

**THIS 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.

This Circular has been reviewed by TA Securities Holdings Berhad, being the Adviser of MQ Technology Berhad (“**MQ Tech**” or “**Company**”) for the Proposed Disposal and Leaseback (as defined herein).

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.

# MQ

TECHNOLOGY BERHAD

**MQ TECHNOLOGY BERHAD**  
(Registration No. 200301033383 (635804-H))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) **PROPOSED DISPOSAL BY MICROLEAD PRECISION TECHNOLOGY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF OUR COMPANY (“MPTSB”), TO MTRUSTEE BERHAD, ACTING AS THE TRUSTEE FOR AND ON BEHALF OF HEKTAR REAL ESTATE INVESTMENT TRUST (“MTRUSTEE”) OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PN 5908, LOT 14840, MUKIM 12, DISTRICT OF BARAT DAYA, STATE OF PULAU PINANG WITH THE BUILDINGS ERECTED THEREON, TOGETHER WITH ALL INFRASTRUCTURE, MAJOR SYSTEMS, AND FIXTURES AND FITTINGS ATTACHED THERETO (COLLECTIVELY, THE “PENANG PROPERTY”) FOR A TOTAL DISPOSAL CONSIDERATION OF RM30,000,000 TO BE SATISFIED ENTIRELY IN CASH (“PROPOSED DISPOSAL”); AND**
- (II) **PROPOSED LEASEBACK OF THE PENANG PROPERTY BY MPTSB FROM MTRUSTEE FOR A TERM OF 15 YEARS (WITH AN OPTION TO RENEW FOR A FURTHER TERM OF 15 YEARS), UPON COMPLETION OF THE PROPOSED DISPOSAL (“PROPOSED LEASEBACK”)**

**(COLLECTIVELY REFERRED TO AS “PROPOSED DISPOSAL AND LEASEBACK”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*

**TA SECURITIES**

AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**  
(Registration No. 197301001467 (14948-M))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of our Company together with the Form of Proxy are enclosed in this Circular. The details of our EGM are as follows:

Venue of our EGM : Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan  
Date and time of our EGM : Tuesday, 26 August 2025 at 12.00 p.m. or at any adjournment thereof  
Last date and time for lodging the Form of Proxy : Monday, 25 August 2025 at 12.00 p.m.

You are entitled to attend and vote at our EGM or appoint a proxy or proxies to attend and vote on your behalf. The completed Form of Proxy should be lodged at our Company’s registered office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not later than 24 hours before the time of our EGM or any adjournment thereof. The Form of Proxy once deposited will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

This Circular is dated 1 August 2025

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“Act”	: Companies Act 2016
“Balance Sum”	: Collectively, the defect retention sum, lease retention sum, and final balance sum, amounting to RM24.00 million
“Board”	: Board of Directors of our Company
“Building 1”	: A single-storey detached factory annexed with double-storey office
“Building 2”	: A single-storey detached factory annexed with double-storey office
“Building 3”	: A three-storey production area and office building
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CCC”	: Certificate of Completion and Compliance
“CFO”	: Certificate of Fitness for Occupation
“Circular”	: This circular dated 1 August 2025 to our shareholders in relation to the Proposed Disposal and Leaseback
“Completion Date”	: The date on which the due fulfilment and complete performance of the Purchaser’s obligations in respect of the satisfaction of the Balance Sum and the Vendor’s obligations occurs, in accordance with the terms of the SPA
“Completion Period”	: A period of 90 days after the Unconditional Date, or such other date as may be mutually agreed upon in writing by the Vendor and Purchaser
“CP/MTN Programme”	: A commercial paper and/or medium term note programme of up to RM150.00 million in nominal value
“CSPSB”	: Cash Support Property Sdn Bhd
“CSPSB Shares”	: Ordinary shares in CSPSB
“CSSB”	: Cash Support Sdn Bhd
“Date of Possession”	: The date upon which legal possession of the Penang Property is deemed delivered in accordance with the terms of the SPA
“Defects”	: The list of defects to be mutually agreed and confirmed in writing by the Vendor and Purchaser after the joint inspection of the Penang Property, which require the Vendor to repair and make good prior to the Completion Date
“Deposit”	: Collectively, the earnest deposit and balance deposit, amounting to RM6.00 million
“Development of Partial Melaka Land”	: Development on the Partial Melaka Land, which comprises 2 blocks of 27-storey resort suites with a total of 1,000 units of resort suites, 80 units of shop lots as well as 1 block of 9-storey car park consists of 1,806 car park bays

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**DEFINITIONS (CONT'D)**

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“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in subsection 2(1) of the Capital Markets and Services Act 2007 and subsection 2(1) of the Act, including any director(s) within the preceding 6 months of the date on which the terms of the Proposed Disposal and Leaseback were agreed upon
“Disposal Consideration”	:	Total disposal consideration of RM30.00 million for the Proposed Disposal
“EGM”	:	Extraordinary General Meeting of our Company
“Extended Completion Period”	:	An automatic extension of time of 1 month from the expiry of the Completion Period, or such other extended period as may be mutually agreed in writing between the Vendor and Purchaser
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ending, as the case may be
“Hektar Asset Management”	:	Hektar Asset Management Sdn Bhd
“Hektar REIT”	:	Hektar Real Estate Investment Trust
“HK\$”	:	Hong Kong Dollar, the lawful currency of Hong Kong
“LAT”	:	Loss after tax attributable to the owners of our Company
“Lease Agreement”	:	Conditional lease agreement executed by MPTSB and MTrustee on 19 February 2025 in relation to the Proposed Leaseback and shall be dated on the Completion Date
“Lease Term”	:	Lease term of 15 years, commencing from the Completion Date (with an option to renew for a further term of 15 years), pursuant to the terms and conditions of the Lease Agreement
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	18 July 2025, being the latest practicable date prior to the printing of this Circular
“LPS”	:	Loss per Share
“Manufacturing Business”	:	(i) manufacturing of moulds, tools, dies, jigs and fixtures mainly for use in hard disk drives production; (ii) designing, developing and manufacturing of advanced suspension tooling, progressive tooling, semiconductor cavity/encapsulation moulds for application in hard disk drives and semiconductor industries; and (iii) designing, developing and manufacturing of advanced automation modules/assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components
“MBPP”	:	City Council of Pulau Pinang
“Melaka Land”	:	The entire parcel of leasehold land in Klebang, Melaka measuring approximately 10.727 acres and held under PN 63030, Lot 1, Kawasan Bandar XLV, District of Melaka Tengah, State of Melaka

