOP Shares issued to the vendors are set out below:

Vendor of PT MKH	Shareholdings in PT MKH		Purchase consideration	No. of MKHOP Shares issued
	No. of shares acquired	% of share capital		
Metro Kajang (Oversea)	3,248	0.7	6,290,410	5,198,686
PT Hikmat	24,386	5.0	47,225,299	39,029,173
	27,634	5.7	53,515,709	44,227,859

The purchase consideration for the Acquisition of PT MKH of RM53.5 million was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration the revalued NA of PT MKH (as detailed below) as it more accurately represents the carrying value of PT MKH's plantation assets after taking into consideration their market value. The issue price of RM1.21 per MKHOP Share is based on the revalued NA per share of MKHOP after accounting for the aforementioned revaluation, with a discount of approximately 10.8%.

Audited NA of PT MKH as at 30 September 2022	RM
Add: Net revaluation surplus ⁽¹⁾	279,716,825
Revalued NA of PT MKH	664,789,159
	944,505,984

Note:

(1) The net revaluation surplus was arrived at as follows:

Market value of PT MKH's oil palm plantation, palm oil mill and CPO bulking station with jetty as at 21 December 2022 based on the valuation reports	RM
	1,097,830,000
Less: NBV of PT MKH's oil palm plantation, palm oil mill and CPO bulking station with jetty as at 30 September 2022	245,536,206
Less: Deferred tax liabilities (at 22.0%)	187,504,635
Net revaluation surplus	664,789,159

6. INFORMATION ON OUR GROUP (Cont'd)

The Acquisition of PT MKH was completed on [●] and PT MKH became our wholly-owned subsidiary. Further, pursuant to Paragraph 5 of Article 7 of the Indonesian Company Law, PT MKH is required to have a minimum of 2 shareholders within 6 months upon completion of the Acquisition of PT MKH, where its number of shareholders reduces below 2. As such, upon completion of the Acquisition of PT MKH and before the implementation of the IPO, MKHOP shall transfer 1 ordinary share it owns in PT MKH to the SPV. The SPV will remain as the shareholder of the 1 ordinary share in PT MKH to comply with Paragraph 1 of Article 7 the Indonesian Company Law.

6.2.3 Acquisition of PT SPS

On 29 March 2023, our Company entered into a conditional share sale agreement with MKH Plantation, Ivakijaya and PT Hikmat to acquire a total of 9,300 ordinary shares in PT SPS representing the entire equity interest for a total purchase consideration of RM27.9 million which was satisfied via the issuance of 23,028,035 new MKHOP Shares (after the Share Split) to the vendors at an issue price of RM1.21 each ("**PT SPS SSA**"). The issue price of RM1.21 per MKHOP Share was arrived at on the same basis as that of the Acquisition of PT MKH.

Details of the vendors and the number of MKHOP Shares issued to the vendors are set out below:

Vendor of PT SPS	Shareholdings in PT SPS		Purchase consideration	No. of MKHOP Shares issued
	No. of shares acquired	% of share capital		
MKH Plantation	6,975	75.0	20,897,942	17,271,026
Ivakijaya	1,860	20.0	5,572,784	4,605,607
PT Hikmat	465	5.0	1,393,196	1,151,402
	9,300	100.0	27,863,922	23,028,035

The purchase consideration for the Acquisition of PT SPS of RM27.9 million was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration the revalued NA of PT SPS (as detailed below) as it more accurately represents the carrying value of PT SPS' plantation assets after taking into consideration their market value. The issue price of RM1.21 per MKHOP Share is based on the revalued NA per share of MKHOP after accounting for the aforementioned revaluation, with a discount of approximately 10.8%.

	RM
Audited net liabilities of PT SPS as at 30 September 2022 ⁽¹⁾	(9,668,871)
Add: Net revaluation surplus ⁽²⁾	37,532,793
Revalued NA of PT SPS	27,863,922

Notes:

- (1) Notwithstanding the net liabilities position of PT SPS, our Board is of the view that the plantation assets of PT SPS, which are located adjacent to the plantation land owned by PT MKH, forms part of the entire plantation operations of our Group in East Kalimantan, Indonesia, and will continue to generate returns to our Group after our Listing.

6. INFORMATION ON OUR GROUP (Cont'd)

(2) The net revaluation surplus was arrived at as follows:

	RM
Market value of PT SPS' oil palm plantation as at 21 December 2022 based on the valuation report	104,450,000
Less: NBV of PT SPS' oil palm plantation as at 30 September 2022	56,331,034
Less: Deferred tax liabilities (at 22.0%)	10,586,173
Net revaluation surplus	37,532,793

The Acquisition of PT SPS was completed on [●] and PT SPS became a wholly-owned subsidiary of our Company. Further, pursuant to Paragraph 5 of Article 7 of the Indonesian Company Law, PT SPS is required to have a minimum of 2 shareholders within 6 months upon completion of the Acquisition of PT SPS, where its number of shareholders reduces below 2. As such, upon completion of the Acquisition of PT SPS and before the implementation of the IPO, MKHOP shall transfer 1 ordinary share it owns in PT SPS to the SPV. The SPV will remain as the shareholder of the 1 ordinary share in PT SPS to comply with Paragraph 1 of Article 7 of the Indonesian Company Law.

6.2.4 Capitalisation

We have undertaken the Capitalisation whereby:

- PT MKH novated an amount owing to Metro Kajang (Oversea) of RM54,966,141 to our Company ("**PT MKH Debt Novation**");
- PT SPS novated an amount owing to MKH Plantation of RM55,487,000 to our Company ("**PT SPS Debt Novation**");
- Our Company capitalised the entire amount owing by our Company to Metro Kajang (Oversea) of RM[●] as at 30 September 2022;
- Our Company capitalised the entire amount owing by our Company to Metro Kajang (Oversea) pursuant to PT MKH Debt Novation, being RM[●] as at 30 September 2022; and
- Our Company capitalised RM[●], being part of the entire amount owing by our Company to MKH Plantation pursuant to PT SPS Debt Novation, i.e. RM55,487,000 as at 30 September 2022.

Details of the number of MKHOP Shares issued to Metro Kajang (Oversea) and MKH Plantation pursuant to the Capitalisation are set out below:

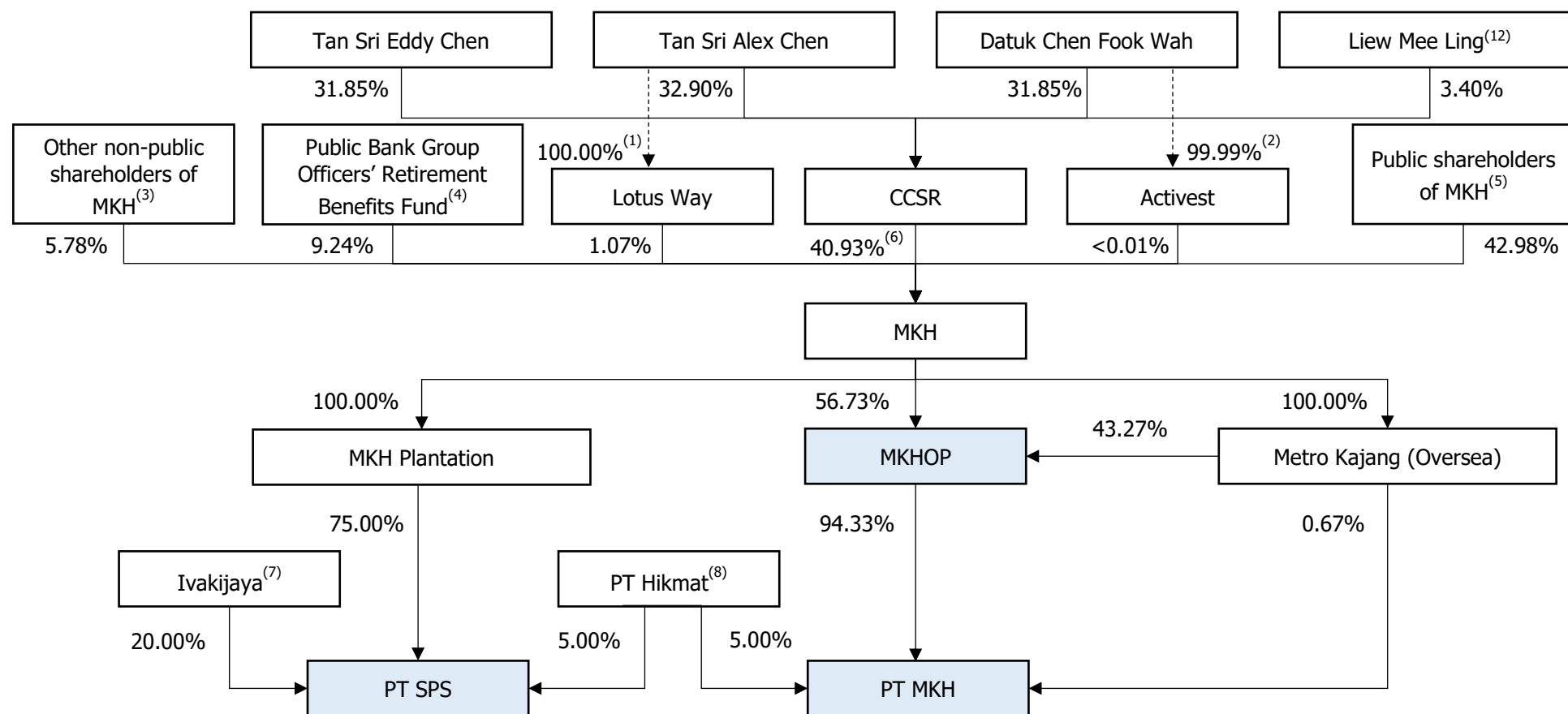
	Amount owing as at 30 September 2022	Amount capitalised	No. of MKHOP Shares issued	Balance amount owing
	RM	RM		RM
Metro Kajang (Oversea)	63,480,612	[●]	52,463,315	[●]
MKH Plantation	55,487,000	[●]	21,063,636	[●]
	118,967,612	[●]	73,526,951	[●]

The balance amount owing by our Company to MKH Plantation after the Capitalisation of RM[●] million will be repaid by our Company from the proceeds to be raised from our Public Issue as disclosed in Section 4.9.1(g).

