MYCRON STEEL BERHAD ("MYCRON" OR THE "COMPANY")

PROPOSED ACQUISITION BY MELEWAR STEEL TUBE SDN BHD ("MST" OR THE "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF MYCRON, WHICH IN TURN IS A 74.13%-OWNED SUBSIDIARY OF MELEWAR INDUSTRIAL GROUP BERHAD ("MIGB" OR THE "VENDOR"), OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PN 121387, LOT 10461 TOGETHER WITH THE BUILDINGS ERECTED THEREON, LOCATED IN SEKSYEN 15, TOWN OF SHAH ALAM, DISTRICT OF PETALING, STATE OF SELANGOR, FROM MIGB FOR A CASH CONSIDERATION OF RM30.00 MILLION ("PROPOSED ACQUISITION")

---

1. INTRODUCTION

On behalf of the Board of Directors of Mycron ("**Board**"), Kenanga Investment Bank Berhad ("**Kenanga IB**") wishes to announce that MST, a wholly-owned subsidiary of Mycron had on 15 June 2026 entered into a conditional sale and purchase agreement with MIGB for the purchase by MST, and the sale by MIGB, of a parcel of leasehold industrial land held under PN 121387, Lot 10461 together with the buildings erected thereon, located in Seksyen 15, Town of Shah Alam, District of Petaling, State of Selangor ("**Property**") for a cash consideration of RM30.00 million ("**Purchase Consideration**") ("**SPA**") ("**Proposed Acquisition**").

The Proposed Acquisition is deemed as a related party transaction under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") in view of the interests of certain directors and major shareholders of the Company as set out in Section 8 of this Announcement. Accordingly, Mercury Securities Sdn Bhd ("**Mercury Securities**" or the "**Independent Adviser**") has been appointed as the independent adviser to advise the non-interested directors and non-interested shareholders of the Company on the Proposed Acquisition.

For the purpose of this Announcement, the latest practicable date prior to the date of this Announcement is 9 June 2026 ("**LPD**").

1.1 Background information of the Proposed Acquisition

As part of Mycron and its subsidiaries' (collectively, "**Mycron Group**" or the "**Group**") strategy to obtain operation cost savings and eliminate the risk of rental increases, MST intends to acquire the Property from MIGB.

MIGB is the owner of the Property, which is presently tenanted and operated by MST under tenancy agreement for the monthly rental of RM175,000.00 ("**Tenancy Agreement**").

On 15 June 2026, MST entered into the SPA with MIGB in relation to the Proposed Acquisition. The Proposed Acquisition involves the acquisition of the Property by MST, from MIGB for a cash consideration of RM30.00 million, subject to the terms and conditions of the SPA. The salient terms of the SPA is set out in Appendix I of this Announcement.

The Purchase Consideration will be satisfied through a combination of bank borrowings and a deferred payment arrangement with MIGB. In particular, approximately RM24.00 million, representing 80.00% of the Purchase Consideration will be funded via bank borrowings ("**Purchaser's Loan**"), while the remaining RM6.00 million, representing 20.00% of the Purchase Consideration will be satisfied via a deferred payment arrangement on terms mutually agreed between MST and MIGB, which is repayable over a tenure of 64 months ("**DPA**"). The salient terms of the DPA is set out in Appendix II of this Announcement. This arrangement enables the Group to lower its overall financing costs and reduce reliance on additional bank borrowings.

Upon completion of the Proposed Acquisition, the Tenancy Agreement will be terminated. Following the completion of the Proposed Acquisition, MST will be the owner and operator of the Property. Further information relating to the Property is set out in Section 1.2 of this Announcement.

1.2 Information of the Property

The Property is a parcel of industrial land improved upon with an industrial building comprising a single-storey detached factory with a single-storey office annexed and other ancillary buildings.

(Location map of the Property)

(Front view of the Property)

(Aerial view of the Property)

Further information on the Property, is as follows:

Registered proprietor	MIGB
Postal address	Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan
Title details	Title No. PN 121387, Lot 10461 Seksyen 15, Town of Shah Alam, District of Petaling, State of Selangor
Tenure	Leasehold interest for 99 years expiring on 11th May 2085
Category of land use	"Industri"
Restriction in interest	"Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri"
Encumbrances	Nil
Endorsements	No. Perserahan 00SC55274/2024, Pindahmilik Tanah oleh Sumiputeh Steel Centre Sdn Bhd
Express condition	"Perusahaan Berat"
Land area	21,570 square metres ("**sqm**")
Gross floor area	13,044 sqm
Number of storeys	Single-storey
Rental details	Average yearly rental income for the past 3 years (2023-2025): RM2.10 million
Existing use / Proposed use	An industrial building

Audited carrying amount as at 30 June 2025 as per MIGB's annual report	RM33,100,000.00 based on the audited financial statement of MIGB
Market value	RM30,500,000.00
Date of valuation	5 June 2026
Independent valuer	PA International Property Consultants (KL) Sdn Bhd ("**PA International**" or the "**Independent Valuer**")
Method of valuation	**Primary:** Cost approach **Secondary:** Income capitalisation approach via Investment method

At present, access to the Property is derived via an existing entrance located within the adjoining parcel of land ("**Lot 10462**"), which is subject to a shared access arrangement between the Property and Lot 10462.

Originally, the Property formed part of the parent title, PN 11949, Lot 95 Seksyen 15 (formerly HSD 21950, PT No. 59), Bandar Shah Alam, Daerah Petaling, Negeri Selangor. A portion of the land together with the subject building was sold by Sumiputeh Steel Centre Sdn Bhd to Maruichi Malaysia Steel Tube Berhad ("**Maruichi**") (now known as MIGB) pursuant to a sale and purchase agreement dated 15 May 1990 and a supplemental agreement dated 1 June 1995. Hence, subdivision into two lots, known as Lot 10461 (being the Property) and Lot 10462.