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**DEFINITIONS (CONT'D)**

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“MFRS 16: Leases”	:	Malaysian Financial Reporting Standard 16: Leases
“MMSB”	:	Microlead Manufacturing Sdn Bhd, a wholly-owned subsidiary of our Company
“MPTSB” or “Vendor”	:	Microlead Precision Technology Sdn Bhd, a wholly-owned subsidiary of our Company
“MQ Tech” or “Company”	:	MQ Technology Berhad
“MQ Tech Group” or “Group”	:	Collectively, our Company and our subsidiaries
“MQ Tech Shares” or “Shares”	:	Ordinary shares in our Company
“MTrustee” or “Purchaser”	:	MTrustee Berhad, acting as the trustee for and on behalf of Hektar REIT
“NA”	:	Net assets attributable to the owners of our Company
“NTL” or “Valuer”	:	Nawawi Tie Leung Property Consultants Sdn Bhd (formerly known as DTZ Nawawi Tie Leung Property Consultants Sdn Bhd)
“Partial Melaka Land”	:	Part of leasehold land in Klebang, Melaka, measuring 7.155 acres within the Melaka Land
“PDC”	:	Penang Development Corporation
“Penang Land”	:	A parcel of leasehold industrial land held under PN 5908, Lot 14840, Mukim 12, District of Barat Daya, State of Pulau Pinang
“Penang Property”	:	Collectively, the Penang Land with the buildings erected thereon, together with all infrastructure, major systems, and fixtures and fittings attached thereto
“Performance Guarantee”	:	A performance guarantee issued by MQ Tech in favour of MTrustee (as the lessor), whereby MQ Tech shall irrevocably and unconditionally guarantees the performance of the obligations of MPTSB (as the lessee) in the Lease Agreement
“Project Land”	:	Leasehold land in Klebang, Melaka, measuring 9.19 acres located within the Melaka Land
“Proposed Acquisition of Remaining Melaka Land”	:	Proposed acquisition by SASB from CSSB of the Remaining Melaka Land for the purchase consideration of RM8.50 million, to be satisfied entirely in cash
“Proposed Disposal”	:	Proposed disposal by MPTSB to MTrustee of the Penang Property for the Disposal Consideration to be satisfied entirely in cash, pursuant to the terms and conditions of the SPA
“Proposed Disposal and Leaseback”	:	Collectively, the Proposed Disposal and the Proposed Leaseback
“Proposed Investment”	:	Proposed subscription of CSPSB Shares, in which CSPSB will function as the joint venture company in relation to the proposed joint venture between SASB and CSSB to develop and carry on the business of a theme park on the Project Land
“Proposed Leaseback”	:	Proposed leaseback of the Penang Property by MPTSB from MTrustee for the Lease Term, upon completion of the Proposed Disposal, pursuant to the terms and conditions of the Lease Agreement

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**DEFINITIONS (CONT'D)**

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“RCB”	:	Redeemable convertible bonds under the CP/MTN Programme
“Remaining Melaka Land”	:	Part of leasehold land in Klebang, Melaka, measuring 3.572 acres within the Melaka Land (Remaining Melaka Land = Melaka Land - Partial Melaka Land)
“Rental in Advance”	:	Advance rental in the sum of RM4.50 million payable by MPTSB in respect of the Proposed Leaseback for the 1 <sup>st</sup> year and 2 <sup>nd</sup> year of the Lease Term
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
“SASB”	:	Star Acres Sdn Bhd, a wholly-owned subsidiary of our Company
“SIS Options”	:	Share issuance scheme options
“SPA”	:	Conditional sale and purchase agreement dated 19 February 2025 entered into between MPTSB and MTrustee in relation to the Proposed Disposal
“SPX”	:	SPX Xpress (Malaysia) Sdn Bhd
“sq ft”	:	Square feet
“sq m”	:	Square metre
“TA Securities” or “Adviser”	:	TA Securities Holdings Berhad
“TNB”	:	Tenaga Nasional Berhad
“Transfer”	:	Memorandum of Transfer in respect to the Penang Property
“Unconditional Date”	:	The date upon which the SPA becomes unconditional (which the last of the conditions precedent has been fulfilled or waived), in accordance with the terms of the SPA
“Valuation Certificate”	:	Valuation certificate dated 18 February 2025 for the Penang Property prepared by the Valuer
“Valuation Report”	:	Valuation report dated 18 February 2025 for the Penang Property prepared by the Valuer

All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, are to our Group or any of our subsidiaries. All references to “you” and “your” in this Circular are to our shareholders, who are entitled to attend and vote at our forthcoming EGM.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment 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 stated. Any discrepancies in the tables included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

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## EXECUTIVE SUMMARY

**THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION ON THE PROPOSED DISPOSAL AND LEASEBACK. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND THE APPENDICES AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN ARRIVING AT A DECISION ON THE PROPOSED DISPOSAL AND LEASEBACK BEFORE VOTING AT OUR FORTHCOMING EGM.**

Our Board recommends that you vote **in favour** of the resolutions in relation to the Proposed Disposal and Leaseback to be tabled at our forthcoming EGM.

Key information	Description	Reference
Summary of the Proposed Disposal and Leaseback	<p><b><u>Proposed Disposal</u></b> On 19 February 2025, MPTSB had entered into the SPA with MTrustee for the proposed disposal of the Penang Property, free from all encumbrances and with all rights and benefits attached, subject to all conditions of the title, whether expressed or implied, any restrictions in interest and the existing category of land use endorsed on the title, and upon the terms and conditions contained in the SPA for the Disposal Consideration.</p>	Section 2
	<p><b><u>Proposed Leaseback</u></b> Simultaneous with the execution of the SPA on 19 February 2025, MPTSB (as the lessee) has also executed, in escrow, the Lease Agreement to leaseback the Penang Property from MTrustee (as the lessor) for the Lease Term.</p>	Section 3
Basis and justification for the Disposal Consideration	<p>The Disposal Consideration was arrived at, on a willing-buyer and willing-seller basis, after taking into consideration, amongst others, the market value of the Penang Property of RM26.00 million as appraised by the Valuer.</p> <p>Our Board is of the view that the Disposal Consideration is justifiable after taking into consideration the above and the following:</p> <ul style="list-style-type: none"> <li>(i) the Disposal Consideration is fixed at premium of 15.38% from the market value of the Penang Property of RM26.00 million; and</li> <li>(ii) the rationale and benefits for the Proposed Disposal and Leaseback as set out in <b>Section 4</b> of this Circular.</li> </ul>	Section 2.5
Basis and justification in arriving at the rental rate for the Proposed Leaseback	<p>The rental rate and the increment for the Proposed Leaseback were arrived at after taking into consideration the following:</p> <ul style="list-style-type: none"> <li>(i) the market rental rates of comparable properties with similar nature in the surrounding area of the Penang Property, as analysed in the comparable rent analysis conducted by the Valuer. The net annual rental of RM2.25 million for the Penang Property, equivalent to a net monthly rental of RM187,500 representing a net monthly rental of RM3.49 per sq ft (gross floor area of 53,671 sq ft), which is below the market net monthly rental of RM3.65 per sq ft, as derived from the Valuer's analysis of comparable rent; and</li> <li>(ii) the rationale and benefits of the Proposed Leaseback as set out in <b>Section 4</b> of this Circular.</li> </ul>	Section 3.2