6. INFORMATION ON OUR GROUP (Cont'd)

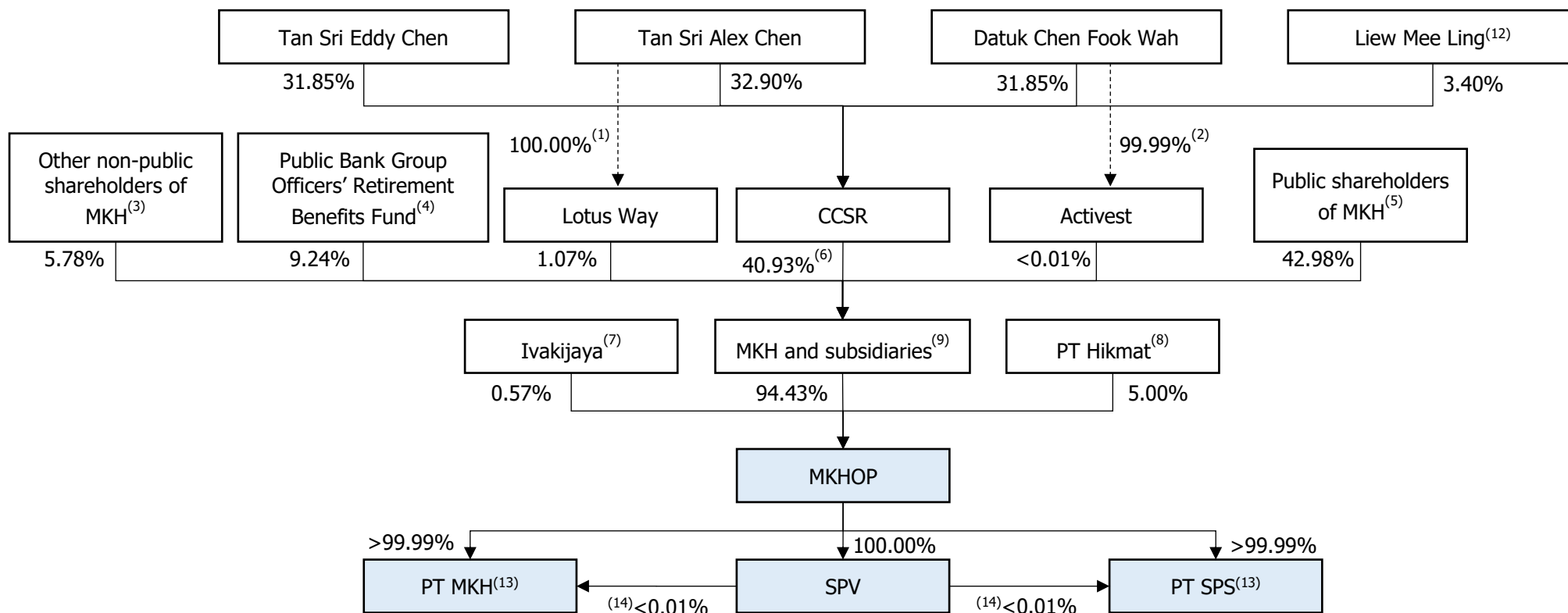
6.3 GROUP STRUCTURE

Before the Pre-IPO Reorganisation



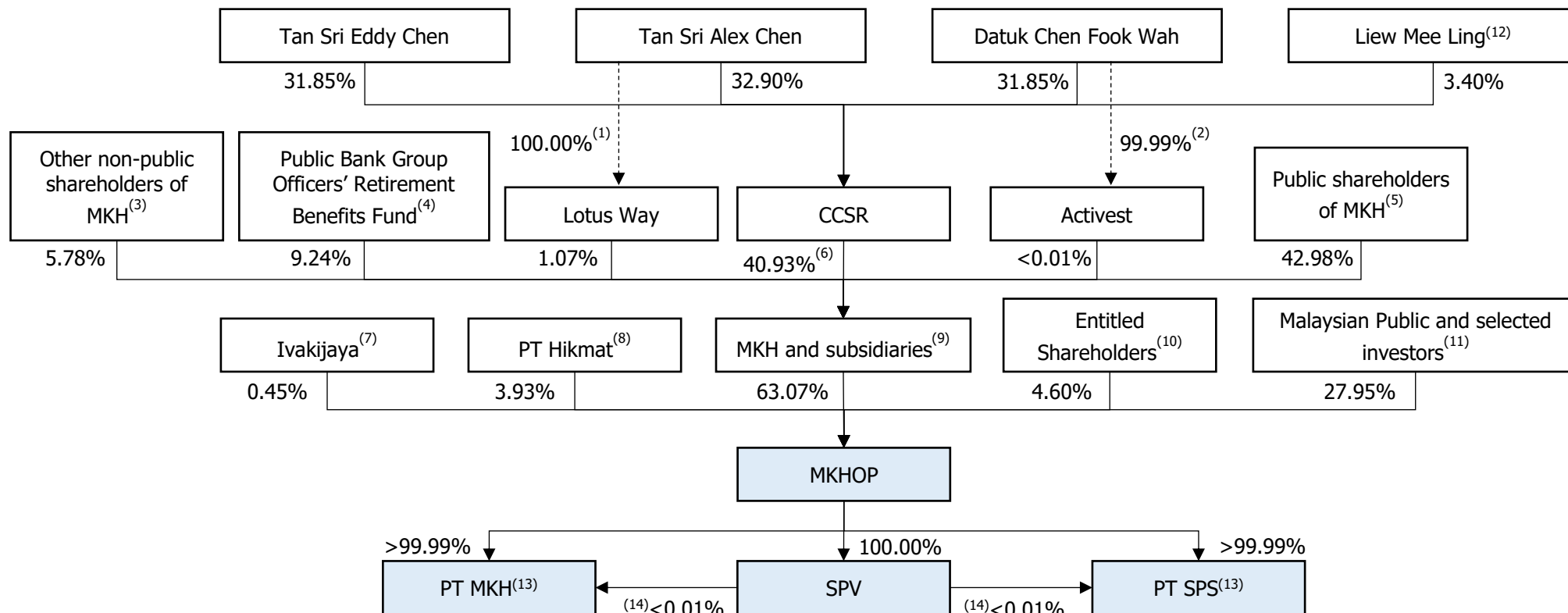
6. INFORMATION ON OUR GROUP (Cont'd)

After the Pre-IPO Reorganisation but before the Distribution and our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

After the Distribution and our IPO



6. INFORMATION ON OUR GROUP *(Cont'd)*

Notes:

- (1) As at LPD, Lotus Way is wholly-owned by Tan Sri Dato' Alex Chen (L) Foundation and the ultimate beneficial owner of Lotus Way is Tan Sri Alex Chen, holding the entire equity interest in Tan Sri Dato' Alex Chen (L) Foundation.
- (2) As at LPD, the ultimate beneficial owner of Activest is Datuk Chen Fook Wah, holding approximately 99.99% equity interest in Activest. The remaining equity interest (< 0.01%) in Activest is held by Chen Wei Sern, son of Datuk Chen Fook Wah.
- (3) Other non-public shareholders of MKH collectively holding 5.78% equity interest in MKH which include the following:
 - (i) Tan Sri Alex Chen's direct equity interest in MKH (0.05%) and AllianceGroup Nominees (Tempatan) Sdn Bhd for Tan Sri Alex Chen (1.84%);
 - (ii) Tan Sri Eddy Chen's direct equity interest in MKH (1.84%) and AllianceGroup Nominees (Tempatan) Sdn Bhd for Liberty Alliance (M) Sdn Bhd (1.54%). The direct substantial shareholder of Liberty Alliance (M) Sdn Bhd is Tan Sri Eddy Chen (99.99%) where the remaining shareholders are Puan Sri Datin Tan Sou Yee (<0.01%), spouse of Tan Sri Eddy Chen, Chen Wei Jia (<0.01%), Chen Yunn Li (<0.01%) and Chen Yunn Shin (<0.01%), all 3 of them are daughters of Tan Sri Eddy Chen;
 - (iii) Datuk Chen Fook Wah's direct equity interest in MKH (0.35%);
 - (iv) Direct equity interests in MKH of Directors of MKH's subsidiaries companies (0.16%); and
 - (v) Other shareholders holding less than 100 ordinary shares in MKH (<0.01%).
- (4) Public Bank Group Officers' Retirement Benefits Fund holds 9.24% equity interest in MKH through its interests in Kenanga Nominees (Tempatan) Sdn Bhd (5.98%) and Public Investment Nominees (Tempatan) Sdn Bhd (3.26%). The ultimate beneficiaries of the fund are the eligible employees of the Public Bank Berhad group of companies.
- (5) As at 28 February 2023, being the latest date of the Record of Depositors of MKH, MKH has 6,229 shareholders, of which 5,596 shareholders collectively holding approximately 42.98% equity interest in MKH are public shareholders. Other than CCSR and Public Bank Group Officers' Retirement Benefits Fund, there is no other direct substantial shareholder of MKH.

6. INFORMATION ON OUR GROUP (Cont'd)

- (6) Including CCSR's direct equity interest in MKH (9.85%) and equity interests collectively held by nominee companies (31.08%) namely, HLB Nominees (Tempatan) Sdn Bhd, RHB Capital Nominees (Tempatan) Sdn Bhd, AllianceGroup Nominees (Tempatan) Sdn Bhd, UOBM Nominees (Tempatan) Sdn Bhd, Kenanga Nominees (Tempatan) Sdn Bhd and Amsec Nominees (Tempatan) Sdn Bhd (AmBank (M) Berhad). The ultimate beneficial owners of CCSR are Tan Sri Alex Chen, Tan Sri Eddy Chen and Datuk Chen Fook Wah, collectively holding 96.60% equity interest in CCSR.
- (7) As at LPD, the shareholders of Ivakijaya are Ong Khek Gee (50.00%) and Shamsol Anuar bin Rohani @ Rosani (50.00%). Ong Khek Ghee is the Commissioner of PT SPS and his responsibilities as a member of the Board of Commissioner in PT SPS include, amongst others, examining PT SPS' books and records, providing recommendations and receiving explanations to/from the board of directors of PT SPS, and approving the board of directors of PT SPS to obtain, assign, sell or transfer assets of PT SPS. Save for their equity interests in our Company through Ivakijaya after completion of the Acquisition of PT SPS as well as the role of Ong Khek Ghee as the Commissioner of PT SPS, both Ong Khek Ghee and Shamsol Anuar bin Rohani @ Rosani do not hold any role in our Group.
- (8) As at LPD, the shareholders of PT Hikmat are Taufik Nugraha (50.00%) and Indria Gunawan Lemman (50.00%).
- (9) The equity interest of 63.07% in our Company is held by MKH (28.68%) and its wholly-owned subsidiaries, namely Metro Kajang (Oversea) (30.65%) and MKH Plantation (3.74%).
- (10) Entitled Shareholder(s) that participate in the Proposed Distribution excluding public shareholders of MKH.
- (11) Including Entitled Shareholder(s) which are public shareholders of MKH that will collectively hold 3.46% equity interest in the Company after the Proposed Distribution.
- (12) Liew Mee Ling does not hold any role in our Group and is not a person connected to our Directors and/or substantial shareholders. Hence, she is not deemed interested in our Group as at LPD and after our Listing.
- (13) Pursuant to Paragraph 5 of Article 7 of the Indonesian Company Law, both PT MKH and PT SPS are required to have a minimum of 2 shareholders within 6 months upon completion of the Acquisition of PT MKH and Acquisition of PT SPS respectively, where the number of shareholders in both PT MKH and PT SPS reduces below 2. As such, upon completion of the Acquisition of PT MKH and Acquisition of PT SPS and before the implementation of our IPO, MKHOP shall transfer 1 ordinary share it owns in both PT MKH and PT SPS to the SPV. The SPV will remain as the shareholder of the 1 ordinary share in both PT MKH and PT SPS to comply with Paragraph 1 of Article 7 of the Indonesian Company Law. Please refer to Sections 6.2.2 and 6.2.3 for further details on the Acquisition of PT MKH and Acquisition of PT SPS.
- (14) Represents 1 ordinary share in each PT MKH and PT SPS to be held by the SPV.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.4 SUBSIDIARIES

Details of our subsidiaries as at LPD are summarised as follows:

<u>Company/ Registration number</u>	<u>Date/ Place of incorporation</u>	<u>Principal place of business</u>	<u>Issued share capital</u> IDR	<u>Effective equity interest</u> %	<u>Principal activities</u>
PT MKH/ 8120014280519	9 September 2005/ Indonesia	Indonesia	243,860,000,000	100.00	Oil palm plantation and crude oil palm industry
PT SPS/ 8120019071063	20 October 2004/ Indonesia	Indonesia	9,300,000,000	100.00	Oil palm plantation

Details of the share capital of our subsidiaries are set out in Section 15.2.

As at LPD, we do not have any associated company.

6.4.1 PT MKH

PT MKH was incorporated in Republic of Indonesia on 9 September 2005 as a private limited company based on Deed No. 52 dated 9 September 2005, made before Achmad Dahlan, Sarjana Hukum ("**S.H.**"), Notary in Samarinda, Indonesia which has been approved by the Minister of Law and Human Rights ("**MOLHR**") by virtue of Decree of the MOLHR No. C-29498HT.01.01.TH.2005 dated 25 October 2005. PT MKH was established under the name of PT Khaleda Agroprima Malindo and subsequently assumed its present name on 9 November 2015. PT MKH is principally involved in oil palm plantation and crude oil palm industry.

As at LPD, PT MKH is our wholly-owned subsidiary and PT MKH does not have any subsidiary or associated company.

Please refer to Section 16.2.1 for share capital of PT MKH as at LPD.

6.4.2 PT SPS

PT SPS was incorporated in Republic of Indonesia under on 20 October 2004 as a private limited company based on Deed No. 205 dated 20 October 2004, made before Achmad Dahlan, S.H., Notary in Samarinda, Indonesia which has been approved by the MOLHR by virtue of Decree of the MOLHR No. C-08391HT.01.01.TH.2005 dated 30 March 2005. PT SPS is principally involved in oil palm plantation.

As at LPD, PT SPS is our wholly-owned subsidiary and PT SPS does not have any subsidiary or associated company.

Please refer to Section 16.2.1 for share capital of PT SPS as at LPD.

6. INFORMATION ON OUR GROUP (*Cont'd*)

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts in the ordinary course of business) entered into by our Group for FYE 2020 to 2022 and up to LPD:

(a) Land/Building Lease Agreement

This agreement was entered into on 8 January 2021 between PT MKH and PT Profesional Telekomunikasi Indonesia ("**Protelindo**"), under which PT MKH leases a part of a plot of land under a HGU measuring approximately 270 sq m located at Jalan Seguntung Estate, Puan Cepak Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province and access right to such part of the plot of land ("**Leased Premise**") to Protelindo. The Leased Premise will be used by Protelindo to build and operate telecommunication towers, supporting foundations including facilities and other related equipment for use by telecommunication companies ("**Tower User**"), and Protelindo is granted with an exclusive right over the Leased Premise and is fully entitled to utilize and control the Leased Premise to carry out its business activities. The telecommunication tower enables mobiles telecommunication coverage in our plantation estate.

This agreement is valid for an initial period of 10 years, but valid retroactively from 27 May 2014 until 26 May 2024 ("**Initial Term**") and will be automatically renewed for 10 years ("**First Renewal Term**"), each based on Protelindo's discretion.

The lease fee for the Initial Term is IDR79,444,444 ("**Initial Term Lease Fee**") for any number of the Tower Users installed or to be installed at the Leased Premise. For the First Renewal Term, the lease fee would be adjusted with a 15%-increment, i.e., IDR91,361,111 ("**First Renewal Lease Fee**") for any number of the Tower Users installed or to be installed at the Leased Premise.

Issues pertaining to this agreement such as non-inclusion of land leasing as one of the objectives and purposes of PT MKH under its articles of association, and unavailability of land leasing-related licences for PT MKH (due to size of the land leased to Protelindo being insignificant, and leasing is not the main business activity of PT MKH nor is PT MKH generating any material income from the said lease), have been addressed by PT MKH through a statement letter confirming that the Initial Term Lease Fee was charged only as necessary to reimburse costs incurred by PT MKH to enable the use of the Leased Premise by Protelindo (i.e., for supply of electricity to the Leased Premise to energise the telecommunication towers erected thereon during the Initial Term). PT MKH will not bear any profit from the Initial Term Lease Fee pursuant to the Agreement during the Initial Term.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Plasma Agreements

The Plasma Programme obligation essentially refers to the facilitation of construction of community plantation for a certain percentage of the total area of land (total area granted to the respective companies in their plantation business licences).

