SDS GROUP BERHAD ("SDSG" OR THE "COMPANY")

PROPOSED ACQUISITION BY LONDON BAKERY SDN BHD ("LBSB" OR THE "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF SDSG, OF A FREEHOLD LAND HELD UNDER GERAN 29534, LOT 900, IN THE MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR FROM KEMPAS GREEN DEVELOPMENT SDN BHD ("KGD" OR THE "VENDOR") FOR A TOTAL CASH CONSIDERATION OF RM101,701,710.00 ("PROPOSED ACQUISITION")

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1. INTRODUCTION

On behalf of the Board of Directors of SDSG ("**Board**"), UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) ("**UOBKH**") wishes to announce that LBSB had, on 30 January 2026, entered into a conditional sale and purchase agreement ("**SPA**") with KGD for the acquisition of a freehold land held under Geran 29534, Lot 900, in the Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring 143,157.3188 square metres ("**sqm**") (equivalent to approximately 1,540,931 square feet ("**sq ft**")) ("**Subject Property**") for a total cash consideration of RM101,701,710.00 ("**Purchase Consideration**").

The Proposed Acquisition is in line with SDSG and its subsidiaries' ("**SDSG Group**" or the "**Group**") long-term strategy to expand its production capacity and strengthen its earnings base and market positioning. The Subject Property is strategically located directly opposite the Group's existing operational facilities, which is expected to facilitate operational integration, improve logistical efficiency and enable more effective utilisation of shared resources. The Group intends to construct a new manufacturing facility on the Subject Property ("**Proposed Development**"), which is expected to be equipped with purpose-built production lines, including the requisite machineries, equipment and tools, for the production and packaging of the Group's products in line with its growth requirements.

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED ACQUISITION

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

2.1 Information on the Subject Property

The Subject Property is a freehold land held under Geran 29534, Lot 900, in the Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring 143,157.3188 sqm (equivalent to approximately 1,540,931 sq ft).

The Subject Property is located off Jalan Kempas Lama, within Taman Perusahaan Ringan Pulai, about 12.00 kilometers ("**km**") north-west of Johor Bahru City Centre.

It is accessible from Johor Bahru via the Skudai Highway for approximately 16.00 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 2.40 km, followed by a left turn onto Jalan Selatan 8 for another 250.00 metres to where the Subject Property is located, on the right side of the road.

The alternative access is by the way of Eastern Dispersal Link highway onto the North-South Expressway until the Kempas Interchange followed by a left turn onto Jalan Kempas Lama for about 2.30 km. The access then involve a U-turn at the traffic light and finally a left turn onto Jalan Selatan 8.

Brief details of the Subject Property are as follows:-

Registered owner	:	KGD
Location	:	Mukim of Tebrau, District of Johor Bahru, State of Johor
Title/ Lot no.	:	Geran 29534, Lot 900
Tenure	:	Freehold / Term in perpetuity
Land area	:	143,157.3188 sqm (equivalent to approximately 1,540,931 sq ft)
Category of land use	:	Nil
Express conditions	:	Nil
Restriction-in-interest	:	Nil
Encumbrances	:	Nil
Other endorsement	:	Nil
Existing use	:	Vacant (save for the portion currently tenanted)(1)
Proposed use	:	Proposed Development(2)
Independent valuer	:	Cheston International (Johor) Sdn Bhd (“**Cheston**” or the “**Valuer**”)
Date of inspection	:	20 December 2025
Date of valuation	:	31 December 2025
Audited net book value (as at 31 March 2025)	:	Not available(3)
Estimated market value as at 31 December 2025	:	RM102.00 million (Based on comparison approach)

Notes:-

*(1) For information purposes, a portion of the Subject Property is currently tenanted to SDS Food Manufacturing Sdn Bhd ("**SDSFM**"), a wholly owned subsidiary of SDSG, as well as M&M Recycle Sdn Bhd and M & M Recycling Sdn Bhd ("**M&M**").*

(2) SDSG 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 Proposed Development.

(3) The audited net book value of the Subject Property is not available as SDSG is not privy to such information from the Vendor.

2.2 Information on the Vendor

Kempas Green Development Sdn Bhd (Registration No.: 198901000806 (178112-K)) was incorporated in Malaysia under the Companies Act 1965 on 23 January 1989 as a private limited company. The registered address of the Vendor is located at 28-B, Jalan Tun Abdul Razak, Susur Satu, 80000 Johor Bahru, Johor, whilst the business address of the Vendor is located at 38A (First Floor), Jalan Horizon Perdana 5, Bukit Horizon, 79100 Iskandar Puteri, Johor.

KGD is principally engaged in investment holding activity.

As at 16 January 2026, being the latest practicable date prior to this announcement ("**LPD**"), KGD has a total issued share capital of RM5,800,000.00 comprising 5,800,000 ordinary shares.