**EXECUTIVE SUMMARY (CONT'D)**

Key information	Description	Reference																					
<p><b>Utilisation of proceeds</b></p>	<p>The gross proceeds arising from the Disposal Consideration are expected to be utilised in the following manner:</p> <table border="1" data-bbox="491 309 1225 958"> <thead> <tr> <th data-bbox="501 376 791 409">Details of utilisation</th> <th data-bbox="807 309 1082 409">Expected timeframe for utilisation from the receipt of the proceeds</th> <th data-bbox="1098 376 1216 409">RM'000</th> </tr> </thead> <tbody> <tr> <td data-bbox="501 421 791 544">Payment for the purchase consideration of the Proposed Acquisition of Remaining Melaka Land</td> <td data-bbox="807 421 1082 454">Within 6 months</td> <td data-bbox="1098 421 1216 454">8,500</td> </tr> <tr> <td data-bbox="501 555 791 656">Partial funding for the Development of Partial Melaka Land</td> <td data-bbox="807 555 1082 589">Within 24 months</td> <td data-bbox="1098 555 1216 589">10,000</td> </tr> <tr> <td data-bbox="501 667 791 768">Payment for the security deposit and Rental in Advance</td> <td data-bbox="807 667 1082 768">Upon completion of the Proposed Disposal</td> <td data-bbox="1098 667 1216 701">5,250</td> </tr> <tr> <td data-bbox="501 779 791 813">Working capital</td> <td data-bbox="807 779 1082 813">Within 24 months</td> <td data-bbox="1098 779 1216 813">5,250</td> </tr> <tr> <td data-bbox="501 824 791 925">Estimated expenses for the Proposed Disposal and Leaseback</td> <td data-bbox="807 824 1082 857">Immediate</td> <td data-bbox="1098 824 1216 857">1,000</td> </tr> <tr> <td data-bbox="501 936 791 958"><b>Total</b></td> <td data-bbox="807 936 1082 958"></td> <td data-bbox="1098 936 1216 958"><b>30,000</b></td> </tr> </tbody> </table>	Details of utilisation	Expected timeframe for utilisation from the receipt of the proceeds	RM'000	Payment for the purchase consideration of the Proposed Acquisition of Remaining Melaka Land	Within 6 months	8,500	Partial funding for the Development of Partial Melaka Land	Within 24 months	10,000	Payment for the security deposit and Rental in Advance	Upon completion of the Proposed Disposal	5,250	Working capital	Within 24 months	5,250	Estimated expenses for the Proposed Disposal and Leaseback	Immediate	1,000	<b>Total</b>		<b>30,000</b>	<p>Section 2.9</p>
Details of utilisation	Expected timeframe for utilisation from the receipt of the proceeds	RM'000																					
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Working capital	Within 24 months	5,250																					
Estimated expenses for the Proposed Disposal and Leaseback	Immediate	1,000																					
<b>Total</b>		<b>30,000</b>																					
<p><b>Rationale and benefits for the Proposed Disposal and Leaseback</b></p>	<ul style="list-style-type: none"> <li>• The Proposed Disposal and Leaseback represents an opportunity for our Group to unlock and realise the value of our investment in the Penang Property, where our Group is expected to record a gain on disposal of approximately RM0.12 million.</li> <li>• The monetisation of our investments in the Penang Property through the Proposed Disposal via the receipt of the proceeds from the Disposal Consideration, enables our Group to unlock capital resources from being tied up in long term assets.</li> <li>• The Proposed Leaseback allows our Group to ensure that our existing business operations at the Penang Property will remain unaffected.</li> </ul>	<p>Section 4</p>																					
<p><b>Risk factors for the Proposed Disposal and Leaseback</b></p>	<p>Our Group will be exposed to, amongst others, the following risk factors in relation to the Proposed Disposal and Leaseback:</p> <ul style="list-style-type: none"> <li>(i) non completion of the Proposed Disposal and Leaseback;</li> <li>(ii) loss of potential future capital value appreciation of the Penang Property; and</li> <li>(iii) leasing risk.</li> </ul>	<p>Section 5</p>																					

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Key information</b>	<b>Description</b>	<b>Reference</b>
<b>Approvals required</b>	<p>The Proposed Disposal and Leaseback is subject to the approvals being obtained from:</p> <ul style="list-style-type: none"><li>(i) our shareholders at our forthcoming EGM;</li><li>(ii) the relevant state authority and PDC for the unconditional consents to transfer the Penang Land in favour of the Purchaser;</li><li>(iii) the relevant state authority and PDC for the unconditional consents for the Proposed Leaseback; and</li><li>(iv) any other relevant authorities and/or parties, if required.</li></ul>	Section 7
<b>Conditionality</b>	<p>The Proposed Disposal and Proposed Leaseback are inter-conditional upon each other. The Proposed Leaseback is effective upon the completion of Proposed Disposal.</p> <p>The Proposed Disposal and Leaseback is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.</p>	Section 8
<b>Interests of Directors, major shareholders, chief executive and/or persons connected</b>	<p>None of the Directors, major shareholders and/or chief executive of our Company and/or any persons connected with them (as defined under the Listing Requirements) have any interest, direct or indirect, in the Proposed Disposal and Leaseback.</p>	Section 10
<b>Directors' statement and recommendation</b>	<p>Our Board, after having considered all aspects of the Proposed Disposal and Leaseback, including but not limited to the rationale and effects of the Proposed Disposal and Leaseback, the salient terms of the SPA and Lease Agreement, as well as the basis and justification of arriving at the Disposal Consideration and rental rate for the leaseback of the Penang Property, is of the opinion that the Proposed Disposal and Leaseback is in the best interest of our Company and the terms and conditions of the SPA and Lease Agreement as well as the Disposal Consideration are fair and reasonable.</p> <p>Accordingly, our Board recommends that you vote <b>in favour</b> of the resolutions pertaining to the Proposed Disposal and Leaseback to be tabled at our forthcoming EGM.</p>	Section 11

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TECHNOLOGY BERHAD

**MQ TECHNOLOGY BERHAD**

(Registration No. 200301033383 (635804-H))

(Incorporated in Malaysia)

**Registered Office:**

Level 7, Mercu 3  
No. 3, Jalan Bangsar  
KL Eco City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Malaysia

1 August 2025

**Board of Directors**

Dato' Nurulhidayah Binti Ahmad Zahid (*Independent Non-Executive Chairman*)

Dato' Lim Char Boo (*Senior Independent Non-Executive Vice Chairman*)

Terence Cheah Eu Lee (*Executive Director*)

Gerald Nicholas Tan Eng Hoe (*Independent Non-Executive Director*)

Dr. Koay Boon Hooi (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir / Madam,

**PROPOSED DISPOSAL AND LEASEBACK**

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**1. INTRODUCTION**

On 19 February 2025, TA Securities had, on behalf of our Board, announced that MPTSB, had on 19 February 2025, entered into the SPA for the Proposed Disposal.

