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## PROSPECTUS



### **MKH OIL PALM (EAST KALIMANTAN) BERHAD**

(Registration No. 200401023680 (662186-D))

(Incorporated in Malaysia)

**INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF MKH OIL PALM (EAST KALIMANTAN) BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:**

**(I) PUBLIC ISSUE OF 220,000,000 NEW ORDINARY SHARES ("SHARES") IN THE FOLLOWING MANNER:**

- **51,209,800 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC; AND**
- **168,790,200 NEW SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;**

**AND**

**(II) OFFER FOR SALE OF 30,707,700 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,**

**AT AN IPO PRICE OF RM[•] PER SHARE, PAYABLE IN FULL UPON APPLICATION.**

**Adviser, Underwriter and Placement Agent**



**M & A SECURITIES SDN BHD**

(Registration No. 197301001503 (15017-H))

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") [HAS APPROVED] OUR IPO AND THIS PROSPECTUS [HAS BEEN REGISTERED] BY THE SC. THE APPROVAL OF OUR IPO, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 227.**

**This Prospectus is dated [•]**

Our Directors, Promoters and Selling Shareholder (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M & A Securities Sdn Bhd, being our Adviser, Underwriter and Placement Agent to our IPO, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA (as defined herein) for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on [•]. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The valuation utilised for the purpose of the Listing (as defined herein) should not be construed as an endorsement by the SC, on the value of the subject assets.

The SC had vide its letter dated [•] taken note that our Company is a company with predominantly foreign-based operations and accordingly, is exempted from the Bumiputera equity requirement for public listed companies.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

### **ELECTRONIC PROSPECTUS**

This Prospectus can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (a) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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**INDICATIVE TIMETABLE**

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*All terms used are defined under "Definitions" commencing from page vii.*

The indicative timing of events leading to our Listing is set out below:

<b>Events</b>	<b>Indicative date</b>
Issuance of this Prospectus/Opening of Application	[•]
Closing of Application	[•]
Balloting of Application	[•]
Allotment/Transfer of IPO Shares to successful applicants	[•]
Date of Listing	[•]

In the event there is any change to the indicative timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

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## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

*All terms used in this section are defined under "Definitions" commencing from page vii.*

All references to "MKHOP" and "Company" in this Prospectus are to MKH Oil Palm (East Kalimantan) Berhad (Registration No. 200401023680 (662186-D)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Unless otherwise stated, the following foreign currency has been translated into their RM equivalents based on the following middle exchange rates published by BNM, where applicable:

Foreign currency	FYE 2020		FYE 2021		FYE 2022	
	Average	Closing	Average	Closing	Average	Closing
	RM	RM	RM	RM	RM	RM
IDR1000	0.2908	0.2790	0.2874	0.2930	0.2963	0.3040

Foreign currency	As at LPD	
	Average	Closing
	RM	RM
IDR1000	0.2890	0.2940

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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## **FORWARD-LOOKING STATEMENTS**

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*All terms used in this section are defined under "Definitions" commencing from page vii.*

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) Demand for our products;
- (b) Our business strategies;
- (c) Our future plans;
- (d) Our future earnings, cash flows and liquidity; and
- (e) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (a) The economic, political and investment environment in Malaysia and Indonesia; and
- (b) Government policy, legislation or regulation of the countries which we operate in.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information", wherein the material differences in our historical results and the factors that have caused them are discussed. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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## DEFINITIONS

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The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

### **COMPANIES WITHIN OUR GROUP:**

- "MKHOP" or "Company" : MKH Oil Palm (East Kalimantan) Berhad (Registration No. 200401023680 (662186-D))
- "MKHOP Group" or "Group" : MKHOP and its subsidiaries, collectively
- "PT MKH" : PT Maju Kalimantan Hadapan (Business Identification No. 8120014280519)
- "PT SPS" : PT Sawit Prima Sakti (Business Identification No. 8120019071063)