As at the LPD, the directors of KGD are Toh Chee Yeong, Low Soe Eng, Dr., Hong Kerk Ai, Toh Thim Leong and Tan Wee Hiong.

The shareholders of KGD and their respective shareholdings in KGD as at the LPD are as follows:-

Shareholders	Place of incorporation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Triumphal Engineering Supply Sdn Bhd	Malaysia	1,969,800	33.9	-	-
Adrindo Jaya Sdn Bhd	Malaysia	1,740,000	30.0	-	-
Toh Chee Yeong	Malaysian	74,100	1.3	-	-
Toh Chee Lit	Malaysian	74,100	1.3	-	-
Toh Chee Hong	Malaysian	86,000	1.5	-	-
Toh Chaz Yee	Malaysian	116,000	2.0	-	-
Tan Wee Hiong	Malaysian	290,000	5.0	-	-
Tan Wan Hsuan	Malaysian	290,000	5.0	-	-
Tan Tzu Yih	Malaysian	290,000	5.0	-	-
Low Soe Eng, Dr.	Malaysian	298,600	5.2	-	-
Leng Howe Szuan	Malaysian	285,700	4.9	-	-
Leng Harn Szuan	Singaporean	285,700	4.9	-	-
Toh Thim Leong[(1)(2)]	Malaysian	-	-	3,709,800	63.9

Shareholders	Place of incorporation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Eddy Hartono[(1)]	Indonesian	-	-	1,740,000	30.0
Golden Power Holdings Sdn Bhd[(2)]	Malaysia	-	-	1,969,800	33.9
TTN (Malaysia) Sdn Bhd[(2)]	Malaysia	-	-	1,969,800	33.9

Notes:-

(1) Deemed interested by virtue of his shareholding held in Adrindo Jaya Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

(2) Deemed interested by virtue of his/ its shareholding held in Triumphal Engineering Supply Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM101,701,710.00 was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the following factors:-

(i) the market value of the Subject Property of RM102.00 million as appraised by the Valuer based on its valuation of the Subject Property on 31 December 2025 as set out in the valuation letter dated 9 January 2026 (“**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 4.3** of this announcement.

2.4 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 1 December 2025	1,017,017.10
9.00% of Purchase Consideration	Payable to the Vendor’s solicitors as stakeholders upon execution of the SPA	9,153,153.90
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 a daily basis	91,531,539.00
Total		**101,701,710.00**

2.5 Source of funding

The Proposed Acquisition will be satisfied through a combination of bank borrowings and/or internally generated funds of 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 SDSG Group.

2.6 Liabilities to be assumed

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

2.7 Additional financial commitment

Save for the Purchase Consideration and financing costs arising from the bank borrowings to be obtained by the Group to part finance the Proposed Acquisition, there are no additional financial commitments to be incurred by the Group pursuant to the Proposed Acquisition.

3. RATIONALE AND JUSTIFICATIONS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's long-term strategy to expand its production capacity and strengthen its earnings base and market positioning. The Group intends to undertake the Proposed Development, pursuant to which a new manufacturing facility is expected to be constructed and fitted with purpose-built production lines, together with the requisite machineries, equipment and tools, to support the production and packaging of the Group's products in accordance with its operational requirements. This is expected to enhance the Group's overall production capacity and support its ongoing business expansion initiatives to expand its footprint. The Group is currently conducting feasibility studies in respect of the Proposed Development, including the expected facility layout and construction costs.

In addition, the Proposed Acquisition is expected to provide operational and logistic advantages. The close proximity of the Subject Property to the Group's existing facility in Johor Bahru would enable the Group to streamline its logistics and achieve positive synergies across its business operations (which includes, amongst others, reduced transportation costs, shared warehousing and other support functions, improved coordination of production and packaging activities as well as more efficient utilisation of resources). The Proposed Acquisition is also expected to facilitate better management oversight over the Group's eventual expanded manufacturing operations, thereby enhancing overall operational efficiency. Further, upon completion of the Proposed Development, the additional production capacity and resulting operational efficiencies are expected to further support the Group's earnings.

Premised on the above, the Board opines that the Proposed Acquisition and the Proposed Development are expected to contribute positively to the earnings of the Group in the future.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

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 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. 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.

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

4.2 Overview and outlook of the services sector in Malaysia

The services sector grew by 5% in the first half of 2025 and is expected to expand by 5.1% in the second half, underpinned by resilient household spending and higher visitor arrivals leading to robust domestic tourism activities. Overall, the sector is estimated to grow 5.1%, with all subsectors registering positive growth.

