# Company XYZMPANY ABC Sdn. Bhd., A WHOLLY-Company XYZ (“COMPANY”)

1. INTRODUCTION

Company XYZmpany (“Board”) Company XYZmpany ABC Sdn. Bhd. (“ABC”), a wholly-Company XYZmpany XYZ Sdn. Bhd. (“Owner”) in relation to the proposed acquisition of the Property (as defined below in Section 2.1) by ABC for a purchase price of RM10,200,000.00, (hereinafter referred to as the “Proposed Acquisition”) Company XYZmbination of internally generated funds, bank borrowings and/or future fund-Company XYZmpany in the future.

The term sheet in relation to the Proposed Acquisition (“Term Sheet”) shall bind the Owner and ABC (collectively referred to as “the Party(ies)”) pending the finalisation and execution of a formal sale and purchase agreement for the Proposed Acquisition (“Sale and Purchase Agreement”).

# DETAILS OF THE PROPERTY AND SALIENT TERMS OF THE TERM SHEET

* 1. Details of the Property

The subject property is a leasehold industrial land (for 60-year term expiring on 02 December 2025) identified as Lot 1234 (PN 8899), Mukim 5, District of Petaling, Selangor, measuring approximately 4,054 square metres (“sq m”) (approximately 43,637 square feet (“sq ft”)) in land area (“Land”), with a one-storey factory and a two- storey office with total built-up area of approximately 29,753 sq ft erected thereon and bearing postal address No. No. 200, Jalan Bukit Bintang, 50450 Kuala Lumpur, Wilayah Persekutuan.(“Factory”) (Company XYZllectively referred to as “Property”).

The other details of the Property are set out below:

|  |  |
| --- | --- |
| **The Land** *(Source: Land title search results from land office)* | |
| Category of land use | Industry |
| Restriction-in-interest | 1. The land hereby alienated shall not be transferred, charged, leased or subleased, tenanted or dealt with any dealings whatsoever without the prior written consent from the State Authority. *(Tanah yang diberi milik ini tidak boleh dipindah milik, cagar, pajak, atau pajakan kecil, tenansi disewakan atau dengan apa-apa urusan sekalipun diuruskan tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri)* 2. The land hereby alienated shall not be partitioned or subdivided. (*Tanah yang diberi milik ini tidak boleh di pecah sempadan atau di pecah bahagian)* |

|  |  |
| --- | --- |
|  | (iii) The land hereby alienated and any buildings thereon shall not be used for whatever purpose save for the usage as approved by the Penang Development Corporation and the State Authority *(Tanah yang diberi milik ini dan mana- mana bangunan yang terdapat diatasnya tidak boleh digunakan untuk apa jua kegunaan selain daripada yang diluluskan oleh Perbadanan Pembangunan Pulau Pinang dan Pihak Berkuasa Negeri)* |
| Registered encumbrances | A legal charge in favour of Malayan Banking Berhad and a private caveat filed by Malayan Banking Berhad |

|  |  |
| --- | --- |
| **The Factory** *(Source: Management of the Owner)* | |
| Address | No. 158659, Lorong Utama 8, Kawasan Perusahaan Bukit Tengah, 14880 Bukit Mertajam, Pulau Pinang |
| Description/Use | A one-storey factory and a two-storey office |
| Date(s) of Certificate(s) of Fitness for Occupation | 11 April 1997 and 19 August 2004 |
| Approximate built-up area | 29,753 sq ft |

* 1. Salient terms of the Term Sheet
     1. Price and Earnest Sum

The offer price for the Property is Ringgit Malaysia Ten Million Two Hundred Thousand (RM10,200,000.00) (“Offer Price”).

