

MERCURY INDUSTRIES BERHAD (“MIB” OR THE “COMPANY”)

PROPOSED ACQUISITION BY PLUTOVEST SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF 22 PIECES OF FREEHOLD LANDS, ALL SITUATED IN BANDAR PEKAN TANJONG KLING, SEKSYEN II, DAERAH MELAKA TENGAH, NEGERI MELAKA, MEASURING IN AGGREGATE AN APPROXIMATE AREA OF 9.31 ACRES FOR A CASH CONSIDERATION OF RM11.50 MILLION (“PROPOSED ACQUISITION”)

1. INTRODUCTION

The Board of Directors of MIB (“**Board**”) wishes to announce that Plutovest Sdn Bhd (“**PVSB**” or “**Purchaser**”), a wholly-owned subsidiary of MIB, had on 27 November 2025 entered into a conditional Sale and Purchase Agreement (“**SPA**”) with Tambun Leaders Sdn Bhd (“**Vendor**” or “**TLSB**”) for the proposed acquisition of 22 pieces of freehold lands, all situated in Bandar Pekan Tanjong Kling Seksyen II, Daerah Melaka Tengah, Negeri Melaka (“**Klebang Cove Phase 2 Lands**” or “**Lands**”), measuring in aggregate an approximate area of 9.31 acres for a cash consideration of RM11.50 million (“**Purchase Consideration**”).

PVSB is the developer of an on-going property development project, known as Klebang Cove Residensi, (“**Klebang Cove Phase 1**”), comprising of 4 blocks of apartments with a total of 648 units.

MIB Group has consistently pursued opportunities to expand its property development portfolio via landbank acquisition and/or joint ventures. In line with this strategy, the Klebang Cove Phase 2 Lands — located adjacent to Klebang Cove Phase 1 — have been identified as a strategic and complementary acquisition.

The Purchaser and the Vendor are collectively referred to as the “**Parties**” and individually as “**Party**”.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Vendor

The Vendor is a private limited company incorporated in Malaysia on 15 March 2018 under the Companies Act 2016. The total issued and paid-up share capital of the Vendor is RM100.00 comprising of 100 ordinary shares. The principal activity of the Vendor is that of a holding company.

The directors and shareholder of the Vendor are as follows:-

Director / Shareholder	No. of TLSB Shares held	% held	Paid-up share capital
Dato’ Sri Khairudin Bin E.S Abd. Samad	100	100.00	RM100.00
Koo Chuong Faii	-	-	-

2.2 Information on the Lands

The Lands are located within Tanjong Kling, Melaka and are adjacent to the Klebang Phase 1. The Lands are situated approximately 11 kilometres from the Melaka city centre, which is an established tourism hotspot in Malaysia. Prominent landmarks within the vicinity include Tanjung Bruas Port Jetty, Melaka Energy Park, Pantai Klebang, Pantai Puteri, Dataran 1Malaysia, Klebang, and Malacca Submarine Museum, as well as healthcare facilities such as Oriental Melaka Straits Medical Centre.

PVSB intends to develop the Lands into a mixed residential development comprising apartment units and shop offices, with a preliminary estimated gross development value (“**GDV**”) of approximately RM300 million.

As the Purchaser is still at the preliminary stage of development planning, it is premature at this juncture to determine the total development costs, the expected commencement and completion date, and the source of funds for the development.

The Company is unable to provide information on the net book value of the Lands as recorded in the Vendor’s books, as it is not privy to such information.

Further information on the Lands is set out in Appendix I of this Announcement.

2.3 Salient terms of the SPA

2.3.1 Mode of Settlement for the Purchase Consideration

The Purchase Consideration shall be satisfied in cash and payable in the following manner:-

No.	Milestone	%	RM million
i.	To be paid to the Vendor’s solicitors as stakeholder upon execution of the SPA, which will be released to the Vendor upon the Purchaser’s Solicitors’ receipt of the Vendor’s Title duly certified by the Vendor’s Solicitors and the Vendor’s Solicitors’ confirmation that the deposition of Original Vendor’s Title with them.	10	1.725
ii.	The balance purchase price shall be payable in five (5) equal tranches of RM1.955 million each, with the first tranche due within fourteen (14) days from the Unconditional Date, and each subsequent tranche payable at one (1) month intervals thereafter, subject to an accumulative extended period of thirty (30) days.	90	9.775
Total		100	11.500

2.3.2 Conditions precedent

The Proposed Acquisition is conditional upon the following Conditions Precedent being obtained/fulfilled within Nine (9) months from the date of the SPA or within such extended as may be mutually agreed between the Parties:-

- (a) the Vendor obtaining the approvals of its board of directors and shareholders in respect of the sale of the Lands;
- (b) the Purchaser obtaining the approval of its board of directors and shareholders for the purchase of the Lands; and
- (c) the Vendor shall, at their costs and expenses, obtain the consent to transfer and charge approval in favour of the Purchaser from the State Authority for the sale and purchase of the Lands;

The SPA shall become unconditional upon the fulfilment of all the Conditions Precedent (“**Unconditional Date**”).