The wholesale and retail trade subsector grew by 4.3% in the first half of 2025, with sustained performance observed, particularly in the wholesale and retail trade segments. The subsector is anticipated to expand by 4.4% in the second half of the year, driven by retail trade segment attributed to higher domestic consumption and visitor spending. Meanwhile, steady income growth, expansion of initiatives under Payung Rahmah as well as the Penghargaan Sumbangan Asas Rahmah (SARA) RM100 One-off, will further spur household spending.

The food & beverages and accommodation subsector expanded by 8.4% in the first half of 2025, spurred by higher hotel occupancy rates and increased patronage at restaurants. Building from the notable surge in visitor arrivals by 17.9% in the first half of the year, the subsector is expected to expand by 10.5% in the second half of the year. This improvement is expected to be buoyed by an influx of visitors for both business and leisure purposes along with numerous meetings, incentives, conferences and exhibitions (MICE) events in conjunction with ASEAN-Malaysia Chairmanship 2025. The upward momentum is boosted by improved accessibility through progressive visa policies and continuous improvement in regional connectivity as well as intensified promotional activities for Visit Malaysia 2026 ("**VM2026**"). The subsector is forecast to register a growth of 9.5% in 2025.

The services sector is projected to grow by 5.2% in 2026, with all subsectors contributing to the expansion. This growth will be led by increased tourism activities, driven by a surge in visitor arrivals and spending related to VM2026, alongside sustained consumer spending.

The wholesale and retail trade subsector will remain the key driver for the services sector, with a growth of 5% mainly attributed to the retail segment. Vigorous seasonal sales and promotional campaigns across stores as well as e-commerce and social media platforms will stimulate buying activities. In addition, initiatives such as product demonstrations and in-store placements as well as attractive pricing strategies will enhance sales of locally made products.

The food & beverages and accommodation subsector is poised to expand by 6.6%, in anticipation of higher visitor arrivals in conjunction with VM2026 as well as numerous business and leisure events nationwide. The development of Special Tourism Investment Zones (STIZ) in Johor, Melaka, Negeri Sembilan and Sarawak is expected to attract private investment and further boost tourism activities. The zones will showcase new tourism products focusing on arts, culture, heritage and natural attractions. In addition, visit state year programmes in Johor, Negeri Sembilan, Perlis and Selangor are expected to further promote domestic tourism activities and fuel the growth of the subsector.

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

4.3 Prospects of the Subject Property

The Subject Property is strategically located adjacent to the Group's existing facility in Johor Bahru. This proximity is expected to provide operational and logistic advantages including improved efficiency, coordination of resources and potential cost savings to the Group as the Group would be able to streamline its logistics and consolidate and share warehousing and other support functions, and achieve better coordination of its production and packaging activities between its existing and new manufacturing facilities.

Further, the Subject Property (upon completion of the Proposed Development) is expected to provide additional floor space for the installation of additional production lines, which is anticipated to increase the Group's production capacity to cater for its long-term business growth.

Premised on the above, the Board is confident that the Proposed Acquisition will contribute positively to the future earnings of the Group as the Group would be well-positioned to leverage on the positive outlook of the services sector (in particular, the wholesale and retail as well as food and beverages sectors) in Malaysia as set out in **Section 4.2** of this announcement.

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 379995, Lot 25948, in the Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring approximately 7.54 hectares ("**Adjacent Land**") pursuant to a separate sale and purchase agreement entered into contemporaneously between Grand Focus Sdn Bhd (as the vendor) and MTAG Land Sdn Bhd (as the purchaser) ("**Adjacent Land Purchaser**") in respect of such Adjacent Land ("**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 SDSG. 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, SDSG 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 2.1** 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 Proposed Development.

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 Proposed Development, which may in turn adversely affect the Group's business operations 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 the 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 decline in economic conditions may affect 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.

5.4 Financing and interest rate risks

The Group has the intention to fund the Proposed Acquisition through a combination of bank borrowings and internally generated funds, and hence may incur additional interest expenses. In view that interest expenses charged on bank borrowings are subject to prevailing interest rates, the Group may potentially be exposed to interest rate fluctuations which may significantly increase the acquisition cost and affect the Group's cash flows as well as its profitability. The Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt cost effective financing actions. However, there can be no assurance that the performance of the Group would not be materially affected in the event of any adverse changes in interest rates.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital of SDSG and substantial shareholders' shareholdings in SDSG as it does not involve any issuance of new ordinary shares in SDSG ("**SDSG Share(s)**" or "**Share(s)**").