As part of the legal obligations under the law, under the Plasma Programme, our Group is required to develop a total of 2,226.0 Ha of plantation land for plantation development and management for the local cooperatives. In this respect, PT MKH and PT SPS have fulfilled the requirement and entered into plasma agreements, among others, with local cooperatives as follows:

Fulfilled by	Plasma Programme requirement		Plantation cooperative involved	Agreement no. (as listed below)
	Land size (Ha)	Location		
PT MKH	⁽¹⁾ 1,200	Desa Sedulang	Sawit Sendowan	(i)
	⁽¹⁾ 406	Desa Puan Cepak	Sawit Sendowan	⁽¹⁾ (c)-
PT SPS	⁽¹⁾ 300	Desa Sedulang	Sawit Sendowan	(i)
	⁽²⁾ 320	Desa Puan Cepak	Sawit Seguntung Jaya	(iii)
	2,226			

Notes:

(1) Pursuant to the Regulation of the Indonesian Minister of Agriculture No. 98/Permentan/OT.140/9/2013 on Guidelines on Plantation Business Licence of Cultivation as amended lastly by the Regulation of the Indonesian Minister of Agriculture No. 21/Permentan/KB.410/6/2017, any oil palm plantation company which obtained its IUP prior to 28 February 2007 and has implemented *Perusahaan Inti Rakyat* (PIR) Plantation Scheme, PIR with transmigration scheme or PIR with Credit Facility for Cooperation (*Kredit Koperasi Primer untuk Anggota*) or any other core-plasma cooperation is not required to develop and manage community/plasma plantations with a plantation area of at least 20.0% of the total planted area. In view that PT MKH obtained its IUP on 15 November 2005, PT MKH was not required to comply with the aforementioned obligations as it was not stated in the Plantation Business Licence of Cultivation (IUP) of PT MKH. Nevertheless, PT MKH and PT SPS have collaborated with Sawit Sendowan Plantation Cooperative pursuant to the Decree of Kutai Kartanegara dated 21 July 2009 on determination of plasma participants in the partnership program in the following manner:

- (a) a total of 1,200.0 Ha of land for Sawit Sendowan Plantation Cooperative located at Desa Sedulang has been assigned to PT MKH to develop and manage;
- (b) a total of 300.0 Ha of land for Sawit Sendowan Plantation Cooperative located at Desa Sedulang has been assigned to PT SPS to develop and manage; and

6. INFORMATION ON OUR GROUP (Cont'd)

- (c) a total of 406.0 Ha of land for Sawit Sendowan Plantation Cooperative located at Desa Puan Cepak has been assigned to PT MKH to develop and manage. There was no agreement entered into with Sawit Sendowan Plantation Cooperative in this respect as Sawit Sendowan Plantation Cooperative was unable to identify sufficient land for plasma plantation under Desa Puan Cepak. Thereafter, on 24 December 2012, PT MKH had entered into the Cooperation Agreement for Plasma Plantation Development with Sawit Seguntung Jaya Plantation Cooperative, as detailed in Section 6.5(b)(iv), to continue with the development and management of community/plasma plantations after discussion and agreement between PT MKH and the local farmers. For clarity, the entry into the Cooperation Agreement for Plasma Plantation Development with Sawit Seguntung Jaya Plantation Cooperative is in accordance with the Decree of Kutai Kartanegara dated 21 July 2009 on determination of plasma participants in the partnership program.
- (2) In view that PT SPS obtained its IUP on 19 October 2009, PT SPS was required to develop and manage community/plasma plantations with a plantation area of at least 20.0% of the total planted area. Based on the principal agreement entered into with Sawit Seguntung Jaya Plantation Cooperative in September 2016, PT SPS was required to develop and manage approximately 320 Ha plantation area based on the planted area of 1,567 Ha at that point in time.

Following the rehabilitation and planting activities by PT SPS, the total planted area of PT SPS' plantation estate has increased to 1,996.4 Ha as at LPD. Pursuant thereto, the relevant supplemental agreement or addendum to the principal agreement in respect of the abovementioned Plasma Programme obligations shall be entered into between PT SPS and Sawit Seguntung Jaya Plantation Cooperative upon the issuance of IUP, which is expected to be obtained by 3rd quarter of 2023, for Sawit Seguntung Jaya Plantation Cooperative, whereby PT SPS shall be required to develop and manage a total of approximately 400 Ha of land (i.e. 320 Ha (already assigned to PT SPS) and 80 Ha (to be assigned to PT SPS)) being the plantation area to be assigned based on the Plasma Programme requirement of at least 20% of total planted area of approximately 1,996.4 Ha by Sawit Seguntung Jaya Plantation Cooperative.

PT MKH and PT SPS have entered into the following plasma agreements to set out the cooperation terms with the respective partnering plantation cooperatives as listed above. For avoidance of doubt, a total of 406.0 Ha of land for Sawit Sendowan Plantation Cooperative located at Desa Puan Cepak has been assigned to PT MKH to develop pursuant to the Decree of Kutai Kartanegara dated 21 July 2009 on determination of plasma participants in the partnership program. However, 182.8 Ha of the said land was deemed unsuitable for planting. As such, 182.8 Ha of land owned by PT SPS has been earmarked for transfer to the cooperative for fulfilment of PT MKH's obligation pursuant to the agreement (v) below. For clarity, the plasma obligations in relation to the remaining land area not addressed by the transfer of the 182.8 Ha plantation land is addressed pursuant to the Cooperation Agreement for Plasma Plantation Development dated 24 December 2012, which was entered into between PT MKH and Sawit Seguntung Jaya Plantation Cooperative, as detailed in Section 6.5(b)(iv), to continue with the development and management of community/plasma plantations after discussion between PT MKH and the local farmers.

- (i) Tripartite Agreement with Sawit Sendowan Plantation Cooperative and PT Anugerah Urea Sakti on 27 September 2010.

6. INFORMATION ON OUR GROUP (Cont'd)

Under this agreement, Sawit Sendowan Plantation Cooperative is referred to as the "**First Party**", PT MKH and PT SPS are collectively referred to as the "**Second Party**", and PT Anugerah Urea Sakti is referred to as the "**Third Party**".

The scope of the agreement is a cooperation between the First Party and the Second Party with a partnership pattern in development and management of oil palm plantation at plasma plantation owned by the First Party, located at Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province, in the area of 1,500 Ha ("**First Party's Plasma Plantation**"), with the division of obligations between PT MKH and PT SPS based on land area and number of patriarchs. The Third Party was also appointed under the agreement to carry out development and management of plantation with a partnership pattern at the First Party's Plasma Plantation pursuant to the Decree of Kutai Kartanegara dated 21 July 2009 on determination of plasma participants in the partnership program for joint development under the Plasma Programme for Sawit Sendowan Plantation Cooperative.

The obligations of the Second Party and Third Party are differentiated based on the following:

- (a) the Second Party's obligations are (i) to conduct observation at the First Party's Plasma Plantation location or the Third Party's office to obtain, examine and make copies and summaries of notes and reports prepared and maintain by the Third Party for monitoring purpose; and (ii) to place its employees in the implementation of development and management of the First Party's Plasma Plantation for monitoring purposes; and
- (b) the Third Party's obligations are to carry out development and management of the First Party's Plasma Plantation, which include: (i) land clearing; (ii) nursery; (iii) cover cropping; (iv) oil palm planting; (v) maintenance of immature plants and mature plants; (vi) construction and maintenance of road infrastructure, bridges, channels and guardrails; (vii) harvesting and transportation; and (viii) land certification for oil palm plantation with partnership pattern in the form of right of ownership in the name of the First Party. The Third Party advances the development and management costs (including the cost for the palm oil FFB processing plant, if any), which will then be repaid by the First Party from the production of the First Party's Plasma Plantation as stipulated under this agreement.

Net income from the proceeds of sales of FFB will be applied in accordance with this agreement (settlement of the First Party's obligations to the bank, deduction by costs borne by the First Party to perform its obligations under the agreement), with a management fee of 5% for the Third Party, and the balance thereof will be distributed to its members (the First Party is a cooperative with members).

This agreement is valid until 1 December 2038 and may be extended by the parties. For avoidance of doubt, the appointment of Third Party under this agreement was terminated in December 2012 as the Third Party did not carry out the management and maintenance of the First Party's Plasma Plantation in a proper manner. The First Party and Second Party were not obliged to compensate the Third Party in any form as such termination was due to the Third Party's non-performance of its obligations in accordance with the terms and conditions of this agreement.

6. INFORMATION ON OUR GROUP (Cont'd)

Thereafter, the Second Party continued to undertake the development and management of the First Party's Plasma Plantation as the terms of this agreement was still binding for the First Party and Second Party where the Second Party assumed the obligations and rights of the Third Party as stipulated in the agreement. The Second Party is entitled to a management fee of 5% (charged against the estate maintenance cost). Other than the management fee of 5%, the Second Party does not earn any revenue from the Plasma Programme.

- (ii) Cooperation Agreement for Plasma Plantation Development between Sedulang Village Unit of Sawit Sendowan Plantation Cooperative with PT MKH and PT SPS with Plasma Core Partnership Pattern on 22 May 2017.

Under this agreement, Sedulang Village Unit of Sawit Sendowan Plantation Cooperative is referred to as the "**First Party**", PT MKH and PT SPS are collectively referred to as the "**Second Party**".

The scope of this agreement is the development and management of oil palm plantation by the Second Party over the land owned by farmers who are members of the First Party at Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province in the area of 1,500 Ha. Further, this agreement re-confirms the Second Party's status as a Pioneer, Financier, and Guarantor of the First Party's plasma plantation.

The obligations of the Second Party are differentiated based on the periods (immature plants or mature plants). Additional obligations of the Second Party include, amongst others: (i) during immature plants period: prioritising members of the First Party for work opportunities if workers are required to develop the plantation; (ii) during mature plants period where credit facilities from the credit facility provider have not been repaid: purchasing all production of the First Party which standards are based on the ripe fruit standards determined by the Second Party and which price is based on the terms determined by the government; and (iii) during mature plants period where credit facilities from the credit facility provider has been repaid: delivering the sales proceeds of the FFB to the First Party upon deduction of relevant costs such as maintenance cost, replanting cost, harvesting and transportation costs, land clearing cost, nursery and planting costs. The aforementioned costs relating to the Plasma Programme which are borne by the Group shall be repaid through deduction of proceeds from sale of FFB pursuant to the Plasma Programme.

The costs for management and maintenance of oil palm plantation shall be in accordance with the plafond of the plasma plantation development costs stipulated by the Directorate General of Plantation on the maximum unit cost for oil palm plantation development, or agreed between the parties. If the plafond of plantation development costs from the bank is not sufficient, the Second Party is authorised to seek for credit facility providers to cover the shortfall. The proceeds of the sale of palm oil from the First Party's plasma plantation including bailout fund/credit facility from other party are kept in a joint account between the parties.

For clarity, the abovementioned credit facility refers to the financing (which is used as working capital) granted to Sedulang Village Unit of Sawit Sendowan Plantation Cooperative by the credit facility provider.

This agreement is valid insofar the Second Party's core land still exists.

6. INFORMATION ON OUR GROUP (Cont'd)

- (iii) Cooperation Agreement for Development of Plasma Plantation between Sawit Seguntung Jaya Plantation Cooperative and PT SPS with the Plasma Core Partnership Pattern dated 20 September 2016 as amended by first addendum to Plasma Plantation Cooperation Agreement between Sawit Seguntung Jaya Plantation Cooperative and PT SPS with the Plasma Core Partnership Pattern dated 9 July 2018 on 20 September 2016 (for the initial agreement) and on 9 July 2018 (for the first addendum).

Under this agreement, Sawit Seguntung Jaya Plantation Cooperative is referred to as the "**First Party**", PT SPS is referred to as the "**Second Party**". PT MKH is not a party to this agreement.

The scope of this agreement is the establishment of a partnership between the parties to build/develop and manage a plot of land for an oil palm plasma plantation with a partnership pattern of 320 Ha, which is located at Puan Cepak Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province ("**Cooperative Land**"). The forms of work in this agreement include: (i) oil palm plantation development; (ii) plantation maintenance during immature new crops and mature crops period; (iii) harvesting of FFB; and (iv) marketing of FFB.

Under this agreement, the First Party delivers the rights of development and management of the Cooperative Land, entirely to the Second Party. The development and management activities include: (i) land clearing, nursery and planting; (ii) plant care/ maintenance during immature crops period and mature crops period; (iii) harvest and transport; and (iv) funding, payment of credit instalments and loan interests. In addition to developing and managing the Cooperative Land, the Second Party is also obliged to purchase all FFB production of the First Party which price is guided by the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price for FFB for Plantation Production issued by the Plantation Office of East Kalimantan Province. The remaining net income from the production of FFB shall be delivered by the Second Party to the First Party on a monthly basis.

Additional obligations of the Second Party include, amongst others: (i) providing palm oil FFB processing plant; and (ii) arranging and planning for replanting fund reserves.

The First Party bears the development and management costs (including the cost for the palm oil FFB processing plant, if any) as stipulated under this agreement, as well as the relevant taxes related to the Cooperative Land. The Second Party is entitled to a management fee of 5% (charged against the estate maintenance cost). Other than the management fee of 5%, the Second Party does not earn any revenue from the Plasma Programme.

This agreement is valid for 1 cycle in accordance with technical standards for oil palm cultivation as of the execution of the agreement by the parties, and may be extended for 1 cycle in accordance with technical standards for oil palm cultivation, unless there is cancellation by the Second Party, which will be conveyed to the First Party within 2 years prior to the expiration of the agreement. PT SPS has clarified in writing that 1 cycle herein shall mean 30 years, and the commencement date is 20 September 2016.

6. INFORMATION ON OUR GROUP (Cont'd)

- (iv) Cooperation Agreement for Development of Plasma Plantation between Sawit Seguntung Jaya Plantation Cooperative and PT MKH with the Plasma Core Partnership Pattern dated 24 December 2012.

Under this agreement, Sawit Seguntung Jaya Plantation Cooperative is referred to as the "**First Party**", PT MKH is referred to as the "**Second Party**".

The scope of this agreement is the establishment of a partnership between the parties to build/develop and manage a plot of land for an oil palm plasma plantation with a partnership pattern for a total of ±197 family heads with 2 Ha of land for each family head or a total of ±394 Ha, in the area of Puan Cepak Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province. Notwithstanding that ±394 Ha has been determined based on the family heads under this agreement, PT MKH has agreed to continue with the development and management of land area (i.e. 406.0 Ha) which was assigned to PT MKH pursuant to the Decree of Kutai Kartanegara dated 21 July 2009 on determination of plasma participants in the partnership program.

The forms of work in this agreement include: (i) oil palm plantation development; (ii) plantation maintenance during immature new crops and mature crops period; (iii) harvesting of FFB; (iv) creation and maintenance of facilities and infrastructure; and (v) land certification for oil palm plantation with partnership pattern in the form of right of ownership in the name of the First Party.

