THIS CIRCULAR TO SHAREHOLDERS OF SDS GROUP BERHAD ("SDSG" OR THE "COMPANY") ("CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, valuation certificate and report, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

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SINCE 1987

SDS GROUP BERHAD

(Registration No.: 201701026951 (1241117-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ACQUISITION BY LONDON BAKERY SDN BHD, 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 FOR A TOTAL CASH CONSIDERATION OF RM101,701,710.00 ("PROPOSED ACQUISITION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOBKayHian

UOB KAY HIAN (M) SDN BHD

(Registration No.: 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of SDSG to be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 28 August 2026 at 11.00 a.m., or immediately after the conclusion or adjournment of the Ninth Annual General Meeting ("**AGM**") of our Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, together with the accompanying Proxy Form are enclosed in this Circular.

If you are unable to attend and vote at the EGM in person, you are requested to complete the Proxy Form enclosed herein in accordance with the instructions contained therein and deposit it with our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via the Vistra Share Registry and IPO (MY) Portal at https://srmy.vistra.com not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof. Please refer to the Administrative Guide for submission of the electronic Proxy Form. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM or adjourned EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form	:	Wednesday, 26 August 2026 at 11.00 a.m.
Day, date and time of the EGM	:	Friday, 28 August 2026 at 11.00 a.m., or immediately after the conclusion or adjournment of the AGM of our Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later

This Circular is dated 31 July 2026

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act 2016
"Adjacent Land"	:	A land held under Geran 37995, Lot 25948, in the Mukim of Tebrau, District of Johor Bahru, State of Johor, measuring approximately 7.54 hectares, which is adjacent to the Subject Property
"Adjacent Land Purchaser"	:	MTAG Land Sdn Bhd, a wholly-owned subsidiary of MTAG Group Berhad, being the purchaser of the Adjacent Land
"Adjacent Land SPA"	:	Sale and purchase agreement entered into between Grand Focus Sdn Bhd (as the vendor), an entity having common shareholders with the Vendor, and the Adjacent Land Purchaser in relation to the acquisition of the Adjacent Land
"Board"	:	The Board of Directors of SDSG
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Cheston" or the "Valuer"	:	Cheston International (Johor) Sdn Bhd (Registration No.: 199301030301 (285040-P))
"Circular"	:	This circular to shareholders of SDSG dated 31 July 2026 in relation to the Proposed Acquisition
"Director(s)"	:	The director(s) of SDSG and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and Section 2(1) of the Act
"EGM"	:	Extraordinary general meeting
"EPS"	:	Earnings per share
"FYE"	:	Financial year ended/ending, as the case may be
"KGD" or the "Vendor"	:	Kempas Green Development Sdn Bhd (Registration No.: 198901000806 (178112-K))
"LBSB" or the "Purchaser"	:	London Bakery Sdn Bhd (Registration No.: 202501033447 (1634857-T)), a wholly-owned subsidiary of SDSG
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	30 June 2026, being the latest practicable date prior to the date of this Circular
"MBJB"	:	Majlis Bandaraya Johor Bahru
"NA"	:	Net assets
"PAT"	:	Profit after tax
"Proposed Acquisition"	:	Proposed acquisition by LBSB of the Subject Property from KGD for the Purchase Consideration

"Proposed Development"	:	Proposed construction of a new manufacturing facility on the Subject Property, which is expected to be constructed and fitted with purpose-built production lines, together with the requisite machineries, equipment and tools for the production and packaging of our Group's products. Further details of the Proposed Development are set out in **Sections 1** and **3** of this Circular
"Purchase Consideration"	:	RM101,701,710.00, being the total cash consideration for the Proposed Acquisition
"SDSG" or our "Company"	:	SDS Group Berhad (Registration No.: 201701026951 (1241117-T))
"SDSG Group" or our "Group"	:	Collectively, SDSG and our subsidiaries
"SDSG Share(s)" or "Share(s)"	:	Ordinary shares in SDSG
"SPA"	:	Conditional sale and purchase agreement dated 30 January 2026 entered into between LBSB and KGD in relation to the Proposed Acquisition
"Subject Property"	:	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)
"UOBKH" or "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
"Valuation Certificate"	:	The valuation certificate on the Subject Property dated 31 March 2026 issued by the Valuer, enclosed as **Appendix II** of this Circular
"Valuation Report"	:	The valuation report on the Subject Property dated 31 March 2026 prepared by the Valuer

Unit of measurement

"km"	:	Kilometers
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"sq ft"	:	Square feet
"sqm"	:	Square metres

All references to "we", "us", "our" and "ourselves" are to SDSG or SDSG Group. All references to "you" in this Circular are to the shareholders of SDSG.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. All references to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

This Executive Summary highlights only the salient information of the Proposed Acquisition. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Acquisition before voting at the forthcoming EGM.

<table>
<tr><th>Key information</th><th>Description</th><th>Reference to the Circular</th></tr>
<tr><td>Summary of the Proposed Acquisition</td><td>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.</td><td>Section 2</td></tr>
<tr><td>Basis and justification of arriving at the Purchase Consideration</td><td>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 6 March 2026 as set out in the Valuation Report;

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

(iii) the prospects of the Subject Property as set out in Section 4.3 of this Circular.</td><td>Section 2.3</td></tr>
<tr><td>Mode of settlement</td><td>Pursuant to the terms of the SPA, the Purchase Consideration shall be satisfied entirely in cash, in the following manner:-

<table>
<tr><th>Payment term</th><th>Timing of settlement</th><th>Purchase Consideration (RM)</th></tr>
<tr><td>1.00% of the Purchase Consideration</td><td>Paid to Vendor’s solicitors as stakeholders prior to the execution of the SPA on 1 December 2025</td><td>1,017,017.10</td></tr>
<tr><td>9.00% of the Purchase Consideration</td><td>Paid to the Vendor’s solicitors as stakeholders upon execution of the SPA on 30 January 2026</td><td>9,153,153.90</td></tr>
<tr><td>90.00% of the Purchase Consideration</td><td>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</td><td>91,531,539.00</td></tr>
<tr><td>Total</td><td></td><td>101,701,710.00</td></tr>
</table>
</td><td>Section 2.4</td></tr>
</table>

