

FOR IMMEDIATE RELEASE

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BATU KAWAN BERHAD ("BKB")

- (I) **ACQUISITION BY WHITMORE HOLDINGS SDN BHD ("WHITMORE"), A WHOLLY-OWNED SUBSIDIARY OF BKB, OF 170,444,796 ORDINARY SHARES IN MKH BERHAD ("MKH") ("MKH SHARES"), REPRESENTING 29.6% EQUITY INTEREST IN MKH (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM340.9 MILLION OR RM2.00 PER MKH SHARE ("MKH ACQUISITION");**
- (II) **PROPOSED ACQUISITION BY WHITMORE OF AN AGGREGATE OF 104,433,373 MKH SHARES ("MKH SALE SHARES"), REPRESENTING 18.1% EQUITY INTEREST IN MKH (EXCLUDING TREASURY SHARES), FOR A TOTAL CASH CONSIDERATION OF RM208.9 MILLION OR RM2.00 PER MKH SALE SHARE ("PROPOSED MKH CONSIDERATION") ("PROPOSED MKH ACQUISITION"); AND**

- (III) **PROPOSED CONDITIONAL MANDATORY TAKE-OVER OFFER (“MO”) FOR ALL THE REMAINING VOTING SHARES IN MKH NOT ALREADY OWNED BY WHITMORE (“OFFEROR”), BKB (“ULTIMATE OFFEROR”) AND PERSONS ACTING IN CONCERT WITH THEM (“PACS”) (“MKH OFFER SHARES”) AFTER THE PROPOSED MKH ACQUISITION FOR A CASH CONSIDERATION OF RM2.00 PER MKH OFFER SHARE (“MKH OFFER PRICE”) (“PROPOSED MO”)**

(TO BE COLLECTIVELY REFERRED TO AS “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of BKB, Maybank Investment Bank Berhad (“**Maybank IB**”) wishes to announce that Whitmore, a wholly-owned subsidiary of BKB, has, on 20 May 2026, entered into the following agreements:

- (i) unconditional share sale agreements (“**SSA**”) with Chen Choy & Sons Realty Sdn Bhd (“**CCSR**”) for the following:
 - (a) the MKH Acquisition; and
 - (b) acquisition by Whitmore of an aggregate of 33,760,776 ordinary shares in MKH Oil Palm (East Kalimantan) Berhad (“**MKHOP**”) (“**MKHOP Shares**”), representing 3.3% equity interest in MKHOP (excluding treasury shares), for a total cash consideration of RM21.9 million or RM0.6478 per MKHOP Share (“**MKHOP Acquisition 1**”);
- (ii) unconditional SSA with Tan Sri Dato’ Chen Kooi Chiew @ Cheng Ngi Chong (“**TSCKC**”), Tan Sri Datuk Chen Lok Loi (“**TSCLL**”), Datuk Chen Fook Wah (“**DCFW**”), Lotus Way Sdn Bhd (“**Lotus Way**”), Liberty Alliance (M) Sdn Bhd (“**Liberty Alliance**”) and Activest Sdn Bhd (“**Activest**”) for the acquisition by Whitmore of an aggregate of 5,392,698 MKHOP Shares, representing 0.5% equity interest in MKHOP (excluding treasury shares), for a total cash consideration of RM3.5 million or RM0.6478 per MKHOP Share (“**MKHOP Acquisition 2**”); and
- (iii) conditional SSA with CCSR, TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest for the Proposed MKH Acquisition (“**MKH Conditional SSA**”).

(CCSR, TSCKC, TSCLL, DCFW, Lotus Way, Liberty Alliance and Activest are collectively referred to as “**Vendors**”)

(MKH Acquisition, MKHOP Acquisition 1 and MKHOP Acquisition 2 are collectively referred to as “**Acquisitions**”)

The SSAs for the Acquisitions ("**Acquisitions SSAs**") are not subject to any conditions precedent and are unconditional as at the date of this press notice. The Acquisitions will be effected by way of direct business transactions which will take place within 30 days from the date of the Acquisitions SSAs.

2. DETAILS OF THE PROPOSED MO

Upon completion of the Acquisitions, the direct shareholding of the Offeror will increase from nil to 29.6% in MKH (excluding treasury shares) and from nil to 3.9% in MKHOP (excluding treasury shares), respectively. Upon completion of the Proposed MKH Acquisition, the direct shareholding of the Offeror in MKH will further to 47.7% (excluding treasury shares).

Pursuant to subsection 218(2) of the Capital Markets and Services Act, 2007 ("**CMSA**") and subparagraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), the Offeror will be obliged to extend the Proposed MO where the MKH Offer Price would be the same price per MKH Share pursuant to the Proposed MKH Acquisition.

Upon the MKH Conditional SSA becoming unconditional, the Offeror will serve the notice of MO to the Board of Directors of MKH, in accordance with subparagraph 9.10(1)(b)(i) of the Rules.

