

SCIENTEX BERHAD (“SCIENTEX” OR THE “COMPANY”)

PROPOSED ACQUISITION BY SCIENTEX QUATARI SDN BHD OF 14 PIECES OF FREEHOLD LAND, ALL SITUATED IN MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR, MEASURING IN AGGREGATE AN APPROXIMATE AREA OF 502.5906 ACRES FOR A TOTAL PURCHASE CONSIDERATION OF RM580,160,445.50

1. INTRODUCTION

The Board of Directors of Scientex wishes to announce that Scientex Quatari Sdn Bhd [Registration No. 197601002045 (28008-M)] (“**Purchaser**”), a wholly-owned subsidiary of the Company, had on 6 October 2026 entered into a conditional Sale and Purchase Agreement (“**SPA**”) with Pangkal Budiman Sdn Bhd [Registration No. 199401023719 (309400-V)] (“**Vendor**”) for the proposed acquisition of 14 pieces of freehold land, all situated in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring in aggregate an approximate area of 502.5906 acres (hereinafter referred to as “**Lands**” and more particularly described in Appendix I) for a total purchase consideration of RM580,160,445.50 only (“**Purchase Price**”) (“**Proposed Acquisition**”).

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 INFORMATION ON THE VENDOR

The Vendor is a private limited company incorporated in Malaysia on 26 July 1994. The principal activities of the Vendor are oil palm planting and property development. The issued share capital of the Vendor is RM6,500,000.00 divided into 6,500,000 ordinary shares. The Vendor is a subsidiary of Leong Hup Holdings Sdn Bhd. The Vendor is the registered and beneficial owner of the Lands.

The directors of the Vendor are Tan Sri Lau Tuang Nguang, Lau Joo Heng, Lau Joo Yong and Chee Kim Hoon. The director who owns 5% or more interest in the Vendor is Chee Kim Hoon.

2.2 INFORMATION ON THE LANDS

The Lands are located adjacent to our existing developments, Taman Pulai Mutiara, Taman Pulai Mutiara 2, Taman Pulai Duta and Taman Pulai Duta 2. The Lands are also located approximately 33 km from Johor Bahru city centre and approximately 5.5 km from the Second Link Interchange, with Tuas Checkpoint located about 13 km further from the interchange. The Lands are accessible from Johor Bahru city centre via the Johor Baru-Senai Expressway (Jalan Skudai) for approximately 18 km, and subsequently through Skudai-Pontian Highway and Jalan Kangkar Pulai. Further information on the Lands is set out in Appendix I of this announcement.

The Purchaser proposes to develop the Lands into a mixed-property development. It is currently too preliminary to ascertain the exact total gross development value, development cost, expected profits, expected commencement and completion dates of the development of the Lands as at the date of this announcement.

The Lands will be acquired on “en-bloc” basis, free from encumbrances with vacant possession to be delivered in accordance with the terms of the SPA, subject to all conditions of the title, restrictions-in-interests and existing category of land use in the title of the Lands, and upon the terms and conditions set out in the SPA.

2.3 SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out in Appendix II of this announcement.

2.4 BASIS AND JUSTIFICATION OF ARRIVING AT THE PURCHASE PRICE

The purchase consideration of RM580,160,445.50 for the Lands was arrived at on a willing-buyer willing-seller basis, after taking into consideration the general market value of similar properties located in the vicinity of the Lands, with adjustment made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, zoning category, title restriction (if any), other relevant characteristics, existing amenities surrounding the Lands, their immediate development prospects as

stated in section 2.2 of this announcement as well as the overall development cost to ensure that the development project remains economically viable and sustainable in the long run. In view of rising property prices and robust demand for affordable homes from the low and middle-income groups, the Proposed Acquisition represents a strategic investment opportunity for Scientex Group of Companies (“**Scientex Group**”) to create greater economic value and increase its earnings potential as it gains a better and stronger foothold in the property market.

The property market performance remained resilient amid global economic uncertainties in 2025, supported by stable Malaysian economic conditions and targeted government initiatives.

