GENERAL ANNOUNCEMENT

MTAG GROUP BERHAD ('MTAG" OR "THE COMPANY")

Type	**:**	**Announcement**
Subject	**:**	**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)** **NON-RELATED PARTY TRANSACTIONS**
Description	**:**	**Proposed Acquisition of Vacant Land from Grand Focus Sdn. Bhd. ("GFSB" or the "Vendor") by MTAG Land Sdn. Bhd. ("MLSB" or the "Purchaser"), a wholly-owned subsidiary of the Company**

1. INTRODUCTION

Pursuant to Paragraph 10.06 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Board of Directors of MTAG ("Board") wishes to announce that MLSB ("the Purchaser"), had on 30 January 2026, entered into a conditional sale and purchase agreement ("SPA") with GFSB for the acquisition of a freehold land held under Geran 37995 Lot 25948, in Mukim of Tebrau, District of Johor Bahru, State of Johor measuring approximately 7.5423 hectares ("Subject Property"), for a purchase consideration of RM53,581,863.42 ("the Proposed Acquisition").

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition by MLSB of the Subject Property from GFSB, for the Purchase Consideration, subject to the terms and conditions of the SPA.

2.1 Information on Purchaser

MLSB is a private limited company incorporated in Malaysia on 12 March 2020 under the Companies Act 2016 and is principally engaged in the business of property holding and investment holding. It has an issued capital of RM15,762,230 and is wholly-owned by MTAG.

The shareholder and the directors of MLSB are as follows:

	Shareholder	No. of shares	% of shareholding
1.	MTAG GROUP BERHAD	15,762,230	100%

	Directors
1.	CHAW KAM SHIANG
2.	ELLY CHAW

2.2 Information on Vendor

GFSB is a private limited company incorporated in Malaysia on 3 July 1991 and having its registered office at 28-B Jalan Tun Abdul Razak Susur Satu, 80000 Johor Bahru, Johor.

It has an issued capital of RM4,380,000. Its principal activities are investment holding.

The shareholders and directors of GFSB are as follows:

	Shareholder	No. of shares	% of shareholding
1.	ADRINDO JAYA SDN. BHD.	1,314,000	30.00
2.	LENG HARN SZUAN	208,250	4.75
3.	LENG HOWE SZUAN	208,250	4.75
4.	LOW SOE ENG, DR.	240,500	5.49
5.	TAN TZU YIH	219,000	5.00
6.	TAN WAN HSUAN	219,000	5.00
7.	TAN WEE HIONG	219,000	5.00
8.	TOH CHAZ YEE	87,600	2.00
9.	TOH CHEE HONG	87,600	2.00
10.	TOH CHEE LIT	95,150	2.17
11.	TOH CHEE YEONG	99,150	2.26
12.	TRIUMPHAL ENGINEERING SUPPLY SDN. BHD.	1,382,500	31.56

	Directors
1.	TAN WEE HIONG
2.	HONG KERK AI
3.	LOW SOE ENG, DR.
4.	TOH THIM LEONG
5.	TOH CHEE YEONG

2.3 Information of the Subject Property

Brief details of the Subject Property are as follows:

Title	Geran 37995 Lot 25948, in Mukim of Tebrau, District of Johor Bahru, State of Johor
Address	Lot 25948 situated off Jalan Kempas Lama, within Taman Perusahaan Ringan Pulai, 81200 Johor Bahru, Johor Darul Takzim.
Land area	811,846.42 Sq.ft. (7.5423 hectares)
Tenure	Freehold/ Term in perpetuity
Category of Land	Nil
Express conditions	Nil
Restrictions in interest	Nil
Encumbrances	Nil
Condition of Land	Vacant
Existing use	Agricultural land
Proposed use	Zoned for Residential (industrial potential)
Independent valuer	Cheston International (Johor) Sdn Bhd ("Cheston" or the "Valuer")
Date of inspection and valuation	20 December 2025 and 31 December 2025
Estimated market value as at 31 December 2025	RM53.6 million
Consideration	RM53,581,863.42

<u>Location & information on the Subject Property</u>

The Subject Property is a freehold land held under Geran 37995 Lot 25948, in Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring approximately 7.5423 hectares (equivalent to approximately 811,846.42 sq ft).