As part of the conditions precedent of the SPA, MPTSB had on the even date executed the Lease Agreement for the Proposed Leaseback.

Further details of the Proposed Disposal and Leaseback 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 DISPOSAL AND LEASEBACK, TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSAL AND LEASEBACK WHICH WILL BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN 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 RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSAL AND LEASEBACK TO BE TABLED AT OUR FORTHCOMING EGM.**

## 2. PROPOSED DISPOSAL

### 2.1 Details of the Proposed Disposal

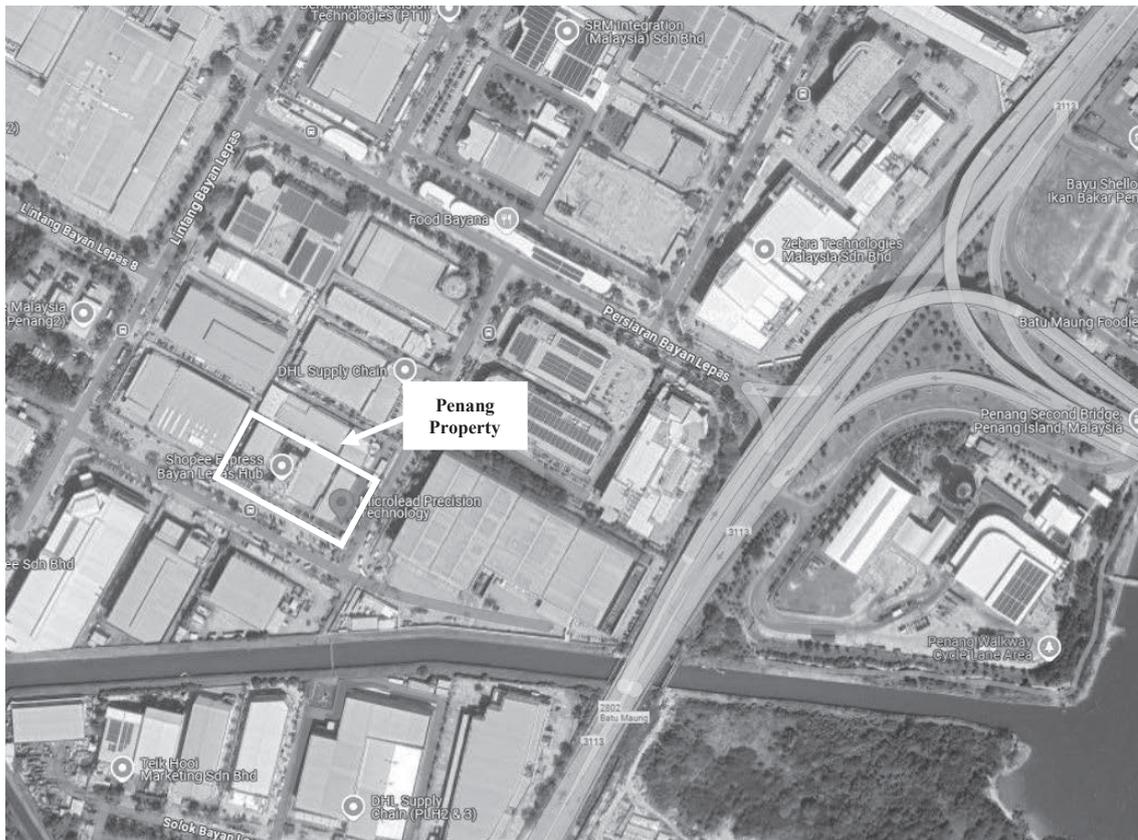
On 19 February 2025, MPTSB had entered into the SPA for the proposed disposal of the Penang Property, free from all encumbrances and with all rights and benefits attached, subject to all conditions of the title, whether expressed or implied, any restrictions in interest and the existing category of land use endorsed on the title, and upon the terms and conditions contained in the SPA for the Disposal Consideration. The salient terms of the SPA are set out in **Appendix I** of this Circular.

### 2.2 Information on the Penang Property

The Penang Property is situated within Taman Perindustrian Bayan Lepas (also known as Bayan Lepas Industrial Park), which is located approximately 16 kilometres to the south-west of the George Town city centre and about 8 kilometres to the east of the Penang International Airport.

The area surrounding the Penang Property comprises predominantly industrial premises (including terrace, semi-detached and detached factories), condominiums, flats, serviced apartments, single to three-storey terrace houses, single to double-storey semi-detached houses, three to four-storey bungalows and double to three-storey shop-offices.

The following map sets out the location of the Penang Property together with other developments within the vicinity:



(Source: Google Maps)

The details of the Penang Property are summarised as follows:

<b>Title particulars</b>	:	PN 5908, Lot 14840, Mukim 12, District of Barat Daya, State of Pulau Pinang								
<b>Postal address</b>	:	No. 86-B, Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Pulau Pinang								
<b>Term of tenure</b>	:	60-year leasehold expiring on 11 September 2065								
<b>Category of land use</b>	:	<i>Perusahaan / Perindustrian</i>								
<b>Title land area</b>	:	7,657 sq m (approximately 82,419 sq ft or 1.8921 acres)								
<b>Gross floor area</b>	:	Approximately 4,986.24 sq m (approximately 53,671 sq ft)								
<b>Approximate age of buildings as at date of valuation</b>	:	Newly completed to 19 years <sup>(1)</sup>								
<b>Registered owner</b>	:	MPTSB								
<b>Description of the buildings<sup>(1)</sup></b>	:	Comprising the following: (i) Building 1; (ii) Building 2; (iii) Building 3; and (iv) a guard house.								
<b>Existing use</b>	:	<table border="1"> <thead> <tr> <th><b>Buildings</b></th> <th><b>Existing usage</b></th> </tr> </thead> <tbody> <tr> <td>Building 1</td> <td>Currently occupied by MPTSB as office and factory</td> </tr> <tr> <td>Building 2</td> <td>Tenanted to and currently occupied by SPX as a delivery hub<sup>(2)</sup></td> </tr> <tr> <td>Building 3</td> <td>Unoccupied</td> </tr> </tbody> </table>	<b>Buildings</b>	<b>Existing usage</b>	Building 1	Currently occupied by MPTSB as office and factory	Building 2	Tenanted to and currently occupied by SPX as a delivery hub <sup>(2)</sup>	Building 3	Unoccupied
<b>Buildings</b>	<b>Existing usage</b>									
Building 1	Currently occupied by MPTSB as office and factory									
Building 2	Tenanted to and currently occupied by SPX as a delivery hub <sup>(2)</sup>									
Building 3	Unoccupied									
<b>Express conditions</b>	:	<p><i>Pemilik yang berdaftar selepas Perbadanan Pembangunan Pulau Pinang hendaklah:</i></p> <p>(i) <i>Dalam tempoh masa 2 tahun dari tarikh Pindah Milik yang pertama didaftarkan atau dalam jangka masa yang ditetapkan yang diluluskan oleh Pihak Berkuasa Negeri, mendirikan bangunan kilang atau bangunan kilang-kilang di atas tanah yang diberi milik itu mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan dan hendaklah memelihara bangunan atau bangunan-bangunan yang telah didirikan itu dengan memuaskan Pihak Berkuasa Tempatan;</i></p> <p>(ii) <i>Membersihkan, melupuskan atau menyebabkan berlakunya pembersihan atau perlupusan 'effluents' perdagangan dalam bentuk atau cara yang memuaskan pihak-pihak berkuasa yang berkenaan;</i></p> <p>(iii) <i>Membayar dan menjelaskan semua cukai, kadar-kadar bayaran hasil dan lain-lain bayaran yang dinilai pada masa itu terhadap tanah yang diberi milik tersebut atau mana-mana bahagian yang berkenaan yang dikenakan oleh Majlis Perbandaran Seberang Perai / Majlis Perbandaran Pulau Pinang;</i></p> <p>(iv) <i>Mempastikan bahawa 30% daripada pekerja-pekerja bagi tiap-tiap peringkat pengurusan yang diambil dalam perniagaan untuk tanah yang diberi milik ini hendaklah terdiri dari kaum Bumiputra; dan</i></p>								

		(v) Mematuhi semua terma-terma dan syarat-syarat yang terkandung di dalam Surat Perjanjian Jual Beli yang ditandatangani di antara pemilik yang berdaftar selepas Perbadanan Pembangunan Pulau Pinang dengan Perbadanan Pembangunan Pulau Pinang.
<b>Restrictions in interest</b>	:	(i) Tanah yang diberi milik ini tidak boleh dipindah milik, cagar, pajak atau pajakan kecil, tenensi disewakan atau dengan apa-apa urusan sekalipun diuruskan tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri; (ii) Tanah yang diberi milik ini tidak boleh dipecah sempadan atau dipecah bahagian; dan (iii) Tanah yang diberi milik ini dan mana-mana bangunan yang terdapat di atasnya tidak boleh digunakan untuk apa jua kegunaan selain daripada yang diluluskan oleh Perbadanan Pembangunan Pulau Pinang dan Pihak Berkuasa Negeri.
<b>Encumbrances</b>	:	Nil
<b>Endorsements</b>	:	No. Pers 0799SC2007036526 Pindahmilik Tanah oleh Perbadanan Pembangunan Pulau Pinang kepada MPTSB. Didaftarkan pada 23 November 2007.
<b>Audited carrying amount as at 28 February 2025</b>	:	RM29,602,274 <sup>(3)</sup>
<b>Valuer</b>	:	NTL
<b>Date of valuation</b>	:	17 January 2025
<b>Valuation approach</b>	:	Cost Approach
<b>Market value</b>	:	RM26,000,000 <sup>(4)</sup>

Notes:

(1) The details of the buildings are as follow:

<b>Buildings</b>	<b>Approximate gross floor area / net lettable area<sup>(a)</sup></b>		<b>Percentage of occupancy</b>	<b>Remarks</b>
	<b>Sq m</b>	<b>Sq ft</b>	<b>%</b>	
<i>Building 1</i>	2,777.47	29,896	100 (solely occupied by MPTSB)	<i>CFO for Building 1 was issued on 8 September 2006 by MBPP.  Building 1 is approximately 19 years old.</i>
<i>Building 2</i>	1,154.09	12,423	100 (fully tenanted to SPX)	<i>The building plan for Building 2 was approved by MBPP on 24 May 2023. The CCC is pending and is expected to be issued in the 3<sup>rd</sup> quarter of 2025<sup>(b)</sup>.  Building 2 is approximately 3 years old since its completion in 2022<sup>(c)</sup>.</i>
<i>Building 3</i>	1,044.36	11,241	0	<i>The building plan for Building 3 was approved by MBPP on 26 June 2023. The CCC is pending and is expected to be issued by the 3<sup>rd</sup> quarter of 2025<sup>(b)</sup>.  Building 3 is newly completed.</i>

Buildings	Approximate gross floor area / net lettable area <sup>(a)</sup>		Percentage of occupancy	Remarks
	Sq m	Sq ft	%	
Guard house	10.32	111	100	The CFO for guard house was issued on 8 September 2006.
<b>Total</b>	<b>4,986.24</b>	<b>53,671</b>		

Notes:

- (a) The net lettable area is adopted based on the gross floor area, excluding guard house.
- (b) For information purposes, the CCC was introduced under the Street, Drainage and Building (Amendment) Act 2007, which came into force on 12 April 2007 to replace the previous system of CFO to smoothen and accelerate the whole building process. As such, the issuance of CFO is no longer applicable following its replacement by the CCC.
- (c) For clarification purposes, the construction of Building 2 was completed in 2022, before the building plan approval by MBPP on 24 May 2023. As a result, a compound of RM36,438.00 was imposed by MBPP on 27 April 2023, as MPTSB had undertaken the construction works without obtaining prior building plan approval. The compound was fully settled by MPTSB on the same day. Due to the operational urgency of SPX, Building 2 was subsequently tenanted to SPX for use as a delivery hub and warehouse under a tenancy agreement dated 30 July 2024, after an inspection by SPX, which confirmed that the remaining outstanding works required for the CCC would not adversely affect its operations.

As at the LPD, the CCC for Building 2 has not been obtained as certain works and submission documents required for the issuance of the CCC remain outstanding (i.e., MBPP-related road and drainage documents, TNB's CCC clearance letter, Fire and Rescue Department of Malaysia's ("**Bomba**") active plan for fire protection system, Bomba's clearance letters for both active (Form G9) and passive (Form G8) fire protection systems and others), which the requisite works and submission documents are expected to be completed and obtained by the 3<sup>rd</sup> quarter of 2025, following which the CCC will be issued by the principal submitting person who submits building plans to the local authority for approval (i.e., external consultants) upon having satisfied that all the relevant certifications and technical conditions have been duly fulfilled and complied with. Nonetheless, no fines or penalties were imposed by the relevant authorities in relation to the occupancy of Building 2 as at the LPD, prior to obtaining the CCC.