Key information	Description	Reference to the Circular
Rationale and justifications of the Proposed Acquisition	The Proposed Acquisition is in line with our Group's long-term strategy to expand our production capacity and strengthen our earnings base and market positioning. Our 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 our products in accordance with our operational requirements. The Proposed Development is expected to enhance our overall production capacity and support our ongoing business expansion initiatives to expand our footprint.	**Section 3**
Risk factors	The potential risk factors in relation to the Proposed Acquisition are as follows:- (i) non-completion risk; (ii) conversion risk; (iii) acquisition risk; and (iv) financing and interest rate risks.	**Section 5**
Approvals required	The Proposed Acquisition is subject to the approval being obtained from the shareholders of SDSG at the forthcoming EGM.	**Section 7**
Conditionality of the Proposed Acquisition	The Proposed Acquisition is not conditional upon any other corporate exercises undertaken or to be undertaken by our 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.	**Section 7**
Interest 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.	**Section 9**
Directors' statement	Our 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. Accordingly, our Board recommends that you vote in favour of the relevant resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.	**Section 10**

SDS GROUP BERHAD
(Registration No.: 201701026951 (1241117-T))
(Incorporated in Malaysia)

Registered Office
Unit 7-01, Level 7
Menara Lagenda
No. 3, Jalan SS20/27
47400 Petaling Jaya
Selangor

31 July 2026

Board of Directors

Dr. Lim Pang Kiam	*(Independent Non-Executive Chairman)*
Tan Kim Seng	*(Managing Director)*
Tan Kim Chai	*(Executive Director)*
Tan Yon Haw	*(Executive Director)*
Tan Kee Jin	*(Executive Director)*
Patricia Rangene Packium	*(Independent Non-Executive Director)*
Lee Yee Ling	*(Independent Non-Executive Director)*

To: The Shareholders of SDSG

Dear Sir/Madam,

PROPOSED ACQUISITION

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1. INTRODUCTION

On 30 January 2026, UOBKH had, on behalf of our Board, announced that LBSB had, on even date, entered into the SPA with KGD for the Proposed Acquisition.

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

On 5 February 2026, UOBKH had, on behalf of our Board, announced the additional information in relation to the rationale and justifications of LBSB undertaking the Proposed Acquisition (despite the en-bloc condition, whereby the Proposed Acquisition is conditional upon the sale of the Adjacent Land between Grand Focus Sdn Bhd, an entity having common shareholders with the Vendor, and the Adjacent Land Purchaser).

Subsequently on 29 April 2026, UOBKH had, on behalf of our Board, announced that LBSB and KGD had mutually agreed to the extension of the Conditional Period (as defined herein) as stated in the SPA for a further period up to 31 August 2026 to fulfil the conditions precedent.

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

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

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.

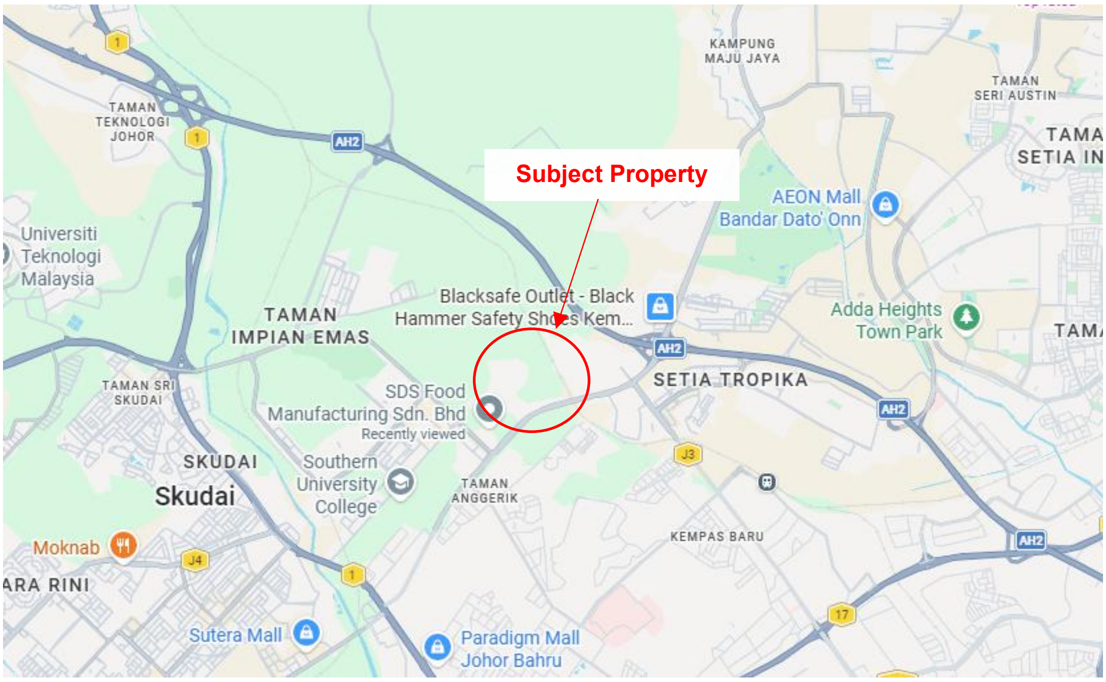
2.1 Information on the Subject Property

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 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 involves a U-turn at the traffic light and finally a left turn onto Jalan Selatan 8.