The residential sub-sector, historically the largest segment of overall property transactions, continued to dominate the volume of transactions, with 61.6% of the total market activity. However, transaction values grew at a more moderate pace, contributing 44.8%, indicating stable pricing conditions. Demand was mainly driven by domestic buyers, with sustained interest concentrated in the affordable housing segment and lifestyle oriented developments.

Residential demand largely driven by affordable segment. By price range, affordable houses priced RM300,000 and below dominated the market activities, making up 52.3% of total transactions. Middle range houses between RM300,001 and RM500,000 accounted for at 24.9%, followed by higher priced between RM500,001 and RM1 million at 16.9%. Houses above RM1 million represent a small portion at 5.9%.

(Source: Property Market Report 2025, Valuation and Property Services Department Ministry of Finance Malaysia)

There was no valuation carried out by the Company or the Purchaser on the Lands and the Board is unable to disclose the Vendor’s net book value of the Lands as this information is not privy to the Company and the Purchaser.

2.5 **SOURCE OF FUNDING**

The Proposed Acquisition will be funded by internally generated funds and bank borrowings.

2.6 **LIABILITIES TO BE ASSUMED**

The Purchaser and Scientex Group will not assume any liabilities arising from the Proposed Acquisition.

3. **RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition will allow Scientex Group to increase and boost the existing landbank of Scientex Group. The close proximity between Scientex Group’s existing developments and the proposed development of the Lands will enable Scientex Group to generate better operational efficiencies through greater economies of scale to be achieved during project implementation.

This landbank expansion is also in line with the goal of Scientex Group to build more affordable homes to meet the Group’s objective of completing 50,000 affordable homes throughout the nation by 2028. The Lands are expected to provide a steady and sustainable property development model as Scientex Group continues to focus on affordably priced landed properties where demand continues to remain firm and resilient.

4. **PROSPECTS OF THE PROPOSED ACQUISITION**

Since 1995, Scientex Group have steadily built a reputation as a developer of affordable homes in Johor. The Group commenced its first development in Pulau, Johor, namely Taman Pulau Mutiara, on 326 acres of prime freehold land, offering a wide selection of residential houses ranging from 2-storey and 3-storey terrace houses, affordable apartments, semi-detached houses and commercial shop offices. Following the overwhelming response from Taman Pulau Mutiara, the Group continued its expansion in Pulau with the developments of Taman Pulau Mutiara 2, Taman Pulau Duta and Taman Pulau Duta 2. To-date, more than 90% of the units launched in Pulau have been sold.

The Lands will provide Scientex Group the opportunity to create greater economic value and increase the earnings potential of Scientex Group over the medium to long term as the Lands have promising development potential.

The Proposed Acquisition will enable Scientex Group to leverage on its existing and successful business model of providing affordable and quality landed properties to such category of affordable property mass market in the medium to long term.

5. **RISK FACTORS OF THE PROPOSED ACQUISITION**

The Board of Directors of Scientex does not foresee any risk factors arising from the Proposed Acquisition, other than the normal economic risk and inherent risk factors associated with the property development industry, in which Scientex Group is actively involved.

6. **EFFECTS OF THE PROPOSED ACQUISITION**

6.1 The Proposed Acquisition will not have any effect on the issued and paid-up share capital of the Company and the direct and/or indirect shareholdings of the substantial shareholders of the Company as the Proposed Acquisition will be satisfied wholly in cash.

6.2 The Proposed Acquisition is not expected to have any material impact on the earnings and net assets of Scientex Group for the current financial year as the Proposed Acquisition is expected to be completed in its entirety in the second half of year 2027. The Proposed Acquisition is expected to enhance the future earnings of Scientex Group when the proposed development of the Lands comes onstream subsequently.

6.3 Scientex Group has been consistently generating strong net operating cash flow and the net gearing ratio was maintained at 0.38 times as at 31 July 2026. The Proposed Acquisition will not have any material impact on the gearing of the Company for the current financial year up to the completion of the Proposed Acquisition as the Group expects the net gearing ratio will be maintained at a healthy level upon the payment of the Balance Purchase Price.

