**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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



**MAXLAND BERHAD**
Registration No. 199601026940 (399292-V)
(Incorporated in Malaysia)

# CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,405,444,311 NEW ORDINARY SHARES IN MAXLAND BERHAD ("MAXLAND" OR THE "COMPANY") ("MAXLAND SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.025 PER RIGHTS SHARE, ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING MAXLAND SHARE HELD, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*

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

The Extraordinary General Meeting 1 of Maxland ("**EGM 1**") will be held at Meeting Room, KM 11, Jalan Sinora, Batu Sapi, WDT 79, 90009 Sandakan, Sabah, Malaysia on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM 1 together with the Form of Proxy are enclosed in this Circular.

If you decide to appoint a proxy(ies) to participate and vote on your behalf at the EGM 1, the Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time and date indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating and voting at the EGM 1 should you subsequently wish to do so.

| | | |
|---|---|---|
| Last date and time for lodging the Form of Proxy | : | Sunday, 6 September 2026 at 10.00 a.m. |
| Date and time of the EGM 1 | : | Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof |

This Circular is dated 24 August 2026

## DEFINITIONS

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

| | | |
|---|---|---|
| "Act" | : | The Companies Act 2016 |
| "Additional Undertakings" | : | The irrevocable and unconditional additional undertakings provided by the Undertaking Shareholders vide their Undertaking Letters to subscribe in aggregate for additional 26,454,900 Rights Shares not subscribed by Entitled Shareholders and/ or their renouncee(s) via the excess Rights Shares application |
| "Additional Warrant(s) B" | : | Additional Warrant(s) B to be issued arising from the adjustments to the exercise price and outstanding number of Warrants B pursuant to the Proposed Rights Issue, as set out in **Section 5.5** of this Circular |
| "Base Case Scenario" | : | Assuming none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is fully subscribed by all the Entitled Shareholders |
| "Board" | : | The Board of Directors of Maxland |
| "Bursa Depository" | : | Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)) |
| "Bursa Securities" | : | Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) |
| "Circular" | : | This circular dated 24 August 2026 in relation to the Proposed Rights Issue |
| "Deed Poll B" | : | The deed poll dated 5 June 2024 executed by Maxland constituting the Warrants B |
| "Dennis Lim" | : | Dennis Lim Shie Mien |
| "Director(s)" | : | The director(s) of Maxland and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:-<br>i. a director of Maxland, its subsidiaries or holding company; and<br>ii. a chief executive of Maxland, its subsidiaries or holding company |
| "EGM 1" | : | The forthcoming extraordinary general meeting of Maxland |
| "Entitled Shareholders" | : | Shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date |
| "Entitlement Date" | : | A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue |
| "Entitlement Undertakings" | : | The irrevocable and unconditional undertakings provided by the Undertaking Shareholders vide their Undertaking Letters to subscribe in full for their Rights Shares entitlement based on their shareholding as at the Entitlement Date |

| | | |
|---|---|---|
| "EPS/ (LPS)" | : | Earnings/ (Loss) per share |
| "FPE" | : | Financial period ended/ ending |
| "FYE" | : | Financial year ended/ ending |
| "Issue Price" | : | RM0.025 per Rights Share |
| "Listing Requirements" | : | Main Market Listing Requirements of Bursa Securities |
| "Logging Business" | : | Extraction and sale of logs as well as reforestation |
| "LPD" | : | 13 August 2026, being the latest practicable date prior to the printing and despatch of this Circular |
| "LTD" | : | 10 July 2026, being the last traded day of Maxland Shares prior to the date of the announcement of the Proposed Rights Issue |
| "Manufacturing Business" | : | Manufacture and sale of plywood, veneer, sawn timber and barecore board |
| "Market Day" | : | A day on which the Bursa Securities stock market is open for trading in securities, which may include a surprise holiday*<br><br>*A "surprise holiday" refers to a day declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year |
| "Maximum Scenario" | : | Assuming all of the outstanding Warrants B are fully exercised prior to the Entitlement Date and the Proposed Rights Issue is fully subscribed by all the Entitled Shareholders |
| "Maxland" or the "Company" | : | Maxland Berhad (Registration No. 199601026940 (399292-V)) |
| "Maxland Group" or the "Group" | : | Maxland and its subsidiaries, collectively |
| "Maxland Share(s)" or "Share(s)" | : | Ordinary share(s) of Maxland |
| "Minimum Scenario" | : | Assuming none of the outstanding Warrants B are exercised prior to the Entitlement Date and the Proposed Rights Issue is undertaken on the Minimum Subscription Level |
| "Minimum Subscription Level" | : | Minimum subscription level of 128,000,000 Rights Shares by the Undertaking Shareholders at the Issue Price, in order to meet the minimum level of funds intended to be raised by the Company amounting to RM3.20 million through the Proposed Rights Issue |
| "NA" | : | Net assets attributable to the owners of Maxland |
| "Official List" | : | A list specifying all securities listed on the Main Market of Bursa Securities |
| "Other Business" | : | Investment holding and provision of road maintenance services |
| "PAT/ (LAT)" | : | Profit/ (Loss) after taxation |

| | | |
|---|---|---|
| "PBT/ (LBT)" | : | Profit/ (Loss) before taxation |
| "Proposed Rights Issue" | : | Proposed renounceable rights issue of up to 2,405,444,311 Rights Shares at the Issue Price, on the basis of 1 Rights Share for every 1 existing Maxland Share held, on the Entitlement Date |
| "Record of Depositors" | : | A record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991 |
| "Rights Share(s)" | : | Up to 2,405,444,311 new Maxland Shares to be issued pursuant to the Proposed Rights Issue |
| "RM" and "sen" | : | Ringgit Malaysia and sen, respectively |
| "Rules" | : | Rules on Take-overs, Mergers and Compulsory Acquisitions by the Securities Commission Malaysia |
| "Shipyard Business" | : | Provision of marine services including among others, the repair and maintenance of vessels, tugboat and barge |
| "TERP" | : | Theoretical ex-rights price |
| "Undertakings" | : | The Entitlement Undertakings and Additional Undertakings, collectively |
| "Undertaking Letters" | : | The undertaking letters dated 13 July 2026 |
| "Undertaking Shareholders" | : | Chang Keng Sing and Dennis Lim, collectively |
| "UOBKH" or the "Principal Adviser" | : | UOB Kay Hian (M) Sdn Bhd (Registration No. 199001003423 (194990-K)) |
| "USD" | : | United State Dollar |
| "VWAP" | : | Volume weighted average market price |
| "Warrant(s) B" | : | 801,814,638 outstanding warrants 2024/2029 in the Company as at the LPD. The Warrants B are constituted by the deed poll dated 5 June 2024 and each Warrant B carries the entitlement to subscribe for 1 new Maxland Share during the 5-year exercise period up to 25 June 2029 at the exercise price of RM0.11 per Warrant B |