Subsequently, on 24 February 2023, MIGB and Sumiputeh Steel Centre Sdn Bhd entered into a shared use facilities arrangement letter, setting out their respective rights and obligations relating to the use, maintenance and enjoyment of certain shared facilities and infrastructure serving both properties.

1.3 Basis and justification for the Purchase Consideration

The Purchase Consideration of RM30.00 million was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration, amongst others, the following:

(i) the market value of the Property of RM30.50 million as at the material date of valuation of 5 June 2026 as appraised by the Independent Valuer as set out in the valuation certificate prepared by PA International ("**Valuation Certificate**");

(ii) the rationale and benefits of the Proposed Acquisition as set out in Section 2 of this Announcement; and

(iii) the prospects of the Property as set out in Section 3.4 of this Announcement.

1.4 Detailed description of the methodologies adopted by PA International

The valuation approach adopted by PA International for the Proposed Acquisition is set out below:

Valuation approach	Methodology approach
Primary: Cost approach	In the cost approach, the value of the land is added to the replacement cost of the buildings and other site improvements. The value of the site is determined by comparison with similar lands that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject land as an improved site. The replacement cost of the buildings is derived from estimation of reconstructing a building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.
Secondary: Income capitalisation approach	In the income capitalisation approach, PA International have adopted the investment method. It entails using the annual rental income expected to command over a period of time relating to the subject property is estimated and deducting therefrom the expenses or outgoings incidental to the ownership of the property to obtain the net annual rental value. This net annual income is then capitalised at an appropriate capitalisation rate or years purchase figure to arrive at the present capital value of the subject property. The relevant capitalisation rate is chosen based on the investment rate of return to be expected from the type of property concerned taking into consideration such factors as risk, capital appreciation, security of income, ease of sale and management of the subject property.

PA International have adopted the market value as derived via the cost approach, which is considered the most appropriate valuation methodology due to the subject building age, design characteristics and existing shared-use arrangements. The approach allows for appropriate consideration of depreciation, functional and economic obsolescence, as well as the costs and implications associated with establishing independent access and infrastructure. While the income capitalisation approach was also considered, its value indication is influenced by an existing related-party tenancy and shared-use arrangements, which may not fully reflect market conditions.

(Source: Valuation Certificate)

1.5 Liabilities to be assumed

Save for the payment of the Purchase Consideration and other customary payments, obligations and costs arising from the SPA, the DPA and any other ancillary agreements in relation to the Proposed Acquisition, there are no other liabilities (including contingent liabilities) and guarantees to be assumed with the Group following the completion of the Proposed Acquisition.

1.6 Additional financial commitment

Save for the Purchase Consideration and the estimated expenses relating to the Proposed Acquisition, the Group does not expect to incur any additional financial commitment in relation to the Proposed Acquisition.

1.7 Original cost and date of investment

Property asset	Year of investment	Cost of investment (RM'000)
Property	Between 1990 and 1995	Approximately 7,400

(Source: MIGB)

1.8 Estimated total funding required and source of funding

The purposes of the total funding required to undertake the Proposed Acquisition is set out below:

Purpose	RM'000
Purchase Consideration	30,000
Estimated expenses in relation to the Proposed Acquisition [(1)]	1,938
Total	**31,938**

Note:

(1) *The estimated expenses in relation to the Proposed Acquisition comprise primarily stamp duty relating to the memorandum of transfer and loan agreement of approximately RM1.30 million, with the remaining balance of approximately RM0.63 million consisting of professional fees, printing cost, fees payable to the relevant authorities, administrative fees, cost of convening the extraordinary general meeting ("**EGM**") of shareholders of Mycron ("**Shareholder(s)**") and other incidental expenses including sales and service tax.*

The Purchase Consideration and the estimated expenses relating to the Proposed Acquisition will be funded via a combination of bank borrowings, deferred consideration in accordance with the DPA and internally generated funds. The breakdown is as follows:

Details	Bank borrowings (RM'000)	Deferred consideration (RM'000)	Internally generated funds (RM'000)
Purchase Consideration	24,000	[(1)] 6,000	-
Estimated expenses relating to the Proposed Acquisition	-	-	1,938
Total	**24,000**	**6,000**	**1,938**

Note:

(1) *Comprises the balance of the Purchase Consideration and the real property gain tax retention sum. The settlement mechanism for the deferred consideration is set out in Appendix II of this Announcement.*

1.9 Information on the Vendor

1.9.1 MIGB

MIGB was incorporated in Malaysia under the Companies Act, 1965 on 24 February 1969 as a private limited company under the name of Aurora Steel Tube Manufacturing Sendirian Berhad ("**Aurora**"). On 2 November 1972, Aurora changed its name to Maruichi. On 25 September 1975, Maruichi was converted into a public company and was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 26 February 1986. MIGB assumed its present name on 5 December 2003.

As at the LPD, the share capital of MIGB is RM253,791,194.00 comprising 359,456,103 ordinary shares.

MIGB is principally involved in property investment and investment holding. Its subsidiaries are principally involved in the following:

(i) investment holding and the provision of management services to its subsidiaries;

(ii) manufacturing and trading of steel pipes and tubes;

(iii) manufacturing and trading of steel cold rolled coils;

(iv) export and import of other basic iron and steel products;

(v) steel tubes distribution, storage solutions and food retail in the United Kingdom;

(vi) trading of frozen meat and seafood;

(vii) bottling and distribution of palm olein edible oil;

(viii) food distribution and retail business;

(ix) the provision of scrap metals handling services to its related companies; and

(x) constructing and supplying of quick assembly homes.

