

MCT BERHAD (“MCT” or “COMPANY”)

PROPOSED ACQUISITION BY THE PLACE PROPERTIES SDN. BHD. (“TPPSB” OR “PURCHASER”), A WHOLLY-OWNED SUBSIDIARY OF MCT CONSORTIUM BHD. (“MCTCB”), WHICH IS A WHOLLY-OWNED SUBSIDIARY OF MCT, OF THREE (3) CONTIGUOUS PARCELS OF FREEHOLD RESIDENTIAL DEVELOPMENT LAND MEASURING APPROXIMATELY 15,817.405 SQUARE METRES AT MUKIM KUALA LUMPUR (“LAND”) FROM SISI TASIK SDN. BHD. (“STSB” OR “VENDOR”) FOR A TOTAL CASH CONSIDERATION OF RM64,646,632.00.

1. INTRODUCTION

The Board of Directors of MCT (“**Board**”) wishes to announce that TPPSB had on 1 March 2023 entered into a conditional sale and purchase agreement (“**SPA**”) with STSB to acquire the Land for a total cash consideration of RM64,646,632.00 (“**Purchase Price**”) (“**Proposed Acquisition**”).

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

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Purchaser

TPPSB was incorporated in Malaysia on 31 October 2008. The present issued share capital of TPPSB is RM500,000.00 made up of 500,000 ordinary shares. The principal activities of TPPSB are property development and management.

2.2 Information on the Vendor

STSB was incorporated in Malaysia on 26 January 1990. Its principal business is property investment. The issued share capital of the Vendor is RM3.00, comprising 3 ordinary shares. The shareholders are:

No.	Name	Total Shares
1.	Eva Miu Fan Lai	1
2.	Tee Ching Huat	1
3.	Tee Horng Yu	1

As at the date of the SPA, the directors of the Vendor are Tee Ching Huat and Eva Miu Fan Lai.

2.3 Information on the Land

The Land is located within Taman Desa, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. Further details of the Land are set up in the table below:

Title No.	Land 1: Geran Mukim 41070, Lot 481620 Land 2: Geran Mukim 41063, Lot 481619 Land 3: Geran Mukim 1203, Lot 1427
Mukim / District / State	Mukim Kuala Lumpur / Kuala Lumpur / Wilayah Persekutuan Kuala Lumpur
Description	3 contiguous parcels of freehold vacant residential land proposed for high-rise condominiums.
Registered Owner	Sisi Tasik Sdn. Bhd.
Category of Land Use	"Tidak dinyatakan"
Proposed Usage	High-rise Residential Development
Existing Usage	Vacant land
Tenure	Freehold
Total Land Area	Approximately 15,817.405 Square Metres
Valuer	Macreal International Sdn. Bhd. ("Macreal International")
Market Value	RM64 million
Date of Valuation	17 January 2023
Valuation Method	Comparison Approach
Net Book Value	The Company is unable to disclose the net book value of the Land as it is not privy to this information.
Encumbrances	None

Proposed Development of the Land	
Name of Project	Aetas Taman Desa
Type of Development	Residential
No. of Units	236 units
Expected Total Development Cost	Approximately RM278 million
Expected Commencement Date	2024
Expected Completion Date	2028
Expected Gross Development Value	Approximately RM500 million
Stage of Completion	Initial planning stage
Approvals Obtained	No development order has been obtained

Please refer to Appendix I for the location map of the Land.

2.4 Basis and justification on determining the Purchase Price

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

- (a) The prospects of the Land in view of its good connectivity, established catchment and ready amenities within the vicinity; and
- (b) The market value of the Land of RM64 million as appraised by Macreal International.

2.5 Salient terms of the SPA

(a) Agreement to sell and to purchase

The Land will be acquired free from all encumbrances and with vacant possession.

(b) Condition Precedent

The completion of the Proposed Acquisition is conditional upon the Purchaser obtaining the State Authority's approval pursuant to Section 433B of the National Land Code (“**Condition Precedent**”), within one (1) month from the date of the SPA (“**CP Period**”).

If the Condition Precedent cannot be fulfilled within the CP Period, the CP Period shall automatically be extended for another one (1) month to enable the Purchaser to fulfill the Condition Precedent (“**Extended CP Period**”).

In the event the Purchaser is unable to obtain the Condition Precedent within the Extended CP Period, then either party shall be entitled to terminate the SPA and upon termination, the Vendor's solicitors shall refund the Earnest Deposit and the Balance Deposit (as defined herein) free of interest to the Purchaser's solicitors within fourteen (14) days of receipt of the said notice.

The SPA shall be deemed unconditional on the date the Purchaser receives the State Authority's approval or upon receipt of notice from the relevant land office that the State Authority's approval is ready for collection, whichever is the earlier ("**Unconditional Date**").