(Map of the Subject Property and its surrounding areas)

(Aerial view of the Subject Property)

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(1)
Express conditions	:	Nil
Restriction-in-interest	:	Nil
Encumbrances	:	Nil
Other endorsement	:	Nil
Existing use	:	Vacant (save for the portion currently tenanted)(2)
Proposed use	:	Proposed Development(1)
Independent valuer	:	Cheston
Date of inspection	:	6 March 2026
Date of valuation	:	6 March 2026
Audited net book value (as at 31 March 2026)	:	Not available(3)
Estimated market value as at 6 March 2026	:	RM102.00 million (Based on comparison approach)

Notes:-

*(1) For information purposes, although the land title of the Subject Property does not specify any category of land use, the Subject Property is zoned for residential use under the applicable land zoning designated by MBJB. As such, SDSG shall, at our 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 ("**Conversion of Land Zoning**"). As at the LPD, our management is unable to estimate the land conversion premium payable in connection with the Conversion of Land Zoning as the amount will only be determined by MBJB upon the submission and assessment of the relevant application.*

*(2) As at the LPD, a portion of the south-western part of the Subject Property measuring approximately 23,100 sq ft is tenanted to SDS Food Manufacturing Sdn Bhd ("**SDSFM**"), a wholly-owned subsidiary of SDSG for a period of 2 years commencing from 1 July 2025 at a rental rate of RM14,000 per month from 1 July 2025 to 31 December 2025, RM7,000 per month from 1 January 2026 to 30 June 2026 and RM7,700 per month from 1 July 2026 to 30 June 2027. The portion of the Subject Property tenanted to SDSFM comprises an open area on which no buildings or structures have been erected, and is currently utilised by SDSFM as a car park.*

*For information purposes, M & M Recycle Sdn Bhd and M & M Recycling Sdn Bhd ("**M&M**") had previously occupied the south-eastern portion of the Subject Property measuring approximately 123,753.213 sq ft on a temporary and rent-free arrangement. M&M has vacated the Subject Property in March 2026.*

(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 the 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, Dr. Low Soe Eng, 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	-	-
Dr. Low Soe Eng	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
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 Act.

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

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 6 March 2026 as set out in the Valuation Report;

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

(iii) the prospects of the Subject Property as set out in **Section 4.3** of this Circular.

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 the Purchase Consideration	Paid to the Vendor’s solicitors as stakeholders upon execution of the SPA on 30 January 2026	9,153,153.90
90.00% of the 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 internally generated funds of our Group.

Our Group intends to fund 85.00% of the Purchase Consideration through bank borrowings, with the balance to be funded through internally generated funds. The proposed funding structure is indicative only and the actual breakdown and proportion of the sources of funding remains subject to, among others, the finalisation of the financing terms with the relevant financial institution(s), our Group’s cash flow and working capital requirements, the availability of internal funds and our Group’s gearing level at the relevant point in time. Accordingly, the final funding mix will be determined upon finalisation of the financing arrangements.

As at the FYE 31 March 2026, our Group has a total cash and bank balances of approximately RM30.81 million whilst our total bank borrowings stood at approximately RM3.30 million.

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 our Group to part finance the Proposed Acquisition, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our 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 our Group to part finance the Proposed Acquisition, there are no additional financial commitments to be incurred by our Group pursuant to the Proposed Acquisition.

Notwithstanding the above, our Group expects to incur development costs in relation to the Proposed Development on the Subject Property, which is intended to be funded via a combination of internally generated funds of our Group and/or bank borrowings. The total development cost shall only be determined upon completion of the feasibility studies in respect of the Proposed Development, including the expected facility layout and construction costs. The Proposed Development may also be implemented on a phased basis, taking into consideration our Group's financial capacity at the relevant point in time.

Prior to the commencement of the Proposed Development, our Group will be required to obtain the approval from MBJB for the Conversion of Land Zoning as well as planning permission, approval of the building plans, and such other approvals from MBJB and the relevant authorities as may be required.

Notwithstanding the above, it should be noted that our Group intends to undertake the Proposed Development within 5 years from the date of approval by our shareholders, or such later date as our Board may consider appropriate, subject to the completion of the Conversion of Land Zoning and the receipt of all requisite approvals. The timing of the Proposed Development will be aligned with our Group's long-term operational requirements and manufacturing expansion plans, taking into consideration, amongst others, the utilisation rate of our existing production facilities, projected demand for our products, and the assessment of additional manufacturing capacity required to support our future business growth. As the detailed scope, layout design and implementation schedule of the Proposed Development will only be finalised closer to its commencement, the expected completion date cannot be determined at this juncture.

3. RATIONALE AND JUSTIFICATIONS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with our long-term strategy to expand our production capacity and strengthen our earnings base and market positioning. Our 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 our products in accordance with our operational requirements.

The annual production capacity of our Group's existing manufacturing facilities for the past 2 financial years up to the FYE 31 March 2026 are as follows:-

			FYE 31 March 2025		FYE 31 March 2026	
Type of products	**No. of production lines**	**Machine capacity (package per annum)**	**Actual production (package per annum)**	**Utilisation rate (%)**	**Actual production (package per annum)**	**Utilisation rate (%)**
Seremban						
Sandwich loaf	1	17,500,000	14,800,000	84.57	14,500,000	82.86
Burger/ Sausage bun	1	17,500,000	11,500,000	65.71	12,000,000	68.57
Kempas, Johor Bahru						
Bun*	1	11,500,000	8,800,000	76.52	9,800,000	85.22
Filled bun*	1	14,000,000	12,500,000	89.29	13,000,000	92.86
Cream roll*	1	43,500,000	41,500,000	95.40	37,000,000	85.06
Cakes	1	20,000,000	16,700,000	83.50	18,100,000	90.50

Note:-

* *These production lines may be used interchangeably whereby the production line for bun are able to be used to produce filled bun or cream roll and vice versa.*

The Proposed Development is expected to enhance our overall production capacity and support our ongoing business expansion initiatives to expand our footprint. It should be noted that our Group intends to undertake the Proposed Development within 5 years from the date of approval by our shareholders, or such later date as our Board may consider appropriate, subject to the completion of the Conversion of Land Zoning and the receipt of all requisite approvals. The timing of the Proposed Development will be aligned with our Group's long-term operational requirements and manufacturing expansion plans. Our 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 our existing facility in Johor Bahru would enable our Group to streamline our logistics and achieve positive synergies across our 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 our 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 our earnings.

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

3.1 RATIONALE AND JUSTIFICATIONS OF THE PROPOSED ACQUISITION IN VIEW OF THE EN-BLOC CONDITION

The Subject Property is located immediately adjacent to our Group's existing operational facilities, and a portion of the Subject Property is presently occupied by SDSFM. This physical adjacency places the Subject Property within our existing operational footprint, allowing it to function, to a certain extent, as a natural extension of our current manufacturing and logistics cluster.