The Subject Property is located off Jalan Kempas Lama, within Taman Perusahaan Ringan Pulai, about 12 kilometres ("km") north-west of Johor Bahru City Centre.

It is accessible from Johor Bahru via the Skudai Highway for approximately 16 km to Taman Ungku Tun Aminah interchange, followed by a U-turn back towards the Johor Bahru City Centre, and then a left turn onto Jalan Kempas Lama. From there, the access continues for approximately 3.5 km, followed by a left turn just before the "Petronas" petrol station, to where the Subject Property is located. It has point frontage to Jalan Kempas Lama and according to the survey plans, there is a road reserve on the southern boundary of the land (but the road has not yet been made up).

Another access is further along on the same road for another 500 metres then a left turn onto a motorable laterite road next to the railway line, for another 200 metres to where the Subject Property is located, on the left side of the road in between electric post Nos. "JKL 39" to "JKL 40".

The alternative access is by the way of Eastern Dispersal Link (EDL) highway onto the North-South Expressway until the Kempas Interchange followed by a left turn onto Jalan Kempas Lama for about 2.4 km. The access then involve a U-turn at the traffic lights and finally a left turn towards the Subject Property.

2.4 Basis and justification of arriving at the Purchase consideration

The purchase consideration of RM53,581,863.42 was arrived at on a "willing-buyer and willing-seller" basis after taking into consideration the following factors:-

(i) the market value of the Subject Property of RM53.6 million as appraised by the Valuer based on its inspection of the Subject Property on 20 December 2025 as set out in the valuation letter dated 31 December 2025 ("Valuation Letter");

(ii) the rationale and justifications for the Proposed Acquisition as set out in Section 3 of this announcement; and

(iii) the prospects of the Subject Property as set out in Section 4.2 of this announcement.

2.5 Mode of settlement

Pursuant to the terms of the SPA, the Purchase Consideration shall be satisfied entirely in cash, in the following manner:-

Payment term	**Timing of settlement**	**Purchase Consideration (RM)**
1.00% of the Purchase Consideration	Paid to Vendor's solicitors as stakeholders prior to the execution of the SPA on 3 December 2025	535,818.63
9.00% of Purchase Consideration	Payable to the Vendor's solicitors as stakeholders upon execution of the SPA	4,822,367.71
90.00% of Purchase Consideration	To be paid within 3 months from the date the SPA becomes unconditional, with an automatic extension of a further 2 months, subject to the Purchaser paying an interest on the outstanding sum of the unpaid balance of the Purchase Consideration at the rate of 8% per annum calculated on daily basis	48,223,677.08
Total		**53,581,863.42**

2.6 Source of funding

The Proposed Acquisition will be satisfied through internally generated funds of the MTAG and its subsidiaries ("MTAG Group" or the "Group"), the exact proportion of which will be determined at a later date.

Notwithstanding the above, in determining the appropriate funding requirements, the Board will take into consideration, amongst others, the gearing level, interest costs and cash reserves of MTAG Group.

2.7 Liabilities to be assumed

Save for the obligations and liabilities arising from, pursuant to or in connection with the SPA, there are no other liabilities, including contingent liabilities and guarantees to be assumed by MTAG arising from or pursuant to the Proposed Acquisition.

3. RATIONALE AND JUSTIFICATION OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's long-term strategy to strengthen its manufacturing and industrial capabilities, expand production capacity, and support ongoing business growth opportunity. The acquisition of the Subject Property will enable MTAG to consolidate its operations and optimise land utilisation for manufacturing, warehousing, and logistics purposes. Approximately one-third (1/3) of the Subject Property will be utilised for the Group's own operations, while the remaining portion may be retained for future development or rental, subject to prevailing market conditions, relevant approvals, and the Group's future requirements.