According to subparagraph 6.03(1) of the Rules, the MKH Offer Price must also not be lower than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror, the Ultimate Offeror and the PACs for the purchase of MKH Shares within six months prior to the date of the MKH Conditional SSA and during the offer period for the Proposed MO.

As at the date of the MKH Conditional SSA, MKH and its subsidiaries ("**MKH Group**") collectively hold 65.3% of the voting shares in MKHOP. Upon the Proposed MO becoming unconditional as to acceptances and pursuant to subsection 218(2) of the CMSA and note 3 to subparagraph 4.01(a) of the Rules, the Offeror will be obliged to undertake the MO for all the remaining voting shares in MKHOP not already owned by the Offeror, the Ultimate Offeror and the PACs as MKHOP constitutes a significant downstream company of MKH ("**Possible MO**").

According to note 7 to paragraph 6.03 of the Rules, the offer price for the Possible MO (“**MKHOP Offer Price**”) will be based on the higher of the following:

- (i) volume weighted average market price (“**VWAP**”) of the downstream company for the last 20 market days prior to the announcement of the take-over offer made under subparagraph 9.10(1) of the Rules. The Securities Commission Malaysia (“**SC**”) reserves the right to disregard any unusually high or low traded prices within the relevant period;
- (ii) proportion of the price paid for the upstream entity over the interest in the downstream company; or
- (iii) highest price paid for the voting shares or voting rights of the downstream company in accordance with subparagraph 6.03(1) of the Rules.

A ruling will be sought from the SC to modify the basis of determining the MKHOP Offer Price pursuant to item (i) above such that the MKHOP Offer Price will be computed based on the VWAP of the MKHOP Shares for the last 20 market days prior to the date of signing of the MKH Conditional SSA instead.

3. BRIEF INFORMATION ON WHITMORE AND BKB

3.1 Brief information on Whitmore

Whitmore was incorporated under the Companies Act 1965 on 6 July 1995 as a private limited company under its present name and is deemed registered under the Companies Act 2016.

The principal activity of Whitmore is investment holding.

3.2 Brief information on BKB

BKB was incorporated in the Federation of Malaya on 9 December 1965 under the Companies Ordinances, 1940-1946 as a limited company under the name of Batu Kawan Plantations Limited. Subsequently on 15 April 1966, it changed its name to Batu Kawan Plantations Sdn Berhad. On 30 July 1971, it was converted into a public limited company. On the same day, it changed its name to Batu Kawan Berhad.

The principal activity of BKB is investment holding and its subsidiaries are principally involved in chemical manufacturing, plantation, logistics, property investment, property development and investment holding.

4. RATIONALE FOR THE PROPOSALS

Upon completion of the Proposals and assuming full acceptances of the Proposed MO, BKB and its subsidiaries ("**BKB Group**") are expected to achieve the following benefits:

- (i) broadening the BKB Group's earnings base and operational scale; and
- (ii) creating potential value for the enlarged BKB Group through synergistic initiatives aimed at achieving greater economies of scale, cost synergistic benefits through savings on capital and operational expenditure, access to a larger pool of talent and expertise and adoption of best practices currently used by each group.

The Proposed MO will be undertaken pursuant to subsection 218(2) of the CMAA and subparagraph 4.01(a) of the Rules and provides an opportunity for Whitmore to further increase its shareholding in MKH, thereby further consolidating its control in MKH.

The Proposed MKH Consideration and the MKH Offer Price represent a premium over the last traded price and VWAP of the MKH Shares up to and including 19 May 2026, being the last full trading day prior to the suspension of the securities of MKH on 20 May 2026 ("**LTD**"), as follows:

	Price	Premium	
	RM	RM	%
Last traded price of MKH Shares as at the LTD	1.6600	0.3400	20.48
VWAP of MKH Shares up to and including the LTD:			
1-month	1.4562	0.5438	37.34
3-month	1.4313	0.5687	39.73
6-month	1.3778	0.6222	45.16
12-month	1.3275	0.6725	50.66

(Source : Bloomberg)

**5. THE MKH CONDITIONAL SSA**

The completion of the MKH Conditional SSA is subject to the fulfilment of the condition precedent which is the approval of the shareholders of BKB at an extraordinary general meeting to be convened for, inter-alia, the Proposed MKH Acquisition and the Proposed MO ("**Condition Precedent**").

The Condition Precedent is to be fulfilled within a period of three (3) months from the date of the MKH Conditional SSA or such other period that may be mutually agreed by Whitmore and the Vendors. The MKH Conditional SSA shall become unconditional on the date of fulfilment of the Condition Precedent.

6. ADVISER

Maybank IB is the Principal Adviser to BKB for the Proposals and the Possible MO.

This press notice is made in accordance with subparagraph 9.05(2)(c) of the Rules.

Yours faithfully
For and on behalf of

Maybank Investment Bank Berhad

Lim Wui Hoong
Director
Corporate Finance

Lim Sher Ting
Senior Manager
Corporate Finance