- (2) Based on the tenancy agreement dated 30 July 2024 entered into between MPTSB and SPX, Building 2 is tenanted to SPX for a term of 1 year commencing from 1 September 2024 to 31 August 2025, at a monthly rental of RM47,500, with an option to renew for an additional term of 1 year.
- (3) After taking into consideration the revaluation of Penang Land, Buildings 1 and 2 as appraised by the Valuer as at the date of valuation of 17 January 2025, as well as the additions to capital work-in-progress for Building 3 as at 28 February 2025. As at the LPD, the CCC for Building 3 has not been obtained as certain works and submission documents required for the issuance of the CCC remain outstanding (i.e., Bomba's active plan for fire protection system, Bomba's clearance letters for both active (Form G9) and passive (Form G8) fire protection systems, water tanks capacity to meet the requirements of Perbadanan Bekalan Air Pulau Pinang Sdn Bhd and others), which the requisite works and submission documents are expected to be completed and obtained by the 3<sup>rd</sup> quarter of 2025, following which the CCC will be issued by the principal submitting person who submits building plans to the local authority for approval (i.e., external consultants) upon having satisfied that all the relevant certifications and technical conditions have been duly fulfilled and complied with.
- (4) The market value of the Penang Property is based on the basis that the buildings are fully completed, with adjustment made for the non-issuance of CCC for Building 2 and Building 3.

### 2.3 Information on the Purchaser

For information purposes, MTrustee, in its capacity as the trustee, is acting on behalf of Hektar REIT as the Purchaser in relation to the Proposed Disposal.

Hektar REIT is a real estate investment trust constituted in Malaysia on 5 October 2006 pursuant to the trust deed dated 5 October 2006 and the supplementary deeds dated 20 March 2012 and 23 November 2016 respectively (which was amended and restated on 8 February 2021) between MTrustee as the trustee and Hektar Asset Management as the management company. Hektar REIT was listed on the Main Market of Bursa Securities on 4 December 2006.

The principal activity of Hektar REIT is to acquire and invest in income-producing real estate and real estate related assets which is primarily used for retail purposes. As at the LPD, the issued unitholders' capital of Hektar REIT is RM632,444,846.50 comprising 709,286,684 units.

Hektar REIT is managed by Hektar Asset Management, which is principally involved in the managing and administering the fund for Hektar REIT and other management services. As at the LPD, the directors of Hektar Asset Management (all of whom are Malaysians) and their respective unit holdings in Hektar REIT are as follows:

Directors	Designation	Direct		Indirect	
		No. of units	%	No. of units	%
Zainal Iskandar Bin Ismail	Non-Independent Executive Director / Chief Executive Officer	-	-	-	-
Wan Kamaruddin Bin Wan Mohamed Ali	Independent Non-Executive Director	-	-	-	-
Sandra Tan Pei Ing	Independent Non-Executive Director	-	-	-	-
Sr Zulazman Bin Zulkifli	Independent Non-Executive Director	-	-	-	-
Chong Kai Wooi	Independent Non-Executive Director	-	-	-	-

As at the LPD, the substantial unitholders of Hektar REIT and their respective unit holdings are as follows:

Substantial unitholders	Direct		Indirect	
	No. of units	% <sup>(1)</sup>	No. of units	% <sup>(1)</sup>
Hektar Black Sdn Bhd	117,814,854	16.61	448,653 <sup>(2)</sup>	0.06 <sup>(2)</sup>
Upayapadu (M) Sdn Bhd	37,932,400	5.35	-	-
Dato' Ong Choo Meng	111,274,500	15.69	5,000,000 <sup>(3)</sup>	0.71 <sup>(3)</sup>

Notes:

(1) Based on 709,286,684 units in Hektar REIT.

(2) Deemed interested by virtue of the interest in Hektar Green Sdn Bhd pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of his interest in Hektar Rubber Sdn Bhd pursuant to Section 8 of the Act.

## 2.4 Information on the Vendor

MPTSB is a private limited company incorporated in Malaysia on 12 December 1995 under the Companies Act 1965 and is deemed registered under the Act. MPTSB is principally involved in the Manufacturing Business.

As at the LPD, MPTSB is a wholly-owned subsidiary of our Company and does not have any subsidiaries or associated companies. As at the LPD, the issued share capital of MPTSB is RM54,666,000.00 comprising 5,436,000 ordinary shares, and MPTSB has 49,230,000 preference shares in issue.

The directors and shareholders of MPTSB (all of whom are Malaysians or incorporated in Malaysia) as well as their respective shareholdings in MPTSB as at the LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Kok Seng Ping	Director	-	-	-	-
Terence Cheah Eu Lee	Director	-	-	-	-
MQ Tech	Shareholder	5,436,000 <sup>(1)</sup>	100.00	-	-
SASB	Shareholder	-( <sup>2</sup> )	-	-	-
MMSB	Shareholder	-( <sup>3</sup> )	-	-	-
<b>Total</b>		<b>5,436,000</b>	<b>100.00</b>		

Notes:

(1) MQ Tech is also holding 43,500,000 preference shares in MPTSB.

(2) SASB is holding 1,100,000 preference shares in MPTSB.

(3) MMSB is holding 4,630,000 preference shares in MPTSB.

## 2.5 Basis and justification for the Disposal Consideration

The Disposal Consideration was arrived at, on a willing-buyer and willing-seller basis, after taking into consideration, amongst others, the market value of the Penang Property of RM26.00 million using the Cost Approach as the primary approach with the Investment Method of Income Approach for cross-checking purposes. The appraisal was carried out by the Valuer and the Valuer is registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia as an independent valuation of the Penang Property as at the date of valuation of 17 January 2025.

The valuation of the Penang Property has been carried out by using the following methods:

### (i) Cost Approach

In this approach, the market value of the Penang Property is determined through the summation of the value components of the Penang Land and cost of the buildings. The value of the Penang Land is determined using the Comparison Approach, taking into account factors such as location, size, accessibility, tenure and other relevant factors. The improvements done to the site will also be compiled and analysed. In determining the cost of the buildings, current rates on construction costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of construction, finishes, contractor's overheads, fees and profit. Appropriate adjustments are made for factors such as obsolescence and existing physical condition of the buildings. Further adjustment has been made on the non-issuance of the CCC for Building 2 and Building 3.

## (ii) Investment Method of Income Approach

In this approach, the market value of the Penang Property is derived from an estimate of the market rental which the Penang Property can reasonably be let for. The outgoings of the Penang Property, such as property taxes, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is capitalised to arrive at the Penang Property's indicative market value at an appropriate current market yield. Further adjustment has been made on the non-issuance of the CCC for Building 2 and Building 3.