Notwithstanding the en-bloc condition imposed on the Proposed Acquisition, our Board has resolved to proceed with the acquisition in view of the strategic attributes of the Subject Property, in particular, its size and immediate proximity to our existing facilities. Our Board considers that land parcels of comparable scale located within such close proximity to our current operations are scarce and may not be readily available in the future. Acquisition of an alternative site further away would likely also necessitate significant additional planning arising from, amongst others, redesign of logistics routes, duplication of warehousing infrastructure, higher transportation costs and increased operational complexity.

In view of the above, the Subject Property is deemed as a strategic and non-recurring opportunity that enables our Group to expand our production capacity. This is expected to deliver operational and logistical advantages, including improved coordination of resources, consolidation and sharing of warehousing and support facilities, enhanced production and packaging workflow integration as well as overall cost efficiencies arising from reduced inter-site movement.

For information purposes, the Proposed Acquisition is inter-conditional and inter-dependent with the sale and purchase of the Adjacent Land pursuant to the Adjacent Land SPA entered into contemporaneously between Grand Focus Sdn Bhd (as the vendor), an entity having common shareholders with the Vendor, and the Adjacent Land Purchaser. It should also be noted that from the Vendor's perspective, the en-bloc structure facilitates a clean and coordinated disposal of adjoining land parcels, without the need to retain residual responsibilities or future disputes relating to access roads and shared infrastructure.

Accordingly, our Board considers that the commercial and operational benefits of acquiring the Subject Property, together with its unique location and scale, outweigh the constraints arising from the en-bloc condition, and that the Proposed Acquisition represents a strategic decision that supports our long-term operational efficiency and expansion objectives.

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 2025. 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 ("**VM2026**"). The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

(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 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 our 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 our Group as our Group would be able to streamline our logistics and consolidate and share warehousing and other support functions, and achieve better coordination of our production and packaging activities between our 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 our Group's production capacity to cater for our long-term business growth. Our Group intends to undertake the Proposed Development within 5 years from the date of approval by our shareholders, or such later date as our Board may consider appropriate, subject to the completion of the Conversion of Land Zoning and the receipt of all requisite approvals.

Premised on the above, our Board is confident that the Proposed Acquisition will contribute positively to the future earnings of our Group as our 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 Circular.

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 disclosed in **Appendix I** of this Circular.

For information purposes, the Proposed Acquisition is inter-conditional and inter-dependent with the sale and purchase of the Adjacent Land pursuant to the Adjacent Land SPA entered into contemporaneously between Grand Focus Sdn Bhd (as the vendor) and the Adjacent Land Purchaser. 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 our 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 Circular, the Subject Property is presently zoned for residential use by MBJB. Our Group shall, at our own cost and expense, make and pursue all requisite applications to the relevant governmental and statutory authorities to effect the Conversion of Land Zoning.

There can be no assurance that the relevant authorities will approve the Conversion of Land Zoning. In the event that our Group is unable to obtain the requisite approvals for such conversion, our Group will not be able to proceed with the Proposed Development, which may in turn adversely affect our business operations and expansion plans.

Notwithstanding the above, our Company will take all reasonable steps within our control, including liaising with the relevant authorities and submitting the necessary applications to procure the approval for the Conversion of Land Zoning following the completion of the Proposed Acquisition.

5.3 Acquisition risk

There is no assurance that the anticipated benefits will be realised by our Group. In addition, any decline in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition.

Nevertheless, our Board will monitor closely and continuously assess prevailing economic and market conditions. Our 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

Our Group intends 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, our Group may potentially be exposed to interest rate fluctuations which may significantly increase the acquisition cost and affect our Group's cash flows as well as our profitability. Our Group will actively review our 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 our 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 SDSG Shares.

6.2 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 2026, and assuming that the Proposed Acquisition had been completed on 31 March 2026, 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 2026	**(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	119,364	113,965	(2)108,780
Shareholders' equity/NA	**173,777**	**168,378**	**163,193**
Non-controlling interest	1,082	1,082	1,082
Total equity	**174,859**	**169,460**	**164,275**
No. of SDSG Shares in issue, excluding treasury shares ('000)	*542,203	*538,329	*538,329
NA per Share (RM)	**0.32**	**0.31**	**0.31**
Cash and bank balances (RM'000)	30,812	25,413	(2)(3)15,143
Total borrowings (RM'000)	26,666	26,666	(3)113,112
Gearing (times)(4)	0.15	0.16	0.69

Notes:-

* *Excluding 3,971,033 and 7,844,733 treasury shares held by our Company as at 31 March 2026 and the LPD, respectively.*

(1) *After adjusting for the second interim single-tier dividend of 1 sen per Share in respect of FYE 31 March 2026, which amounted to a total of RM5.40 million and was paid on 2 July 2026.*

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

(3) *Assuming 85.00% of the Purchase Consideration (i.e. RM86.45 million) is to be satisfied via bank borrowings and the remaining 15.00% (i.e. RM15.26 million) is to be satisfied via internally generated funds of our Group. For information purposes, an aggregate cash consideration of approximately RM10.17 million had been paid on 1 December 2025 and 30 January 2026, respectively, to the Vendor.*

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

6.3 Earnings and 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 2027.

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 2026, and assuming that the Proposed Acquisition had been effected on 1 April 2025, being the beginning of the FYE 31 March 2026, the pro forma effects of the Proposed Acquisition on the earnings and EPS of SDSG Group are as follows:-

	Audited as at 31 March 2026	**Subsequent adjustments up to the LPD**	**Pro forma I After the Proposed Acquisition**
PAT attributable to the owners of our Company (RM'000)	26,823	26,823	(2)21,638
Weighted average no. of SDSG Shares in issue, excluding treasury shares ('000)	*544,482	*540,751	*540,751
EPS (sen)(1)	4.93	4.96	4.00

Notes:-

* *Excluding 3,971,033 and 7,844,733 treasury shares held by our Company as at 31 March 2026 and the LPD, respectively.*

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

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

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is subject to the approval being obtained from the shareholders of SDSG at the forthcoming EGM.