### **GENERAL:**

- "Acquisition of PT MKH" : Acquisition by our Company of 27,634 ordinary shares in PT MKH representing 5.7% equity interest from Metro Kajang (Oversea) and PT Hikmat for a total purchase consideration of RM53,515,709 which was satisfied via the issuance 44,227,859 new MKHOP Shares (after the Share Split) at an issue price of RM1.21 each and was completed on [•]
- "Acquisition of PT SPS" : Acquisition by our Company of 9,300 ordinary shares in PT SPS representing the entire equity interest from MKH Plantation, Ivakijaya and PT Hikmat for a total purchase consideration of RM27,863,922 which was satisfied via the issuance 23,028,035 new MKHOP Shares (after the Share Split) at an issue price of RM1.21 each and was completed on [•]
- "Act" : Companies Act 2016, as amended from time to time and any re-enactment thereof
- "Activest" : Activest Sdn Bhd (Registration No. 201301001919 (1031756-A))
- "ADA" : Authorised Depository Agent
- "Adviser" or "Underwriter" or "Placement Agent" : M&A Securities
- "Application(s)" : Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
- "Application Form(s)" : Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
- "ASEAN" : Association of Southeast Asian Nations
- "ATM" : Automated teller machine
- "BNM" : Bank Negara Malaysia
- "Board" : Board of Directors of our Company



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**DEFINITIONS (Cont'd)**

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"Bursa Depository" or "Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CAGR"	: Compound annual growth rate
"Capitalisation"	: Settlement by our Company of the amount owing by our Group to Metro Kajang (Oversea) and MKH Plantation by capitalising the amount owing RM[•] into 73,526,951 new MKHOP Shares (after the Share Split) at an issue price of RM[•] each
"CCC"	: Certificate of completion and compliance
"CCM"	: Companies Commission of Malaysia
"CCSR"	: Chen Choy & Sons Realty Sdn Bhd (Registration No. 197601000523 (26485-H))
"CDS"	: Central Depository System
"CDS Account"	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Customer W"	: a palm oil company mainly involving in cultivation of oil palm, processing of CPO and downstream refining of palm oil based in Indonesia. Customer W is not listed on any exchange, however, its holding company, is listed on the Singapore Exchange. Our Group does not have a non-disclosure agreement with Customer W.  Although we do not have a non-disclosure agreement with Customer W, the customer has informed us that it is not agreeable to be named in the Prospectus due to its company policy, and as such, we are unable to disclose Customer W's name in the Prospectus
"CMSA"	: Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
"Constitution"	: Our constitution
"COVID-19"	: Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"CSR"	: Corporate social responsibility
"Depository Rules"	: Rules of Bursa Depository and any appendices thereto, as amended from time to time
"Distribution"	: Distribution by MKH by way of dividend-in-specie of 82,487,981 MKHOP Shares (after the Pre-IPO Reorganisation) to the Entitled Shareholders on the Entitlement Date
"Director(s)"	: The executive director(s) or a non-executive director(s) of our Company within the meaning of Section 2 of the Act

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**DEFINITIONS (*Cont'd*)**

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"EBIT"	: Earnings before interest and tax
"EBITDA"	: Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application(s)"	: Application(s) for IPO Shares through a Participating Financial Institution's ATM
"Entitled Shareholder(s)"	: Shareholder(s) of MKH whose name(s) must appear in the Record of Depositors of MKH on the Entitlement Date to participate in the Distribution
"Entitlement Date"	: The date to be determined and announced by the Board of Directors of MKH for the Distribution
"EPS"	: Earnings per share
"Equity Guidelines"	: Equity Guidelines issued by the SC
"FYE"	: Financial year(s) ended/ending 30 September, as the case may be
"Government"	: Government of Malaysia
"GP"	: Gross profit
"HGB"	: Hak Guna Bangunan or Right to Build
"HGU"	: Hak Guna Usaha or Right to Cultivate
"IFRS"	: International Financial Reporting Standards
"IMR" or "Smith Zander"	: Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V)), our Independent Market Researcher
"IMR Report"	: Independent Market Research Report titled "Oil Palm Industry in Indonesia" dated 27 March 2023
"Independent Valuer"	: C H Williams Talhar & Wong (Sabah) Sdn Bhd (Registration No. 197701003650 (34874-P))
"Indonesian Company Law"	: Law of Republic of Indonesia No. 40 of 2007 Concerning Limited Liability Company
"Indonesian Government"	: Government of Indonesia
"Initial Public Offering" or "IPO"	: Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Participating Financial Institution(s)"	: Participating financial institution(s) for Internet Share Application(s) as listed in Section 17.6
"Internet Share Application(s)"	: Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s)