Under this agreement, the First Party delivers the rights of development and management of the plasma plantation land, entirely to the Second Party. The development and management activities include: (i) land clearing, nursery and planting; (ii) plant care / maintenance during immature crops period and mature crops period; (iii) harvest and transport; and (iv) funding, payment of credit instalments and loan interests. In addition to developing and managing the plasma plantation land, the Second Party is also obliged to purchase all FFB production of the First Party which price is guided by the provisions contained in the Regulation of the Minister of Agriculture regarding the Guidelines for Determining the Purchase Price for FFB for Plantation Production issued by the Plantation Office of East Kalimantan Province. The remaining net income from the production of FFB shall be delivered by the Second Party to the First Party on a monthly basis.

Additional obligations of the Second Party include, amongst others: (i) providing palm oil FFB processing plant; and (ii) arranging and planning for replanting fund reserves.

The First Party bears the development and management costs (including the cost for the palm oil FFB processing plant, if any) as stipulated under this agreement, as well as the relevant taxes related to the plasma plantation land. The Second Party is entitled to a management fee of 5% (charged against the estate maintenance cost) during immature and mature plants period.

This agreement is valid for 1 planting cycle (30 years) and can be extended for 1 planting cycle by the parties. Either party shall notify the other party of the intention to extend this agreement 2 years before the expiration of the agreement.

6. INFORMATION ON OUR GROUP (Cont'd)

- (v) Cooperation Agreement for the Development and Management of Plasma Plantation between Sawit Seguntung Jaya Plantation Cooperative and PT MKH on a grant land with an area of 182.8 Ha with Plasma Core Partnership Pattern on 18 January 2022.

Under this agreement, Sawit Seguntung Jaya Plantation Cooperative is referred to as the "**First Party**", PT MKH is referred to as the "**Second Party**". PT SPS is not a party to this agreement.

The scope of this agreement is a cooperation between the parties in the development and management of a plot of land of palm oil plantation with partnership pattern in the area of ± 182.8 Ha on a grant land. Works under this agreement include: (i) management of mature plants; (ii) development and management of plantation during immature plants period; (iii) harvest of FFB; (iv) sales of FFB to the Second Party; and (v) return of plant investment costs on grant area from palm acid oil sales proceeds and FFB sales.

Under this agreement, the First Party grants the Second Party with full authority to develop and manage mature and immature plants on the cooperative's land and to carry out the following activities: (i) relinquishment of land, nursery, and planting; (ii) maintenance of plants during immature and mature periods; and (iii) harvest and transportation. In addition to developing and managing the cooperative's land during the period of this agreement, the Second Party is also obliged to purchase FFB of the First Party, which price is based on the guidelines under the Ministry of Agriculture regulation on Guidelines on Stipulation of Purchase Price of FFB Produced by Planters. The remaining net income from the production of FFB shall be delivered by the Second Party to the First Party on a monthly basis.

Additional obligations of the Second Party include, amongst others: (i) providing palm oil FFB processing plant; and (ii) arranging and planning for replanting fund reserves.

The First Party bears the development and management costs (including the cost for the palm oil FFB processing plant, if any) as stipulated under the agreement, as well as the relevant taxes related to the cooperative's land. The Second Party is entitled to a management fee of 5% (charged against the estate maintenance cost). Other than the management fee of 5%, the Second Party does not earn any revenue from the Plasma Programme.

This agreement is valid for 1 crop cycle (± 30 years) and may subsequently be extended and renewed for 1 cycle (± 30 years) insofar the HGU of the Second Party exists, unless there is cancellation from the Second Party, which will be notified to the First Party at the latest within 1 year prior to the expiration of the agreement.

For FYE 2020 to 2022, our Group received a total of management fees of RM0.2 million, RM0.3 million and RM0.3 million respectively under the Plasma Programme.

6. INFORMATION ON OUR GROUP (Cont'd)

- (c) PT MKH SSA, which was completed on [●];
- (d) PT SPS SSA, which was completed on [●];
- (e) Novation agreement dated [●] between our Company, PT MKH and Metro Kajang (Oversea) pursuant to the PT MKH Debt Novation;
- (f) Novation agreement dated [●] between our Company, PT SPS and MKH Plantation pursuant to the PT SPS Debt Novation; and
- (g) Underwriting agreement dated [●] between our Company and M&A Securities for the underwriting of 51,209,800 Issue Shares for an underwriting commission of [●]% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.7 MAJOR APPROVALS AND LICENCES

As at LPD, there are no major approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(a)	MKHOP/ Majlis Perbandaran Kajang	15 July 2022/ 14 July 2023	Licence for trade, business and industry for our Company	Nil	N/A
(b)	PT MKH/ Ministry of Investment/ Investment Coordinating Board via the Online Single Submission ("OSS") – Risk Based Assessment ("OSS-RBA")	1 December 2018/ It is valid as long as PT MKH carries its business activities	Business Identification Number (<i>Nomor Induk Berusaha</i>) For evidence that the company has been registered in the OSS-RBA as a pre- requisite for application of business/operational licences Please refer to Section 6.10(g) for the applicable laws and regulations	Nil	N/A
(c)	PT MKH/ Tax Service Office of Pratama Tenggarong	No effective date or date of issue is stated/ No expiration date is stated	Taxpayer Identification Number (<i>Nomor Pokok Wajib Pajak, "NPWP"</i>) – Head Office This licence serves as evidence that PT MKH has been registered as a taxpayer for the office located at Puan Cepak Village, Sabintulung Muara Kaman, Kutai Kartanegara Regency, East Kalimantan Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(d)	PT MKH/ Tax Service Office of Madya Balikpapan	No effective date or date of issue is stated/ No expiration date is stated	NPWP of Branch Office This licence serves as evidence that PT MKH has been registered as a taxpayer for the office located at Jalan Juanda, Ruko Juanda No. 30 RT 07, Air Hitam, Samarinda Ulu, Samarinda City, East Kalimantan (branch office) Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A
(e)	PT MKH/ Tax Service Office of Madya Balikpapan	6 April 2016/ No expiration date is stated	Taxable Entrepreneur Confirmation Letter (<i>Surat Pengukuhan Pengusaha Kena Pajak</i>) This licence serves as evidence that PT MKH has been registered as a taxable entrepreneur Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A
(f)	PT MKH/ OSS system	9 August 2016/ No expiration date is stated	Plantation Business Licence This licence serves as evidence that PT MKH has obtained a business licence for Standard Classification of Indonesian Business Fields (<i>Klasifikasi Baku Lapangan Usaha Indonesia, "KBLI"</i>) 01262 (Palm Oil Plantation) prior to the enactment of the OSS system and has registered such licence to the old version of the OSS system Please refer to Section 6.10(a) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(g)	PT MKH/ OSS-RBA	Unverified certificate issuance date: 9 August 2016/ Pending issuance of verified standard certificate via the OSS-RBA	Verified Standard Certificate for KBLI 10431 (Crude Oil Palm Industry) For operating in oil palm industry Please refer to Section 6.10(c) for the applicable laws and regulations	Nil	The mandatory technical verification, a new requirement under the OSS-RBA which came into effect on 2 February 2021, has been carried out on 5 January 2023, following the Company's application for the verification of the standard certificate since 2022. Based on the assessment by the verification team from the Directorate General of Agro-Industry of the Ministry of Industry, PT MKH has fulfilled all of the requirements in the industrial sector and is ready to commence the production activities. As a follow-up, PT MKH has uploaded these documents to the OSS-RBA to obtain a verified standard certificate
(h)	PT MKH/ Kutai Kartanegara Regent	15 November 2005/ 15 November 2035 (30 years as of 15 November 2005)	Plantation Business Licence of Cultivation (<i>Izin Usaha Budidaya Perkebunan</i> , "IUP- B") No. 503/08/SK-DISBUN KUKAR/XI/2005 as amended lastly by Approval of Kutai Kartanegara Regent No. P- 009/DPMPTSP/BID.IV.1/525.26/IUPPerub/ XI/2019 This licence serves as the plantation business licence for cultivation of PT MKH issued by the local authority (before the OSS licensing regime) Please refer to Section 6.10(a) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(i)	PT MKH/ Kutai Kartanegara Regent	2 July 2012/ It is valid as long as PT MKH carries its business activities	Plantation Business Licence for Processing (<i>Izin Usaha Perkebunan untuk Pengolahan, "IUP-P"</i>) No. 525/04/IUP-P/DPK.IV/2012 as amended lastly by Approval of Kutai Kartanegara Regent No. 525.26/006/IUPP/BID.I/VIII/2016/BP2T This licence serves as the business licence for processing of palm oil FFB by PT MKH issued by the local authority (before the OSS licensing regime) Please refer to Sections 6.10(a), Section 6.10(b), and 6.10(j) for the applicable laws and regulations	Nil	N/A
(j)	PT MKH/ Directorate General of Sea Transport of the Ministry of Transportation	21 June 2017/ 21 June 2027 (10 years as of 21 June 2017)	Licence to Operate an Own Interest Terminal (<i>Terminal Untuk Kepentingan Sendiri, "TUKS"</i>) This licence is granted for PT MKH to operate a TUKS to support PT MKH's business activities in plantation sector Please refer to Section 6.10(r) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(k)	PT MKH/ PT SGS Indonesia	12 August 2020/ 11 August 2025	ISPO Certificate This certificate is a testament to PT MKH's sustainable plantation practices and ability to produce sustainable palm oil issued by an independent auditor agency Please refer to Section 6.10(k) for the applicable laws and regulations	Nil	N/A
(l)	PT MKH/ Head of Capital Investment Agency and One Door Integrated Services of East Kalimantan Province	23 June 2021/ 23 June 2024 (3 years as of 23 June 2021)	Groundwater Utilisation Permit (<i>Surat Izin Pengusahaan Air Tanah, "SIPA"</i>) for 5 Wells with different licence number These licences are granted for the utilisation of groundwater by PT MKH Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations	Nil	N/A
(m)	PT MKH/ Minister of Public Works and Housing	21 November 2018/ 21 November 2023 (5 years as of 21 November 2018)	Water Resources Exploitation Licence These licences are granted for the utilisation of surface water in Mahakam and Seguntung River Please refer to Sections 6.10.(d) and 6.10.(e) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(n)	PT MKH/ Kutai Kartanegara Regent	24 September 2008/ The validity period is similar to the validity period of PT MKH's business licence	Environmental Feasibility of Palm Oil Plantation of PT MKH in Puan Cepak Village dan Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency based on Decree No. KAKK/26/AMDAL/KELAPASAWIT/2008 as amended lastly by Decree of Kutai Kartanegara Regent No. 73 of 2016 This licence serves as the environmental licence for the palm oil plantation business activities Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations	Nil	PT MKH is in the midst of renewing its environmental licence due to the expiry of Hazardous Toxic Waste ("B3") licence. Please refer to the notes of the B3 licence below
(o)	PT MKH/ Kutai Kartanegara Regent	22 December 2015/ The validity period is similar to the validity period of PT MKH's business licence	Environmental Feasibility of Palm Oil Mills of PT MKH at 90 tons within an area of 127a kata. 43.33 hectares in Puan Cepak Village dan Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency based on Decree No. KAKK/27/KOMPEDAL- KUKAR/XII/2015 as amended lastly by Decree of Kutai Kartanegara Regent No. 74 of 2016 This licence serves as the environmental licence for the palm oil mills of PT MKH Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations	Nil	PT MKH is in the midst of renewing its environmental licence due to the expiry of B3 licence. Please refer to the notes of the B3 licence below