7. **APPROVAL/CONSENT REQUIRED**

The Proposed Acquisition is conditional upon fulfilment of the condition precedent as set out in Appendix II of this announcement. The Proposed Acquisition is not subject to the approval of the shareholders of the Company.

8. **INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

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

9. **DIRECTORS' STATEMENT/RECOMMENDATION**

The Board, after careful deliberation on the Proposed Acquisition, is of the opinion that the terms of the Proposed Acquisition are fair and reasonable and that the Proposed Acquisition is in the best interest of Scientex Group.

10. **ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to fulfilment of the condition precedent as set out in Appendix II hereto, the Proposed Acquisition is expected to be completed in its entirety in the second half of year 2027.

11. **HIGHEST PERCENTAGE RATIO APPLICABLE**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements is 14.07%.

12. **DOCUMENT FOR INSPECTION**

The SPA is available for inspection at the registered office of Scientex at No. 9, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 6 October 2026.

INFORMATION ON THE LANDS

(a) Particulars of the Lands

The Lands are freehold lands situated in Mukim of Pulai, District of Johor Bahru, State of Johor as particularly described hereinbelow:

	Title No.	PTD/ Lot No.	Land Area			Purchase Price
			Hectare	Acre	Sq. Ft.	@ RM26.50 psf
1	HSD 431260	137110	5.4464	13.4583	586,244	15,535,466.00
2	HSD 431257	137111	10.3971	25.6918	1,119,135	29,657,077.50
3	GRN 373447	93841	25.01	61.8010	2,692,052	71,339,378.00
4	GRN 376496	93843	9.849	24.3374	1,060,137	28,093,630.50
5	GRN 373448	93844	24.34	60.1454	2,619,934	69,428,251.00
6	GRN 373235	93845	17.4	42.9963	1,872,919	49,632,353.50
7	GRN 373237	93846	18.91	46.7276	2,035,454	53,939,531.00
8	GRN 373239	93847	23.1	57.0813	2,486,461	65,891,216.50
9	GRN 373228	93848	19.2	47.4442	2,066,669	54,766,728.50
10	GRN 373240	93849	15.14	37.4117	1,629,654	43,185,831.00
11	GRN 373226	93850	21.52	53.1770	2,316,390	61,384,335.00
12	HSD 572480	203922	1.249	3.0863	134,439	3,562,633.50
13	HSD 431259	137113	2.9354	7.2535	315,962	8,372,993.00
14	HSD 431262	137114	8.8945	21.9788	957,397	25,371,020.50
	Total		203.3914	502.5906	21,892,847	580,160,445.50

Notes:

- a) The Lands are subject to the category of land use of “Pertanian” and restrictions-in-interest as follow:
“Tanah yang terkandung di dalam hakmilik ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/ Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri.”
- b) The express condition endorsed on the title of HSD 572480 PTD 203922 is as follow:
 - i) *Tanah ini dikategorikan untuk tujuan Kelapa Sawit.*
 - ii) *Hakmilik dengan kategori Pertanian ini adalah kerana untuk tujuan pendaftaran Hakmilik Blok yang telah ditentukan komponen pembangunannya tetapi rizab-rizab awam seperti kawasan lapang dan lain-lain belum lagi dikeluarkan tetapi hanya akan diserahkan semasa pembangunan sebenar dilaksanakan. Tanah dengan kategori Pertanian ini bukan merujuk kepada tanah pertanian sebenar.*
 - iii) *Kelulusan “SBKS” ke atas tanah ini akan terbatal apabila:-*
 - 1) *Tamat tempoh 5 tahun dari tarikh pendaftaran hakmilik blok ini*
 - 2) *Pemilik membuat pindahmilik dengan apa cara sekalipun termasuk dengan cara menggunakan segala surat perjanjian ataupun “Deed of Assignment”.*
- c) The Lands are presently free from encumbrances.
- d) By virtue of development plans submitted by the Vendor in respect of the Lands, the Lands are recognized and classified as block titles (“**Hakmilik Blok**”) by the Pengarah Tanah dan Galian (“**PTG**”) Johor pursuant to applicable circulars, directives and/or notifications made by the PTG Johor (“**Hakmilik Blok Circular**”). Pursuant to the provisions of the Hakmilik Blok Circulars, the Vendor will need to renew the existing titles as Hakmilik Blok (“**Renewal of Hakmilik Blok**”).