The Proposed Acquisition also supports the Group's strategic roadmap to move up the value chain and capture higher-value opportunities, including:

- Enhancing production capabilities through automation, advanced converting technology, and upgraded machinery, enabling the production of higher-value products such as 3D/tracking labels and customised packaging solutions;
- Leveraging key business units to capture growth opportunities in the FMCG, retail, and packaging sectors; and
- Expanding higher-value segments, including FMCG, industrial, medical-related, and customised converting solutions.

Premised on the above, the Board is of the view that the Proposed Acquisition provides operational flexibility, enhances the Group's manufacturing footprint, and positions the Group to capitalize on growth opportunities in its core industrial sectors, thereby contributing to sustainable long-term value creation for shareholders.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Malaysian economy and Industry Overview and Outlook

Overview Malaysia's economy remains strong, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4% – 4.8% in 2025 and 4% – 4.5% in 2026. These projections are consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia's growth at 4.5% for 2025 and 4% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 (VM2026). The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

Malaysia's strong economic fundamentals position the country to attract quality investment and improve competitiveness in driving economic growth. This will also provide opportunities for the country in potential areas such as digital, halal and semiconductor industries, underpinned by strategic location, developed infrastructure and highly capable workforce. Furthermore, the Johor-Singapore Special Economic Zone (JS-SEZ) will catalyse the nation towards becoming a centre for regional economic growth in these areas.

Manufacturing Sector expansion remains favourable. Growth in the manufacturing sector is projected to remain steady at 3% in 2026, supported by both export- and domestic oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The E&E cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for AI applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia's position in the global E&E supply chain. Meanwhile, domestic-oriented industries will be supported by higher output, attributed to stable investment and consumption activities as well as concerted government efforts to boost local production.

(Source: Economic Outlook2026, Ministry of Finance Malaysia)

4.2 Prospects of the Subject Property

The Subject Property is strategically located in Johor Bahru, in close proximity to the Group's existing industrial operations. This geographical advantage is expected to deliver operational and logistical benefits, including streamlined production processes, consolidation of warehousing functions and efficient coordination of resources.

Upon completion of the land development for the Subject Property, the additional space is expected to accommodate new production lines, machinery, and storage facilities, supporting increased production capacity and operational efficiency. This will allow the Group to meet growing industrial demand, improve turnaround times, and capture potential cost synergies.

Premised on the above, the Board is confident that the Proposed Acquisition will contribute positively to the Group's long-term operational efficiency and earnings. The Group is well-positioned to leverage regional economic growth, industrial investment momentum in Johor, and the opportunities arising from JS-SEZ developments, thereby strengthening its market presence and competitiveness in the industrial manufacturing and trading sectors.

5. RISK FACTORS

5.1 Non-completion risk

The completion of the Proposed Acquisition is conditional upon the fulfilment of the conditions precedent in the SPA (which includes the fulfilment of the conditions precedent of the Adjacent Land SPA (as defined herein), as disclosed in Appendix I of this announcement.

For information purposes, the Proposed Acquisition is inter-conditional and inter-dependent with the sale and purchase of the adjacent land held under Geran 29534 Lot 900, in Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring approximately 143,157.32 square metres (the "Adjacent Land") pursuant to a separate sale and purchase agreement entered into contemporaneously between Kempas Green Development Sdn Bhd (as the vendor) and London Bakery Sdn Bhd (as the purchaser) (the "Adjacent Land Purchaser") in respect of such Adjacent Land (the "Adjacent Land SPA"). In light of the above, the SPA and the Adjacent Land SPA shall be completed strictly on an en bloc and simultaneous basis.

The Adjacent Land SPA is subject to conditions precedent, termination rights or other provisions which are outside the control of MTAG. In the event any of the conditions precedent in the SPA are not fulfilled or waived within the stipulated timeframe and Adjacent Land SPA is not completed or is terminated, the Proposed Acquisition may be delayed or terminated and the potential benefits arising therefrom may not materialise.