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(p)	PT MKH/ Kutai Kartanegara Regent	N/A ⁽¹⁾	B3 Waste Storage and Management-related Licences For the storage of waste in the oil palm plantation Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations	Nil	PT MKH has obtained several permits of utilisation of B3 for the B3 Storage which have already expired. PT MKH is currently in the process of obtaining the Technical Details for B3 Storage ⁽²⁾ which are applicable as the licence for B3 storage/management upon the issuance of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation. In relation to this matter, PT MKH and PT SPS have obtained a letter dated 26 September 2022 issued by the Environmental and Forestry Agency of Kutai Kartanegara Regency which states that the existing B3 licence of PT MKH and PT SPS remains valid until the environmental documents ⁽³⁾ of PT MKH are adjusted, and the B3 licence will be covered under the adjusted environmental documents ⁽⁴⁾ . PT MKH is in the midst of renewing and adjusting the environmental documents
(q)	PT SPS/ Ministry of Investment/ Investment Coordinating Board via the OSS-RBA	16 October 2018, amended on 8 July 2022/ It is valid as long as PT SPS carries its business activities	Business Identification Number (<i>Nomor Induk Berusaha</i>) For evidence that the company has been registered in the OSS-RBA as a pre-require for application of business/operational licences Please refer to Section 6.10(g) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(r)	PT SPS/ Tax Service Office of Pratama Tenggarong	N/A/ No expiration date is stated	NPWP This licence serves as evidence that PT SPS has been registered as a taxpayer for the office located at Jalan A. Yani No. 30 RT 10, Melayu, Tenggarong, Kutai Kartanegara Regency, East Kalimantan Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A
(s)	PT SPS/ Tax Service Office of Pratama Tenggarong	N/A/ No expiration date is stated	NPWP of Branch Office This licence serves as evidence that PT SPS has been registered as a taxpayer for the office located at Jalan A. Yani No. 30 RT 10, Melayu, Tenggarong, Kutai Kartanegara Regency, East Kalimantan. According to the confirmation of PT SPS, this NPWP is the NPWP for PT SPS' branch office Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(t)	PT SPS/ Tax Service Office of Pratama Tenggarong	6 January 2016/ No expiration date is stated	Taxable Entrepreneur Confirmation Letter (<i>Surat Pengukuhan Pengusaha Kena Pajak</i>) This licence serves as evidence that PT SPS has been registered as a taxable entrepreneur Please refer to Section 6.10(q) for the applicable laws and regulations	Nil	N/A
(u)	PT SPS/ OSS system	4 May 2016/ No expiration date is stated	Plantation Business Licence This licence serves as evidence that PT SPS has obtained a business licence for KBLI 01262 (Palm Oil Plantation) prior to the enactment of the OSS system and has registered such licence to the old version of the OSS system Please refer to Section 6.10(a) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(v)	PT SPS/ Kutai Kartanegara Regent	19 October 2009/ 19 October 2039 (30 years as of 19 October 2009)	IUP-B based on Decree No. 503/22/SK-DISBUN KUKAR/V/2006 as amended lastly by Decree of Kutai Kartanegara Regent No. 503/48/SK-DISBUN KUKAR/X/2009 This licence serves as the plantation business licence for cultivation of PT SPS Please refer to Section 6.10(a) for the applicable laws and regulations	Nil	N/A
(w)	PT SPS/ Head of Capital Investment Agency and One Door Integrated Services of East Kalimantan Province	14 January 2022/ 14 January 2025 (3 years as of 14 January 2022)	This licence is granted for the utilisation of groundwater for the well located in Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations	Nil	N/A
(x)	PT SPS/ PT Global Inspeksi Sertifikasi	27 July 2022/ 26 July 2027	ISPO Certificate This certificate is a testament to PT SPS' sustainable plantation practices and ability to produce sustainable palm oil issued by an independent auditor agency Please refer to Section 6.10(k) for the applicable laws and regulations	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee/ Issuing authority	Effective date or date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Compliance status
(y)	PT SPS/ Kutai Kartanegara Regent	30 March 2009/ No expiration date is stated	<p>Approval of the Environmental Management Efforts and Environmental Monitoring Efforts (<i>Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup</i>, "UKL-UPL")</p> <p>This approval serves as evidence that the Environmental Agency of Kutai Kartanegara has approved the UKL-UPL documents submitted by PT SPS</p> <p>Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations</p>	Nil	PT SPS is in the midst of renewing its environmental licence due to the expiry of B3 licence. Please refer to the notes of the B3 licence below
(z)	PT SPS/ Kutai Kartanegara Regent	N/A ⁽¹⁾	<p>B3 Waste Storage and Management-related Licences</p> <p>For the storage of waste in the oil palm plantation</p> <p>Please refer to Sections 6.10(d) and 6.10(e) for the applicable laws and regulations</p>	Nil	PT SPS has obtained several permits of utilisation of B3 for the B3 Storage which have already expired. PT SPS is currently in the process of obtaining the Technical Details for B3 Storage ⁽²⁾ which are applicable as the licence for B3 storage/management upon the issuance of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation. In relation to this matter, PT MKH and PT SPS have obtained a letter dated 26 September 2022 issued by the Environmental and Forestry Agency of Kutai Kartanegara Regency which states that the existing B3 licence of PT MKH and PT SPS remains valid until the environmental documents ⁽³⁾ of PT SPS are adjusted, and the B3 licence will be covered under the adjusted environmental documents ⁽⁴⁾ . PT SPS is in the midst of renewing and adjusting the environmental document

6. INFORMATION ON OUR GROUP *(Cont'd)*

Notes:

- (1) Due to the change in the regulatory regime, neither PT MKH nor PT SPS was able to renew their respective B3 licences. However, based on the letter dated 26 September 2022 issued by the Environmental and Forestry Agency of Kutai Kartanegara Regency, the existing B3 licences of PT MKH and PT SPS remain valid until the environmental documents of PT SPS and PT MKH are adjusted. Hence, the validity period of the respective B3 licences are not applicable due to its temporary validity at this juncture.
- (2) Technical Details (*Rincian Teknis*) for B3 Storage, which is a new term under the current regulation, refer to documents that provide the details of the management of B3 by the B3 Storage licence holder such as name, source, characteristic and amount produced of B3. Technical Details for B3 Storage have been integrated with the Environmental Approval following the enactment of GR 22/2021 (as defined herein) that are being obtained by PT MKH and PT SPS as set out in Note (3) below.
- (3) The environmental documents refer to the "Environmental Approval (*Persetujuan Lingkungan*)" document which is a new term under the current regulation. In 2020, the Indonesian Government issued Law No. 11 of 2020 on Job Creation as further replaced by the Government Regulation in Lieu of Law No. 2 of 2022 ("**Omnibus Law**"). The Omnibus Law contains major changes to a myriad of regulations, including the environmental law which was previously stipulated in Law No. 32 of 2009 on Protection and Management of the Environment. The Omnibus Law attempts to simplify the existing permits for carrying out activities or businesses that have an impact on the environment. Following the Omnibus Law, the Government also issued Government Regulation No. 22 of 2021 on Implementation of Environmental Protection and Management which was enacted on 2 February 2021 ("**GR 22/2021**") that introduces the term Environment Approval (*Persetujuan Lingkungan*) to distinguish it from the previous environmental licensing regime. GR 22/2021 stipulates that the environment licences and documents issued before GR 22/2021 was enacted shall remain valid.

GR 22/2021 also stipulates that a B3 waste producer must obtain a Technical Details for B3 storage as integrated with the Environmental Approval (if the B3 waste is produced by activity or activities subject to an Environmental Impact Analysis Document (*Analisis Mengenai Dampak Lingkungan* – "**AMDAL**") or Environmental Management and Monitoring Efforts Report (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* – "**UKL-UPL**") (such as PT MKH and PT SPS), or by a government institution that produces B3 waste). Therefore, although PT MKH and PT SPS' environmental licences remain valid after the issuance of the Omnibus Law and GR 22/2021, as their respective B3 licences have already expired in 2021, PT MKH and PT SPS were unable to renew their B3 licences due to the change in licensing regime. Consequently, as B3-related licences under the current regime are integrated into an Environmental Approval, PT MKH and PT SPS need to adjust their existing environmental licences to an Environmental Approval, which will also cover the B3 licence under the new regulatory regime in the form of Technical Details for B3. In this regard, Technical Details for B3 and the Environmental Approval, both of which are being applied by PT MKH and PT SPS, are collectively referred to as the "adjusted environmental documents". As at LPD, PT MKH and PT SPS have not received any notice of non-compliance from the relevant authorities in relation to their B3 licences. Further, there was no mandatory timeframe imposed by the relevant authorities for PT MKH and PT SPS to comply with the new licensing regime.

6. INFORMATION ON OUR GROUP (Cont'd)

In light of the above, PT MKH and PT SPS are in the midst of renewing and adjusting the environmental licence/documents. For this purpose, PT MKH and PT SPS had on 3 October 2022 appointed an environmental consultant to coordinate, prepare and submit the relevant applications to Environmental and Forestry Agency of Kutai Kartanegara Regency, on their behalf. The environmental licence/documents are expected to be renewed and adjusted by 1st quarter of 2024. For avoidance of doubt, there is no deadline specified by the Environmental and Forestry Agency of Kutai Kartanegara to complete the renewal and adjustment of the environmental licence/documents of PT MKH and PT SPS.

- (4) PT MKH and PT SPS are currently liaising closely with the local authorities on this matter. In this regard, PT MKH and PT SPS have obtained a letter dated 26 September 2022 issued by the Environmental and Forestry Agency of Kutai Kartanegara Regency, which states that the existing B3 licences of PT MKH and PT SPS remain valid until the environmental documents of PT MKH and PT SPS are adjusted. Based on PT MKH and PT SPS' consultation with the Environmental and Forestry Agency of Kutai Kartanegara Regency, it is interpreted that the existing B3 licences (which have already expired) will be deemed valid until the adjustments to their existing environmental licence are completed. Once the adjustment is complete, the B3 licence will be covered under the Environmental Approval. Please refer to Note (2) above for further details on the Environmental Approval.





Save for item (g), namely verified standard certificate which is expected to be obtained by 3rd quarter of 2023 (as set out in Section 6.10(c)), our Group has the necessary government approvals, authorisations, licences, permits or approvals of any nature whatsoever which are required under any law, decree or regulation to carry on our business and operations, namely IUP-B and IUP-P as disclosed under items (h), (i) and (v) above, and such approvals, authorisations, licences or permits are still valid and the same has not been revoked or threatened to be revoked. Save as disclosed under items (g), (h), (i) and (v) above, our Group is not dependent on any major licences, permits and approvals for our business operations.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP (Cont'd)

6.8 TRADEMARKS







Save as disclosed below, our Company does not own any trademarks as at LPD:

<u>Trademark</u>	<u>Registered owner</u>	<u>Trademark No.</u>	<u>Class/ Description</u>	<u>Status</u>	<u>Place of registration</u>	<u>Validity period</u>
	PT MKH	IDM000450150	29/ Palm kernel oil for food, cooking oil, palm oil for food	Registered	Indonesia	19 April 2022 to 20 June 2032
	PT MKH	IDM000450156	31/ Oil palm trees, plant seeds, fresh fruit bunches or oil palm fruit	Registered	Indonesia	19 April 2022 to 20 June 2032
	PT MKH	IDM000456551	35/ Business administration, office functions, management consulting and corporate organisation, business management	Registered	Indonesia	19 April 2022 to 20 June 2032
	PT MKH	IDM000456549	44/ Oil palm plantation services, nurseries, distribution of fertilizers and agricultural chemicals from the air and on the ground	Registered	Indonesia	19 April 2022 to 20 June 2032

6. INFORMATION ON OUR GROUP (Cont'd)

In addition, our Group has entered into a Trademark Licence Agreement dated 15 November 2021 with MKH ("**Licence Agreement**"), whereby MKH as the licensor and owner of or has the right to use trademarks, has granted the licence to our Group as the licensee of the trademarks, labels and logos and registrations set forth under the Licence Agreement. The licence fee paid to MKH in relation to each Licence Agreement is RM10, and the Licence Agreement shall be valid for as long as agreement is not terminated by the parties.

The trademarks licenced to our Company and PT MKH (for Class 29, 31 & 40) as well as PT SPS (for Class 29 & 31) based on the Licence Agreement are as follows:

No.	Trademark	Trademark no. owned by the licensor	Class	Details	Validity period	Status
(a)		2013062980	29	Edible oils and fats; cooking oils; palm oil for food, palm kernel oil for food; all included in class 29	29 November 2013 to 29 November 2023	Registered
(b)		2013062968				
(c)	MKH	2013062942				
(d)		2013062992	31	Grains and agricultural, horticultural and forestry products not included in other classes; trees; fresh fruits; oil palm trees, oil palm fruits, oil palm seeds; all included in class 31	29 November 2013 to 29 November 2023	Registered
(e)		2013062949				
(f)	MKH	2013062934				
(g)		2013062975	40	Processing of oil; extraction of crude palm oil and palm kernel; refining of crude oil; all included in class 40	29 November 2013 to 29 November 2023	Registered
(h)		2013062972				
(i)	MKH	2013062943				

6. INFORMATION ON OUR GROUP (Cont'd)

As the trademarks licenced will be expiring by November 2023, MKH is in the midst of renewing the said trademarks. The renewed trademarks are expected to be obtained by 4th quarter of 2023. In the event that MKH fails to renew the above trademark registration applications, our Group does not anticipate material adverse impact our business operations as our Group may continue to use the brand name and marks by way of the Licence Agreement. However, MKH's rights for these particular trademarks may not be protected under the Trademarks Act 2019 of Malaysia, and they may not be able to stop the misuse of the trademark or initiate an action against third parties for infringement of the trademark under the Trademarks Act 2019 of Malaysia. Nonetheless, MKH may enforce its rights to these trademarks by taking legal action against third parties under common law such as passing off actions.

Notwithstanding, MKH has not experienced any major difficulties in renewing its trademark registrations in the past and the relevant renewal application has been submitted within the prescribed period prior to its expiry.

As at LPD, we use the same logo as MKH as we have traditionally shared a common corporate identity. However, moving forward, our Company will adopt the same logo in a green colours instead of the trademarked blue colours to distinguish itself as a separate listed entity from the MKH Group. We are currently undergoing plans to trademark our own green logo, and will gradually phase out the use of the current blue MKH logo, which we will continue using in the meantime, in accordance with the Licence Agreement.

For avoidance of doubt, our business and profitability are not materially dependent on any of the trademarks above.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of the material properties owned by our Group as at LPD are set out below:

No.	Registered owner/ Title/ Location	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ (¹)Built-up area	Date of purchase	Encumbrance	Audited	(³)Market
						NBV as at 30 September 2022	value as at 21 December 2022
						RM'000	RM'000
(a)	PT MKH/ HGU No. 8, Puancepak dan Sedulang/ Puancepak and Sedulang Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan Province	Oil palm plantation, office building, CPO mill and estate quarter/ Oil palm plantation/ Leasehold of 35 years expiring on 12 September 2042 (with an unexpired term of lease of 19 years) with an option to renew for a further period of 25 years and generally can be further renewed for another period of 35 years upon fulfilment of conditions	159,425,909 sq m/ 379,473 sq m	21 September 2007	First rank mortgage in favour of OCBC Al-Amin Bank Berhad	245,536	1,097,830
(b)	PT MKH/ HGB No. 6, Sebulu Ilir/ Sebulu District, Kutai Kartanegara Regency, East Kalimantan	Jetty facilities building / Jetty housing/ Leasehold of 20 years expiring on 28 December 2030 (with an unexpired term of lease of 7 years) with an option to renew for a further period of 20 years upon fulfilment of conditions	1,028 sq m/ Nil	30 December 2010	Nil		
(c)	PT MKH/ HGU Certificate No. 6, 7 & 8, Sebulu Ilir/ Sebulu District, Kutai Kartanegara Regency, East Kalimantan	Jetty and ancillary facilities building/ CPO bulking station/ Leasehold of 20 years expiring on 25 January 2031 (with an unexpired term of lease of 8 years) with an option to renew for a further period of 20 years upon fulfilment of conditions	48,450 sq m/ 1,020 sq m	23 February 2011	Nil		

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Title/ Location	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ ⁽¹⁾ Built-up area	⁽²⁾ Date of purchase	Encumbrance	Audited	⁽³⁾ Market
						NBV as at 30 September 2022	value as at 21 December 2022
						RM'000	RM'000
(d)	PT SPS/ HGU Certificate No. 138 & 139, Puancepak/ Puancepak Village, Muara Kaman District, Kutai Kartanegara Regency, East Kalimantan	Oil palm plantation and estate quarter/ Oil palm plantation/ Leasehold of 35 years expiring on 25 April 2045 (with an unexpired term of lease of 22 years) with an option to renew for a further period of 25 years and generally can be further renewed for another period of 35 years upon fulfilment of conditions	24,454,900 sq m/ 10,242 sq m	6 April 2010	Nil	56,331	104,450

Notes:

(1) Refers to only building and estate quarter.