All references to "**you**" in this Circular are made to shareholders who are entitled to attend and vote at the EGM 1.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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*This Executive Summary highlights only the salient information of the Proposed Rights Issue. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Rights Issue before voting at the EGM 1.*

| Key information | Description | Reference to Circular |
|---|---|---|
| **Summary of the Proposed Rights Issue** | The Proposed Rights Issue entails an issuance of up to 2,405,444,311 Rights Shares at the Issue Price, on the basis of 1 Rights Share for every 1 existing Maxland Share held, on the Entitlement Date.<br><br>The Proposed Rights Issue will be undertaken on the minimum subscription level basis, after taking into consideration the Minimum Subscription Level and the Undertakings provided by the Undertaking Shareholders vide their Undertaking Letters. | **Section 2** |
| **Basis and justification of arriving at the Issue Price of the Rights Shares** | The Issue Price has been fixed by the Board after taking into consideration, amongst others, the following:-<br><br>i. the minimum gross proceeds of RM3.20 million to be raised under the Minimum Scenario, which will be channelled towards the proposed utilisation of proceeds as set out in **Section 2.6** of this Circular;<br><br>ii. the prevailing market prices of Maxland Shares for the past 12 months;<br><br>iii. the Issue Price, which represents a discount of 16.67% to the TERP of RM0.03; and<br><br>iv. the rationale for the Proposed Rights Issue as set out in **Section 3** of this Circular. | **Section 2.2** |
| **Utilisation of proceeds** | See table below | **Section 2.6** |

| Details of utilisation | Timeframe for utilisation from completion | Minimum Scenario RM'000 | Base Case Scenario RM'000 | Maximum Scenario RM'000 |
|---|---|---|---|---|
| Maintenance of timber camp infrastructure and processing plants | Within 12 months | 600 | 12,000 | 15,000 |
| Tree plantation | Within 12 months | 300 | 8,000 | 8,000 |
| Working capital | Within 12 months | 1,452 | 19,243 | 36,288 |
| Estimated expenses | Upon completion | 848 | 848 | 848 |
| **Total** | | **3,200** | **40,091** | **60,136** |

| Key information | Description | Reference to Circular |
|---|---|---|
| **Rationale and justifications for the Proposed Rights Issue** | i. To strengthen the financial position and capital base of the Company, by reducing its gearing level and increasing its NA thereby providing greater financial flexibility, as illustrated in **Section 5.2** of this Circular;<br><br>ii. To enable the issuance of new Maxland Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue;<br><br>iii. To provide all Entitled Shareholders with an opportunity to further participate in an equity offering in the Company on a pro-rata basis and ultimately, participate in the prospects and future growth of the Group by subscribing to the Rights Shares; and<br><br>iv. To raise the requisite funds without incurring additional interest expense, as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing. | **Section 3** |
| **Approvals required/ obtained** | The Proposed Rights Issue is subject to the following approvals:-<br><br>i. Bursa Securities, which was obtained on 7 August 2026;<br><br>ii. shareholders of Maxland at the EGM 1; and<br><br>iii. any other relevant authorities, if required. | **Section 7** |
| **Interests of Directors, major shareholders, chief executive and/ or persons connected with them** | None of the Directors, major shareholders, chief executive of Maxland and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Rights Issue, save for their respective entitlements (including the right to apply for additional Rights Shares via excess application), to which all Entitled Shareholders are similarly entitled. | **Section 8** |
| **Directors' statement and recommendation** | The Board, having considered all aspects of the Proposed Rights Issue, including but are not limited to, the rationale and effects of the Proposed Rights Issue as well as the proposed utilisation of proceeds to be raised from the Proposed Rights Issue, is of the opinion that the Proposed Rights Issue is in the best interest of the Company.<br><br>Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Rights Issue at the forthcoming EGM 1. | **Section 9** |

**MAXLAND BERHAD**
Registration No. 199601026940 (399292-V)
(Incorporated in Malaysia)

**Registered Office**

1st Floor, Lot 5, Block No. 4,
Bandar Indah, Mile 4,
Jalan Utara, P.O.
Box 2848, 90732
Sandakan, Sabah,
Malaysia

24 August 2026

**Board of Directors**

Chang Keng Sing *(Managing Director)*
Yin Kong Fung *(Executive Director)*
Adam Yusuff Bin Abd Aziz *(Executive Director)*
Dennis Lim Shie Mien *(Non-Independent Non-Executive Director)*
Teo Gim Suan *(Independent Non-Executive Director)*
Lee Kian Bin @ Tommy *(Independent Non-Executive Director)*
Lim Shaw Keong @ Alfred Lim *(Independent Non-Executive Director)*

**To: The shareholders of Maxland**

Dear Sir/ Madam,

**PROPOSED RIGHTS ISSUE**

---

## 1. INTRODUCTION

On 13 July 2026, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake a renounceable rights issue of up to 2,405,444,311 new Maxland Shares at the Issue Price, on the basis of 1 Rights Share for every 1 existing Maxland Share held, on the Entitlement Date.

On 10 August 2026, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 7 August 2026, resolved to approve the following, subject to the conditions as disclosed in **Section 7** of this Circular:-

i. listing and quotation for up to 2,405,444,311 Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities; and

ii. listing and quotation for up to 63,412,118 Additional Warrants B and the new Maxland Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED RIGHTS ISSUE AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE EGM 1. THE NOTICE OF EGM 1 AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE EGM 1.**

## 2. PROPOSED RIGHTS ISSUE

### 2.1 Details of the Proposed Rights Issue

The Proposed Rights Issue entails the issuance of up to 2,405,444,311 Rights Shares on the basis of 1 Rights Share for every 1 existing Maxland Share held by the Entitled Shareholders.

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

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

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

As at the LPD, Maxland has an issued share capital of RM247,733,671 comprising 1,603,629,673 Maxland Shares. In addition, as at the LPD, the Company has 801,814,638 outstanding Warrants B, as constituted by the Deed Poll B. Each Warrant B carries the entitlement to subscribe for 1 new Maxland Share during the 5-year exercise period up to 25 June 2029 at an exercise price of RM0.11 per Warrant B.

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

i. the Minimum Subscription Level; and

ii. the irrevocable and unconditional undertakings of the Undertaking Shareholders, vide their respective Undertaking Letters. The Undertaking Shareholders shall subscribe in full for their entitlement of the Rights Shares and in addition, the Undertaking Shareholders have given their additional undertaking to subscribe in aggregate for additional 26,454,900 Rights Shares that remain unsubscribed by the Entitled Shareholders and/ or their renouncee(s) via the excess Rights Shares application if required. Further details of the Undertakings are set out in **Section 2.5** of this Circular.

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

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

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

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

The Proposed Rights Issue will not be implemented in stages.

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

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

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

The Issue Price has been fixed by the Board after taking into consideration, amongst others, the following:-

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

ii. the prevailing market price of Maxland Shares. The Issue Price represents a discount of approximately 16.67% to the TERP of Maxland Shares of RM0.03, computed based on the 5-day VWAP of Maxland Shares up to and including the LTD of RM0.035 per Share.

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

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

*(Source: Bloomberg)*

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

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

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

### 2.3 Ranking of the Rights Shares

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

### 2.4 Listing and quotation of the Rights Shares

Bursa Securities had, vide its letter dated 7 August 2026, approved the listing and quotation of the Rights Shares and Additional Warrants B to be issued pursuant to the Proposed Rights Issue, and new Maxland Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in **Section 7** of this Circular.

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## 2.5 Minimum Subscription Level and Undertakings

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

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

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

The details of the Undertakings are set out below:-

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

***Notes:-***

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

*2 *Based on 128,000,000 Rights Shares available for subscription pursuant to the Entitlement Undertakings and Additional Undertakings*

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

*4 *Computed based on the Issue Price*

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

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

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

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

**Mandatory take-over offer implication**

The subscription of the Rights Shares by the Undertaking Shareholders will not trigger the obligation to undertake a mandatory offer for all the remaining Maxland Shares and Warrants B not already held by them pursuant to Paragraph 4.01(a) of the Rules.

**Public shareholding spread**

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

| | **As at the LPD** | | **After the Proposed Rights Issue** | |
|---|---|---|---|---|
| | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Share capital (excluding treasury shares) | 1,603,629,673 | 100.00 | 1,731,629,673 | 100.00 |
| Less: Directors'/ substantial shareholders'/ associates' shareholding | 843,872,972 | 52.62 | 971,872,972 | 56.12 |
| **Public shareholding** | **759,756,701** | **47.38** | **759,756,701** | **43.88** |

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

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

## 2.6 Utilisation of proceeds

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

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

***Notes:-***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ii. maintenance of timber camp infrastructure and processing plants;

iii. tree plantation; and

iv. working capital requirements.