As at the LPD, the directors of MIGB and their respective shareholdings in MIGB are as follows:

		Shareholding in MIGB			
		Direct		Indirect	
Name	Nationality	No. of shares	(1) %	No. of shares	(1) %
Tunku Dato' Yaacob Khyra ("**TDYK**")	Malaysian	-	-	(2) 168,572,764	46.90
Azlan bin Abdullah	Malaysian	133,333	0.04	-	-
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	Malaysian	-	-	-	-
Kwo Shih Kang	Malaysian	-	-	-	-
Datin Seri Raihanah Begum binti Abdul Rahman	Malaysian	-	-	-	-
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Malaysian	-	-	-	-

Notes:

(1) Based on total number of 359,456,103 ordinary shares in MIGB as at the LPD.

*(2) Deemed interested by virtue of TDYK being a beneficiary of a trust known as Khyra Legacy Berhad ("**KLB**"), being the holding company of Melewar Khyra Sdn Bhd ("**MKSB**") and Melewar Equities (BVI) Ltd ("**MEBVI**"), who are the major shareholders of MIGB, pursuant to Section 8(4) of the Companies Act, 2016 ("**Act**").*

As at the LPD, the substantial shareholders of MIGB and their respective shareholdings in MIGB are as follows:

Name	Shareholding in MIGB			
	Direct		Indirect	
	No. of shares	(1) %	No. of shares	(1) %
MKSB	104,382,731	29.04	-	-
MEBVI	60,379,733	16.80	-	-
KLB	-	-	(2) 168,572,764	46.90
TDYK	-	-	(3) 168,572,764	46.90

Notes:

(1) Based on total number of 359,456,103 ordinary shares in MIGB as at the LPD.

(2) Deemed interested by virtue of KLB being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, pursuant to Section 8(4) of the Act.

(3) Deemed interested by virtue of TDYK being a beneficiary of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, pursuant to Section 8(4) of the Act.

(Source: Record of Depositors of MIGB)

2. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is expected to bring the following benefits to the Group:

2.1 Flexibility in driving future operations

Upon completion of the Proposed Acquisition, MST will become the legal owner of the Property and will be able to manage and utilise the premises without restriction. This will allow the Group greater flexibility to undertake future operational initiatives, including enhancement, upgrading or reconfiguration of the existing facilities to better suit its business needs and pursue its green energy goals.

2.2 Savings on rental expenses

The corporate office and factory of MST are currently located on the Property and are rented from MIGB at a monthly rental of RM175,000.00. The Proposed Acquisition will allow MST to occupy its own premises, resulting in operational cost savings arising from rental expenses amounting to approximately RM2,100,000.00 per annum. In addition, the Proposed Acquisition will eliminate the Group’s exposure to potential rental increases upon expiry and renewal of the tenancy.

2.3 Strategic location of the Property

The Property is located in Seksyen 15, Shah Alam, a mature and well-established industrial area in the state of Selangor, with surrounding developments consisting primarily of industrial and logistics-related premises.

The presence of established industrial operators within the vicinity further supports the suitability of the Property for industrial use. In this regard, the Property’s location within close proximity to the Group’s two existing operational facilities in Seksyen 15, Shah Alam, enhances its strategic suitability in supporting the Group’s ongoing operations.

2.4 Prevention of disruption to the Group's operations

The Property forms an important part of the Group's operation as it is currently used for its manufacturing activities and remains under tenancy by MST. By acquiring the Property, MST will have full control over the premise, thereby reducing the risk of operational disruption that may arise if the Vendor chooses not to continue the tenancy or were to sell the Property to another party who may not lease it to MST or may impose less favourable leasing terms. In such situations, the Group may be required to relocate its operations, and such relocation as well as any interruption to business activities may result in additional costs to the Group.

For information purposes only, the current tenancy for the Property will expire on 31 May 2028.

2.5 Potential property value appreciation over time

The Group stands to benefit from potential property value appreciation over time, which is expected to contribute to an increase in the Group's net asset ("**NA**"), assuming minimal increase in the total liabilities in the Group. This, in turn, would enhance the Group's NA per share, hence creating additional value for the Shareholders.

3. INDUSTRY OVERVIEW AND PROSPECTS

3.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (fourth quarter ("**4Q**") of 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics ("**E&E**") exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

On the supply side, growth in services sector moderated, reflecting a moderation in motor vehicle sales following the front-loading of purchases in the fourth-quarter ahead of the expiration of import duty waivers for electric vehicles. Meanwhile, manufacturing sector performance remained supported by stronger E&E performance, in line with continued demand for artificial intelligence and data centre-related components. Growth in the agriculture sector was lower amid normalisation in palm oil production following high output previously and ongoing replanting activities. The mining and quarrying sector contracted, mainly due to weaker oil and gas production. In addition, growth in the construction sector normalised from a double-digit growth amid a moderation in residential construction and civil engineering activities. On a quarter-on-quarter, seasonally-adjusted basis, the economy contracted by -0.01% (4Q 2025: 1.4%) given last quarter's very strong performance.

(Source: Economic and Financial Developments in Malaysia in 1Q 2026, Bank Negara Malaysia)

3.2 Overview and outlook of the industrial property sector in Malaysia

Despite the challenging global economy uncertainty, Malaysia property market in 2025 remains resilient. Transaction values continued to expand despite a slight contraction in transaction volume. A total of 416,413 property transactions were recorded, representing a slight decline of 1%, while the total transaction value increased by 4.1% to RM241.87 billion compared to 2024.

Industrial Property

The industrial sub-sector continued to strengthen, driven by growth in market activity. A total of 8,910 transactions worth RM33.8 billion were recorded, reflecting an increase of 1.4% in volume and 21.3% in value compared to 2024. The transactions value witnessed a notable growth, driven by sustained demand in high value segments, indicating growing investor confidence in strategic industrial locations. Growth in the industrial property market is fully supported by the New Industrial Master Plan 2030 (NIMP 2030) and the Thirteenth Malaysia Plan.