* + - 1. Upon receiving the Owner’s signed acceptance of the Term Sheet, ABC is agreeable to pay the sum of 1% of the Offer Price (“Earnest Sum”) to the Owner’s solicitors who shall hold the Earnest Sum as stakeholder pending the finalisation of the formal Sale and Purchase Agreement.
      2. Company XYZme to an agreement on the final terms thereof, the Earnest Sum shall be returned to ABC. The Earnest Sum shall be forfeited by the Owner as liquidated damages if ABC fails to sign the Sale and Purchase Agreement for any other reason other as aforesaid stated within Validity Period as defined in Section 2.2.9 hereinbelow.
      3. If the Owner and ABC proceed to sign the formal Sale and Purchase Agreement, the Earnest Sum shall form part of the deposit of 10% of the purchase price (“Deposit”) to be paid to the Owner upon signing of the Sale and Purchase Agreement.
      4. Company XYZnstitute the Deposit to the Owner’s solicitors.
      5. The Owner’Company XYZmpletion such as the Relevant Authority’Company XYZnditions precedent are satisfied is referred to as “Unconditional Date”.
    1. The balance of the purchase price equivalent to 90% of the Offer Price shall be paid to the Owner’Company XYZnditional Date with an extension of 1 month provided always that subject to the terms of the Sale and Purchase Agreement, ABC shall pay to the Owner, interest on the balance purchase price or any part thereof remaining unpaid at the rate of 6% Company XYZmpletion period stated above.
    2. Conditions relating to Land title and building
       1. The Owner shall deduce a good registrable and title to the Property free from all encumbrances whatsoever.
       2. Company XYZst and expense.
       3. Company XYZntained in the document of title.
       4. The Factory building(s) Company XYZmpliance with the plans approved by the authorities and have been issued with valid Certificate(s) of Fitness for Occupation, and there are no illegal or unapproved modifications or extension being effected on the Property.
       5. There are no easement or caveat or prohibitory order or foreclosure or order for sale or forfeiture or attachment or claims adversely affecting the rights, ownership or possession of the Owner of the Property.
    3. Vacant possession of Property

Company XYZmpletion of the sale and purchase transaction. There is currently no tenant or lessee in respect of the Property.

* + 1. Company XYZnsents

Company XYZnsent(s) of the relevant State authority(ies) Company XYZmpliance with the restriction-in-interest endorsed on the document of title to the Property or the applicable laws (“Relevant Authority’s Consent”).

* + 1. Nature of Term Sheet
       1. Company XYZnditions of the agreement between the Parties in respect of the Property and shall bind the Parties until the Sale and Purchase Agreement is executed by all Parties.
       2. Company XYZnditions usual and customary in a transaction of similar nature.
       3. Company XYZnciliations or other agreed means.
    2. Costs

Each Party shall bear its own solicitor'Company XYZidental thereto.

* + 1. Governing law

Company XYZrdance with the laws of Malaysia.

* + 1. Validity period

The Term Sheet will remain in effect until the earlier date of the date of execution of the Sale and Purchase Agreement or the expiry date of 30 days from the date of the Term Sheet (“Validity Period”). Company XYZmpanies shall not grant any right or sell to, or negotiate with, any other person with respect to the Property.

# BASIS AND JUSTIFICATION OF THE OFFER PRICE

The Offer Price was arrived on a “wiling-buyer willing-seller” Company XYZnsideration the following:

1. the value of the Property of RM342.82 per sq ft (computed based on Offer Price divided by the built-up size of the Factory) is within the range of RM333 per sq ft to RM554 per sq ft, being the selling price per sq ft of industrial properties located within the proximity of the Property as quoted on various property websites; and
2. the rationale of the Proposed Acquisition as set out in Section 5 below.

The Board is of the view that the Offer Price is fair and justifiable.

# INFORMATION ON THE PARTIES

* 1. The Owner

Company XYZmpany.