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

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

## 2.7 Other equity fund raising exercises in the past 5 years

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

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

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

***Notes:-***

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

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

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

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

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

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

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

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

***Notes:-***

*1 *As at 31 December 2020, the total bank borrowings of the Group (comprising of term finance) were RM35.91 million. The proceeds utilised for the partial repayment of borrowings and the interest savings from the repayment are set out below:-*

| ***Bank borrowings*** | ***Effective interest rate %*** | ***Amount outstanding RM'000*** | ***Utilisation of proceeds RM'000*** | ***Interest savings per annum RM'000*** |
|---|---|---|---|---|
| *Term finance* | *10.35* | *35,915* | *19,028* | *1,969* |

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

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

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

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

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Private Placement I

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

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

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

***Notes:-***

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

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

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

| ***Details*** | | ***Actual utilisation RM'000*** | ***Balance unutilised RM'000*** |
|---|---|---|---|
| *Cost for logging camp infrastructure costs, harvesting activities and general costs for maintenance of forestland, the breakdown of which is as follows:-* | | *952* | *-* |
| | ***RM'000*** | | |
| *Timber camp infrastructure costs (i.e. cost of building roads, bridges and logs yard)* | *191* | | |
| *Working capital for harvesting of logs* | *761* | | |
| ***Total*** | ***952*** | | |
| *Machinery maintenance costs and manufacturing costs of plywood, veneer, sawn timber and other timber products, the breakdown of which is as follows:-* | | *535* | *-* |
| | ***RM'000*** | | |
| *Refurbishment/ maintenance of machines* | *155* | | |
| *Working capital for plywood and sawmill processing* | *380* | | |
| ***Total*** | ***535*** | | |
| ***Total*** | | ***1,487*** | ***-*** |

Private Placement II

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

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

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

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

***Notes:-***

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

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

Breakdown of reforestation and maintenance of timber land:

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

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

| ***Details*** | ***Descriptions*** | ***Actual utilisation RM'000*** | ***Balance unutilised RM'000*** |
|---|---|---|---|
| *Working capital* | *Costs for refurbishment of plywood making machine and processing of plywood, the breakdown of which is as follows:-* | *6,779* | *-* |
| | ***RM'000*** | | |
| | *Refurbishment of plywood making machine* — *2,034* | | |
| | *Plywood processing* — *4,745* | | |
| | ***Total*** — ***6,779*** | | |
| ***Total*** | | ***6,779*** | ***-*** |

Private Placement III

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

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

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

| **Details** | **Expected timeframe for utilisation from receipt of funds** | **Actual proceeds raised RM'000** | **Actual utilisation RM'000** | **Balance proceeds unutilised RM'000** |
|---|---|---|---|---|
| Timber reforestation*1 | Within 12 months | 5,000 | 5,000 | - |
| Working capital*2 | Within 12 months | 6,309 | 6,309 | - |
| Estimated expenses | Upon completion of the Private Placement III | 60 | 60 | - |
| **Total** | | **11,369** | **11,369** | **-** |

***Notes:-***

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

| ***Details*** | ***Descriptions*** | ***Actual utilisation RM'000*** | ***Balance unutilised RM'000*** |
|---|---|---|---|
| *Reforestation and maintenance of timber land* | *Costs for site preparation, reforestation (tree planting) and maintenance of forestland (i.e. silvicultural practices). The allocation of which is based on actual operational records and site-specific activities and is apportioned using relevant cost drivers such as planted area (hectares), labour hours, equipment usage and material consumption, where applicable. The breakdown of which is as follows:-* | *4,951* | *-* |
| | | | |
| | ***RM'000*** | | |
| | *Site preparation cost* — *4,207* | | |
| | *Reforestation cost* — *679* | | |
| | *Maintenance cost i.e. silvicultural practice* — *65* | | |
| | ***Total*** — ***4,951*** | | |
| *Timber camp infrastructure cost* | *Construction and maintenance of infrastructure of timber camp, such as the roads, bridges and logs yard* | *49* | *-* |
| ***Total*** | | ***5,000*** | ***-*** |

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

| ***Details*** | ***Descriptions*** | ***Actual utilisation RM'000*** | ***Balance unutilised RM'000*** |
|---|---|---|---|
| *Timber downstream processing business* | *Refurbishment of plywood making machine* | *3,139* | *-* |
| *Shipyard and marine engineering business* | *Shipyard repair and maintenance contract entered into with Marine Police Department, Jabatan Perikanan, Agensi Penguatkuasaan Maritim Malaysia, which holds a total contract value of RM7 million for a period of 6 years. The amount utilised represents costs incurred for repair and maintenance works carried out on vessels under the said contract, comprising labour, materials, spare parts and related services based on actual work orders and progress of works* | *2,093* | *-* |

| *Details* | *Descriptions* | *Actual utilisation RM'000* | *Balance unutilised RM'000* |
|---|---|---|---|
| *General working capital* | *Payment of trade creditors and repayment of trade payable and/ or factory and office overhead costs such as salaries, administrative and selling expenses, shipping division and logs division expenses and utilities, the breakdown of which is as follows:-* | *1,077* | *-* |

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

| | | | |
|---|---|---|---|
| ***Total*** | | ***6,309*** | ***-*** |

Subscription

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

Previous Proposed Rights Issue

On 12 February 2026, the Company had announced the renounceable rights issue of 2,405,444,311 Rights Shares at the issue price of RM0.02 per Rights Share, on the basis of 1 Rights Share for every 1 existing Maxland Share held, on an entitlement date to be determined and announced later ("**Previous Proposed Rights Issue**"). Following a review of the Group's latest funding requirements, including the quantum and timing of funds required to support the Group's ongoing operations, working capital requirements and intended business plans, as well as taking into consideration the prevailing market conditions and the pricing of the Proposed Rights Issue, the Board resolved to revise the proposed fundraising structure. Accordingly, on 1 July 2026, the Board had announced the decision to abort the Previous Proposed Rights Issue.

For information purposes, following the Group's assessment of the proposed fundraising structure, the Board determined that the Issue Price of RM0.025 per Rights Share would be more appropriate, as the revised Issue Price would enable the Group to raise a higher amount of proceeds from the Proposed Rights Issue to better meet the Group's funding requirements.

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

### 2.8 Rationale for past equity fund raising exercises and dilution impact

For shareholders' information, the Group had been undertaking equity fund raising to meet its expenses and working capital requirements as its logging operations are capital-intensive and involve long operational cycles, including harvesting, transportation, reforestation and maintenance activities. Cash inflows from these activities are typically dependent on harvesting schedules and sales timing, which may not coincide with the timing of operating cash outflows. As such, internally generated cash flows may fluctuate between periods. Equity fund-raising therefore provides the Group with a more stable funding base, enhances liquidity and supports continuity of operations without increasing financial leverage, thereby improving the Group's financial flexibility in managing its ongoing business operations.

Further, for illustration purposes, the dilution impact on the existing shareholders' shareholding arising from equity fund raising exercises undertaken by the Group over the past 5 years, comprising the Private Placement I, RCN, Private Placement II, Private Placement III, as well as the potential dilution arising from the Proposed Rights Issue (assuming it is undertaken on the Minimum Subscription Level) are set out below:-

| **Equity fund raising exercise** | **Enlarged share capital (post exercise) No. of Shares** | **Approximate dilution impact[*1] %** |
|---|---|---|
| Private Placement I | 540,529,680[*2] | 7.58 |
| RCN | 1,359,156,196 | 60.23 |
| Private Placement II | 1,495,071,521 | 9.09 |
| Private Placement III | 1,603,629,673 | 6.77 |
| Proposed Rights Issue (assuming it is undertaken on the Minimum Subscription Level) | 1,731,629,673 | 7.39 |
| **Cumulative dilution impact[*3]** | | **71.15** |

***Notes:-***

*1 *The approximate dilution impact for each equity fund raising exercise is calculated based on the reduction in an existing shareholder's percentage shareholding resulting from the increase in the enlarged share capital following each respective exercise, assuming non-participation by the shareholder*

*2 *Prior to the Private Placement I, the Company had undertaken a proposed consolidation of every 10 existing Maxland Shares into 1 new Maxland Share, which was completed on 7 September 2021 following the listing and quotation of 499,580,386 consolidated shares (after disregarding fractional entitlements) on the Main Market of Bursa Securities*

*3 *The cumulative dilution impact is derived on a compounded basis to reflect the sequential impact of each equity fund-raising exercise on an existing shareholder's percentage shareholding. It is calculated by multiplying the respective retention factors (being 1 minus the individual dilution impact) arising from each exercise, and is not calculated by simple aggregation of the individual dilution percentages*

Based on the above illustration, a non-participating shareholder would experience an aggregate dilution of approximately 71.15% in their percentage shareholding as a result of the cumulative effect of the Private Placement I, RCN, Private Placement II, Private Placement III, as well as the Proposed Rights Issue (assuming it is undertaken on the Minimum Subscription Level).