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

8. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 65.53%, calculated based on the audited consolidated financial statements of SDSG for the FYE 31 March 2025.

9. INTEREST 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.

10. DIRECTORS' STATEMENT

Our 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.

Accordingly, our Board recommends that you vote in favour of the relevant resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition (which is the subject matter of this Circular), there are no other corporate exercises which have been announced by our Company but not yet completed as at the date of this Circular.

12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

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

The tentative timetable for the implementation of the Proposed Acquisition is set out below:-

Timeline	Event
28 August 2026	Convening of the EGM for the Proposed Acquisition
Third quarter of 2026	Fulfilment of the conditions precedent in respect of the SPA
Fourth quarter of 2026	Completion of the Proposed Acquisition

13. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 28 August 2026 at 11.00 a.m., or immediately after the conclusion or adjournment of the Ninth Annual General Meeting of our Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modification, the resolution pertaining to the Proposed Acquisition to approve and give effect to the Proposed Acquisition.

If you are unable to attend and vote at the EGM in person, you are requested to complete the Proxy Form enclosed herein in accordance with the instructions contained therein and deposit it with our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via the Vistra Share Registry and IPO (MY) Portal at https://srmy.vistra.com not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof. Please refer to the Administrative Guide for submission of the electronic Proxy Form. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM or adjourned EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SDS GROUP BERHAD

TAN KIM SENG
Managing Director

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). The Conditional Period has subsequently been mutually extended to 31 August 2026.

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 Adjacent Land 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.

VALUATION CERTIFICATE ON THE SUBJECT PROPERTY

Chartered Surveyors
International Property Consultants
Registered Valuers, Real Estate Agents
Property Managers, Plant & Machinery Valuers

CHESTON INTERNATIONAL (JOHOR) SDN. BHD.
43-A, Jalan Kuning Dua, Taman Pelangi,
80400 JOHOR BAHRU, Malaysia.
(Co. No. 199301030301 285040-P)
SST Regn. No: J31-1808-31034753 TIN No: C5850649070
VEPM (1) 0199/1
Tel : +6 07-334 3363
Fax : +6 07-334 3361
E-mail: cheston@cheston.com.my

Our Ref : SC 91225/JB/TB/900 - SDS GROUP BERHAD

Date : 31st March 2026

The Directors
SDS GROUP BERHAD
No. 5, Jalan Selatan 8, (Off Jalan Kempas Lama),
Kawasan Perusahaan Ringan Pulai,
81200 Johor Bahru, Johor

Dear Sirs,

VALUATION OF A FREEHOLD LAND WITH A LAND AREA OF 143,157.3188 SQUARE METRES (APPROXIMATELY 1,540,931 SQUARE FEET) HELD UNDER LOT NO. 900, TITLE NO. GERAN 29534, IN THE MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR ("SUBJECT PROPERTY")

We were instructed by SDS GROUP BERHAD ("**SDSG**") to conduct valuation of the Subject Property for the purposes of submission to Bursa Malaysia Securities Berhad in relation to the conditional sale and purchase agreement dated 30 January 2026 entered into between London Bakery Sdn Bhd ("**LBSB**"), a wholly owned subsidiary of SDSG and Kempas Green Development Sdn Bhd (the "**Vendor**") for the proposed acquisition of the Subject Property by LBSB ("**Proposed Acquisition**") ("**SPA**"). As the Subject Property's Title does not state any category of use or express conditions, the Subject Property is therefore deemed as an agricultural land without any development approval and is valued on an ***AS-IS-WHERE-IS*** basis, which is in line with the SPA.

This Valuation Certificate is prepared for inclusion in the circular to shareholders of SDSG in relation to the Proposed Acquisition.

The valuation of the Subject Property has been prepared in accordance with the requirement as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

The basis of valuation adopted is the **MARKET VALUE** which is defined in the "Malaysian Valuation Standards" issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, as ... *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".*

The Valuation Certificate should be read in conjunction with the Valuation Report.

KL	: T: 03-4251 2599 (12 Lines)	F: 03-4251 6599	E: cikl@chestonint.com
Penang	: T: 04-2626 555	F: 04-2628 555	E: cipg@chestonint.com
Perak	: T: 05-2433 999	F: 05-2433 666	E: cipk@chestonint.com
Kedah	: T: 04-7720 555	F: 04-7719 555	E: cikd@chestonint.com

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VALUATION CERTIFICATE ON THE SUBJECT PROPERTY (CONT'D)

CHESTON INTERNATIONAL

1.0 SALIENT DETAILS OF THE SUBJECT PROPERTY

1.1 Interest Valued / Type of Property

The subject of this valuation comprises a parcel of freehold land zoned for residential use.

1.2 Location

The Subject Property is located off Jalan Kempas Lama, within Taman Perusahaan Ringan Pulai, about 12.0 kilometres ("**km**") north-west of Johor Bahru City Centre.

It is accessible from Johor Bahru via the Skudai Highway for about 16.0 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 for about 2.4 km followed by a left turn onto Jalan Selatan 8 for another 250.0 metres ("**m**") to where the Subject Property is located, on the right side of the road. There is also another access further along the same road for another 500.0 m then a left turn onto a motorable gravel road next to the railway line for another 300.0 m to where the Subject Property is located, on the left side of the road, in between electric post Nos. "JKL 39" to "JKL 40".

The alternative access is by 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 2.3 km. The access then involves a U-turn at the traffic lights junction and finally a left turn onto Jalan Selatan 8 towards the Subject Property.

The Subject Property can be described as having dual road frontages, from Jalan Selatan 8 and from the road next to the railway line.

1.3 Title Particulars

The Certified True Copy of the Register Document of the Title which was obtained from the Registry of Titles on 22 December 2025 revealed the following entries: -

Lot No.	:	Lot 900
Title No.	:	Geran 29534
Mukim	:	Tebrau
District	:	Johor Bahru
State	:	Johor
Tenure	:	Freehold
Registered Proprietor	:	Kempas Green Development Sdn Bhd
Quit rent	:	RM3,750.00 per annum
Land Area	:	143,157.3188 square metres ("**sqm**") (approximately 1,540,931 square feet ("**sq ft**"))
Category Of Use	:	Nil
Express Conditions	:	Nil
Restrictions In Interest	:	Nil

CHESTON INTERNATIONAL

1.5 Property Description

The Subject Property is rectangular in shape, slightly uneven in terrain, corresponding to the levels of the surrounding lands. It lies in a north-east to south-west orientation with the north-western section of the Subject Property on a slightly higher elevation than the frontage road of Jalan Selatan 8.