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**DEFINITIONS (Cont'd)**

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"IPO Price"	: The price of RM[●] per IPO Share under our IPO
"IPO Share(s)"	: Issue Share(s) and Offer Share(s), collectively
"ISPO Certificate"	: Indonesian Sustainable Palm Oil Certificate
"Issue Share(s)"	: 220,000,000 new MKHOP Share(s) to be issued under the Public Issue
"Issuing House"	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
"IT"	: Information technology
"Ivakijaya"	: Ivakijaya Sdn Bhd (Registration No. 200501015554 (692601-P))
"Listing"	: Listing of and quotation for our entire enlarged share capital of RM[●] comprising 1,023,590,845 Shares on the Main Market
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, as amended from time to time
"Lotus Way"	: Lotus Way Sdn Bhd (Registration No. 199601013973 (386323-M))
"LPD"	: 28 February 2023, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"Main Market"	: Main Market of Bursa Securities
"Malaysian Public"	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia, but excluding MKHOP Group's Directors, substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
"Market Day"	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCCG"	: Malaysian Code on Corporate Governance
"Metro Kajang (Oversea)"	: Metro Kajang (Oversea) Sdn Bhd (Registration No. 199301016059 (270799-X))
"MFRS"	: Malaysian Financial Reporting Standards
"MITI"	: Ministry of International Trade and Industry Malaysia
"MKH"	: MKH Berhad (Registration No. 197901006663 (50948-T))
"MKH Building Materials"	: MKH Building Materials Sdn Bhd (Registration No. 198301000402 (95635-K))
"MKH Group"	: MKH and its subsidiaries

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**DEFINITIONS (Cont'd)**

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"MKH Plantation"	:	MKH Plantation Sdn Bhd (Registration No. 200601018004 (737756-U))
"MKH Resources"	:	MKH Resources Sdn Bhd (Registration No. 199101015405 (225717-X))
"MKHOP Share(s) or Share(s)"	:	Ordinary share(s) in MKHOP
"Moratorium Shareholder(s)"	:	Collectively, CCSR, Tan Sri Alex Chen, Tan Sri Eddy Chen, Datuk Chen Fook Wah, MKH, Metro Kajang (Oversea) and MKH Plantation being shareholders of our Company whose MKHOP Shares will be subject to moratorium pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines
"NA"	:	Net assets
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of 30,707,700 Offer Shares by our Selling Shareholder at our IPO Price
"Offer Share(s)"	:	30,707,700 existing Shares to be offered by our Selling Shareholder pursuant to the Offer for Sale
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application(s) as listed in Section 17.5
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Pre-IPO Reorganisation"	:	Share Split, Acquisition of PT MKH, Acquisition of PT SPS and Capitalisation, collectively
"Promoters"	:	MKH, Tan Sri Alex Chen, Tan Sri Eddy Chen and Datuk Chen Fook Wah who are parties to the preparation of the Prospectus (or any relevant portion thereof) in relation to our Listing
"Prospectus"	:	This prospectus dated [•] in relation to our IPO
"PT Hikmat"	:	PT Hikmat Aliran Sukses (Business Identification No. 1292000231906)
"PT NMJ"	:	PT Nusantara Makmur Jaya (Business Identification No. 8120107732642)
"Public Issue"	:	Public issue of 220,000,000 Issue Shares at our IPO Price
"RCPS"	:	Redeemable convertible preference shares
"Restu Mesra"	:	Restu Mesra Sdn Bhd (Registration No. 202201000650 (1446347-D))
"ROC"	:	Registrar of Companies