(2) Being the date of the HGB or HGU as applicable.

(3) The properties as listed above have been valued by our Independent Valuer vide its valuation reports dated 20 February 2023. Our Independent Valuer has also inspected the above properties from 18 December 2022 to 21 December 2022, and adopted 21 December 2022 as the material date of valuation for the updated valuation certificates. Please refer to Section 15 for the valuation certificates from our Independent Valuer for the details of the valuation of the above properties.

The properties owned by our Group are not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD. All our properties have obtained all the necessary licences and certificates.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9.2 Properties rented by our Group

The summary of material property rented by our Group as at LPD is set out below:

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Built-up area	Date of certificate of completion and compliance	Period of tenancy/ Rental per annum
(a)	G-02 & G-03, Ground Floor Wisma MKH Jalan Semenyih 43300 Kajang Selangor	Laju Jaya Sdn Bhd/ MKHOP	Office units used as headquarters/ Business premise	510.88 sq m	22 May 1995	1 October 2022 to 30 September 2023 (with an option to renew)/ RM296,954

As at LPD, we have not encountered any difficulty in renewing the tenancy of the abovementioned rented property.

6.9.3 Acquisition of properties

We have not acquired nor entered into any agreements to acquire any properties during FYE 2020 to 2022 and up to LPD.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9.4 Material machinery

Details of our Group's material machinery are as follows:

Cultivation of oil palm

<u>Machinery and equipment</u>	<u>Function</u>	<u>Fully depreciated</u>	<u>With NBV</u>	<u>Average life span⁽¹⁾</u>	<u>Average age</u>	<u>NBV as at 30 September 2022</u>
		<u>units</u>		<u>years</u>	<u>years</u>	<u>RM'000</u>
Powered wheelbarrow	To collect FFB from fields to the collection points	-	98	8	3	5,239
Farm ATV	To collect FFB from fields to the collection points	-	188	8	2	1,973
Utility vehicle	To be used by our employees for general transport	31	56	8	6	2,830
Excavator	To be used for road and drainage maintenance	24	8	8	⁽²⁾ 8	2,994
Backhoe loader	To be used for road and drainage maintenance	4	4	8	5	912
Motor grader	To be used for road and drainage maintenance	4	2	8	⁽²⁾ 8	531
Truck	To transport FFB from the collection points to our palm oil mill	59	6	8	⁽²⁾ 10	526
Compactor	To be used for road maintenance	7	2	8	7	262
Wheel loader	To clear FFB from the loading ramps in our palm oil mill	1	1	8	⁽²⁾ 8	141
Farm UTV	To collect FFB from fields to the collection points	-	13	8	4	142
Forklift	To move objects within our palm oil mill	-	1	8	2	60
Prime mover	To perform heavy duty transport (i.e. transport of other vehicles such as compactors)	1	-	8	⁽²⁾ 11	-
						Total
						15,610

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Average lifespan of the machinery and equipment for cultivation of oil palm is computed based on the average lifespan of 8 years, which is consistent with the computation of depreciation for equipment adopted by our Group's accounting policy.
- (2) These machinery and equipment are still fit for use although their average age has exceeded the average life span and/or are fully depreciated as we continuously conduct inspection and maintenance of our machinery and equipment, and replace the parts and components to extend their lifespans. Our policy is to use our machinery and equipment for at least the duration of their estimated useful life. We will continue to utilise these fully depreciated machinery and equipment for our cultivation of oil palm as the conditions of these machinery and equipment remained intact. Thereafter, we would consider the ongoing cost of maintenance and repair relative to the costs and benefits of replacing these machinery and equipment.

Palm oil milling

<u>Machinery and equipment</u>	<u>Function</u>	<u>Fully depreciated</u>	<u>With NBV</u>	<u>Average lifespan</u>	<u>Average age</u>	<u>NBV as at 30 September 2022</u>
		<u>units</u>		<u>years</u>	<u>years</u>	<u>RM'000</u>
FFB reception	To weigh trucks prior to and after unloading FFB					
FFB sterilisation	To sterilise FFB and weaken the stalk of FFB					
FFB threshing	To separate fruitlets from bunches					
Pressing and oil extraction	To mash fruitlets and press out oil and waste water from mashed fruitlets					
Oil clarification	To separate oil from waste water and dirts, and to clarify oil prior to storage					
PK recovery	To recover palm nuts from mesocarp fibre, and thereafter polish, dry and crack the palm nuts to recover PK	-	153	15 to 20	⁽¹⁾ 8 to 10	27,673
EFB pressing	To extract EFB liquor					
Steam and electricity generation	To produce steam for sterilisation process and pressing and oil extract process as well as to channel into turbines for electricity generation					
POME treatment	To treat POME prior to discharging for land application and selling the residue (i.e. sludge oil) to external customers					

6. INFORMATION ON OUR GROUP (Cont'd)

Note:

- (1) None of our key machinery and equipment have exceeded the average useful lifespan. Our machinery and equipment that were installed during the initial setup of our palm oil mill have an average age of 10 years whereas the newly-added machinery and equipment have an average age of 8 years.

The placement of the machinery and equipment in our palm oil mill were designed and installed as a whole for our palm oil milling activities, namely the production of CPO and extraction of PK as disclosed in Section 7.4.2. We have purchased new production and extraction equipment subsequent to the initial setup of our palm oil mill and we continuously conduct inspection and maintenance of our machinery and equipment in each processing station for our palm oil milling activities and undertake certain repair works and replacement of parts and components to extend their lifespans. The disposal policy for our key machinery and equipment typically takes into consideration the following:

- (a) estimated useful life of the machinery and equipment;
- (b) cost of maintenance and repair; and
- (c) cost and benefits of replacement.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP (Cont'd)**6.9.5 Material capital expenditures and divestitures****(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2020 to 2022 and up to LPD:

	At cost			1 October 2022 up to LPD
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	RM'000
Capital expenditures				
Buildings	-	-	3	-
Motor vehicles	-	127	⁽¹⁾ 1,599	⁽²⁾ 757
Plant and machinery ⁽³⁾	4,220	3,546	8,702	3,804
Furniture, fittings and office equipment	333	499	⁽⁴⁾ 1,865	397
Bearer plants	-	-	-	-
Plantation infrastructure	-	39	-	-
Under construction ⁽⁵⁾	4,853	5,871	3,943	1,511
	9,406	10,082	16,112	6,469

Notes:

- (1) Relates to purchase of 25 units of motor vehicles for usage in our plantation estates, of which 10 units of motor vehicles were for replacement purpose and 15 units of motorcycles were purchased for our estate workers.
- (2) Relates to purchase of 3 units of dump truck for usage in our plantations estates and 1 unit of passenger vehicle for usage at our headquarter in Kajang, Malaysia.
- (3) Relates mainly to the purchase of the following plant and machinery:
- (i) farm ATVs, powered wheelbarrows, backhoe loader, hydraulic lifting arms, forklift, compactor, trucks, excavators, trailers for our oil palm cultivation and harvesting activities;
 - (ii) FFB cages, EFB press, conveyors, decanter, generation set, super heater for our palm oil milling activities; and
 - (iii) hydraulic pump for our jetty operations.

We increased investment in plant and machinery for FYE 2022 as we needed more mechanical assistance to enhance productivity especially during periods of heavy weather, which impedes the productivity of our workers.

- (4) Relates to purchase of computer and office equipment and renovation cost incurred for setting up the new office units currently being used as our headquarters in Kajang, Malaysia.
- (5) Relates to mainly bearer plants planting costs and capital work-in-progress. Our capital work-in-progress comprised expenditures on building, plant and machinery and facilities which are under construction, of which will be reclassified to the respective asset categories when the said assets are ready for use.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Material capital divestitures

We do not have any material capital divestitures for FYE 2020 to 2022 and up to LPD.

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1 and the material capital commitment as set out in Section 12.7, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.6 Material plans to construct, expand or improve our facilities

Save for the proposed utilisation of proceeds from our IPO to finance the capital expenditure as set out in Section 4.9.1, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

Our oil palm plantation business in Indonesia is governed by various number of prevailing laws, regulations, and decree, which the following are material to our operations. They relate essentially to: requisite licenses, land titles, certificates, approvals and confirmations to be obtained (items (a) to (g), (i), (k), (n), (o) and (r)), as well as the requisite compliance of laws and regulations on manpower, health, social responsibility, intellectual property, and taxation (items (h), (j), (l), (m), (p) and (q)). In this respect, our Group does not have any non-compliances with regards to such laws and regulations.

(a) Law No. 39 of 2014 on Plantation as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("Plantation Law")

The Plantation Law aims to improve and strengthen the national plantation industry and, at the same time, protect the customary societies, empower local farmers, and realise the environment-friendly plantation businesses. The Plantation Law provides that a plantation business can be conducted in Indonesia either by farmers (*pekebun*) (an Indonesian citizen farmer that operates a plantation business within a specific scale set by the Minister of Agriculture), or companies (a plantation company that is owned by Indonesian citizen or legal entity established under Indonesian laws and domiciled in Indonesia that operates plantation businesses within a specific scale set by the Minister of Agriculture). In addition, the Plantation Law also regulates other important issues such as plantation industry's master plan, types of plantation business, land use, licensing, investment in the plantation industry, protection and development of seeds, protection and empowerment of customary societies and local farmers, environmental protection, and commodity prices.

The Plantation Law stipulates that any person who unauthorizedly (i) cultivates, uses, occupies, and/or possesses any plantation area, (ii) cultivates, uses, occupies, and/or possesses land of the communities or *Hak Ulayat* of the indigenous people with the aim for plantation business, (iii) cuts plants within the plantation area, and/or (iv) harvest and/or collects plantation product, is subject to imprisonment of at most 4 years or a fine of at most Rp4,000,000,000. Also, any plantation business undertakings who clear and/or cultivates the plantation by using fire, is subject to imprisonment of at most 10 years or a fine of at most Rp10,000,000,000. Where the above criminal offenses are perpetrated by an official upon instruction or a person that is authorized to be in charge of the plantation area ex officio, such an official shall be sentenced to the sentence under the Plantation Law increased by $\frac{1}{3}$.

PT MKH and PT SPS have obtained the required plantation business licence as the basis to carry out their business activities in palm oil plantation.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Law No. 5 of 1960 ("Agrarian Law")

Under the Agrarian Law, Republic of Indonesia holds the ultimate title for land in Indonesia, and the highest title for land ownership right (*Hak Milik* ("HM")) made available only for Indonesian citizens. In order to establish a plantation business, a company must obtain the relevant rights over a land. The land titles that are most relevant, in the case of a plantation business, are HGU, HGB and Land Use Right (*Hak Pakai* or "HP"). However, if the land is part of the development of an Indonesian company's plantation (this includes a Foreign Investment Company (*perusahaan penanaman modal asing*)), only the HGU title may be used for such purpose.

Subject to the fulfillment of relevant obligations and operations of a plantation in accordance with the prevailing regulations, the HGU is usually granted for a maximum period of 35 years and can be extended for an additional maximum period of 25 years. A holder of the HGU can also renew the HGU title for a subsequent period of 35 years after the term of the extension expires.

The basic provisions concerning land in Indonesia are regulated under the Agrarian Law. However, the land rights in Indonesia are further regulated under Government Regulation No. 18 of 2021 concerning Management Rights, Land Rights, Flat Units and Land Registration, along with a number of new provisions governing various land rights and land registration procedures.

In addition, land rights are also stipulated under the Ministry of Agrarian Affairs and Spatial Planning / Head of National Land Agency No. 18 of 2021 on Procedures for Determining Right to Manage and Land Rights ("**MOA Regulation No. 18/2021**"). MOA Regulation No. 18/2021 was issued on 29 April 2021. It generally provides the procedures for applying and granting land rights (*hak atas tanah*), including Rights to Cultivate (*Hak Guna Usaha*). Rights to cultivate are granted for agricultural (including plantation), animal husbandry and fishery/fishpond business activities.

PT MKH and PT SPS have obtained the relevant land titles in the form of HGU and HGB.

(c) Law No. 3 of 2014 on Industrial Affairs as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("Industrial Law")

Industrial sector in Indonesia is generally stipulated under the Industrial Law. As an implementing regulation, the Government has issued Government Regulation No. 28 of 2021 on the Industrial Sector that was issued and came into force on 2 February 2021 ("**GR 28/2021**"). Overall, the following key areas are addressed by GR 28/2021: (a) supervision of industrial undertakings and industrial estate operators; (b) access to and utilisation of raw materials; (c) application of the Indonesian National Standards (SNI), technical specifications and procedural guidelines; and (d) strategic industries.

Failure to comply with the requirement for industrial business undertakings under GR 28/2021 may lead to administrative sanction in the form of (i) written warning, (ii) administrative fines, (iii) temporary closing of business, (iv) suspension of business licence, and/or (v) revocation of business licence.

In relation to the licence in the industrial sector, PT MKH is currently in the process of obtaining the verified standard certificate as required under the current licensing regime. As a part of the process, the mandatory technical verification, a new requirement under the OSS-RBA which came into effect on 2 February 2021, has been carried out on 5 January 2023, following the Company's application for the verification of the standard certificate since 2022. Based on the assessment by the verification team from the Directorate General of Agro-Industry of the Ministry of Industry, PT MKH has fulfilled all of the requirements in the industrial sector and is ready to commence the production activities. As a follow-up, PT MKH has uploaded these documents to the OSS-RBA to obtain a verified standard certificate and it is expected to be obtained by 3rd quarter of 2023.