(b) Location map of the Lands



SALIENT TERMS OF THE SPA

1. PURCHASE CONSIDERATION AND PAYMENT TERM

The total purchase consideration for the Proposed Acquisition is RM580,160,445.50.

<u>Payment Term</u>	<u>Timing</u>	<u>Amount (RM)</u>
Earnest Deposit (2%)	Prior to execution of the SPA	11,597,919.50
Further Deposit/ RPGT Retention Sum (3%)	Upon execution of the SPA	17,404,813.37
Balance Deposit (5%)	Upon execution of the SPA	29,013,311.68
Deposit (10%)		58,016,044.55
Balance Purchase Price (90%)	Within 3 months from the Unconditional Date (as hereinafter defined) (“ Completion Period ”) with an automatic extension of time of 1 month from the expiry of the Completion Period or such further extended period as may be mutually agreed between the parties in writing (“ Extended Completion Period ”), subject to late payment interest at the rate of 6% per annum on the unpaid Balance Purchase Price	522,144,400.95
Total		580,160,445.50

2. CONDITION PRECEDENT

2.1 The Proposed Acquisition is conditional upon the fulfilment of the following conditions precedent (collectively the “**Conditions Precedent**”):

- a) approval of PTG Johor for Renewal of the Hakmilik Blok;
- b) obtaining approval of the Estate Land Board for the transfer of the Lands by the Vendor to the Purchaser (“**ELB Approval**”);
- c) obtaining approval of PTG Johor (“**PTG Approval**”) in accordance with the requirements of the Hakmilik Blok Circulars for the transfer of the Lands by the Vendor to the Purchaser (if any).

2.2 The Conditions Precedent are to be fulfilled within 9 months from the date of the SPA with automatic 3 months extension and such further extended period as may be mutually agreed between the parties in writing.

2.3 The SPA shall become unconditional when the Purchaser’s solicitors receive a certified true copy of the ELB Approval letter or certificate(s) of ELB Approval and the PTG Approval (if any). The date of the Purchaser’s receipt of the last of the above approval(s) shall be the “**Unconditional Date**” of the SPA.

2.4 The date the Purchaser makes full settlement to the Vendor of the Balance Purchase Price together with the late payment interest (if any) in accordance with SPA shall be the “**Completion Date**”.

3. DEFAULT AND TERMINATION

3.1 In the event the Purchaser fail to pay the Balance Purchase Price in accordance with the provisions of the SPA or fail to complete this transaction in accordance with the provisions of the SPA in the absence of any breach of the SPA on the part of the Vendor, the Vendor shall have the option (i) to grant further extension of time of such period and subject to such terms and conditions as the Vendor may in the Vendor’s absolute decide/allow; or (ii) to treat the SPA as terminated whereupon the Deposit paid by the Purchaser shall be forfeited to the Vendor absolutely as agreed liquidated damages. The Vendor shall forthwith refund to the Purchaser free of interest of all balance purchase monies.

3.2 In the event the Vendor commits a breach of any term of the SPA or fail to complete the transaction in accordance with the provisions of the SPA, the Purchaser shall without prejudice to its rights, be entitled to terminate the SPA and within 7 days of such termination, the Vendor shall pay to the Purchaser a sum equal to the Deposit as agreed liquidated damages in addition to effecting a full refund of all purchase monies paid by the Purchaser together with interest that may have been released by Purchaser’s solicitors to the Vendor pursuant to the provision of the SPA.

4. DELIVERY OF POSSESSION

The Vendor shall on Completion Date deliver vacant possession of the Lands in good state and condition and free and clear of temples, shrines, places of worship, graves, tombstones as well as all workers, contractors, subcontractors, tenants, occupiers, squatters and any competing claims to ownership and/or possession in substantially the same state and condition as the date of the SPA.