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**DEFINITIONS (Cont'd)**

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"Rules of Bursa Depository"	:	Rules of Bursa Depository, as amended from time to time and any re-enactment thereof
"R&D"	:	Research and development
"Share Split"	:	The subdivision of 1 existing MKHOP Share into 6 new MKHOP Shares completed on [●] as part of the Pre-IPO Reorganisation
"SC"	:	Securities Commission Malaysia
"Selling Shareholder"	:	Metro Kajang (Oversea)
"SOP"	:	Standard operating procedures
"SPV"	:	Special purpose vehicle, which will be established and wholly-owned by MKHOP, for holding of 1 ordinary share in each PT MKH and PT SPS upon completion of the Acquisition of PT MKH and Acquisition of PT SPS and before the implementation of our IPO
"Tan Sri Alex Chen"	:	Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
"Tan Sri Eddy Chen"	:	Tan Sri Datuk Chen Lok Loi
"Underwriting Agreement"	:	Underwriting agreement dated [●] entered into between our Company and our Underwriter for the purpose of our IPO

**CURRENCIES:**

"IDR"	:	Indonesian Rupiah
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"USD"	:	United States Dollar

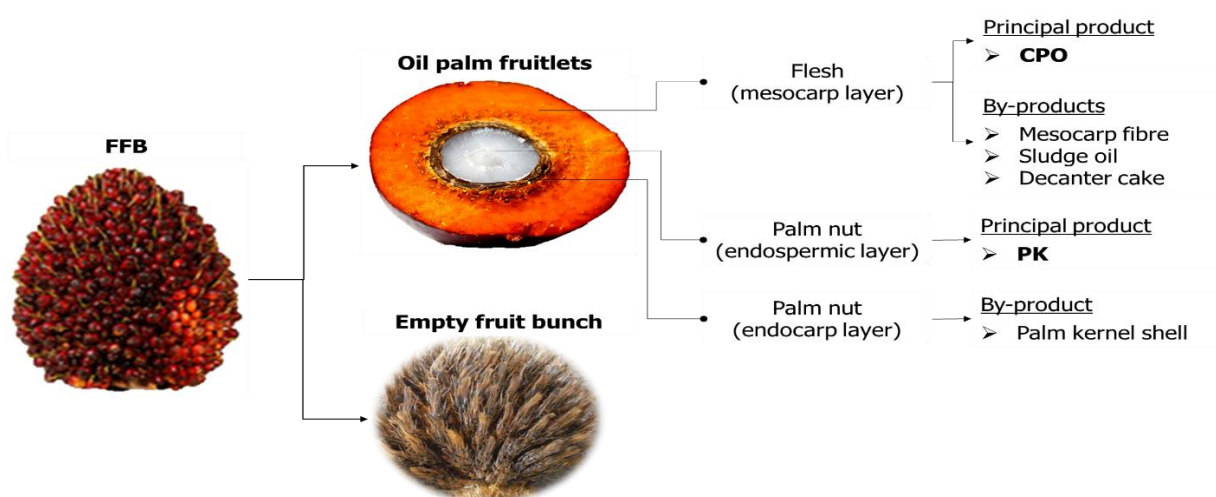
**UNIT OF MEASUREMENT**

"Ha"	:	Hectare
"kg"	:	Kilogram
"km"	:	Kilometre
"mm"	:	Millimetre
"MT"	:	Metric tonne
"sq m"	:	Square metre

## TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"AMSL"	:	Refers to "above mean sea level", which is a measure of height, elevation or altitude of a location in reference to the average sea level
"CPKO"	:	Refers to "crude palm kernel oil", which is the oil extracted from the PK
"CPO"	:	Refers to "crude palm oil", which is the oil extracted from the fibrous outer layer (mesocarp layer) of oil palm fruits
"Decanter cake"	:	Solid waste accumulated from the oil clarification process that contains macro and micro nutrient elements which can be used as fertiliser
"EFB"	:	Refers to "empty fruit bunches", which is the leftover fibrous material after the threshing/removal of oil palm fruits from FFB
"EFB liquor"	:	Liquid obtained from EFB pressing process that mainly contains oil and water
"Farm ATV(s)"	:	Refers to "all-terrain vehicle", used for agricultural purposes, which is a four-wheel single-occupant vehicle commonly used in plantation activities to carry out functions such as inspecting plantation crops, applying fertiliser and harvesting crops
"Farm UTV(s)"	:	Refers to "utility task vehicle" used for agricultural purposes, which is a four wheel two-occupant vehicle commonly used in plantation activities to carry out functions such as inspecting plantation crops, applying fertiliser and harvesting crops
"FFA"	:	Refers to "free fatty acids", which is released naturally in CPO upon the reaction of oil and water. The percentage of FFA in CPO is a key feature that determines the quality, commercial value and usage of CPO
"FFB"	:	Refers to "fresh fruit bunches", which are oil palm fruits that grow in bunches on oil palm trees, where CPO and PK are obtained



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**TECHNICAL GLOSSARY (*Cont'd*)**

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- "IUP" : Plantation Business Licence of Cultivation (*Izin Usaha Perkebunan untuk Budidaya*) (IUP-B) is a written license issued by an authorized official which must be owned by companies undertaking plantation cultivation business
- "KER" : Refers to "kernel extraction rate", which is the percentage of PK extracted from processed FFB
- "La Nina" : A weather phenomenon where warm water at the ocean surface are blown by strong winds westwards from South America to Indonesia across the Pacific Ocean, which leads to increased rainfall in Indonesia
- "Mesocarp fibre" : Leftover fibrous material (of the mesocarp layer of oil palm fruits) after the oil extraction process that can be used as fuel for boilers
- "Mineral soil land" : Soil that comprises mainly minerals such as clay, sand and silt, and is low in organic matter (i.e. plant or animal matter)
- "OER" : Refers to "oil extraction rate", which is the percentage of CPO extracted from processed FFB
- "Peat soil land" : Soil that comprises partially decomposed organic matter mainly derived from plant matter. Peat soil forms in flooded or waterlogged conditions which obstruct the flow of oxygen and affect the decomposition of organic matter
- "PK" : Refers to "palm kernel", which is the nut of oil palm fruits
- "PKE" : Refers to "palm kernel expeller", which is a by-product from the crushing of PK that can be used as stock feed
- "PK shell" : Shell left after the PK recovery process where the PK is extracted. PK shells can be used as fuel for boilers
- "Plasma Farmers" : Local cooperatives under the Plasma Programme
- "Plasma Programme" : The Plasma Programme is an initiative by the Indonesian Government to encourage plantation owners in Indonesia to provide economic and social assistance to surrounding villagers (small landholders) by helping them increase their income and welfare. Under the Plasma Programme, our Group is involved and obliged to assist local community (in the form of cooperatives) in the development and preparation of plantation land, supplying oil palm seedlings to local cooperatives as well as training, educating and having a partnership with the farmers under the local cooperatives in oil palm cultivation and management as mandated under Indonesian plantations laws and regulations.
- In this respect, a company applying for an IUP for an area of 250 Ha or more must facilitate the local community's development by providing the local community with a plantation area of at least 20.0% of the total area given to the company as stated in the IUP
- "POME" : Refers to "palm oil mill effluent", which is a brownish liquid containing mainly water and some suspended solids which is accumulated from the milling process. POME has to be treated before being discharged

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**TECHNICAL GLOSSARY (*Cont'd*)**

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- "Powered wheelbarrows" : Self-propelled wheelbarrow in which the wheels are replaced with continuous tracks, also known as caterpillar track or track link to collect and transport FFB
- "Sludge oil" : Residual oil that is collected during the POME treatment process that can be sold for processing into other products such as biodiesel and fertiliser
- "RBD palm oil" : Refers to "refined, bleached and deodorised palm oil" which is obtained from refining crude palm oil
- "Water table" : Upper level of an underground surface where the rocks and soil are continually soaked in water. It varies with the seasons and from year to year due to climatic variations and precipitation
- "Water gate" : Acts as a water barrier which halts or controls the flow of water in a watercourse

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