By property type, demand remained focused on terraced or warehouse units, which made up 33.3% of the total transactions. Meanwhile, the vacant plot and semidetached factory also recorded higher transactions, accounting for 27.1% and 21.8%, respectively. Selangor contributed the most, dominating 35.7%, followed by Johor, which contributed 18.1%. This reflects selective transactions indicating sustained demand for logistics, manufacturing, and data-related facilities in selected locations.

(Source: Property Market Report 2025, Ministry of Finance Malaysia)

3.3 Overview and outlook of the manufacturing sector and steel industry in Malaysia

Economic activity continued to expand in 2025, supported by sustained strength in services and manufacturing sectors amid resilient domestic demand, positive labour market conditions and continued recovery in tourism activity ahead of Visit Malaysia 2026. The manufacturing sector expanded by 4.5% (2024: 4.2%), underpinned by steady growth in both export and domestic-oriented industries. Growth in the export-oriented segment was driven by strong E&E performance as demand for data centre and AI-related components continued to strengthen, alongside higher semiconductor investment. However, these gains were partly offset by moderation in the petrochemicals industry amid softer regional exports. Domestic-oriented industries also expanded, due to resilient household spending, stronger tourism-related demand for food and beverages as well as transportation segments, and higher output of construction-related materials in line with ongoing construction activity.

Most economic sectors are expected to grow in 2026, except for the agriculture and mining sectors. The services and manufacturing sectors are expected to continue to drive overall growth. The manufacturing sector will continue to grow, albeit at a more moderate pace at 4.3% (2025: 4.5%). The E&E industry will be supported by the ongoing strong demand related to artificial intelligence, while consumer-related industries are expected to benefit from resilient household spending. However, growth of primary-related industry would remain subdued. This reflects the stiff competition from lingering global excess capacity within the industry.

(Source: Economic and Monetary Review 2025, Bank Negara Malaysia)

Malaysia's iron and steel total trade value in April 2025 reduced by 25.0% to RM4.6 billion from RM6.1 billion reported in April 2024. Trade balance has improved to trade surplus of RM170.0 million from trade deficit of RM331.0 million for the same comparison period.

Malaysia's iron and steel export in April 2025 slipped by 17.8% to RM2.4 billion compared to RM2.9 billion in April 2024. Three main export destinations for April 2025 were Singapore, Hong Kong and Vietnam accounting for 17.6%, 6.0% and 5.9% of the total export value respectively.

Malaysia's iron and steel import in April 2025 fell by 31.4% from RM3.2 billion in April 2024 to RM2.2 billion in April 2025. Imports from China, Japan and Indonesia accounted for the top three (3) spots representing 45.8%, 12.5% and 12.1% of the total import value respectively.

From January to April 2025, the total trade value of the iron and steel products stood at RM18.0 billion in 2025 compared to RM25.0 billion in the same period in 2024, a reduction by 27.9%. Further, the trade balance improved from a trade deficit of RM1,090 million in 2024 to a trade surplus of RM502.0 million in 2025 during the same period of comparison.

(Source: The Steel Noticeboard April 2025, Malaysia Steel Institute)

The World Steel Association forecasts that global demand will grow by 0.3% in 2026 to reach 1,724 metric tonnes, followed by an accelerated growth of 2.2% in 2027 to reach 1,762 metric tonnes. Consequently, global steel demand excluding China is forecast to accelerate to a growth rate of 4.0% in 2027, a level that has rarely been seen in recent times. While this outlook reflects data available as of mid-March 2026, the escalating conflict in the Middle East presents a significant stress test.

(Source: Short Range Outlook April 2026, The World Steel Association)

3.4 Prospects of the Property

The outlook for the Property is supported by its location along Persiaran Selangor. The Property is situated within a short driving distance from the Group's existing factories in Shah Alam, providing operational proximity that facilitates supply-chain integration and distribution to major customers within Shah Alam and Klang areas. In addition, the Property is located within close proximity to Port Klang, which may facilitate the import of raw material coils and export of finished goods. Based on its location and surrounding industrial developments, the Property may have the potential for capital appreciation over the longer term.

(Source: Management of the Group)

3.5 Prospects of Mycron Group

Whilst Malaysia recorded a robust 5.4% year-over-year gross domestic product growth for the current quarter, its growth remains lopsided favouring sectors in E&E, transportation and logistics, information and communication technology and artificial intelligence, and tourism. Steel demand, adjusted for seasonal low in the current quarter, remains supported largely by the construction-sector which expanded by 7.7%. However, the manufacturing sector's contribution to steel demand is less sanguine, with many operators at tipping point due to elevated costs and suppressed margins. There has been an uptick in manufacturing closures in Malaysia, reportedly driven by global consolidation, cost-efficiency relocation, and regional geopolitical shocks. The outbreak of the Middle-East conflict in February 2026 adds to the already overwhelming cost-burden and inbound trade diversion from China – potentially, pushing more business closures in the near term.

For the first time since 2022, regional raw steel coil prices rebounded (up more than 10%) into the fourth financial quarter due to upstream steel supply chain disruption. Simultaneously, the Group's production and operation costs are also expected to rise at least 5% due to the conflict's impact on energy, logistics, and various supplies and services across the board. The rising steel price trend has prompted short covering and restocking during the initial periods. As such, we expect sales volume to rise together with unit selling price in the fourth quarter. With a cost price lagging effect on a rising price trend, the Group's price cost spread may improve at least momentarily in the coming months of the fourth quarter, provided the overflow of Chinese steel are flood-gated. Nevertheless, the risk of the Middle-East conflict prolonging with persistently high fuel prices which will result in either the pull-back of fuel subsidies or fiscal overstress, dragging down businesses and the economy remains significant.

Against these conditions, the outlook for the fourth and final financial quarter may offer some momentary respite amidst significant economic headwind from cost-push-inflation and geopolitical blows. The Group remains focused in navigating these challenges particularly inbound foreign steel dumping with the hope of delivering better results for the current financial year compared to the last.