2.3.3 Completion Date

The completion of the SPA shall take place within **Five (5) months from the Unconditional Date**, with an automatic extension of an accumulative period of thirty (30) days.

2.3.4 Power of Attorney

Upon the execution of the SPA, the Vendor shall grant a Limited Power of Attorney to the Purchaser for the application of planning permission (Kebenaran Merancang) with all related costs borne by the Purchaser.

2.4 Source of funding

The Purchase Consideration will be satisfied via internally generated funds and/or bank borrowings.

The exact quantum and mix between the source of funding will be determined at a later stage upon taking into consideration of the gearing level of MIB and its subsidiaries (“**MIB Group**” or the “**Group**”), the cost of funding and the funding requirements of MIB Group’s business operations.

2.5 Liabilities to be assumed

There are no liabilities, contingent liabilities or guarantees to be assumed by MIB Group pursuant to the Proposed Acquisition.

3. RATIONALE AND PROSPECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will enable MIB Group to expand its landbank in Melaka, particularly within the Klebang area.

The Klebang Cove Phase 2 Lands are adjacent to Klebang Cove Phase 1 and fall within the same approved Master Development Order. The infrastructure and utilities for Klebang Cove Phase 1 are planned to be constructed with sufficient capacity to also cater for Klebang Cove Phase 2 Lands. This will create synergies, as Klebang Cove Phase 2 Project will be able to leverage on the completed infrastructure from Phase 1.

The combined development of Phases 1 and 2 is expected to improve overall profitability through economies of scale and shared infrastructure.

The Proposed Acquisition also further strengthen MIB’s presence in Klebang and Melaka as a whole, which complements MIB Group’s another ongoing development in Batu Berendam, Melaka.

Overall, the Proposed Acquisition is in line with the Group’s strategy to replenish its development landbank, enhance earnings visibility, and sustain long-term growth in the property sector.

4. BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION

The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration of the following:-

- (i) the Purchase Consideration is within the range of market value of the comparable lands in the vicinity based on MIB’s internal assessment;

- (ii) the development potential of the Lands with an estimated GDV of RM300 million, which is expected to contribute positively to the future financial performance of the Group; and
- (iii) the rationale and prospects the Proposed Acquisition as set out in Section 3 of this announcement.

The Board, having considered the internal assessment performed, is of the view that the Purchase Consideration is fair, reasonable and within the range of market value of the comparable lands in the vicinity. No external independent valuation was carried out on the Lands.

5. RISK FACTORS

The Proposed Acquisition will not expose the Group to a new industry risk as the Group is already involved in the property development industry. This industry risk would be addressed as part of the Group's ordinary course of business. The potential risk factors relating to the Proposed Acquisition, which may not be exhaustive, are as follows:-

5.1 Acquisition completion risks

The Proposed Acquisition is subject to, amongst others, the fulfilment of the terms and conditions of the SPA. There is no assurance that the Group will be able to ensure all parties fulfil their respective obligations as set out in the SPA and if any of the SPA's terms and conditions are not obtained/fulfilled or waived (as the case may be), the SPA may be terminated. Consequently, the Proposed Acquisition would not be completed and the potential benefits arising thereon may not materialise.

However, the management of MIB intends to mitigate this risk by, *inter-alia*, taking all reasonable steps that are within its control to ensure that the terms and conditions and its respective obligations as set out in the SPA are met in accordance with the provisions of the SPA.

5.2 Funding and interest rate risk

The Group may potentially obtain external financing to fund the Purchase Consideration for the Klebang Cove Phase 2 Lands. The Group's ability to secure external financing and the resultant financing costs are dependent on various factors which include general economic and capital market conditions, prevailing interest rates, credit availability from the banks and other lenders, investors' confidence in the Group, any restrictions imposed by the Government of Malaysia as well as political, economic and social conditions in Malaysia.