6. INFORMATION ON OUR GROUP (Cont'd)

PT MKH was informed by the Ministry of Industry that SIINas system (Ministry of Industry's online system) that should be used for the application of technical verification of the Standard Certificate is still under integration process with the OSS-RBA and thus, it still cannot be used at this point of time. There is no penalty or sanction stipulated under GR 28/2021 pertaining to the aforementioned issue. To date, PT MKH has never received any notice of non-compliance, warning letters or sanctions in relation to this issue.

(d) Law No. 32 of 2009 on Environmental Protection and Management as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("Environmental Law")

Environmental protection in Indonesia is governed by various laws, regulations, and decrees, including the Environmental Law and its implementing regulations, which, among others, are GR No. 22/2021 and Minister of Environment and Forestry Regulation No. 4 of 2021 ("**Regulation No. 4/2021**"). In conjunction with GR No. 22/2021, the Environmental Law stipulates that all business sectors that are required to obtain an AMDAL or UKL/UPL as a pre-requisite for companies to obtain their business licensing (*perizinan berusaha*). These regulations introduce the term Environment Approval (*Persetujuan Lingkungan*) to distinguish it from the previous environmental licensing regime. The Environment Approval is integrated with the business licensing so business undertakings are now no longer required to obtain a standalone Environment Licence. As consequence to the integration of Environment Approval with business licensing, administrative sanction under GR No. 22/2021 will be imposed directly on the company's business licensing, leading to suspension or cessation of the company's business activities as a whole and fines.

Under Regulation No. 4/2021, crude oil palm plantations (KBLI 10431) with an aggregate land area 10.0 Ha or more require an AMDAL, and if the aggregate land area is between 1.0 Ha to 10.0 Ha, UKL/UPL will be needed. If such company owns crude palm oil processing that is integrated with the oil palm plantation (KBLI 10431), an AMDAL will be required as well.

PT MKH and PT SPS are in the midst of applying for the Environmental Approval. For further details on this matter, please refer to our notes in Section 6.7.

(e) Minister of Environment and Forestry Regulation No. 5 of 2021 on Procedure for Issuing Technical Approval and Operational Feasibility Letter in the Field of Environmental Pollution Control ("Regulation No. 5/2021")

In order to carry out the mandate regulated in GR No. 22/2021, the Minister of Environment and Forestry has issued Regulation No. 5/2021, which outlines the various requirements and procedures for the issuance of technical approvals and operational feasibility letter ("**SLO**") for the following activities:

- (i) Wastewater disposal and/or utilisation, which encompass the following:
 - (aa) disposal of wastewater into surface water bodies, certain formations or seas; and
 - (bb) utilisation of wastewater within certain formations or for applications to soil; and

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) Releases of emissions

The securing of technical approvals and SLO are mandatory in relation to the implementation of the abovementioned activities by any businesses and/or through activities for which the following documents are required:

- (aa) Environmental Impact Analyses (Analisis Mengenai Dampak Lingkungan – “**AMDAL**”); or
- (bb) Environmental Management Efforts and Environmental Monitoring Efforts (Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup – “**UKL-UPL**”).

It is important to note that based on Environmental Law, any person who intentionally commits a violation (wrongdoing) that causes the excess of the ambient limit of the standard of air quality, water quality, seawater quality, or the standard criteria of environmental damage, shall be punished with imprisonment of minimum 3 years and maximum 10 years and a fine of at least Rp3,000,000,000 at most Rp10,000,000,000. In case the violation as cited above (i) causes injury and/or hazard to human health, the person shall be punished with imprisonment for a minimum of 4 years and a maximum of 12 years and a fine of at least Rp4,000,000,000 and at most Rp12,000,000,000, or (ii) causes serious injury and/or death, the person shall be punished with imprisonment for a minimum of 5 years and a maximum of 15 years and a fine of at least Rp5,000,000,000 and at most Rp15,000,000,000.

PT MKH and PT SPS are in the midst of applying for the Environmental Approval. For further details on this matter, please refer to our notes in Section 6.7.

(f) Minister of Agrarian/Head of National Land Agency Regulation No. 13 of 2021 on the Implementation of the Accordance of Space Utilisation Activities and the Synchronization of Space Utilisation Programs (“Regulation No. 13/2021”)

This regulation aims to implement the provisions of Article 146 paragraph (1) Government Regulation Number 21 of 2021 concerning Spatial Planning (“**GR No. 21 of 2021**”). Basically, Regulation No. 13/2021 stipulates the details of the processes involved in the issuance of Accordance of Space Utilisation Activities (Konfirmasi Kesesuaian Kegiatan Pemanfaatan Ruang or “**KKPR**”) for business activities, KKPR for non-business activities, and KKPR for national strategic activities, as well as the implementation of the Synchronization of Space Utilisation Programs (Sinkronisasi Program Pemanfaatan Ruang or “**SPPR**”). KKPR will be conducted through OSS-RBA.

Failure to obtain the relevant KKPR, the business undertakings may not be able obtain the required business licensing allowing it to engage in its business activities.

PT MKH and PT SPS have obtained this KKPR and complied with the requirements.

(g) Law No. 25 of 2007 on Investment, as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation (“Investment Law”)

The Investment Law is aimed to promote domestic and foreign investment in Indonesia by granting several incentives to the investors, including but not limited to provisions of tax and financial incentives, immigration facilities for foreign workers and assistance in the licensing for imports. Furthermore, the Investment Law provides that all business sectors are open for foreign investment, except for the business sector that is determined as closed for foreign investors, or the business sector that is reserved to the Government of Republic Indonesia.

6. INFORMATION ON OUR GROUP (Cont'd)

In this regard, the President of the Republic of Indonesia has issued the Government Regulation No. 5 of 2021 regarding The Organization of Risk-Based Business Licensing ("GR No. 5/2021") and Presidential Regulation No. 10 of 2021 on Investment Business Fields, as amended by Presidential Regulation No. 49 of 2021 ("PR No. 10/2021"). PR No. 10/2021 is issued with the objective to further enhance investment activities in Indonesia and enhance the competitiveness of the national economy in the face of the ASEAN Economic Community and the dynamics of economic globalisation, while enhancing the protection of various strategic sectors of the national companies and the micro, small and medium enterprises, and cooperatives ("UMKMK"), as well as enhancing the collaboration between foreign investors and UMKMK.

PR No. 10/2021 stipulates that generally, every business field is open for foreign investment, except for the business field that is determined as closed for foreign investment, or the business field that is reserved for the government of Republic Indonesia. Since the agricultural business is not included under GR No. 5/2021 and PR No. 10/2021 does and their annexes, under the new regime, palm oil plantation sector is 100% open for foreign investment, provided that the foreign investor fulfils all the obligations set out under GR No. 5/2021 and PR No. 10/2021.

After the enactment of GR No. 5/2021, every business in Indonesia will be carried out based on their risks through the OSS-RBA, a system operated by OSS under the Indonesian Investment Coordinating Board/Ministry of Investment (*Badan Koordinasi Penanaman Modal/Kementerian Investasi* or "BKPM").

PT MKH and PT SPS have obtained the licences issued by the OSS-RBA, save for the verified standard certificate. For further details on this matter, please refer to Section 6.7.

(h) Law No. 13 of 2003 on Manpower as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("Manpower Law")

Generally, Indonesian employment law is governed by Manpower Law. The government has issued government regulations to implement the Manpower Law, namely:

- Government Regulation No. 35 of 2021, dated 2 February 2021, regarding Fixed-Term Employment Contracts, Outsourcing, Work and Rest Time, and Termination of the Work Relationship; and
- Government Regulation No. 36 of 2021, dated 2 February 2021, regarding Salary.

The two other main laws and regulations are:

- Law No. 2/2004, dated 14 January 2004, regarding industrial relations dispute settlement; and
- Law No. 21/2000, dated 4 August 2000, regarding labor unions.

In addition to the above laws, employers and employees are also subject to company regulations (or work rules) or a collective labor agreement (CLA), if applicable, as well as the express provisions of the employment agreement between the employer and the employee. There is also prohibition to perform child labor (child means every person who is under the age of 18). Any employer who performs child labor is subject to a criminal sanction in for of imprisonment for a minimum of 2 years and a maximum of 5 years and/or a fine of a minimum of Rp200,000,000 and a maximum of Rp500,000,000.

6. INFORMATION ON OUR GROUP (Cont'd)

PT MKH and PT SPS have complied with the Manpower Law provisions, including but not limited to the minimum wage requirements, social security requirements, and reporting requirements.

(i) Minister of Agriculture Regulation No. 98/PERMENTAN/OT.140/ 9/2013 as amended by Minister of Agriculture Regulations No. 29/PERMENTAN/KB.410/5/2016 Tahun 2016 and No. 21/Permentan/KB.410/6/2017 on Guidelines for Plantation Permits ("Regulation No. 98/2013")

Regulation No. 98/2013 aims to improve the regulatory framework for plantation business licensing governed by the previous Minister of Agriculture Regulation No. 26/Permentan/OT.140/2007. Regulation No. 98/2013 contains the guidelines for the licensing of plantation business, plasma programme, and limitation of an overall cap of 100,000 Ha on the aggregate area of palm plantation concessions within Indonesia that may be vested in a single company or in a group.

Under Regulation No. 98/2013, there are 3 types of plantation businesses; i.e. cultivation business, crops/product processing business and plantation services business. A plantation company which has obtained a plantation business permit must submit an annual report regarding its business development, at least, once a year to the issuer of plantation business licence and the Minister of Agriculture. Failure to comply with such reporting obligation, the Indonesian government may impose administrative sanctions in the form of warning letters up to the revocation of the Plantation Business Licence.

PT MKH and PT SPS have obtained the required plantation business licence. For further details on this matter, please refer to Section 6.7.

(j) Minister of Agriculture Regulation No. 18 Year 2021 on Plantation Development Facilitation for Surrounding Community ("MOA Regulation 18/2021")

Any plantation companies which have obtained Plantation Business Licence of Cultivation, Plantation Business Licence of Processing and Plantation Business Licence of Cultivation and Processing ("**Integrated IUP**") are subject to several obligations, among other things:

- (i) facilitating the development of community plantation along with the construction of company's plantation; and
- (ii) having a partnership with farmers, employees, and community.

The Plantation Development Facilitation for Surrounding Community 's obligation may be carried out through the following schemes:

- (a) credit scheme;
- (b) profit sharing scheme;
- (c) other financing scheme as agreed by the parties; and/or
- (d) other partnership schemes.

6. INFORMATION ON OUR GROUP (Cont'd)

Failure to comply with above obligation, the Indonesian government may impose administrative sanctions in the form of warning letters up to the revocation of the Integrated IUP.

PT MKH and PT SPS have complied with these requirements. For further details on this matter, please refer to Section 6.5.

(k) Regulation of the President of The Republic of Indonesia No. 44 of 2020 on Indonesian Sustainable Palm-Oil Certification System

Pursuant to Regulation No. 44/2020, Indonesian Sustainable Palm Oil Certification System ("**ISPO Certification**") is a palm plantation business system that is economically, socially, and environmentally feasible, based on the Indonesian applicable laws and regulations. ISPO Certification is regulated to ensure that the palm plantation companies and palm plantation business consistently complies with the ISPO Certification's principles and criteria, in order to produce palm oil sustainably. The implementation of ISPO can be mandatory or voluntary, depending on the nature of each palm plantation company or business. ISPO Certificate is issued upon engagement from a certification institution (lembaga sertifikasi) to conduct the certification assessment based on ISPO Certification's principles and criteria. A certification institution (lembaga sertifikasi) is an independent institution that has obtained the recognition from the ISPO Commission and has been accredited by the National Accreditation Committee (Komite Akreditasi Nasional) for quality management system and environmental management system. In the event of an absence of an ISPO Certificate, the Indonesian government may impose administrative sanctions in the form of warning letters up to the revocation of Plantation Business Permit (Izin Usaha Perkebunan).

PT MKH and PT SPS have obtained the ISPO certificate respectively.

(l) Law No. 36 of 2009 on Health as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("Health Law")

The Health Law stipulates that every individual is entitled to a healthy environment for good health. The issuance of the Health Law is aimed at increasing everyone's awareness, willingness, and ability to lead a healthy life, which will result in productive human resources, socially and economically. The Indonesian government is responsible to plan, regulate, perform, develop, and supervise the implementation of distributed and affordable health measures through public services. The Indonesian government and the public are also required to guarantee the availability of healthy environment, which includes housing, working place, recreational area and public facilities. The Health Law stipulates that healthy environment shall be free from, among others, liquid wastes, dangerous chemical substances, and polluted water. Business entities are required to guarantee the health of their employees by way of prevention, improvement, medication, recovery measures as well as bearing their employees' health care costs in accordance with the laws and regulations.

PT MKH and PT SPS have complied with the Health Law requirements and have applied a healthy environment within PT MKH and PT SPS' area.

6. INFORMATION ON OUR GROUP (Cont'd)

(m) Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility ("GR No. 47/2012")

GR No. 47/2012 was enforced in order to impose a mandatory CSR regime for "natural resource-based" and "natural resource-related" companies as mandated by Article 74 of the Company Law. Under GR No. 47/2012, a company's director is responsible to implement the company's CSR activities and required to prepare an annual CSR operation plan, including an annual CSR budget plan. Such annual operation and budget plans must be prepared based on the "appropriateness and reasonableness" described as the financial capacity of the company having regard to the risks that give rise to the social and environmental responsibilities that must be borne by the company, subject to the obligations of the company as set out in the legislation governing the company's business operations. Therefore, the higher the company's profit and the greater the impact of its operation to the environment, the more resources the company must allocate for its CSR activities.

PT MKH and PT SPS are in compliance with the requirements under GR No. 47/2012. Please refer to Section 6.11 for the CSR activities carried out by PT MKH and PT SPS.