(Source: Management of the Group)

4. RISK FACTORS

The following are some non-exhaustive risk factors that may be inherent to the Group in relation to the Proposed Acquisition:

4.1 Delay or non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon the conditions precedent as set out in Appendix I of this Announcement being fulfilled. The non-fulfilment of the conditions precedent may result in the SPA being terminated (as the case may be). In addition, there can be no assurance that the Proposed Acquisition can be completed within the time period permitted under the SPA. Nevertheless, the Company will take the necessary steps to facilitate the fulfilment of the conditions precedent which are within their control within the timeframe stipulated in the SPA. Upon termination of the SPA, the Company and the Vendor shall be discharged from respective obligations without any liability to each other, save for any antecedent breach under the SPA occurring prior to such termination.

4.2 Financing risk

The Proposed Acquisition will be funded through a combination of bank borrowings and deferred payment arrangements. Consequently, the Group's level of indebtedness will increase, and the Group will be subject to ongoing debt servicing obligations, including principal and interest payments.

The deferred payment arrangement further gives rise to contractual obligations to settle the outstanding consideration over the agreed period. The Group's ability to meet these obligations will depend on its future cash flows and financial performance.

In addition, the Group may be exposed to interest rate risk in relation to its bank borrowings, where any increase in interest rates may result in higher financing costs. The Group may also be subject to financial covenants imposed by its lenders, and any breach of such covenants may result in adverse consequences, including the borrowings becoming immediately repayable.

Accordingly, any adverse changes in the Group's financial performance or market conditions may affect its ability to meet its financing obligations as they fall due.

4.3 Compulsory acquisition

The Government of Malaysia has the power to acquire compulsorily any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960 for certain purposes. In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws or regulations. If the Property is compulsorily acquired by the Government of Malaysia at a point in time when the market value of the Property has decreased, the level of compensation paid to Mycron may be less than the Purchase Consideration. Furthermore, the operations of the Group will be disrupted.

In the event of any compulsory acquisition, the management of Mycron will seek to minimise any potential losses from such transaction, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

5. EFFECTS OF THE PROPOSED ACQUISITION

5.1 Share capital and substantial shareholders' shareholdings

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

5.2 NA and gearing

For illustration purposes only, based on the audited consolidated statement of financial position of the Group as at 30 June 2025 and assuming that the Proposed Acquisition had been effected on 30 June 2025, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Group are as follows:

	Audited as at 30 June 2025 (RM'000)	**After the Proposed Acquisition (RM'000)**
Share capital	219,417	219,417
Warrant reserve	-	-
Asset revaluation reserve	62,269	62,269
Retained profits	235,803	(1) 235,696
NA	**517,489**	**517,382**
No. of Mycron Shares in issue, net of treasury shares ('000)	327,057	327,057
NA per Mycron Share (RM) (2)	1.58	1.58
Total borrowings (RM'000) (3)	79,415	(4) 103,185
Gearing ratio (times) (5)	0.15	0.20

Notes:

(1) Computed after considering the estimated expenses in relation to the Proposed Acquisition, estimated interest expenses in relation to the bank borrowings to finance the Purchase Consideration, annual depreciation of the Property and savings from annual rental expenses for the Property, as set out in Section 5.3 of this Announcement.

(2) Computed based on NA divided by number of Mycron Shares in issue (excluding treasury shares, if any).

(3) Excluding lease liabilities.

(4) After taking up the bank borrowings of RM24.00 million to finance the Purchase Consideration.

(5) Gearing is calculated as total borrowings divided by NA.

5.3 Earnings and earnings per Share (“EPS”)

For illustration purposes only, based on the audited consolidated financial statement of the Group as at 30 June 2025 and assuming that the Proposed Acquisition had been completed on 1 July 2024, the pro forma effects of the Proposed Acquisition on the consolidated earnings and EPS of the Group are as follows:

	Audited for the FYE 30 June 2025 (RM’000)	**After the Proposed Acquisition (RM’000)**
Net loss attributable to owners of the Company (“**LATAMI**”)	(1,295)	(1) (1,295)
Less: Estimated expenses in relation to the Proposed Acquisition pertaining to professional fees, printing costs, fees payable to the relevant authorities, administrative fees and cost of convening the EGM and other incidental expenses including sales and service tax	-	(2) (470)
Less: Estimated interest expenses in relation to the bank borrowings to finance the Purchase Consideration	-	(3) (1,198)
Less: Annual depreciation of the Property	-	(539)
Add: Savings from annual rental expenses for the Property	-	2,100
Adjusted LATAMI	**(1,295)**	**(1,402)**
No. of Mycron Shares in issue (’000)	327,057	327,057
Loss per share (sen) (4)	(0.40)	(0.43)

Notes:

*(1) The Property to be acquired is recognised individually at cost, being the Purchase Consideration directly attributable to their acquisition in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 116. As such, there will be no effect on the pro forma LATAMI.*

(2) For information purpose only, out of the total estimated expenses in relation to the Proposed Acquisition of approximately RM1.94 million as set out in Section 1.8 of this Announcement, only approximately RM0.47 million is expensed off. The balance of approximately RM1.46 million comprises stamp duty relating to the memorandum of transfer amounting to approximately RM1.18 million and legal fees incidental to the SPA and DPA amounting to approximately RM0.05 million, which will be capitalised as part of the cost of investment, as well as stamp duty on loan agreement amounting to approximately RM0.12 million and the legal fees incidental to loan agreement and bank commission amounting to approximately RM0.11 million, which will be recognised as a deferred liability under MFRS 9. As such, there will be no effect on the pro forma LATAMI from these, except in their annual amortisation.

(3) Computed based on the assumed cost of debt of approximately 5.00% and the total borrowings of RM24.00 million.

(4) Computed based on the Adjusted LATAMI divided by the number of Shares in issue (excluding treasury shares).