The main access to the Subject Property is via a motorable gravel road on the north-eastern side of the Subject Property next to the railway line, connecting from the main road of Jalan Kempas Lama. The alternative access is from Jalan Kempas Lama to Jalan Selatan 8 on the south-western side of the Subject Property. It therefore has dual road frontages.

It has a length of about 3,218 feet ("**ft**") and a width of about 528 ft, containing an area of 143,157.3188 sqm (approximately 1,540,931 sq ft).

The land is mostly overgrown with wild vegetation and the site boundaries are not demarcated by any form of fencing or natural features.

1.6 Occupancy Status

The Subject Property is currently vacant, unoccupied and undeveloped (except for a portion of the Subject Property which is 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**") as stipulated in the sale and purchase agreement dated 30 January 2026 in relation to the Proposed Acquisition). It had not been maintained and is overgrown with wild vegetation.

SDSFM occupies an area of approximately 23,100 sq ft at the south-western portion of the Subject Property for a tenancy period of 2 years commencing on 1st July 2025 at the rental rate of RM14,000 per month from 1st July 2025 to 31st December 2025, RM7,000 per month from 1st January 2026 to 30th June 2026 and RM7,700 per month from 1st July 2026 to 30th June 2027. Meanwhile, M&M had occupied the south-eastern portion of the Subject Property on a temporary and rent-free arrangement. M&M has vacated the Subject Property as at the date of this Valuation Certificate.

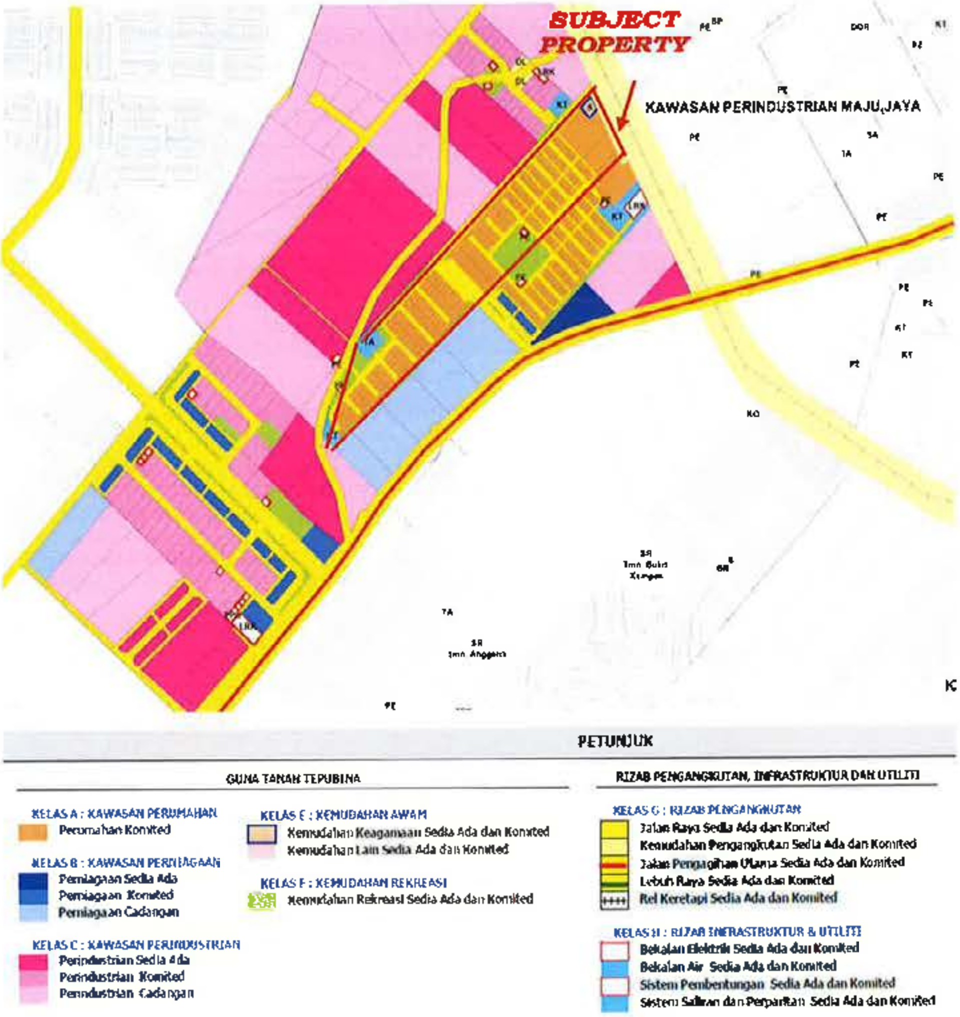
The tenancy with SDSFM and the temporary rent-free occupation arrangement with M&M have not been taken into consideration in the valuation of the Subject Property, as the Comparison Approach was adopted as the sole valuation methodology. The Comparison Approach involves the analysis of recent transactions of comparable properties with similar characteristics, with appropriate adjustments made for differences in, among others, location, size, improvements and prevailing market conditions. Accordingly, the tenancy with SDSFM and the temporary rent-free occupation arrangement with M&M are not considered to have a material impact on the assessed value of the Subject Property.

1.7 Planning Details

As the Subject Property's Title does not state any category of use or express conditions, the Subject Property is therefore deemed an agricultural land. Further, as indicated below, the website of the State Town and Country Planning Department shows that the Subject Property is zoned for residential use.