The Valuer has adopted the Cost Approach as the primary valuation methodology and Investment Method of Income Approach as a secondary check to determine the market value of the Penang Property. Under the Cost Approach, the value of the Penang Land is derived from the Comparison Approach, while the building value is based on the Cost Approach. The Cost Approach is the most appropriate, as there are sufficient market sale evidences to provide a fair representation of the market value of the Penang Property. The Investment Method of Income Approach is used as a secondary check, because actual rental data is only available for Building 2, which is currently tenanted to SPX. There is no actual rental data for Building 1, as it is occupied by MPTSB, and for Building 3, which is unoccupied. As such, the Investment Method of Income Approach is sensitive to the estimated rental and outgoings.

Our Board is of the view that the Disposal Consideration is justifiable after taking into consideration the above and the following:

- (i) the Disposal Consideration is fixed at premium of 15.38% from the market value of the Penang Property of RM26.00 million; and
- (ii) the rationale and benefits for the Proposed Disposal and Leaseback as set out in **Section 4** of this Circular.

## 2.6 Mode of settlement of the Disposal Consideration

In accordance with the terms of the SPA, the Disposal Consideration shall be satisfied in the following manner:

Payment terms	Timing	Disposal Consideration	
		RM'000	%
Deposit comprising:			
(i) Earnest deposit	Paid by the Purchaser on 23 December 2024 to the Vendor's solicitors as stakeholders to be held in escrow, before the execution of the SPA <sup>(1)</sup>	3,000	10.00
(ii) Balance deposit	Upon the execution of the SPA on 19 February 2025 <sup>(1)</sup>	3,000	10.00
Balance Sum comprising:			
(i) Defect retention sum	On or before the expiry of the Completion Period or Extended Completion Period <sup>(2)(3)</sup>	1,500	5.00
(ii) Lease retention sum	On or before the expiry of the Completion Period or Extended Completion Period <sup>(2)(4)</sup>	5,000	16.67
(iii) Final balance sum	On or before the expiry of the Completion Period, or Extended Completion Period <sup>(2)(5)</sup>	17,500	58.33
<b>Disposal Consideration</b>		<b>30,000</b>	<b>100.00</b>

### Notes:

- (1) The Deposit retained by the Vendor's solicitors shall be released to the Vendor on the Unconditional Date. In the event of non-fulfilment of the conditions precedent, the Deposit shall be refunded to the Purchaser, together with accrued interest at the rate of 6% per annum within 7 business days of the termination of the SPA, as further elaborated in **Section 3 of Appendix I** of this Circular.

- (2) *If the Purchaser fails to make payment within the Completion Period, the Extended Completion Period shall be granted, subject to the late payment interest on a day-to-day basis at the rate of 8% per annum on the Balance Sum or any part thereof remaining unpaid, commencing from the day immediately following the expiry of the Completion Period until the date on which the Balance Sum or any part thereof remaining unpaid is paid to the Vendor's solicitors as stakeholders in full.*
- (3) *The defect retention sum retained by the Vendor's solicitors shall be released to the Vendor 14 days after the receipt of the written notification from the Purchaser confirming that the Defects have been rectified to the satisfaction of the Purchaser. In the event that the Defects were not rectified to the satisfaction of the Purchaser, the Purchaser shall be entitled to deduct from the defect retention sum, the costs to remedy the Defects. In the event the defect retention sum is insufficient to remedy the Defects, such shortfall shall constitute a debt due and owing from the Vendor, which shall be payable by the Vendor to the Purchaser within 14 days of receipt of a demand notice from the Purchaser, as further elaborated in **Section 4 of Appendix I** of this Circular.*
- (4) *The lease retention sum retained by the Vendor's solicitors shall be released to the Vendor within 18 days from the date the lease of the Penang Property is presented for registration at the land office. The Purchaser is entitled to forfeit the lease retention sum upon the occurrence of the events set out in **Section 6 of Appendix I** of this Circular.*
- (5) *The final balance sum retained by the Vendor's solicitors shall be released to the Vendor 18 days after the presentation of the Transfer at the land office, provided that the land office has not rejected the presentation of the Transfer prior to the expiry of the aforesaid period, as further elaborated in **Section 2 of Appendix I** of this Circular.*

## **2.7 Liabilities to be assumed**

Save for the obligations and liabilities arising from the SPA pursuant to the Proposed Disposal which include, amongst others:

- (i) the obligation of the Vendor to indemnify the Purchaser against any outgoings payable by the Vendor up to and including the Date of Possession, as further elaborated in **Section 8 of Appendix I** of this Circular; and
- (ii) the obligation to remedy any Defects identified during the joint inspection by the Vendor and Purchaser, if any, prior to the Completion Date, at its sole cost and expense, as further elaborated in **Section 4 of Appendix I** of this Circular,

there are no other liabilities (including contingent liabilities and guarantees) that will remain with our Group upon the completion of Proposed Disposal. For the avoidance of doubt, our Group has not provided and will not provide any guarantees to the Purchaser under the Proposed Disposal. The amount of such obligations and liabilities arising from the SPA pursuant to the Proposed Disposal, if any, cannot be determined at this juncture, as it is dependent upon, amongst others, the extent of the Defects, the quantum of outgoings and the relevant subject matters at the relevant time.

In respect of the Proposed Leaseback, MPTSB will deliver the Performance Guarantee issued by MQ Tech in favour of MTrustee (as the lessor). The Performance Guarantee shall be effective on the commencement date of the Lease Agreement and shall be irrevocable and remain valid and subsisting until the termination or expiration of the Lease Agreement.

Save for the above and the rental payable over the Lease Term pursuant to the Proposed Leaseback, there are no other liabilities (including contingent liabilities and guarantees) which will remain with our Group arising from the Proposed Leaseback.

## 2.8 Original cost and date of investment

MPTSB's original cost and date of investment in the Penang Property are as follows:

Description	Date of investment	Original cost of investment RM'000
Acquisition cost for Penang Land	26 August 2004	1,647
Construction cost for Building 1	7 March 2005	3,960
(+) Fire protection system	1 March 2006	340
Construction cost for Building 2	18 August 2021	6,000
(+) Fire protection system	22 November 2024	120
(+) Entrance road and drainage works	31 October 2024	204
Construction cost for Building 3	27 February 2023	6,414
<b>Total</b>		<b>18,685</b>

## 2.9 Utilisation of proceeds

The gross proceeds arising from the Disposal Consideration of RM30.00 million pursuant to the Proposed Disposal are expected to be utilised in the following manner:

Details of utilisation	Expected timeframe for utilisation from the receipt of the proceeds	RM'000	%
Payment for the purchase consideration of the Proposed Acquisition of Remaining Melaka Land <sup>(1)</sup>	Within 6 months	8,500	28.33
Partial funding for the Development of Partial Melaka Land <sup>(2)</sup>	Within 24 months	10,000	33.33
Payment for the security deposit and Rental in Advance <sup>(3)</sup>	Upon completion of the Proposed Disposal	5,250	17.50
Working capital <sup>(4)</sup>	Within 24 months	5,250	17.50
Estimated expenses for the Proposed Disposal and Leaseback <sup>(5)</sup>	Immediate	1,000	3.34
<b>Total</b>		<b>30,000</b>	<b>100.00</b>

### Notes:

(1) Our Company had on 11 April 2023 obtained our shareholders' approval for the acquisition of the Partial Melaka Land by SASB, which is principally engaged in investment holding activities, from CSSB, for a cash consideration of RM19.50 million, as well as the diversification of the existing business of our Group to include the business of property development and property investment.