5.4 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is subject to approvals and / or consents being obtained from the following:

(i) the approval of the non-interested Shareholders at the Company's forthcoming EGM ("**Shareholders' Approval**");

(ii) the approval of the state authority for the sale and transfer of the Property in favour of the Purchaser ("**State Authority Consent**");

(iii) the approval of the state authority for the registration of charge over the Property in favour of the bank or other licensed financial institution to which the Purchaser may be applying for the loan ("**Bank**");

(iv) the consent of the Purchaser's existing lender(s) for the acquisition of the Property and the Purchaser's Loan ("**Purchaser's Existing Lenders' Approval**"); and

(v) where required, the approvals from the relevant regulatory authorities having jurisdiction over the acquisition of the Property.

Save as disclosed above and subject to conditions precedent set-out in the SPA, the Proposed Acquisition is not conditional upon any other proposal / scheme undertaken or to be undertaken by the Company.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 5.80%, computed based on the Purchase Consideration compared with the audited consolidated NA of the Company as at 30 June 2025.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE(S) OF THE COMPANY AND / OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major Shareholders and chief executives of the Company and / or persons connected to them has any interest, direct or indirect in the Proposed Acquisition:

(i) TDYK is the Executive Chairman of Mycron and also the Executive Chairman of MIGB. TDYK is deemed interested in Mycron by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the major Shareholder of Mycron as at the LPD;

(ii) Azlan bin Abdullah is the Non-Independent Non-Executive Director of Mycron and is a Shareholder of Mycron holding 53,900 Shares in Mycron as at the LPD. He is also the Non-Independent Non-Executive Director of MIGB and is a shareholder of MIGB holding 133,333 shares in MIGB as at the LPD;

(iii) MIGB is the major Shareholder of Mycron by virtue of its 74.13% direct shareholdings in Mycron as at the LPD;

(iv) MKSB is deemed interested in Mycron by virtue of being a 29.04% major shareholder of MIGB, which in turn is the major Shareholder of Mycron as at the LPD;

(v) MEBVI is deemed interested in Mycron by virtue of being a 16.80% major shareholder of MIGB, which in turn is the major Shareholder of Mycron as at the LPD; and

(vi) KLB is deemed interested in Mycron by virtue of being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the major Shareholder of Mycron as at the LPD.

(TDYK and Azlan bin Abdullah are collectively referred to as "**Interested Director(s)**")

(TDYK, MIGB, MKSB, MEBVI and KLB are collectively referred to as "**Interested Major Shareholder(s)**")

(Collectively, the Interested Directors and the Interested Major Shareholders are referred to as the "**Interested Parties**")

In view of the interests of the Interested Parties, the Proposed Acquisition is deemed as related party transaction under Paragraph 10.08 of the Listing Requirements.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting at all relevant board meeting(s) of the Company in respect of the Proposed Acquisition. The Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in the Company, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM. Further, the Interested Directors will also undertake to ensure that all persons connected to them will abstain from voting in respect of their direct and / or indirect interest, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

The Interested Shareholders will abstain from voting in respect of their direct and / or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM. The Interested Shareholders have also undertaken to ensure persons connected to them shall abstain from voting on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Kwo Shih Kang, Datin Seri Raihanah Begum binti Abdul Rahman and Dato' Dr. Kili Gandhi Raj A/L K R Somasundaram are the Independent Non-Executive Directors of the Company. They are also Independent Non-Executive Directors of MIGB. Accordingly, Kwo Shih Kang, Datin Seri Raihanah Begum binti Abdul Rahman and Dato' Dr. Kili Gandhi Raj A/L K R Somasundaram have voluntarily abstained and will continue to abstain from deliberating and voting at all relevant board meeting(s) of the Company in respect of the Proposed Acquisition.

The direct and indirect shareholdings of the Interested Parties in the Company as at the LPD are as follows:

	Shareholding in Mycron			
	Direct		Indirect	
Name	No. of Shares	[(1)] %	No. of Shares	[(1)] %
Interested Director and Interested Major Shareholder				
TDYK	-	-	[(2)] 242,523,025	74.15
Interested Director				
Azlan bin Abdullah	53,900	0.02	-	-
Interested Major Shareholders				
MIGB	242,460,265	74.13	-	-
MKSB	-	-	[(3)] 242,460,265	74.13
MEBVI	-	-	[(3)] 242,460,265	74.13
KLB	-	-	[(4)] 242,460,265	74.13

Notes:

(1) Based on the total number of 327,057,599 Shares as at the LPD.

(2) Deemed interested by virtue of TDYK being a beneficiary of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron.

(3) Deemed interested by virtue of them being the major shareholders of MIGB, which in turn is the major Shareholder of Mycron.

(4) Deemed interested by virtue of KLB being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the major Shareholder of Mycron.

9. TRANSACTIONS WITH THE SAME RELATED PARTIES FOR THE PAST 12 MONTHS

The Proposed Acquisition is a deemed related party transaction under Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Parties.

The aggregate total amount transacted between Mycron and the Interested Parties in the past 12 months preceding the LPD is approximately RM9.30 million.

10. AUDIT AND GOVERNANCE COMMITTEE'S STATEMENT

The Audit and Governance Committee of the Company (comprising members of the Board who are not interested in the Proposed Acquisition), in arriving at their views, have sought the independent advice from the Independent Adviser for the Proposed Acquisition.

After taking into consideration the preliminary independent views of the Independent Adviser, and having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, the Audit and Governance Committee of the Company is of the opinion that the Proposed Acquisition is:

(i) in the best interest of the Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the non-interested Shareholders.

11. DIRECTORS' STATEMENT

The Board, save for the Interested Directors, having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

12. ADVISERS

12.1 Principal Adviser

Kenanga IB has been appointed to act as Principal Adviser for the Proposed Acquisition.

12.2 Solicitors

Messrs Sidek Teoh Wong & Dennis has been appointed to act as solicitors for the Proposed Acquisition ("**Purchaser's Solicitors**").