VALUATION CERTIFICATE ON THE SUBJECT PROPERTY (CONT'D)

CHESTON INTERNATIONAL



(Source : Majlis Bandaraya Johor Bahru local plan)

It is hence pertinent to note that our valuation has been undertaken **on an As-Is-Where-Is basis** having regard to the Subject Property's existing condition as a freehold land (which is deemed as agricultural land and presently zoned for residential use but without any development approval). Notwithstanding thereof, given that the surrounding locality is mostly surrounded by industrial properties, the Subject Property is hence considered to have potential for industrial use, although it is presently zoned for residential use. SDSG shall, at its own cost and expense, procure the conversion of the land use zoning from residential to industrial.

CHESTON INTERNATIONAL

2.0 DETAILS OF VALUATION

2.1 Date of Inspection

The Subject Property were inspected on 06 March 2026.

2.2 Date of Valuation

We have adopted the date of valuation of the Subject Property as at 06 March 2026.

2.3 Basis Of Valuation

This valuation is carried out for the purpose of submission to Bursa Malaysia Securities Berhad and the basis of valuation adopted is the **Market Value** which is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing seller and a willing buyer in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

No allowances are made in our valuation for any expenses of realisation or for taxation which might arise in the event of a disposal. It is considered as free and clear of all charges, lien and all other encumbrances which may be secured thereon as well as being free of statutory notices and outgoings.

2.4 Methodology Of Valuation

To determine the **Market Value** of a property, various methods of valuation can be used, depending on the condition and status of the property. Since the Subject Property is a vacant land without any approved development plan, the **Comparison Approach** is **considered the most appropriate and reliable**, and accordingly has been adopted as **the sole valuation methodology**. This approach involves analysing recent transactions of comparable properties with similar characteristics and making appropriate adjustments to account for similarities or differences in location, size, improvements, market conditions, land use, shape/site constraints and other relevant factors to arrive at the Market Value of the Subject Property.

Comparison Approach

The Comparison Approach is based on the comparison of the property under valuation with evidence of values of other similar properties. Where dissimilarities exist (such as location, condition, time factor and size), adjustments are made.

In determining the value by this method, a survey was made of land sales that have occurred in this or similar areas within the appropriate time horizon. These comparable sale prices are then adjusted for comparability to reflect differences in time, location and accessibility, corner/end premium, tenure, size, land use and other relevant factors to render the sold properties as similar as possible with the Subject Property.

We have compiled and analysed sale evidences of similar type of land in the vicinity and neighbourhood of the Subject Property. We have also considered transactions within the vicinity of the Subject Property involving similar land areas. However, these transactions are mainly industrial and commercial lands and are therefore considered unsuitable to be used as comparables under the Comparison Approach as they would necessitate substantial adjustments of more than 50% (mainly arising from category of land use) to be made. Accordingly, in arriving at our opinion of the market value of the Subject Property using the Comparison Approach, the following sale evidences of agriculture and residential lands (which are considered more suitable comparison lands) have been adopted.

VALUATION CERTIFICATE ON THE SUBJECT PROPERTY (CONT'D)

Evidence of Value

We have investigated the property market conditions in the locality and our analysis of values revealed that similar properties were transacted at prices of between RM38.08 per sq ft ("**psf**") to RM50.71 psf depending on location, size, shape, corner/end premium, time factor and category of land use.

The comparables which are used are based on transaction data obtained from the Valuation and Property Services Department ("**JPPH**") and the following transactions were noted:-

1. **LOT NO. 237, MUKIM OF TEBRAU,**
   This is a vacant agriculture land with a land area of 1.57 hectare ("**ha**") (approximately 168,993 sq ft), located 6.3 km south-east of the Subject Property off Jalan Kangkar Tebrau within Kawasan Kangkar Tebrau. This land was transacted on 19 September 2025 at the price of RM6,434,838.00 (i.e. **RM38.08** psf).

2. **LOT NO. 2909, MUKIM OF TEBRAU,**
   This is a vacant agriculture land with a land area of 8,018 sqm (approximately 86,305 sq ft), located 3.8 km south-east of the Subject Property along Jalan Permatang 4 within Kampung Kempas Baru. This land was transacted on 31 December 2024 at the price of RM3,883,725.00 (i.e. **RM45.00** psf).

3. **LOT NO. 111973, MUKIM OF PLENTONG,**
   This is a vacant residential land with a land area of 18,322 sqm (approximately 197,216 sq ft), located 18 km south-east of the Subject Property along Jalan Gunung 1 within Bandar Baru Seri Alam. This land was transacted on 15 November 2024 at the price of RM10,000,000.00 (i.e. **RM50.71** psf).

We have analysed and made diligent adjustments for differences between the comparable sale transactions and the Subject Property. The comparable sale transactions range from RM38.08 psf to RM50.71 psf and after making the necessary adjustments, the adjusted values ranged from RM55.00 psf to RM66.00 psf.

In arriving at the market value of the Subject Property using the Comparison Approach, **we have emphasised upon Comparable 3 which has the least dissimilarities against the Subject Property**. The adjusted value of Comparable 3 is at RM66.00 psf and we adopted this as a fair representation of the market value which is calculated as follows:-

Land area 1,540,931 sq ft x RM66.00 psf = RM101,701,446

Rounded to **RM102,000,000/-.**

VALUATION CERTIFICATE ON THE SUBJECT PROPERTY (CONT'D)

CHESTON INTERNATIONAL

2.5 VALUATION RATIONALE

The Comparison Approach is the most commonly adopted valuation methodology in the industry for valuation of development lands and other valuation methods are deemed unsuitable. This method is widely adopted in the industry for valuation of homogeneous properties like the Subject Property which has minimal dissimilarities and requires less complicated adjustments. Under this method, an estimate of the market value is derived by comparing the Subject Property under valuation with other properties of similar size, quality and location that had been sold in the appropriate time horizon. The Income Approach or the Investment Method is not suitable as the Subject Property and the locality does not exhibit any income or rental generating revenue data.

Further, we note that there are adequate sale evidences of similar type of land in the neighbourhood of the Subject Property. The details of the sale evidences are also easily available from JPPH. The comparables identified and selected comprise agricultural land zoned for residential use, as well as residential land, having regard to the fact that the valuation of the Subject Property has been undertaken on an AS-IS-WHERE-IS basis. In this respect, the Subject Property is presently a land parcel which is deemed an agricultural land zoned for residential use.