Notwithstanding the above, MTAG will take all reasonable steps that are within the Company's control to ensure the conditions precedent are fulfilled within the stipulated timeframe to ensure the completion of the Proposed Acquisition.

5.2 Conversion Risk

As disclosed in Section 2.3 of this announcement, the Subject Property is presently zoned for residential use by the local council. The Group shall, at its own cost and expense, make and pursue all requisite applications to the relevant governmental and statutory authorities to effect the conversion of the land zoning from residential use to industrial use for the purposes of the intended strategy as disclosed in Section 3.

There can be no assurance that the relevant authorities will approve the conversion of the land use category of the Subject Property from residential use to industrial use. In the event that the Group is unable to obtain the requisite approvals for such conversion, the Group will not be able to proceed with the intended development, which may in turn adversely affect the Group's operational consolidation and expansion plans.

Notwithstanding the above, the Company will take all reasonable steps within its control, including liaising with the relevant authorities and submitting the necessary applications, to procure the approval for conversion of the land use category to industrial following the completion of the Proposed Acquisition.

5.3 Acquisition Risk

There is no assurance that the anticipated benefits will be realised by the Group. In addition, any adverse changes in economic, industrial or market conditions may affect the viability of the Proposed Development and the potential benefits to be derived from the Proposed Acquisition.

Nevertheless, the Board will monitor closely and continuously assess prevailing economic and market conditions. The Board, after having considered the potential risks and benefits associated with the Proposed Acquisition, remains optimistic of the potential benefits to be derived from it.

6. EFFECTS OF THE PROPOSED ACQUISITION

a) Earnings per share

The Proposed Acquisition is not expected to have any material effect on the earnings per share of MTAG for the financial year ending 30 June 2026.

b) Net Assets per share

The Proposed Acquisition is not expected to have any material effect on the net assets per share of MTAG for the financial year ending 30 June 2026.

c) Share Capital and substantial shareholder’s shareholding

The Proposed Acquisition is not expected to have any effect on the share capital and substantial shareholders’ shareholdings as the Proposed Acquisition does not involve any issuance of the Company’s shares.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio pursuant to paragraph 10.02(g) of the Bursa Malaysia Securities Berhad’s ACE Market Listing Requirements is approximately 24.5%, calculated based on the latest audited financial statements of MTAG for the financial year ended 30 June 2025.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

However, the Proposed Acquisition is inter-conditional and inter-dependent with the Adjacent Land SPA. The SPA and the Adjacent Land SPA shall be completed strictly on an en bloc and simultaneous basis.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of MTAG and/or persons connected with them have any interest, directly or indirectly, in the Proposed Acquisition.

10. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition (including but not limited to the terms of the SPA, the market value of the Subject Property, the basis and justifications of the Purchase Consideration and the rationale and justifications of the Proposed Acquisition), is of the opinion that the Proposed Acquisition is in the best interest of MTAG Group.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Acquisition to be completed in the second half of 2026.

12. DOCUMENTS FOR INSPECTION

A copy of SPA and Valuation Letter is available for inspection at the registered office of MTAG at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor from Monday to Friday (except public holidays) for a period of not less than 3 months from the date of this announcement.

This announcement is dated 30 January 2026.

SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:-

1. **Sale And Purchase of the Subject Property**

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Subject Property on an "as is where is" basis, free from encumbrances and with vacant possession, subject to the terms and conditions of the SPA.

2. **Inter-Conditional Sale with Adjacent Land**

2.1. The sale and purchase of the Subject Property under the SPA is inter-conditional and to be completed on an en-bloc and simultaneous basis with the Adjacent Land SPA.

2.2. Any default by the relevant party under the Adjacent Land SPA will be deemed to be an default under SPA, whereby the corresponding non-defaulting party under the SPA shall be entitled to exercise the relevant rights and remedies thereunder. Where the Adjacent Land SPA is terminated without default by any party, the SPA shall likewise be terminated, with the consequences of termination applying mutatis mutandis.