## 3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED RIGHTS ISSUE

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

i. the Proposed Rights Issue will strengthen the financial position and capital base of the Company, by reducing its gearing level and increasing its NA thereby providing greater financial flexibility, as illustrated in **Section 5.2** of this Circular;

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

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

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

## 4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 6% in the second quarter of 2026 (1Q 2026: 5.4%), driven by continued domestic demand and robust exports. Household spending was supported by steady income growth and ongoing policy support. Investment growth was underpinned by continued spending on structures and machinery & equipment. On the external front, exports accelerated, driven mainly by the continued strength in electrical & electronics ("**E&E**") products and sustained expansion in services, as well as the rebound in exports of liquefied natural gas and non-E&E manufacturing products. Gross imports expanded further amid robust growth in intermediate and consumer goods imports.

On the supply side, growth was underpinned by the expansion in services and manufacturing sectors. The higher growth in the services sector was supported by business-related subsectors, especially the information and communication technology ("**ICT**") subsector from the expanding operationalisation of data centres. The robust growth in the manufacturing sector was driven by export-oriented clusters, particularly in E&E following strong artificial intelligence ("**AI**")-related demand. The mining and quarrying sector growth turned positive, reflecting stronger natural gas production. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 2.5% (1Q 2026: -0.03%).

Ringgit remained broadly stable against currencies of major trading partners in the second quarter of 2026. The nominal effective exchange rate ("**NEER**") (2Q 2026: -0.8%; 1Q 2026: +1.4%) remained broadly stable amid evolving global financial conditions, particularly the shift in market expectations regarding the direction of US monetary policy. The ringgit continued to be supported by Malaysia's strong domestic fundamentals and sustained growth momentum. On a year-to-date basis (as at 12 August 2026), the ringgit recorded a relatively stable performance against the US dollar (-0.9%) and the currencies of major trading partners (NEER: -1%). Moving forward, while external factors will continue to drive exchange rate movements, Malaysia's firm economic prospects and ongoing structural reforms are expected to provide enduring support to the ringgit. Bank Negara Malaysia ("**BNM**") will closely monitor global developments and remains committed to ensuring the orderly functioning of the domestic foreign exchange market.

The Malaysian economy remains on a firm footing. Growth in 2026 is projected to remain within the forecast range of 4–5%, with recent developments indicating that overall growth could be around 5%. While the outlook continues to be shaped by external developments, Malaysia is well-positioned to navigate these challenges from a position of strength and policy readiness.

On the domestic front, household spending will benefit from continued income growth as well as ongoing policy measures. Meanwhile, investment activity will be driven by the progress of multi-year projects in both the private and public sectors, continued high realisation of approved investments as well as the ongoing implementation of national master plans. On the external front, export growth will be underpinned by sustained demand for E&E products amid growing investment in AI-related activities and global technology expansion. Additional support is expected from the rebound in non-E&E exports, alongside sustained tourist spending and expansion in ICT services exports.

Headline inflation is projected to average between 1.5–2.5% in 2026. Recent inflation outturns and high-frequency indicators continue to point to modest consumer price increases. While external cost pressures arising from the Middle East conflict may exert some upward pressure on prices going forward, the overall impact on inflation for 2026 is expected to remain contained. In particular, domestic policy measures such as targeted fuel subsidies, together with stable demand conditions, are expected to help limit the pass-through of higher global costs to domestic prices.

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

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

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

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

### 4.2 Overview and outlook of the timber industry in Malaysia

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

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

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

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

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

*(Source: Annual Report 2024, Malaysian Timber Council)*

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

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

**4.3 Future prospects of the Group**

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

i. Logging Business;

ii. Manufacturing Business; and

iii. Other Business.

The segmental revenue breakdown for the past 3 financial years up to the audited 17-month FPE 30 November 2025 and latest unaudited 6-month FPE 31 May 2026 are as follows:-

| | <--------Audited | -------- | -------->| <-Unaudited-> |
|---|---|---|---|---|
| | **12-month FYE 31 December 2022 RM'000** | **18-month FPE 30 June 2024[*1] RM'000** | **17-month FPE 30 November 2025 RM'000** | **6-month FPE 31 May 2026 RM'000** |
| **Revenue** | **129,354** | **89,288** | **84,674** | **22,212** |
| Logging Business | 1,956 | 5,326 | 4,815 | 1,475 |
| Manufacturing Business | 125,717 | 62,122 | 74,756 | 20,245 |
| Shipyard Business | 1,335 | 7,480[*2] | 4,612 | 319 |
| Sand dredging service | - | 13,840 | - | - |
| Other Business | 346 | 520 | 491 | 173 |
| **PAT/ (LAT)** | **17,183** | **(61,226)** | **(10,312)** | **(9,115)** |

***Notes:-***

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

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

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

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

As at the LPD, the Group's loans and borrowings stood at RM17.03 million. The Proposed Rights Issue will provide the Group with the flexibility and control over internally generated funds while reducing reliance on conventional bank borrowings which will require the Group to service interest and repay the principal sum on a periodic basis. This in turn may place the Group on a better financial and/ or liquidity position to undertake new projects as well as capitalise on investment opportunity(ies) as and when they arise.

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

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

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

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

*(Source: Management of Maxland)*

## 5. EFFECTS OF THE PROPOSED RIGHTS ISSUE

### 5.1 Issued share capital

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

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

***Notes:-***

| | |
|---|---|
| [*1] | *Assuming all 801,814,638 outstanding Warrants B are converted at the exercise price of RM0.11 per Warrant B* |
| [*2] | *Computed based on the number of Rights Shares multiplied by the Issue Price under the respective scenario* |

## 5.2 NA and gearing level

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

### Minimum Scenario

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

***Notes:-***

| | |
|---|---|
| [*1] | *Assuming that 128,000,000 Rights Shares are issued at the Issue Price to the Undertaking Shareholder under the Minimum Scenario* |
| [*2] | *After deducting the estimated expenses of approximately RM0.85 million in relation to the Proposed Rights Issue* |

### Base Case Scenario

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

***Notes:-***

| | |
|---|---|
| [*1] | *Assuming all 1,603,629,673 Rights Shares are issued at the Issue Price to all the Entitled Shareholders under the Base Case Scenario* |
| [*2] | *After deducting the estimated expenses of approximately RM0.85 million in relation to the Proposed Rights Issue* |

**Maximum Scenario**

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

***Notes:-***

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

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

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

### 5.3 Earnings and EPS

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

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## 5.4 Substantial shareholders' shareholdings

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

**Minimum Scenario**

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

***Notes:-***

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

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

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

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**Base Case Scenario**

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

***Notes:-***

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

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

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

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**Maximum Scenario**

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

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

***Notes:-***

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

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

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

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

### 5.5 Convertible securities

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

Consequential to the Proposed Rights Issue, the exercise price and/ or number of Warrants B which are not exercised prior to the Entitlement Date may be adjusted in accordance to the provisions of the Deed Poll B to ensure that the status of the holders of Warrants B are not prejudiced as a result of the Proposed Rights Issue.