Accordingly, notwithstanding that the surrounding locality is predominantly characterised by industrial properties, we have adopted the view under the Comparison Approach that the Subject Property should be compared against land parcels with similar existing characteristics and zoning, rather than on the basis of its potential for future industrial use. This is consistent with the AS-IS-WHERE-IS basis of valuation adopted for the Subject Property.

In view of the above, we are of the view that the appropriate approach to arrive at the market value of the Subject Property is using the Comparison Approach.

Hence, in arriving at our opinion of the market value of the Subject Property, we have adopted the Comparison Approach as the reliable sole valuation methodology.

3.0 OPINION OF VALUE

Having regard to the foregoing and taking into consideration all pertinent factors based upon our analysis of relevant market data, we are of the opinion that the market value of the Subject Property, held under Lot No. 900, Title No. Geran 29534, Mukim of Tebrau, District of Johor Bahru, State of Johor, free from all encumbrances, with vacant possession and transferable is at **RM102,000,000/-** (Ringgit Malaysia: One Hundred and Two Million Only).

For and on behalf of
CHESTON INTERNATIONAL (JOHOR) SDN BHD

DATO' NG HONG SIN (MRISM; MRICS; FPEPS; MMIEA)
Registered Valuer **V-322**
Managing Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and they individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statements or information herein false or misleading.

2. CONSENTS

2.1 UOBKH

UOBKH, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form, manner and context in which they appear in this Circular.

2.2 Cheston

Cheston, being the Valuer of the Subject Property in relation to the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Valuation Certificate and all references thereto in the form, manner and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

3.1 UOBKH

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Proposed Acquisition.

3.2 Cheston

Cheston has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Valuer for the Subject Property.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Vendor confirmed that to the best of its knowledge, there are no material litigations, claims and/or arbitration involving the Subject Property, and the Vendor confirmed that to the best of its knowledge, there are no proceedings, pending or threatened, involving the Subject Property.

5. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	RM'000
Property, plant and equipment	
- Contracted but not provided for	6,481

6. CONTINGENT LIABILITIES

As at the LPD, there are no material contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Unit 7-01, Level 7, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya Selangor during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

(i) the Constitution of our Company;

(ii) the SPA;

(iii) the Valuation Report and Valuation Certificate;

(iv) the letters of consent and declarations of conflict of interest referred to in **Sections 2** and **3** of this **Appendix III**; and

(v) the audited consolidated financial statements of our Group for the past 2 financial years up to and including the FYE 31 March 2026.

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S.D.S
SINCE 1987

SDS GROUP BERHAD
(Registration No.: 201701026951 (1241117-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of SDS Group Berhad ("**SDSG**" or the "**Company**") to be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 28 August 2026 at 11.00 a.m., or immediately after the conclusion or adjournment of the Ninth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:-

ORDINARY RESOLUTION

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")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained (if required), approval be and is hereby given to LBSB, a wholly-owned subsidiary of the Company, to undertake the Proposed Acquisition (the details of which are set out in the circular to shareholders of SDSG dated 31 July 2026 ("**Circular**")), in accordance with the terms and conditions as stipulated in the conditional sale and purchase agreement dated 30 January 2026 entered into between LBSB and KGD (the salient terms of which are set out in **Appendix I** of the Circular), and on such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities.

AND THAT approval be and is hereby given to the Board of Directors of the Company ("**Board**") to give effect to the Proposed Acquisition with full powers and authority to:-

(a) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of the Company, all such agreements, instruments, documents and/or deeds (including, without limitation, the affixing of the Company's Common Seal in accordance with the Constitution of the Company, where necessary) as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition;

(b) assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition in the best interest of the Company; and

(c) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Acquisition."

By Order of the Board,

SIEW SUET WEI (MAICSA 7011254)
SSM Practicing Certificate No. 202008001690
Company Secretary

Petaling Jaya
Date: 31 July 2026

Notes:-

(1) In respect of deposited securities, only members whose names appear on the Record of Depositors as of 19 August 2026 shall be entitled to attend the EGM or appoint proxy(ies) to attend, speak and vote on his/her behalf.

(2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.

(3) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(4) Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.

(6) The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via the Vistra Share Registry and IPO (MY) Portal at https://srmy.vistra.com not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof.

(7) The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM. Please refer to the Administrative Guide for details of the submission of the Proxy Form.

(8) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM of the Company will be conducted by poll. Poll administrator and independent scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

(9) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this EGM and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

Proxy Form

No. of shares held	
CDS account no.	

SDS Group Berhad
Registration No.: 201701026951 (1241117-T)
(Incorporated in Malaysia)

I/We____of ___________________________________

____ being a member

of **SDS GROUP BERHAD** (the "**Company**") hereby appoint:-

PROXY 1

Full name (in Block Letters)	NRIC / Passport No.*	Proportion of shareholdings	
		No. of shares	%
Full Address			
Email Address		Contact No.	

and/or (delete as appropriate)

PROXY 2

Full name (in Block Letters)	NRIC / Passport No.*	Proportion of shareholdings	
		No. of shares	%
Full Address			
Email Address		Contact No.	

or failing him/her, the CHAIRMAN of the MEETING as *my/our proxy, to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 28 August 2026 at 11.00 a.m., or immediately after the conclusion or adjournment of the Ninth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later *for/against the resolution to be proposed thereat.

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he/she thinks fit.

		PROXY 1		PROXY 2	
		For	Against	For	Against
RESOLUTION	PROPOSED ACQUISITION				

Dated this___________ day of _____________________ 2026

____
Signature(s)/Common Seal of Member

Notes:-

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as of 19 August 2026 shall be entitled to attend the EGM or appoint proxy(ies) to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.
6. The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via the Vistra Share Registry and IPO (MY) Portal at https://srmy.vistra.com not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof.
7. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM of the Company will be conducted by poll. Poll administrator and independent scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 31 July 2026.

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"EXTRAORDINARY GENERAL MEETING"

AFFIX
STAMP

The Share Registrar of
SDS GROUP BERHAD Registration No.: 201701026951 (1241117-T)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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