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

Nevertheless, the Group will continuously monitor and review its debt portfolio, which includes taking into consideration of the Group's gearing level, interest costs and cash flows in achieving an overall optimal capital structure.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on MIB's share capital as well as its substantial shareholders' shareholdings as it does not involve the issuance of new securities.

6.2 Earnings and earnings per share (“EPS”)

The Proposed Acquisition is not expected to have any material effect on the earnings of MIB Group for the financial year ended 30 June 2026.

However, the Proposed Acquisition is expected to enhance the future earnings of MIB Group when the proposed development of the Lands comes onstream subsequently.

6.3 Net assets (“NA”) and gearing

The Proposed Acquisition is not expected to have any immediate material impact on the NA of MIB Group for the financial year ending 30 June 2026.

However, it is expected that the NA of MIB Group will be enhanced when the profits attributable to MIB Group are realised from the Proposed Acquisition.

The effects of the Proposed Acquisition on the gearing of MIB Group will be dependent on the eventual funding mix of the Proposed Acquisition.

7. HIGHEST PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 23.47%, computed based on the latest audited financial statements of MIB Group for the financial year ended 30 June 2025.

8. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of MIB nor any approvals from the relevant authorities, save for those disclosed in Section 2.3.2 of this announcement.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders and persons connected with the Directors and/or major shareholders of the Company have any direct or indirect interest in the Proposed Acquisition.

10. DIRECTORS’ STATEMENT

The Board, having considered and deliberated on all aspects of the Proposals, is of the opinion that the Proposed Acquisition is in the best interest of the Group.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to fulfilment of the conditions precedent as set out in the SPA, the Proposed Acquisition is expected to be completed in the financial year ending 30 June 2027.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made are available for inspection at the registered office of MIB at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 27 November 2025.

INFOMRATION ON THE LANDS

Particulars of the Lands

The Lands are freehold lands, all situated in Bandar Pekan Tanjong Kling, Seksyen II, Daerah Melaka Tengah, Negeri Melaka as particularly described hereinbelow:

No.	Title No.	PT No.	Land Area (sqft)	Category of land use	Express condition	Note
1	H.S.(D) 81100	PT 50	335,386	Building	Residential	a
2	H.S.(D) 81101	PT 51	1,540	Building	Shop office	a
3	H.S.(D) 81102	PT 52	1,540	Building	Shop office	a
4	H.S.(D) 81103	PT 53	1,540	Building	Shop office	a
5	H.S.(D) 81104	PT 54	1,540	Building	Shop office	a
6	H.S.(D) 81105	PT 55	1,540	Building	Shop office	a
7	H.S.(D) 81106	PT 56	1,540	Building	Shop office	a
8	H.S.(D) 81107	PT 57	1,540	Building	Shop office	a
9	H.S.(D) 81108	PT 58	1,540	Building	Shop office	a
10	H.S.(D) 81109	PT 59	1,540	Building	Shop office	a
11	H.S.(D) 81110	PT 60	1,828	Building	Shop office	a
12	H.S.(D) 81123	PT 73	1,781	Building	Shop office	a
13	H.S.(D) 81124	PT 74	1,540	Building	Shop office	a
14	H.S.(D) 81125	PT 75	1,540	Building	Shop office	a
15	H.S.(D) 81126	PT 76	1,540	Building	Shop office	a
16	H.S.(D) 81127	PT 77	1,540	Building	Shop office	a
17	H.S.(D) 81128	PT 78	1,540	Building	Shop office	a
18	H.S.(D) 81129	PT 79	1,540	Building	Shop office	a
19	H.S.(D) 81130	PT 80	1,965	Building	Shop office	a
20	H.S.(D) 81131	PT 81	2,786	Industrial	TNB	b
21	H.S.(D) 81132	PT 82	14,290	Building	Stall (Gerai)	a
22	H.S.(D) 81133	PT 83	24,256	Industrial	Water tank	c
Total			405,392			

Note on Restriction in Interest:

- (a) This land shall not be transferred, leased, or charged except with the consent of the State Authority. This restriction in interest is exempted for the first transfer, lease, or charge.
- (b) This land shall not be transferred, leased, or charged except with the consent of the State Authority. This restriction in interest is exempted for the first transfer to Tenaga Nasional Berhad (TNB).
- (c) This land shall not be transferred, leased, or charged except with the consent of the State Authority. This restriction in interest is exempted for the first transfer to Syarikat Air Melaka Berhad (SAMB).