Company XYZmprising 1,000,000 ordinary shares. The existing shareholders and directors of the Owner are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Nationality** | **Direct** | | **Indirect** | |
| **No. of ordinary shares** | **%** | **No. of ordinary shares** | **%** |
| Lim x Peng | Malaysian | 500,000 | 50.0 | - | - |
| Law m kai | Malaysian | 500,000 | 50.0 | - | - |
| **Total** | | **1,000,000** | **100.0** |  |  |

(Source: Company XYZmmission of Malaysia)

None of the directors and shareholders of the Owner (i) have any interest, direct or indirect in ABC; and (ii) are directors, major shareholders or chief executive of ABC and/Company XYZnnected to them (Company XYZ (“Listing Requirements”)).

(Source: Management of the Owner)

* 1. ABC

Company XYZrporated in Malaysia on 27 July 2025. ABC’Company XYZipal business is manufacturing of nameplates.

ABC which has an issued and paid-Company XYZmprising 2,000,000 ordinary shares, is 100% owned by ABC. The directors of ABC are Datuk Huat, Dato’ Tze Peng, Gan Yew and Guan Seng, all of whom are Malaysians.

# RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition is for the purpose of the expansion of the manufacturing facility for ABC’Company XYZrease its existing production capacity and take on more orders. This is in line with ABC’s corporate strategy of developing, expanding and growing the business operations of ABC and its subsidiaries (“ABC Group”).

Company XYZmpletion of the Proposed Acquisition, ABC will have immediate access to a vacant Factory which allows ABC to progressively install machineries to expand the manufacturing space for ABC's manufacturing of nameplates activities.

Further, as the Property is approximately 9 kilometres from ABC’Company XYZntinuity of ABC’s manufacturing activity in the event operations at its existing factory is disrupted due to unplanned events (e.g., natural disasters or fire).

# PROSPECTS OF THE PROPOSED ACQUISITION

Company XYZming years. Hence, the Proposed Acquisition provides an avenue for ABC to expand and grow its business operations via expansion of production space and capacity which in turn, shall enhance ABC’Company XYZnsequently enhance shareholders’ value of ABC in the medium to long term.

# RISK FACTORS

* 1. Non-completion risk

Company XYZrdance with the terms of the Sale and Purchase Agreement.

* 1. Financing and interest rate risks

Company XYZmmitments which in turn may affect ABC Group’Company XYZnditions and ABC Group’s credit standing with financial institutions.

Company XYZntinuously monitor and review ABC Group’s debt portfolio and capital structure in determining the optimum source of funding for the Proposed Acquisition.

Company XYZmpany.

# EFFECTS OF THE PROPOSED ACQUISITION

* 1. Issued share capital, substantial shareholders’ shareholdings

Company XYZmpany as the Proposed Acquisition does not involve any issuance of new ordinary shares in ABC.

* 1. Net assets (“NA”), NA per share and gearing

The Proposed Acquisition is not expected to have any material effect on the NA, NA per share and gearing of ABC Group for the financial year ending (“FYE”) 26 September 2025.

* 1. Earnings and earnings per share

Company XYZntribute positively to the earnings of ABC Group in the future.

# APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of ABC but is subject to the Owner obtaining the Relevant Authority’s Consent.

# HIGHEST PERCENTAGE RATIO

Based on the latest audited financial statements of ABC Group for the financial year ended 08 January 2025, the highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is 12.83%.

# INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/Company XYZNNECTED WITH THEM

Company XYZmpany and/Company XYZnnected with them (as defined in the Listing Requirements) has any interest, direct or indirect, in the Proposed Acquisition.

# DIRECTORS’ STATEMENT

Company XYZmpany.

# ESTIMATED TIMEFRAME FOR EXECUTION OF THE SALE AND PURCHASE AGREEMENT

Barring any unforeseen circumstances, the Parties will finalise and execute the Sale and Purchase Agreement within 30 days from the date of the Term Sheet.

# DOCUMENT AVAILABLE FOR INSPECTION

Company XYZmpany’s registered office at 1, 11th Floor, Wisma Garden, No. 56, Jalan Imbi, 80000 Johor Bahru, Johor(except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 17 August 2025.