3. **Purchase Consideration and Mode of Payment**

3.1. The Purchase Consideration for the Subject Property is RM53,581,863.42.

3.2. The Purchase Consideration shall be satisfied entirely in cash in the following manner:-

(i) 1.00% of the Purchase Consideration amounting to RM535,818.63 (the "Earnest Deposit") has been paid to the Vendor's solicitors as stakeholders prior to the execution of the SPA;

(ii) 9.00% of the Purchase Consideration amounting to RM4,822,367.71 (the "Balance Deposit") is payable to the Vendor's solicitors as stakeholders upon execution of the SPA. The Earnest Deposit and the Balance Deposit will collectively be referred to as the "Deposit"); and

(iii) 90.00% of the Purchase Consideration amounting to RM48,223,677.08 ("Balance Purchase Consideration"), is payable within 3 months from the date the SPA becomes unconditional ("Completion Period"), with an automatic extension of 2 months ("Extended Completion Period"), subject to interest of 8.00% per annum, calculated on a daily basis, on the outstanding balance during the extended period.

4. **Conditions Precedent**

4.1. The SPA is conditional upon the Purchaser obtaining approval from its directors for the acquisition of the Subject Property (the "Directors Approval") within 4 months from the date of the SPA (the "Conditional Period"), with an automatic extension of 1 month from the expiry of the Conditional Period (or such further extension as may be mutually agreed in writing by the parties).

4.2. The SPA shall become unconditional upon fulfilment and/or waiver of the conditions precedent of the SPA set out in paragraph 4.1 above and of the Adjacent Land SPA (the "Unconditional Date"). The Vendor's solicitors shall be authorised to release the Deposit together with the accrued interest to the Vendor upon the Unconditional Date.

4.3. If Directors' Approval is not obtained or the condition precedent under the Adjacent Land SPA to be satisfied by the Adjacent Land Purchaser remains unfulfilled by the expiry of the Conditional Period (as extended, where applicable), the parties agree that RM17,500.00 from the Deposit shall be forfeited to the Vendor as liquidated ascertained damages and the balance sum of the Deposit shall be refunded together with accrued interest.

5. **Completion and Delivery of Vacant Possession**

5.1. Subject to paragraph 2.1 above, completion of the sale and purchase of the Subject Property shall take place upon full payment of the Purchase Consideration within the Completion Period or the Extended Completion Period.

5.2. The vacant possession of the Subject Property shall be deemed delivered by the Vendor to the Purchaser on the date of receipt by the Vendor's solicitors of the Balance Purchase Consideration together with the late payment interest (if any).

5.3. The outgoings payable for and in respect of the Subject Property shall be apportioned between the parties hereto as at the date of delivery of vacant possession of the Subject Property.

6. Default

6.1. In the event of a default by the Purchaser, including failure to pay the Balance Purchase Consideration by the expiry of the Extended Completion Period, the Vendor shall be entitled to terminate the SPA, forfeit the Deposit as agreed liquidated damages, and refund any other monies paid by the Purchaser, whereupon the SPA shall terminate and the Vendor shall be at liberty to deal with the Subject Property without further reference to the Purchaser.

6.2. In the event of a default by the Vendor, the Purchaser shall be entitled, at its option, to seek specific performance or to terminate the SPA, in which case the Vendor shall refund all monies paid by the Purchaser and pay liquidated damages equivalent to 10.00% of the Purchase Consideration, in accordance with the terms of the SPA.

6.3. Any default or non-performance by the purchaser under the Adjacent Land SPA shall not constitute a default by the Purchaser under the SPA, provided that the Purchaser provides satisfactory evidence that it has the capability and willing to complete the acquisition of the Subject Property. If the Adjacent Land SPA is terminated, the Vendor may terminate the SPA, in which event the Vendor shall refund to the Purchaser, free of interest, the Deposit and all monies paid towards the Purchase Consideration, in accordance with the SPA.