12.3 Independent Adviser

In view that the Proposed Acquisition constitute a related party transaction, Mercury Securities has been appointed to act as Independent Adviser to undertake the following:

(i) comment as to whether the Proposed Acquisition is:

   (a) fair and reasonable so far as the non-interested Shareholders are concerned; and

   (b) to the detriment of the non-interested Shareholders,

   and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) advise the non-interested Shareholders whether they should vote in favour of the Proposed Acquisition; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

13. SUBMISSION TO THE AUTHORITIES AND ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the submission to the relevant authorities for the Proposed Acquisition is expected to be made within 2 months from the date of this Announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition is expected to be completed in the fourth quarter of 2026.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA, DPA and the Valuation Certificate are available for inspection at the registered office of the Company at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, Malaysia during normal business hours on Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

This announcement is dated 15 June 2026.

APPENDIX I – SALIENT TERM OF THE SPA

The salient terms of the SPA are set out below:

1. Basis of Sale and Purchase of Property

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Property on an "as is where is" basis free from legal encumbrances, encroachment, other beneficial interest, unauthorised occupiers, caveats, prohibitory orders, injunctions and other similar orders, any actual or intended acquisition proceedings and proceedings and trusts and caveats and with legal possession, subject to all conditions of title (express or implied), restrictions in interest and upon the terms and conditions contained in the SPA.

2. Mode of Settlement of the Purchase Consideration

The Purchase Consideration of RM30.00 million shall be paid by the Purchaser to the Vendor in the following manner:

(i) by way of the Purchaser's Loan; and

(ii) pursuant to the deferred payment plan as agreed and set out in the DPA representing 20.00% of the Purchase Consideration, amounting to RM6.00 million.

3. Conditional SPA

3.1 Conditions Precedent

3.1.1 The SPA is conditional upon and subject to the following conditions precedent:

(i) the Purchaser being able to secure the Purchaser's Loan to part finance the purchase of the Property;

(ii) the DPA has been duly executed and stamped;

(iii) the Purchaser's Existing Lenders' Approval;

(iv) the Shareholders' Approval shall have been obtained;

(v) the State Authority Consent shall have been obtained;

(vi) the approval of the state authority for the registration of charge over the Property in favour of the Bank; and

(vii) where required, the approvals from the relevant regulatory authorities having jurisdiction over the acquisition of the Property shall have been obtained.

(Collectively, the above conditions precedents are to be referred to as "**Conditions Precedent**")

3.1.2 In the event the Conditions Precedent or any of them is not obtained within four (4) months from the date of the SPA ("**Conditional Period**"), the Vendor and the Purchaser may mutually agree in writing to such extended period or periods ("**Extended Conditional Period**") to fulfil the Conditions Precedent.

3.1.3 In the event any of the Conditions Precedent is not fulfilled or waived within the Conditional Period or by the expiration of the Extended Conditional Period, as the case may be, the SPA will terminate and thereafter be null and void.

4. Unconditional date

The SPA will become unconditional when the last of the Conditions Precedent is fulfilled or waived and upon Purchaser's Solicitors receipt of documentary evidence confirming such fulfilment or, where applicable, a written waiver letter from the Vendor and the Purchaser ("**Unconditional Date**").

5. Completion Period

The Purchaser's Loan shall be released to the Vendor within three (3) months from the Unconditional Date of the SPA ("**Completion Period**"), with an extension of time of one (1) month from the expiry of the Completion Period, or such other extended period as may be agreed by the Vendor in writing ("**Extended Completion Period**").

6. Default by Purchaser

6.1 In the event that:

(i) the Purchaser fails to observe or perform or otherwise be in breach of any of the terms, conditions or covenants of the SPA;

(ii) any warranties and representations of the Purchaser is incorrect or inaccurate or misleading in any respect; or

(iii) a valid and registrable instrument of transfer in respect of the Property duly executed by the Vendor in favour of the Purchaser ("**Instrument of Transfer**"), cannot be registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Purchaser,

and such failure or breach or reason for non-registration (other than an obligation of the type referred to in clause 6.1(i) above), is not remedied by the Purchaser within fourteen (14) days after the Vendor has given written notice to the Purchaser to remedy such failure or breach, the Vendor will be entitled, at the cost and expense of the Purchaser, and at the Vendor's sole discretion to terminate the SPA at any time by giving a written notice to the Purchaser.

6.2 Upon termination, the Purchaser must, at the Purchaser's own cost and expense, within fourteen (14) days from the date of receiving the termination notice from the Vendor:

(i) immediately remove all encumbrance and caveat, if any, on the Property attributable to the Purchaser; and

(ii) return to the Vendor all documents delivered by the Vendor to the Purchaser and / or the Purchaser's Solicitors and / or the Bank's solicitors under the provisions of SPA with the Vendor's interest in the Property remaining intact;

in exchange for the refund by the Vendor to the Purchaser and / or the Bank of all moneys paid towards account of the Purchase Consideration without any interest being payable whereupon SPA will terminate and cease to be of any further effect and thereafter the Vendor shall be entitled to sell or otherwise deal with the Property in such manner as the Vendor deems fit. For the avoidance of doubt, the Vendor and Purchaser (collectively referred to as the "**Parties**" and individually referred to as a "**Party**") shall take all necessary steps to notify the Director-General of Inland Revenue of the termination of SPA and to claim a refund of the retention sum of Ringgit Malaysia Nine Hundred Thousand (RM900,000.00) payable to the Purchaser's Solicitors ("**Retention Sum**"), together with any chargeable tax payable by the Vendor (if any).

6.3 For avoidance of doubt, the provisions of clause 6.2 shall not prejudice any other remedies that the Vendor may have at law or in equity in respect of the default of the Purchaser.