(c) **Manner of payment of the Purchase Price**

Payment Milestone	Date of Payment	Amount (RM)
1. Earnest deposit (" Earnest Deposit ")	Paid to the Vendor's solicitors as stakeholder on 18 January 2023	1,300,000.00
2. Balance deposit (" Balance Deposit ")	Upon the execution of the SPA	5,164,663.20
3. Balance purchase price being 90% of the Purchase Price (" Balance Purchase Price ")	Three (3) months from the Unconditional Date (" Completion Date "), with an extension of one (1) month from the expiry of the Completion Date subject to the payment of interest at the rate of 8% per annum to be calculated on a daily basis after the Completion Date until the date of full payment of the Balance Purchase Price.	58,181,968.80
Total		64,646,632.00

2.6 Source of funding

TPPSB intends to fund the Proposed Acquisition via a combination of internally generated funds and/or bank borrowings. The exact funding mix will be decided by the Management at a later stage after taking into consideration the Company's group gearing level, interest costs as well as internal cash requirements for its business operations.

2.7 Liabilities to be assumed by Purchaser

Save for the costs and expenses related to the Proposed Acquisition, the Purchaser will not be assuming any additional liabilities pursuant to the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION AND PROSPECTS FOR THE LAND

The Proposed Acquisition is in line with the Company's and its group of subsidiaries' ("**Group**") strategy to expand its development footprint in the Klang Valley. The Proposed Acquisition would be the Group's second land acquisition in Kuala Lumpur following the acquisition of another parcel of land in Seputeh that was announced on 20 February 2023.

The Land is strategically situated at the fringe of Kuala Lumpur's central business district in a matured and affluent neighbourhood with readily available public amenities and infrastructure with excellent connectivity within the vicinity. It is located 3km from Mid Valley Megamall and approximately 11km from Kuala Lumpur City Centre and is accessible via Old Klang Road, Federal Highway and New Pantai Expressway. It also has access to various schools such as SMK Taman Desa and Vikas International School, all within a 1km radius. In addition, it is close to the planned Bandar Malaysia project, an integrated transit-oriented development.

The proposed development on the Land is expected to be the Group's third instalment of its award-winning Aetas series and is tentatively named Aetas Taman Desa. Based on the

preliminary plans and subject to approval from the authorities, Aetas Taman Desa will encompass 236 units of spacious family-sized condominiums with an estimated gross development value of RM500 million and is planned for launch in 2024.

Given the strategic location, well-equipped infrastructure and established public amenities surrounding the Land, the Group believes that the Proposed Acquisition will contribute positively to the Group's future growth plans and earnings prospects moving forward.

4. RISK FACTORS

The Proposed Acquisition would subject the Company to risks inherent in the property development business of which the Company is already involved in. Such risks may include sensitivity to economic and political conditions, financing risk, delays in commencement and completion, competition from other property developers, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges. Any adverse change in such conditions may have an adverse material effect on the Company. These risks are addressed as part of the ordinary course of business and are not expected to represent new risks to the Company's operations.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 Share capital and shareholdings of substantial shareholders

The Proposed Acquisition will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company as it does not involve any issuance of new securities by the Company.

5.2 Earnings and earnings per share ("EPS")

The Proposed Acquisition is not expected to have a material impact on the earnings and EPS of the Company for the financial year ending 31 December 2023. However, it is expected to contribute positively to the future earnings and EPS of the Company.

5.3 Net Assets ("NA"), NA per share and gearing

The Proposed Acquisition is not expected to have a material impact on the NA, NA per share and the consolidated gearing of the Company for the financial year ending 31 December 2023. However, it is expected to enhance the NA of the Company in the future given the potential profit contribution arising from the development of the Land.

The effect of the Proposed Acquisition on the gearing of the Company will be dependent on the eventual funding mix for the Proposed Acquisition.

6. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE PROPOSED ACQUISITION

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, based on the latest audited consolidated financial statements of MCT for the financial year ended 31 December 2021 is 7.48%.

7. APPROVALS REQUIRED

Save as mentioned above in Section 2.5(b), the Proposed Acquisition is not subject to the approval of the Company's shareholders or any other regulatory authority.

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

None of the directors or major shareholders of the Company or persons connected with them has any interest, whether direct or indirect in the Proposed Acquisition.

9. STATEMENT BY THE BOARD

The Board having considered the rationale and all aspects of the Proposed Acquisition, and after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of the Company and its shareholders.

10. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED ACQUISITION

Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed by the 3rd quarter of 2023.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA and the valuation certificate of the Land dated 2 February 2023 are available for inspection at the business address at Lot C-02, Level 2 Skypark @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 1 March 2023.

Appendix I

Location Map of the Land