6.2 Net assets ("NA"), NA per Share and gearing

For illustration purposes only, based on the latest audited consolidated financial statements of the SDSG Group as at 31 March 2025, and assuming that the Proposed Acquisition had been completed on 31 March 2025, the pro forma effects of the Proposed Acquisition on the audited consolidated NA, NA per Share and gearing of SDSG Group are as follows:-

	Audited as at 31 March 2025	(1)Subsequent adjustments up to the LPD	Pro forma I After the Proposed Acquisition
	(RM'000)	(RM'000)	(RM'000)
Share capital	54,413	54,413	54,413
Reserves	100,782	98,062	(2)92,877
Shareholders' equity/NA	**155,195**	**152,475**	**147,290**
Non-controlling interest	869	869	869
Total equity	**156,064**	**153,344**	**148,159**
No. of SDSG Shares in issue, excluding treasury shares ('000)	409,631	*544,596	*544,596
NA per Share (RM)	**0.38**	**0.28**	**0.27**
Cash and bank balances (RM'000)	47,950	47,950	47,950
Total borrowings (RM'000)	21,310	21,310	21,310
Gearing (times)(3)	**0.14**	**0.14**	**0.14**

Notes:-

* *Excluding 1,577,333 treasury shares held by the Company as at the LPD.*

(1) *After adjusting for the following:-*

(i) *first single-tier interim dividend of 0.5 sen per Share in respect of FYE 31 March 2026, which amounted to a total of RM2.72 million; and*

(ii) *issuance of 136,542,924 new SDSG Shares pursuant to the bonus issue of shares completed on 16 May 2025.*

(2) *After deducting a total estimated expenses of approximately RM5.19 million in relation to the Proposed Acquisition.*

(3) *Computed based on total borrowings over shareholders' equity/NA.*

6.3 Earnings and earnings per Share ("EPS")

The Proposed Acquisition is not expected to have any immediate material effect on the earnings and EPS of SDSG Group for the FYE 31 March 2026.

For illustrative purposes only, based on the audited consolidated statements of profit or loss and other comprehensive income of SDSG for the FYE 31 March 2025, and assuming that the Proposed Acquisition had been effected on 1 April 2024, being the beginning of the FYE 31 March 2025, the pro forma effects of the Proposed Acquisition on the earnings and EPS of SDSG Group are as follows:-

	Audited as at 31 March 2025	(2)Subsequent adjustments up to the LPD	Pro forma I After the Proposed Acquisition
Profit after tax ("**PAT**") attributable to the owners of the Company (RM'000)	33,283	33,283	(3)28,098
No. of SDSG Shares in issue, excluding treasury shares ('000)	409,631	*544,596	*544,596
EPS (sen)(1)	8.13	6.11	5.16

Notes:-

***	*Excluding 1,577,333 treasury shares held by the Company as at the LPD.*

(1)	*Computed based on the PAT attributable to the owners of the Company divided by the number of SDSG Shares in issue.*

(2)	*After adjusting for the issuance of 136,542,924 new SDSG Shares pursuant to the bonus issue of shares completed on 16 May 2025.*

(3)	*After deducting the estimated expenses of approximately RM5.19 million in relation to the Proposed Acquisition.*

7. HIGHEST PERCENTAGE RATIO APPLICABLE

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 65.53%, calculated based on the latest audited consolidated financial statements of SDSG (i.e. FYE 31 March 2025).

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is subject to the approval being obtained from the shareholders of SDSG at an extraordinary general meeting to be convened.

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. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition, which is the subject matter of this announcement, there are no other outstanding proposals announced by the Group but have yet to be completed as at the date of this announcement.

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

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

11. 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, the rationale and justifications of the Proposed Acquisition and risks associated with the Proposed Acquisition), is of the view that the Proposed Acquisition is in the best interests of SDSG Group.

12. ESTIMATED TIMEFRAME 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.

13. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the applications to the relevant authorities for the Proposed Acquisition shall be submitted within 2 months from the date of this announcement.

14. PRINCIPAL ADVISER

UOBKH has been appointed as the Principal Adviser for the Proposed Acquisition.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and Valuation Letter is available for inspection at the registered office of the Company at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours 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 (save and except for the portion currently tenanted to SDSFM), 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 a default under the 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 RM101,701,710.00.

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

(i) 1.00% of the Purchase Consideration amounting to RM1,017,017.10 (“**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 RM9,153,153.90 (“**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 RM91,531,539.00 (“**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:-

(i) the Purchaser obtaining approval from its shareholders for the acquisition of the Subject Property at an extraordinary general meeting (“**Shareholders’ Approval**”); and

(ii) M&M vacating the said Subject Property that M&M is utilising or where necessary, the Vendor having taken reasonable steps or commenced appropriate action to procure such vacant possession from M&M (“**M&M Vacant Possession**”), within 4 months from the date of the SPA ("**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).

If the Shareholders' Approval has been obtained and the M&M Vacant Possession cannot be fulfilled within the Conditional Period, the Purchaser may waive the condition precedent for the M&M Vacant Possession.

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 ("**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 Shareholders' 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 RM32,500.00 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, the 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 (save and except for the portion currently tenanted to SDSFM) shall be deemed delivered by the Vendor to the Purchaser on the date of receipt by the Vendor 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 is 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.