For illustrative purposes of the adjustments to Warrants B arising from the Proposed Rights Issue, the following key parameter assumptions are adopted:-

i. the 5-day VWAP of the Shares up to and including the LTD, of RM0.035;

ii. the Issue Price of the Rights Shares of RM0.025;

iii. the exercise price of each Warrant B of RM0.11;

iv. the formula as provided in Deed Poll B:-

$$\text{New exercise price} = \frac{S \times (C - D)}{C}$$

$$\text{Additional number of Warrants B to be issued} = \frac{T \times C}{(C - D^*)} - T$$

where:-

S = existing exercise price of Warrants B

C = the 5-day VWAP of each Share up to and including the Market Day immediately preceding the date on which the capital distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing such announcement), immediately preceding the date of the announcement of the Entitlement Date of the capital distribution or, as the case may be, of the offer or invitation (where appropriate), any relevant date as may be determined by the Company in consultation with the approved adviser or the auditors;

D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights or acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares, the value of rights attributable to one Share (as defined below);

(bb) in the case of any other transaction, the fair market value, as determined by the Company in consultation with the approved adviser or the auditors, of that portion of the capital distribution attributable to one Share

D* = the value of rights attributable to one Share (as defined below)

T = existing number of Warrants B held

For the purpose of D(aa) and D* above, the "value of rights attributable to one Share" shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

where:-

C = as defined above;

E = the subscription consideration for one new Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one Share under the offer or invitation

F = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share or to acquire or subscribe for securities convertible into one additional Share or rights to acquire or subscribe for one additional Share

v. the Proposed Rights Issue has been undertaken on the following scenarios:-

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

For illustrative purpose, the adjustment of the exercise price and number of Warrants B under the Minimum Scenario and Base Case Scenario ("**Adjustments**") based on the above parameters are as follows:-

**<u>Minimum Scenario and Base Case Scenario</u>**

$$\text{New exercise price} = 0.11 \times \frac{0.035 - \dfrac{0.035 - 0.025}{\left(\frac{1}{1}\right) + 1}}{0.035}$$

= **RM0.09**
(rounded up to the nearest 1 sen in accordance to the provisions of the Deed Poll B)

$$\text{Additional number of Warrant B to be issued} = \frac{801{,}814{,}638 \times 0.035}{0.035 - \dfrac{0.035 - 0.025}{\left(\frac{1}{1}\right) + 1}} - 801{,}814{,}638$$

= **133,635,773 Additional Warrants B**
(rounded down to the nearest whole Warrant B in accordance to the provisions of the Deed Poll B)

**Compliance with Paragraph 6.50 of the Listing Requirements**

Paragraph 6.50 of the Listing Requirements states that "*a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.*"

Depending on the total number of outstanding Warrants B on the Entitlement Date, the maximum number of Additional Warrants B that can be issued pursuant to the Adjustments under the Minimum Scenario and Base Case Scenario are illustrated below:-

| | **Minimum Scenario** | **Base Case Scenario** |
| --- | --- | --- |
| Existing number of Warrants B | 801,814,638 | 801,814,638 |
| Additional Warrants B as computed from the formula | 133,635,773 | 133,635,773 |
| **Total number of convertible equity securities (A)** | **935,450,411** | **935,450,411** |
| Issued share capital of the Company after the Proposed Rights Issue (B) | 1,731,629,673 | 3,207,259,346 |
| **Maximum number of new shares allowed from exercise of convertible equity securities (A) / (B)** | **54.02%** | **29.17%** |
| **Compliance with Paragraph 6.50 of the Listing Requirements** | **No** | **Yes** |

Based on the above, if the Company were to issue the 133,635,773 Additional Warrants B pursuant to the Adjustments as set out above, the Company will not comply with Paragraph 6.50 of the Listing Requirements under the Minimum Scenario.

At the same time, there is no provision in the Deed Poll B (including any alternative adjustment formula for compensation) to cater specifically for this situation.

Hence, under the Minimum Scenario and Base Case Scenario, the Board will exercise its discretion, in accordance with Condition 5.4 of the Schedule 3 of the Deed Poll B, to do the following:-

i. to adjust the exercise price of the Warrants B in accordance with the adjustment formula in the Deed Poll B; and

ii. to limit the number of Warrants B to be issued at a maximum of 63,412,118 Additional Warrants B to comply with Paragraph 6.50 of the Listing Requirements.

Given the above, the new adjustments based on the Minimum Scenario and Base Case Scenario would be as follows:-

| | Minimum Scenario | Base Case Scenario |
|---|---|---|
| Existing number of Warrants B | 801,814,638 | 801,814,638 |
| Additional Warrants B as computed from the formula | 63,412,118 | 63,412,118 |
| **Total number of convertible equity securities (A)** | **865,226,756** | **865,226,756** |
| Issued share capital of the Company after the Proposed Rights Issue (B) | 1,731,629,673 | 3,207,259,346 |
| **Maximum number of new shares allowed from exercise of convertible equity securities (A)/ (B)** | **49.97%** | **26.98%** |
| **Compliance with Paragraph 6.50 of the Listing Requirements** | **Yes** | **Yes** |

For illustration purposes, the limitation to the number of Warrants B to be issued at a maximum of 63,412,118 Additional Warrants B will result in a total of 70,223,655 lesser Warrants B being issued to the Warrant B holders pursuant to the Adjustments (i.e. number of Warrants B computed based on the Deed Poll B formula of 133,635,773 Additional Warrants B compared to the 63,412,118 Additional Warrants B), which represents 8.76% and 8.12% of the outstanding Warrants B as at the LPD and the enlarged outstanding Warrants B pursuant to the Additional Warrants B to be issued, respectively.

A notice of adjustments with the details on the actual adjustments made to the exercise price and number of Warrants B held by each holder of the Warrants B will be issued and despatched to the holders of Warrants B within 30 days from the effective date of such adjustments.

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Maxland Shares as traded on Bursa Securities for the past 12 months from August 2025 to July 2026 are set out below:-

| | High RM | Low RM |
|---|---|---|
| **2025** | | |
| August | 0.040 | 0.030 |
| September | 0.040 | 0.030 |
| October | 0.040 | 0.030 |
| November | 0.040 | 0.025 |
| December | 0.035 | 0.025 |
| **2026** | | |
| January | 0.035 | 0.025 |
| February | 0.035 | 0.025 |
| March | 0.035 | 0.025 |
| April | 0.030 | 0.025 |
| May | 0.040 | 0.025 |
| June | 0.045 | 0.030 |
| July | 0.045 | 0.030 |
| Last transacted market price as at the LTD | | 0.035 |
| Last transacted market price as at the LPD | | 0.035 |

*(Source: Bloomberg)*

## 7. APPROVALS REQUIRED/ OBTAINED

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

i. Bursa Securities for the listing of and quotation for:-

a. up to 2,405,444,311 Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities; and

b. up to 63,412,118 Additional Warrants B and the new Maxland Shares to be issued pursuant to the exercise of the Additional Warrants B on the Main Market of Bursa Securities,

the approval of which has been obtained vide Bursa Securities' letter dated 7 August 2026 subject to the following conditions:-

| | Conditions | Status of compliance |
|---|---|---|
| (a) | Maxland and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue; | To be complied |
| (b) | Maxland must comply with the public security holding spread requirements pursuant to paragraph 8.02(1) of the Listing Requirements upon the listing and quotation of the new Shares; | To be complied |
| (c) | Maxland is required to furnish Bursa Securities with a certified true copy of the resolution passed by its shareholders at a general meeting for the Proposed Rights Issue; | To be complied |
| (d) | Maxland and UOBKH are required to inform Bursa Securities upon completion of the Proposed Rights Issue; and | To be complied |
| (e) | Maxland is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; | To be complied |

ii. the shareholders of the Company at the EGM 1; and

iii. any other relevant authorities, if required.

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

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

None of the Directors, major shareholders, chief executive of Maxland and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Rights Issue, save for their respective entitlements (including the right to apply for additional Rights Shares via excess application), to which all Entitled Shareholders are similarly entitled.

## 9. DIRECTORS' STATEMENT AND RECOMMENDATION

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

Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Rights Issue at the forthcoming EGM 1.