(n) Government Regulation No. 20 of 2021 on The Control over Abandoned Areas and Lands ("GR No. 20/2021")

Pursuant to GR No. 20/2021, a person or legal entity which owns or possesses any kind of land rights (HM, HGU, HGB, HP or Right to Manage (Hak Pengelolaan)) must use their land according to their respective purposes in accordance with the social function of the land. The landowner must also report the utilisation of their land from time to time. The Head of Agency (the government or local authority that issued the licence/concession/business licensing) will conduct evaluation of abandoned area to ensure that the landowner utilise their land. In the event that the evaluation result shows that the land is abandoned or not utilized, the Head of Agency convey a written warning to the landowner. If after the third warning letter the land is still not utilised, the Head of the Agency stipulate such land as an abandoned land, followed by the revocation of the landowner's business licensing and/or the land will become an area that is controlled directly by the state (dikuasai langsung oleh negara).

PT MKH and PT SPS has respectively obtained the relevant land titles in the form of HGB and HGU, and thus, PT MKH and PT SPS have controlled over abandoned areas.

(o) Regulation of the Minister for Agrarian and Spatial Affairs/Head of National Land Agency No. 21 of 2020 on The Handling and Settlement of Land Dispute ("Regulation No. 21/2020")

Regulation No. 21/2020 provides provisions regarding all land-related cases, conflict, dispute settlements, supervision and management and legal aid and protection. In general, in order to handle and resolve land disputes and conflicts, as well as cases related to land, the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency will receive any complaints originating from the following parties: (i) Individuals or community members; (ii) Community groups; (iii) Legal entity; (iv) Government agencies; and (v) Ministry technical units, regional offices of the National Land Agency and land offices. The settlement of the dispute can also be conducted through mediation and through traditional institution (lembaga adat) based on local culture (kearifan lokal).

PT MKH and PT SPS has respectively obtained the relevant land titles in the form of HGB and HGU and does not have any dispute related to the land.

6. INFORMATION ON OUR GROUP (*Cont'd*)

(p) Intellectual Property Rights Laws and Regulations

The types and regulation of Intellectual Property Rights in Indonesia are Copyright by Law No. 28 of 2014, Patent by Law No. 13 of 2016 as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation, Trademarks and Geographical Indications by Law No. 20 of 2016, Industrial Design by Law No. 31 of 2000 as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation, Integrated Circuit Layout Design by Law No. 32 of 2000, Trade Secrets by Law No. 30 of 2000, and Plant Variety Protection by Law No. 29 of 2000 as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation.

PT MKH and PT SPS have entered into licence agreement on the trademarks with our Company and have complied with the Intellectual Property Rights Laws and Regulations.

(q) Taxation Laws and Regulations

According to Law No. 6 of 1983 concerning General Provisions and Tax Procedures as lastly amended by Law No. 16 of 2009 concerning the Fourth Amendment to Law No. 6 of 1983 and DGT Regulation No. PER-20/PJ/2013 concerning Procedures for Registration and Licensing of Taxpayer Identification Number, Reporting of Business and Confirmation of Taxable Entrepreneur, Elimination of Taxpayer Identification Number, and Revocation of Confirmation of Taxable Entrepreneur, and Change of Data and Transfer of Taxpayer, every taxpayer which has fulfilled the subjective and objective requirements according to taxation laws and regulation, shall register to the relevant Tax Service Office whose working area covers the domicile and project location of the taxpayer.

Whoever deliberately fails to apply to be given a taxpayer registration number which may cause losses to the state's revenue shall be punished by imprisonment for a minimum of 6 months and maximum of 6 years and by fine for a minimum of 2 times the amount of unpaid or underpaid tax and maximum of 4 times the amount of unpaid or underpaid tax.

PT MKH and PT SPS have respectively obtained a taxpayer registration number and comply with the taxation laws and regulations.

(r) Own Interest Terminal Laws and Regulations

Own Interest Terminal (Terminal Untuk Kepentingan Sendiri, "TUKS") is regulated under Regulation of the Minister of Transportation No. PM 52 of 2021 on Special Terminals and Private (Own Interest) Terminals. Business entities may construct and operate own interest terminals in order to support certain activities within the relevant ports' work authority areas (*daerah lingkungan kerja* – "DLKr") and interest authority areas (*daerah lingkungan kepentingan* – "DLKp").

In terms of the management of TUKS, Regulation 20/2017 required said management to be carried out based on cooperation with port operators and upon the securing of approvals from the Director-General or from the relevant governors or regents/mayors, depending on the locations of terminals. Said approvals were granted for ten-year periods and could be extended upon the fulfilment of certain requirements.

PT MKH currently operates a TUKS to support its main business activity and has obtained the required license to operate a TUKS.

6. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, PT MKH and PT SPS are in the midst of applying for the Environmental Approval which covers the B3 licence under the new regulatory regime in the form of Technical Details for B3 (as stated in items (d) and (e) above) and PT MKH is in the midst of obtaining the verified standard certificate (as stated in item (c) above). Please refer to Section 6.7 for further details on the Environmental Approval and verified standard certificate including the status and processes of application. As at LPD, our Group is in compliance with the governing laws, regulations, rules or requirements relating to our business.

6.11 ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES

Our Group is committed to act responsibly in its business operations, including to its business stakeholders, its employees and the local community around its plantation estates. As an oil palm plantation group, our Group is exposed to risks related to environmental, health and safety issues in the oil palm industry in Indonesia, hence our Group implements sustainability practices across all facets of its businesses. With this in place, our environment, social and governance practices strives to be in-line with the Sustainability Reporting Guide issued by Bursa Securities, which seeks to help Main Market and ACE Market listed companies to embed sustainability in their operations. Moving forward, our Group shall endeavour towards ensuring that our environment, social and governance practices are disclosed to our various stakeholders in a detailed manner (including disclosures on our Group's management of material sustainability matters) via the preparation of Sustainability Statements in line with Bursa Securities' Sustainability Reporting Guide, of which our Group will appoint a sustainability consultant by 3rd quarter of 2023 to evaluate and recommend to our Board the sustainability practices for our adoption. Our Group's operations are guided by the following practices, principles, policies and processes to ensure the sustainability of its business:

6.11.1 Environmental practices

Our Group is committed to preserve a healthy ecosystem at its plantation estates via good estate management/plantation practices, including:

- (a) adoption of zero-burning policy during land clearing and putting up various signboards on environment preservation and wildlife protection as a constant reminder to our Group's plantation workers as they carry out their daily duties;
- (b) installation of an integrated drainage system across our Group's plantation estates as part of its water management practices as well as to maintain the moisture level of soil to promote growth of oil palm trees;
- (c) reduction of the application of agrochemicals through the use of natural alternatives such as planting of beneficial plants to combat pests, as well as introduction of barn owls for pest control in our Group's plantation estates;
- (d) treatment of POME which are accumulated from palm oil milling process and used for land application in our Group's plantation estates;
- (e) generation of electricity for domestic consumption in certain parts of our Group's plantation estates by using by-products produced during palm oil milling, i.e. PK shell and mesocarp fibre as fuel for the boiler to generate steam for the electricity turbine;
- (f) reuse of by-products from our Group's palm oil milling process, i.e. EFB and decanter cake, as fertilisers for its plantation estates;
- (g) reduce the usage of plastic and shrink wrap, as well as recycle of dry waste such as plastic, shrink wrap and cartons by selling them to recycling companies for alternative uses; and

6. INFORMATION ON OUR GROUP (Cont'd)

- (h) adoption of no child labour and no discrimination policies where our Group commits to protect children's and workers' welfare.

As at LPD, our Group has not experienced any environmental issues at our plantation estates.

6.11.2 Health, safety and social

Our Group places strong emphasis on ensuring the well-being of its workers. Our Group has established a Safety and Health Committee to develop in-house occupational health and safety rules, review the policies and ensure that all employees are in a safe working environment. Initiatives undertaken by our Group to ensure the health, safety and well-being of its employees include:

- (a) building and provision of infrastructure and facilities such as ATMs, mini market, staff quarters, recreational facilities and prayer facilities to improve the livelihood and living convenience of our Group's workers and the local community;
- (b) availability of a 24-hour clinic with medical personnel on duty and essential medical equipment to address the medical needs of the community;
- (c) implementation of health programme and regular fogging to prevent dengue;
- (d) equipping our Group's workers with the necessary safety and protection equipment for work, such as face masks, rubber boots and gloves;
- (e) regular cleaning activities to ensure the cleanliness and hygiene of workplace and living quarters; and
- (f) imposition of infection control measures during the COVID-19 pandemic, to protect our Group's employees against potential COVID-19 infection.

Further, our Group has also received several appreciations/awards in recognition of its emphasis on the health, safety and well-being of its employees, as follows:

Year	Appreciation / award	Awarding body
2020	Appreciation on the implementation of prevention and control programme on HIV and AIDs at workplace (Gold standard)	Governor of East Kalimantan
2021	Appreciation on the implementation of prevention and control programme on HIV and AIDs at workplace (Platinum standard)	Governor of East Kalimantan
2021	Appreciation on the prevention of COVID-19 at workplace (Gold standard)	Governor of East Kalimantan
2022	Appreciation on the prevention of COVID-19 at workplace (Platinum standard)	Ministry of Manpower of the Republic of Indonesia

6. INFORMATION ON OUR GROUP (Cont'd)

As an oil palm group in Indonesia, our Group is obligated to participate in the Plasma Programme initiated by the Government of Indonesia to facilitate the development of community plantation and to establish cooperation between plantation companies and community members in the village to improve the wellbeing of underprivileged communities and reduce socio-economic disparities.

As part of our Group's CSR initiatives, our Group has also established a pre-school, a primary school and junior secondary school (from Grade 7 to Grade 9) to provide education to the children of our estate workers. Further, as our Group is concerned with community needs and the front-liners since the COVID-19 pandemic outbreak, our Group donated more than 100,000 pieces of face masks to the Provincial Government of Kutai Kartanegara and communities near our plantation estates. Our Group also donated oxygen regulators to Kutai Kartanegara Health Office (Dinas Kesehatan Kutai Kartanegara) for the welfare of the patients.

Additionally, our Group organised blood donation drives to encourage blood donation and conducted fogging activities at the surrounding community and staff quarters to prevent dengue.

6.11.3 Governance

Our Group recognises the importance of promoting good corporate governance to ensure long term sustainability, growth and delivering value. As such, our Group is committed to uphold the highest standards of corporate governance and ethical conduct in accordance with the principles and practices of corporate governance as set out in the MCCG.

PT MKH obtained its ISPO certification since 4 April 2017 while PT SPS obtained the ISPO certification (with a 5-year certification) from PT Global Inspeksi Sertifikasi, an accredited certification body of ISPO on 27 July 2022. Our Group has met the criteria under the ISPO certification including but not limited to environmental management and monitoring, social and community responsibility, sustainable business development as well as the technical guidelines for oil palm cultivation and processing where our Group conform to good agricultural practices.

6.12 EMPLOYEES

The breakdown of our employees as at 30 September 2022 and LPD are as follows:

Department/ Business function	Permanent		Contractual		Total
	Local ⁽¹⁾	Foreign ⁽²⁾	Local ⁽¹⁾	Foreign ⁽²⁾	
As at 30 September 2022					
Director	-	4	-	-	4
Key senior management	-	4	-	-	4
Administrative, finance and information technology	92	7	4	-	103
Field audit/R&D	19	-	1	-	20
General workers ⁽³⁾	1,367	2	180	-	1,549
Harvesters	1,094	-	344	-	1,438
Support ⁽⁴⁾	768	1	28	-	797
Palm oil milling	152	1	3	-	156
Jetty	14	-	-	-	14
Purchasing	10	1	-	-	11
Logistics	25	-	2	-	27
Total	3,541	20	562	-	4,123

6. INFORMATION ON OUR GROUP (Cont'd)

Department/ Business function	Permanent		Contractual		Total
	Local ⁽¹⁾	Foreign ⁽²⁾	Local ⁽¹⁾	Foreign ⁽²⁾	
As at LPD					
Director	-	4	-	-	4
Key senior management	-	4	-	-	4
Administrative, finance and IT	89	7	1	-	97
Field audit/R&D	19	-	1	-	20
General workers ⁽³⁾	1,498	2	163	-	1,663
Harvesters	1,192	-	215	-	1,407
Support ⁽⁴⁾	748	2	23	-	773
Palm oil milling	151	1	3	-	155
Jetty	14	-	-	-	14
Purchasing	10	1	-	-	11
Logistics	23	-	2	-	25
	3,744	21	408	-	4,173

Notes:

- (1) Refers to Indonesian employees.
- (2) Refers to non-Indonesian employees i.e. Malaysian employees.
- (3) Comprises general workers that carry out planting, chemical spraying, application of fertilisers, general maintenance and other labour works.
- (4) Comprises support personnel in human resources and general affairs; healthy, safety and environment; ISPO compliance; geographic information system; land business development and quality management system.

As at LPD, our Group has a total workforce of 4,173 employees of which 3,765 are permanent employees and 408 are contractual employees. None of our employees are member of any union nor have there been any major industrial disputes in the past.

For information purposes, our Group had on 31 March 2023 terminated the management services agreement entered into with MKH Resources for the provision of internal audit, human resources and administration and IT to our Group.

In this respect, Chen Wei Chyong, our Executive Director, was appointed to oversee our Group's IT, human resource and administration functions, which were set up in April 2023, where she is supported by 55 personnel, of which 5 are local employees and 50 are Indonesian employees, with respective functional expertise. Moving forward, our Group intends to set up an internal audit function to plan and execute the annual audit plans, subject to review and evaluation of our Audit and Risk Management Committee, as well as to provide assurance that our business and operations are carried out in accordance with our Group's relevant policies and procedures. We expect to recruit an internal audit manager which possess knowledge in internal audit for the establishment of our internal audit system, which is expected to be completed by 4th quarter of 2023.

All foreign employees (i.e. Malaysian employees) employed by us have valid working permits and are not in breach of any immigration laws.