7. Default by Vendor

7.1 In the event that:

(i) the Vendor fails to observe or perform or otherwise be in breach of any of the terms, conditions or covenants of this SPA;

(ii) any warranties and representations of the Vendor is incorrect or inaccurate or misleading in any respect; or

(iii) the Instrument of Transfer cannot be registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Vendor,

and such failure or breach or reason for non-registration is not remedied by the Vendor within fourteen (14) days after the Purchaser has given written notice to the Vendor to remedy such failure or breach, the Purchaser will be entitled, at the cost and expense of the Vendor, and at the Purchaser's sole discretion to the following remedies:

(i) to the remedy of specific performance of SPA against the Vendor; or

(ii) to terminate SPA at any time by giving a written notice to the Vendor and upon such termination, the Vendor must within fourteen (14) days from the date of receiving the termination notice refund or caused to be refunded to the Purchaser all moneys paid towards account of the Purchase Consideration without any interest being payable in exchange for:

(a) the immediate removal of all encumbrance and caveat, if any, on the Property attributable to the Purchaser; and

(b) the return to the Vendor of all documents delivered by the Vendor to the Purchaser and / or the Purchaser's Solicitors and / or the Bank's solicitors under the provisions of SPA with the Vendor's interest in the Property remaining intact;

whereupon SPA will terminate and cease to be of any further effect and thereafter the Vendor shall be entitled to sell or otherwise deal with the Property in such manner as the Vendor deems fit. For the avoidance of doubt, the Parties shall take all necessary steps to notify the Director-General of Inland Revenue of the termination of SPA and to claim a refund of the Retention Sum, together with any chargeable tax payable by the Vendor (if any).

7.2 For avoidance of doubt, the provisions of this clause 7.1 shall not prejudice any other remedies that the Purchaser may have at law or in equity in respect of the default of the Vendor.

8. Completion of the SPA

The Purchase Consideration shall be deemed fully settled upon receipt of the Purchaser's Loan by the Vendor and the beneficial ownership of the Property shall be deemed to have passed to the Purchaser upon receipt of the Purchaser's Loan by the Vendor ("**SPA Completion**").

9. Legal possession

The Property is currently tenanted to the Purchaser under a tenancy agreement dated 1 June 2022 between the Vendor and the Purchaser, which was subsequently renewed by way of a renewal letter dated 14 March 2025 for a further term of three (3) years commencing on 1 June 2025 and expiring on 31 May 2028, on the same terms and conditions (the "**Tenancy**"). Legal possession of the Property shall be delivered to the Purchaser upon SPA Completion, at which time the Tenancy shall automatically terminate.

10. Vendor's Undertakings

The Vendor covenants and undertakes with the Purchaser that:

(i) it will not deal with or encumber the Property in any way or do or suffer to be done or commit any act or thing which may render the Property or any part of the Property liable to forfeiture or attachment or which will contravene provisions of any existing legislation or requirement up to the SPA Completion;

(ii) it shall, ensure that the Purchaser may continue to occupy and enjoy the Property in the ordinary course without interruption; and

(iii) it will not make any claims or caveat on the Property post SPA Completion on any grounds tied to the performance of the DPA.

(The rest of this page is intentionally left blank)

APPENDIX II – SALIENT TERM OF THE DPA

The salient terms of the DPA are set out below:

1. Deferred Sum

   The Vendor has agreed to allow deferred payment on part of the Purchase Consideration equivalent to twenty percent (20%) thereof amounting to RM6,000,000.00 only (Ringgit Malaysia Six Million) ("**Deferred Sum**") subject to the terms and conditions herein contained in the DPA.

2. Deferred payment plan

   The Purchaser shall repay the Deferred Sum by sixty-four (64) consecutive monthly equal instalments of RM93,750.00 (Ringgit Malaysia Ninety-Three Thousand Seven Hundred Fifty only) each into such bank account as designated by the Vendor) subject to the terms and conditions herein contained in the DPA ("**Deferred Payment Plan**").

3. Commencement of Date of the Deferred Payment Plan

   The first monthly instalment payable shall be due and payable one (1) month from date of full release / disbursement of the Purchaser's Loan to the Vendor pursuant to the SPA and thereafter on the corresponding day of each succeeding month.

4. Deductions and set-off

   Deductions and set-off of valid outstanding debts owing by the Vendor to the Purchaser against instalment(s) due are permitted with mutual consent from the Vendor. Specifically, the Purchaser's payment of Retention Sum (amounting to 3% of the Purchase Consideration) under the SPA for obligatory remittance to the Inland Revenue Department with regards to the Vendor's liability to real property gain tax, shall treated as a credit to the Deferred Sum for set-off against instalments as when due.

5. Conditions Precedent

   The Parties' obligations under the DPA shall be conditional upon and subject to the following conditions precedent:

   (i) the SPA becoming unconditional;

   (ii) execution and delivery of the DPA by Vendor, Purchaser and the Company (hereinafter referred to as the "**Guarantor**"); and

   (iii) receipt of all corporate authorisations and board resolutions deemed necessary by the Vendor, Purchaser and the Guarantor.

6. Corporate Guarantee

   In consideration of the Vendor entering into DPA, the Guarantor irrevocably and unconditionally guarantees to the Vendor:

   (i) the due and punctual payment by the Purchaser of all monies payable under the DPA; and

   (ii) the due observance and performance by the Purchaser of all obligations herein.

7. Termination

If the SPA is terminated for any reason, the DPA shall automatically terminate without further action by either party.

8. Independence from SPA

This DPA is a separate, standalone contract that governs only the Deferred Sum payment mechanism, without altering or interfering with the SPA's rights, obligations, or completion and shall not affect, delay, or prejudice the SPA Completion. For the avoidance of doubt, any default or dispute arising under the DPA shall not be deemed a default under the SPA, nor shall it entitle the Vendor to withhold the SPA Completion.

(The rest of this page is intentionally left blank)