## 10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Rights Issue to be completed in the fourth quarter of 2026.

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

| Date | Events |
|---|---|
| 8 September 2026 | • Convening of EGM 1 for the Proposed Rights Issue |
| Early October 2026 | • Announcement of the Entitlement Date of the Proposed Rights Issue |
| Mid October 2026 | • Entitlement Date<br>• Issuance of Abridged Prospectus, Rights Subscription Form and Notice Provisional Allotment for the Proposed Rights Issue |
| End October 2026 | • Closing date of the application and acceptance for the Rights Shares |
| Mid November 2026 | • Listing and quotation of the Rights Shares and Additional Warrants B on the Main Market of Bursa Securities |

## 11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue (being the subject matter of this Circular), the Board confirms that there are no other outstanding corporate proposals that have been announced but not yet completed as at the LPD.

## 12. EGM 1

The EGM 1, the notice of which is enclosed in this Circular, will be held at Meeting Room, KM 11, Jalan Sinora, Batu Sapi, WDT 79, 90009 Sandakan, Sabah, Malaysia on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Rights Issue.

If you are unable to attend, participate, speak and vote at the EGM 1, you may appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, the Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time for holding the EGM 1 or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM 1 should you subsequently wish to do so.

## 13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
**MAXLAND BERHAD**

**YIN KONG FUNG**
Executive Director

## 1. Financial performance and financial position of Maxland Group

The audited financial information of Maxland Group for the past 3 financial years up to the 17-month FPE 30 November 2025 and latest unaudited 6-month FPE 31 May 2026, are set out below:-

| | <-------Audited | -------- | -------> | <-Unaudited-> |
|---|---|---|---|---|
| | **12-month FYE 31 December 2022 RM'000** | **18-month FPE 30 June 2024 RM'000** | **17-month FPE 30 November 2025 RM'000** | **6-month FPE 31 May 2026 RM'000** |
| Revenue | 129,354 | 89,289 | 84,674 | 22,212 |
| Gross profit/ (loss) | 20,297 | (31,513) | (7,756) | (4,196) |
| PBT/ (LBT) | 21,559 | (69,248) | (12,094) | (9,148) |
| PAT/ (LAT) attributable to owners of the Company | 17,183 | (61,226) | (10,312) | (8,826) |
| EPS/ (LPS) (sen) | 1.18 | (3.82) | (0.64) | (0.55) |
| | | | | |
| Total borrowings*1 | 16,889 | 17,175 | 17,149 | 16,972 |
| Gearing ratio (times) | 0.07 | 0.09 | 0.09 | 0.10 |
| | | | | |
| Current assets | 85,585 | 47,611 | 47,311 | 23,516 |
| Current liabilities | 100,460 | 117,435 | 76,789 | 60,351 |
| Current ratio (times) | 0.85 | 0.41 | 0.62 | 0.39 |
| | | | | |
| Shareholders' funds/ NA | 239,272 | 193,569 | 183,108 | 174,098 |
| Number of Maxland Shares in issue ('000) | 1,454,123 | 1,603,630 | 1,603,630 | 1,603,630 |
| NA per share (RM) | 0.16 | 0.12 | 0.11 | 0.11 |
| Net cash (used in)/ from operating activities | (17,985) | 29,113 | (23,545) | (193) |

***Note:-***

*1 *In addition to the borrowings disclosed above, the Group has an outstanding amount payable to Nagasaki International Limited pursuant to a settlement arrangement entered into in relation to trade obligations, which is classified as other payable in the Company's financial statements. The outstanding amount payable under the settlement arrangement was USD9,250,000 (equivalent to RM38.21 million, based on the exchange rate of USD1.00 : RM4.1305, being the middle rate quoted by BNM as at 5.00 p.m. on 28 November 2025, being the market day immediately preceding the financial year end of Maxland on 30 November 2025).*

*The settlement arrangement bears interest of 6% per annum and is payable quarterly commencing 1 November 2025 with the principal and any accrued interest to be settled on or before 1 November 2030. There has been no default on payments by the Group in respect of any payment obligations (including interest) under the settlement arrangement with Nagasaki International Limited during the 17-month FPE 30 November 2025 and the subsequent financial period up to the LPD*

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

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

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

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

The LAT was partially offset by the increase in reversal in expected credit loss recorded of RM48.33 million for the 18-month FPE 30 June 2024, as compared to RM4.04 million recorded for the 12-month FYE 31 December 2022. The increase was mainly due to settlement of long outstanding advances to log suppliers amounting to RM46.67 million. For information purposes, the advances to the log suppliers were made during the state-wide logging freeze imposed by the authorities in the FYE 30 June 2018. The advances remained outstanding following the lifting of the freeze in the FPE 31 December 2021, resulting in uncertainty over recovery.

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

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

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

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

The LAT was partially offset by the increase in other operating income recorded of RM41.86 million for the 17-month FPE 30 November 2025, as compared to RM4.02 million recorded for the 18-month FPE 30 June 2024. The increase was mainly due to:-

i. unrealised gain on foreign exchange amounting to RM7.88 million as a result of the weakening of the USD against the RM during the period; and

ii. waiver of debt on overdue payable balance amounting to RM28.77 million pursuant to a settlement arrangement entered into with the creditor.

**<u>6-month FPE 31 May 2026</u>**

Maxland Group recorded revenue of RM22.21 million for the 6-month FPE 31 May 2026 with a gross loss of RM4.20 million. The Group recorded a LAT of RM8.83 million for the period, primarily attributable to the lower production volume during the period due to inconsistent log supply. As certain manufacturing overheads remained relatively fixed despite the lower production volume, the reduction in production volume resulted in higher unit production costs, which in turn adversely affected the Group's gross profit margin and contributed to the gross loss recorded for the period.

The LAT was partially offset by the other income recorded of RM4.74 million, which primarily comprised the recovery of a deposit that had been impaired in prior year and an unrealised foreign exchange gain arising from the weakening of the USD against the RM.

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

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

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

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

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

**Minimum Scenario**

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

***Note:-***

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

### Base Case Scenario

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

***Note:-***

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

### Maximum Scenario

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

***Notes:-***

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

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

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

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

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

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

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

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

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

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

Premised on the above, and as part of the Group's objective to improve its overall financial performance moving forward, the Proposed Rights Issue will, on an immediate basis, allow the Group to raise funds on an expeditious manner to facilitate the Group's business activities. Barring any unforeseen circumstances, the Board is of the view that the Proposed Rights Issue is expected to place the Group on a better financial footing and potentially generate positive returns to the Group, and in turn be adequate to turnaround the financial condition of the Group as well as to grow and further improve the financial performance of the Group moving forward.

Following the completion of the Proposed Rights Issue, the Group intends to focus on strengthening its timber operations, restoring sustainable profitability of its Manufacturing Business, improving production utilisation and enhancing its overall financial position to support future growth opportunities as and when appropriate.

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## 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

## 2. CONSENT

UOBKH, being the Principal Adviser for the Proposed Rights Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

## 3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to Maxland for the Proposed Rights Issue.

## 4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of the Group:-

**i. In the matter of an Arbitration between GSR Pte Ltd (Claimant) and Transkripsi Pintar Sdn Bhd (Respondent) and consolidated with the matter of an Arbitration between Sinora Sdn Bhd (Claimant) and Anika Desiran Sdn Bhd (Respondent)**

On 28 April 2020, GSR Pte Ltd ("**GSR**"), a wholly-owned subsidiary of Maxland filed a Notice of Arbitration to Transkripsi Pintar Sdn Bhd ("**Transkripsi**"). Subsequently, on 30 April 2020, Sinora Sdn Bhd ("**Sinora**"), another wholly-owned subsidiary of Maxland has filed a Notice of Arbitration to Anika Desiran Sdn Bhd ("**Anika**"). (GSR and Sinora will be collectively referred to as "**the Claimants**").

The Claimants claim for the outstanding debt due and owing to them and a refund of the deposit in the amount totalling RM23.20 million and other expenses incurred, based on the grounds of frustration of contract and wrongful termination. By agreement, the two arbitrations were to be treated as a consolidated proceeding and heard together. (hereinafter being referred to as "**the said Arbitration**").

On 28 January 2022, Transkripsi and Anika ("**the Respondents**") filed its Re-Amended Defence and Further Amended Counterclaim, wherein the Respondents counterclaim, *inter alia*, are as follows:-

(1) A declaration that the termination of the Sale and Purchase of Shares Agreement ("**SPA**") and the Log Extraction and Timber Sale Agreement ("**Timber Agreement**") by letters dated 3 March 2020 by Respondents is valid and lawful;

(2) A declaration that the sum of RM23,000,000.00 paid by GSR to Transkripsi pursuant to the terms of the SPA, as supplemented and/ or modified by parties from time to time, shall be retained by Transkripsi;

(3) A declaration that the Respondents are not required to reimburse the Claimants the sum of RM200,000.00 being the fee paid to Sabah Forestry Department;

(4) An order that GSR is liable to pay and shall pay Transkripsi interest at 6% per annum to be computed daily, on (1) the sum of RM3,000,000.00 effective from 21 March 2019; and (2) the sum of RM234,000,000.00 effective from 21 August 2019, both up to termination of the SPA on 3 March 2020 and/ or at any such rate or sum or date as may be assessed by the Arbitral Tribunal;

(5) An order that GSR shall pay Transkripsi pre-award interest at 6% per annum in respect of the sum awarded to the Transkripsi from 4 March 2020 up to date of final award and/ or at any such rate or date as may be assessed by the Arbitral Tribunal;

(6) An order that Sinora shall pay Anika the sum of RM316,528.70 or such sum as may be assessed by the Arbitral Tribunal in respect of extracted logs pursuant to Invoice 2018/001 dated 30 July 2018;

(7) An order that Sinora shall pay the Anika the pre-award interest at 6% per annum in respect of the sum awarded to Anika from 7 August 2018 up to date of final award and/ or at any such rate or date as may be assessed by the Arbitral Tribunal;

(8) An order that Sinora shall pay Anika, at the minimum, the sum of RM11,496,800.00 or such sum as may be assessed by the Arbitral Tribunal arising from Clause 4.3 of the Timber Agreement;

(9) An order that Sinora shall pay Anika the sum of RM2,745,000.00 or such sum as may be assessed by the Arbitral Tribunal pursuant to Clause 24.1 of the Timber Agreement;

(9A) An order that Sinora shall pay Anika the sum of RM11,565,000.00 or such sum as may be assessed by the Arbitral Tribunal pursuant to Clauses 22.1 and/ or 23.1 of the Timber Agreement;

(10) Further and/ or in the alternative an order that the Claimants do jointly and severally pay to the respondents the sum of RM37.983,444.00 total value of the timber logs extracted by Sinora from FMU-5;

(11) An order that the Claimants shall pay the Respondents pre-award interest at 6% per annum in respect of the sum awarded to the Respondents from 4 March 2020 up to date of final award and/ or at any such rate or date as may be assessed by the Arbitral Tribunal;

(12) An order that the Claimants shall pay the Respondents post-award interest at the rate of 6% per annum or at such other rate determined by the Tribunal, on the sums awarded to the Respondents from the date of the final award until full settlement;

(13) An order that the Claimants jointly and severally pay the Respondents all losses, damages, liabilities, charges and/ or expenses incurred by the Respondents and as may awarded by the Tribunal in these arbitrations including all reliefs prayed herein; and

(14) Costs of the arbitration including costs of legal representation on solicitor-client basis.

(hereinafter being referred to as "**the Counterclaim**").

On 23 January 2024, the arbitrator has awarded, declared and directed in full and final determination of all claims in the said Arbitration that:-

(a) All claims by the Claimants be dismissed;

(b) A declaration that the termination of the SPA by Transkripsi's letter dated 3 March 2020 was valid and lawful;

(c) A declaration that the termination of the Timber Agreement by Anika's letter dated 3 March 2020 was valid and lawful;

(d) A declaration that the sum of RM23,000,000.00 paid by GSR to Transkripsi pursuant to the SPA was lawfully forfeited and may be retained by Transkripsi;

(e) A declaration that Transkripsi and/ or Anika is not required to reimburse GSR and/ or Sinora the sum of RM200,000.00 paid to the Sabah Forestry Department;

(f) Sinora shall pay Anika the following:-

    (i) the sum of RM11,496,800.00 for replanting costs; and

    (ii) the sum of RM316,528.70 pursuant to the Invoice No. 2018/001 dated 30 July 2018.

(g) GSR shall pay Transkripsi the following:-

    (i) the interest on the sum of RM3,000,000.00 calculated at the rate of 6% on a daily basis from 21 March 2019 to 16 September 2019; and

    (ii) the interest on the sum of RM234,000,000.00 calculated at the rate of 6% on a daily basis from 21 August 2019 to 29 February 2020;

(h) All other counterclaims are dismissed;

(i) GSR shall each pay simple interest on all sums (except for costs) awarded against them or any part of the said sums that remains unpaid to Transkripsi at the rate of 5% per annum from the date of the final award until full and final satisfaction;

(j) Sinora shall each pay simple interest on all sums (save for costs) awarded against them or any part of the said sums that remains unpaid to Anika at the rate of 5% per annum from the date of the Final Award until full and final satisfaction; and

(k) The Claimants shall jointly and severally pay the following to Transkripsi and/ or Anika:-

    (i) the sum of RM259,608.72 being half of the arbitrator's fees incurred in these proceedings; and

    (ii) the representation costs in the sum of RM923,486.43 together with simple interest on these amounts or any part of these amounts that remains unpaid at the rate of 5% per annum from the date of the Final Award until full and final satisfaction.

(hereinafter being referred to as "**the Final Award**")

The Respondents had on 1 March 2024 filed an application with the High Court vide Originating Summons (Ex Parte) No. WA-24NCC(ARB)-6-03/2024 to register and enforce the Final Award. The Claimants had on 5 April 2024 filed an application with the High Court vide Originating Summons No. WA-24NCC(ARB)-10-04/2024 to set aside the Final Award ("**Application**").

The High Court, on 14 November 2025, has dismissed the Claimants' Application and has allowed the Enforcement of Arbitration award. On 9 June 2026, Maxland, Sinora, GSR, Transkripsi and Anika entered into a settlement agreement ("**Settlement Agreement**") whereby Maxland and Sinora agreed to pay Anika a sum of RM12,000,000 as full and final settlement of Sinora and GSR's debts arising out of the Final Award in 5 instalments on terms and conditions contained in the Settlement Agreement. It is a term of the Settlement Agreement that in the event Maxland and/ or Sinora fails to pay the Settlement Sum in accordance with the Settlement Agreement, Transkripsi shall be entitled to commence legal proceedings and/ or enforcement action to recover the Final Award and judgment sum including any interest thereon (less amount paid). As at the LPD, the first instalment of RM2,500,000 has been paid by Sinora to Transkripsi while the balance instalments are not yet due.

**ii. Sandakan High Court Civil Suit No. SDK-22NCvC-1-3/2025 (HC) between Tropical Origin Sdn Bhd, Kinsafajar Sdn Bhd and Perwira Harmoni Sdn Bhd (Plantiff) and Sinora Sdn Bhd (Defendant)**

Sinora Sdn Bhd, a wholly-owned subsidiary of Maxland, has a debt of RM3,101,638 owed to Tropical Origin Sdn Bhd, Kinsafajar Sdn Bhd and Perwira Harmoni Sdn Bhd ("**the Plaintiffs**") from the supplies of raw materials by the Plaintiffs.

Following a hearing on 19 August 2025, the High Court granted Summary Judgment in favour of the Plaintiffs. As at the LPD, Sinora Sdn Bhd is making regular repayments to the Plaintiffs with RM1,775,490.62 still owing to the Plaintiffs.

**iii. Klang Sessions Court Civil Suit No. BL-B52NCC-47-06/2026 between Starhigh Asia Pacific Pte Ltd (Plantiff or Starhigh) and Maxland Bina Sdn Bhd (Defendant or Maxland Bina)**

The claim arose from a Letter of Award dated 7 November 2023 which Maxland Bina engaged Starhigh as subcontractor for maintenance dredging works at the Northport and Southport wharves (Wharves 1-25) and marine base, Port Klang, for an estimated subcontract sum of RM13,120,000.00. Starhigh pleaded that it completed the works in full, as recorded in a Dredging Progress Report dated 12 March 2024, and that it submitted progress claims and invoices totalling RM9,858,406.88, all of which were paid by the Defendant as at 3 May 2024.

Starhigh further claims that a further progress claim no. 4 which was issued on 8 July 2025 for RM624,578.00 remains substantially unpaid whereby Maxland Bina had paid RM15,000 and the outstanding balance of RM609,578.00 was subsequently confirmed as owing in an audit confirmation letter issued by Maxland Bina on 8 January 2026, which Starhigh verified on 31 March 2026. Starhigh issued a letter of demand on 1 April 2026 and filed the Statement of Claim on 24 June 2026.

Maxland Bina has filed its Memorandum of Appearance on 9 July 2026 and its Statement of Defence on 23 July 2026. Maxland Bina had on 7 July 2026 via its solicitors proposed a settlement and had on 9 July 2026 received a counter-proposal from Starhigh's solicitors. As at the LPD, the management is in the midst of negotiating with Starhigh for a better proposal for the best interest of the Group.

The Board is of the opinion that Maxland Bina has an even chance in defending this application.

## 5. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

## 6. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 1st Floor, Lot 5, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, P.O. Box 2848, 90732 Sandakan, Sabah, Malaysia during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM 1:-

i. the constitution of Maxland;

ii. the audited consolidated financial statements of Maxland Group for the past 2 financial years/ periods up to the 17-month FPE 30 November 2025 and the latest unaudited consolidated financial statements for the 6-month FPE 31 May 2026;

iii. the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** hereinabove, respectively;

iv. the cause papers as set out in **Section 4** hereinabove; and

v. the Undertaking Letters from the Undertaking Shareholders dated 13 July 2026.

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**MAXLAND BERHAD**
Registration No. 199601026940 (399292-V)
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING 1**

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting 1 ("**EGM 1**") of Maxland Berhad ("**Maxland**" or the "**Company**") will be held at Meeting Room, KM 11, Jalan Sinora, Batu Sapi, WDT 79, 90009 Sandakan, Sabah, Malaysia on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the following resolution as set out in this notice:-

**ORDINARY RESOLUTION**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,405,444,311 NEW ORDINARY SHARES IN MAXLAND ("MAXLAND SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.025 PER RIGHTS SHARE ("ISSUE PRICE"), ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING MAXLAND SHARE HELD, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")**

"**THAT**, subject to the approvals of all relevant authorities and/ or parties (if required) being obtained, where required, approval be and is hereby given to the Board of Directors of Maxland ("**Board**") for the following:-

i. to provisionally allot and issue by way of a renounceable rights issue of up to 2,405,444,311 Rights Shares at an issue price of RM0.025 per Rights Share to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitled Shareholders**"), on the basis of 1 Rights Share for every 1 existing Maxland Share held based on the terms and conditions set out in the circular to shareholders dated 24 August 2026 ("**Circular**");

ii. to issue such Rights Shares as may be required to give effect to the Proposed Rights Issue, including any persons entitled on renunciation of the provisional allotments; and

iii. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Rights Shares.

**THAT** any Rights Shares which are not taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders shall be made available for excess applications to the Entitled Shareholders and/ or their renouncee(s) who have applied for the excess Rights Shares and to such other persons as the Board shall determine at its absolute discretion, and are intended to be allocated on a fair and equitable basis;

**THAT** any fractional entitlements of the Rights Shares arising from the Proposed Rights Issue, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deems fit and expedient, and is in the best interests of the Company;

**THAT** the proceeds of the Proposed Rights Issue be utilised as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/ or purposes of utilisation of such proceeds in such manner as the Board, may at its absolute discretion, deem fit, necessary, expedient and/ or in the best interest of the Company, subject to the approval of the relevant authorities, where required;

**THAT** the Rights Shares shall be listed on the Main Market of Bursa Securities;

**THAT** the Rights Shares will, upon allotment and issuance and full payment of the issue price of Rights Shares, rank equally in all respects with the existing Maxland Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to or on the date of allotment and issuance of the Rights Shares;

**THAT** the Board be and is hereby authorised to do all acts, deeds and things, sign and execute all documents, enter into any arrangements, agreements and/ or undertakings with any party or parties, do all things as may be required to give effect to the Proposed Rights Issue with full powers to assent to any conditions, variations, modifications and/ or amendments including to vary the manner and/ or the purpose of the utilisation of proceeds arising from the Proposed Rights Issue, if necessary, in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue in the best interest of the Company;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares and new Maxland Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue."

By Order of the Board,
**MAXLAND BERHAD**

**TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)**
**THIEN LEE MEE (LS0010621) (SSM PC No. 201908002254)**
Company Secretaries
Kuala Lumpur, Malaysia

Dated: 24 August 2026

***Notes:-***

i) *For the purpose of determining a member who shall be entitled to attend this Extraordinary General Meeting 1, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 69 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 27 August 2026. Only a depositor whose name appears on the General Meeting Record of Depositors as at 27 August 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/ or vote on his/her behalf.*

ii) *A member entitled to attend and vote at this Extraordinary General Meeting 1 is entitled to appoint one (1) or more proxies to attend and vote in his/ her stead. A proxy may but need not be a member of the Company.*

iii) *A member shall not be entitled to appoint more than two (2) proxies to attend the same meeting and such appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.*

iv) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

v) *The Form of Proxy, in the case of an individual shall be signed by the appointer or his/ her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*

vi) *The Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time for holding the EGM 1 or at any adjournment thereof.*

vii) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

**FORM OF PROXY**

**MAXLAND BERHAD**
Registration No. 199601026940 (399292-V)

| | |
|---|---|
| Number of Shares Held | |
| CDS Account No. | |

I/We,________________________________________________NRIC/Passport No.__________________
*(FULL NAME IN BLOCK LETTERS)*

of______________________________________________________________________________
*(FULL ADDRESS)*
Contact No. ____________________Email Address ___________________________being a member/ members **MAXLAND BERHAD** ("**Maxland**" or the "**Company**") hereby appoint

| | | |
|---|---|---|
| Full Name in Block Letters | | Proportion of Shareholdings to be Presented % |
| Email Address | | |
| NRIC No. | | |
| Full Address | | |
| Contact No. | | |
| | | |
| Full Name in Block Letters | | Proportion of Shareholdings to be Presented % |
| Email Address | | |
| NRIC No. | | |
| Full Address | | |
| Contact No. | | |
| | | 100% |

or failing him/ her, the Chairman of the EGM 1 as my/ our proxy to vote for me/ us on my/ our behalf at the EGM 1 of the Company to be held at Meeting Room, KM 11, Jalan Sinora, Batu Sapi, WDT 79, 90009 Sandakan, Sabah, Malaysia on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof to vote as indicated below:-

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolution, the proxy shall vote at his/ her discretion, or abstain from voting as the proxy thinks fit.

| NO. | ORDINARY RESOLUTION | | FOR | AGAINT |
|---|---|---|---|---|
| 1 | Proposed Rights Issue | Ordinary Resolution | | |

Dated this _____ day of ___________ 2026

___________________________________
Signature / Common Seal of Shareholder

Contact No: _________________________

Fold this flap for sealing

***Notes:-***

*i)* *For the purpose of determining a member who shall be entitled to attend this Extraordinary General Meeting 1, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 69 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 27 August 2026. Only a depositor whose name appears on the General Meeting Record of Depositors as at 27 August 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/ or vote on his/her behalf.*

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*vii)* *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

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AFFIX
STAMP

**The Share Registrar of**
**MAXLAND BERHAD**
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur Wilayah Persekutuan
Malaysia

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