The cash consideration of RM19.50 million was funded by SASB and our Company via internally-generated funds and proceeds from the renounceable rights issue of Shares with warrants, which was undertaken by our Company and completed on 28 November 2016 ("**Rights Issue 2016**"), the details of which are as follows:

Sources of funding	RM
Payment by our Company via internally-generated funds	2,233,900
Payment by SASB via internally-generated funds	2,000,000
Payment by our Company via proceeds from the Rights Issue 2016 for the Proposed Investment <sup>(a)</sup>	15,266,100
<b>Total</b>	<b>19,500,000</b>

Note:

- (a) For information purposes, we had on 13 June 2016, obtained approval from our shareholders for, amongst others, the Rights Issue 2016 and the Proposed Investment by entering into a subscription and shareholders' agreement ("**SSHA**") dated 19 January 2016 between SASB and CSSB, to regulate their respective rights as shareholders of CSPSB (SASB holds 51% and CSSB holds 49% equity interests in CSPSB, with the subscription amounts of RM15,900,000 and RM13,033,900, respectively). Pursuant to the terms of the SSHA, CSSB and CSPSB had also entered into a sale and purchase agreement dated 19 January 2016 for the sale and purchase of the Project Land and existing assets thereon, for a purchase consideration of RM28,300,000 ("**Project Land SPA**").

*As the conditions precedent under both the SSHA and Project Land SPA were not fulfilled by the respective parties, and in consideration that SASB is desirous to undertake a development project on its own accord on the Partial Melaka Land, all parties mutually agreed to terminate both the SSHA and Project Land SPA. Subsequent to the termination, CSSB agreed to accept an offer from SASB to purchase the Partial Melaka Land as the Project Land, held under PN 63030, Lot 1, Kawasan Bandar XLV, District of Melaka Tengah, State of Melaka, of which the Partial Melaka Land measures 7.16 acres, whereas the Project Land measures 9.19 acres within the Melaka Land.*

*In view of the above, our Board is of the view that no variation in the utilisation of proceeds raised from the Rights Issue 2016 requires announcement or shareholders' approval, considering that the objective of the proceeds earmarked for the Proposed Investment remains aligned with our Group's objective to acquire the Partial Melaka Land. Moreover, pursuant to our shareholders' approval for the Rights Issue 2016, the proceeds earmarked for the Proposed Investment, amounting to up to RM15,900,000, will be channelled towards financing potential acquisitions or investments in businesses, similar to, or related to, the Proposed Investment. Please refer to the circular to our shareholders dated 27 March 2023 for further details on the acquisition of the Partial Melaka Land.*

*Following completion of the acquisition of the Partial Melaka Land on 16 January 2024, SASB had on 19 February 2025 entered into a conditional sale and purchase agreement with CSSB for the Proposed Acquisition of Remaining Melaka Land. As such, our Board intends to earmark RM8.50 million from the proceeds to finance the Proposed Acquisition of Remaining Melaka Land. Please refer to the announcement dated 19 February 2025 in relation to the Proposed Acquisition of Remaining Melaka Land for further details. Our Group expects the Proposed Acquisition of Remaining Melaka Land to be completed by the 4<sup>th</sup> quarter of 2025.*

*Pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed Acquisition of Remaining Melaka Land is 13.35%, calculated based on the cash consideration of RM8.50 million over the audited NA of our Group as at 30 September 2023 of RM63.66 million, being the latest audited consolidated financial statements of our Group prior to the announcement of the Proposed Acquisition of Remaining Melaka Land. Pursuant to Rule 10.07 of the Listing Requirements, if the highest percentage ratio of a transaction is 25% or more, a circular is required to be issued for shareholders' approval of the transaction. As the highest percentage ratio applicable for the Proposed Acquisition of Remaining Melaka Land is below 25%, it is not subject to shareholders' approval.*

*In the event the Proposed Disposal does not materialise, the Proposed Acquisition of Remaining Melaka Land is expected to be funded via bank borrowings, internally generated funds of our Group and/or future fund-raising exercises to be undertaken by our Group, if any, the breakdown of which has yet to be determined at this juncture.*

*If the Proposed Acquisition of Remaining Melaka Land does not materialise, the proceeds earmarked for this purpose will be re-allocated for the working capital of our Group as set out in note (4) of **Section 2.9** of this Circular, and/or partial funding for the Development of Partial Melaka Land as set out in note (2) of **Section 2.9** of this Circular. The exact breakdown of such re-allocation will be determined at a later stage, depending on, amongst others, the funding requirement of our Group at the relevant time.*

(2) Our Board intends to earmark RM10.00 million to partially finance the Development of Partial Melaka Land in 2 phases, as follows:

- (i) phase 1 consists of 1 block of 27-storey resort suites, which comprises 25 floors with a total of 500 units of resort suite units and 2 floors with a total of 40 shop lot units, as well as 1 block of 9-storey car park comprises 1,806 car park bays (“Phase 1”); and
- (ii) phase 2 consists of 1 block of 27-storey resort suites, which comprises 25 floors with a total of 500 units of resort suite units and 2 floors with a total of 40 shop lot units (“Phase 2”).

The estimated gross development value and gross development cost (“GDC”) for the Development of Partial Melaka Land are approximately RM274.98 million and RM214.18 million, respectively, with an estimated gross development profit of approximately RM60.80 million, based on the preliminary feasibility study conducted.

The breakdown of the estimated GDC for the Development of Partial Melaka Land is as follows:

<b>Details</b>	<b>RM'million</b>	<b>Sources of funding</b>
Construction cost for Phase 1 <sup>(a)</sup>	3.71	Issuance of RCB <sup>(e)</sup>
	88.70	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
Construction cost for Phase 2		
- Site levelling cost, setting out cost and cost for preliminary works	3.00	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
- Construction cost for 1 block of 27-storey resort suites comprises 25 floors with total of 500 resort suite units and 2 floors with total of 40 shop lot units	61.41	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
Professional consultant fees <sup>(b)</sup>	3.50	Proceeds from Proposed Disposal
	5.91	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
Authority contributions <sup>(c)</sup>	1.50	Proceeds from Proposed Disposal
	3.20	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
Other costs <sup>(d)</sup>	5.00	Proceeds from Proposed Disposal
	38.25	Combination of bank borrowings, internally generated funds and/or future fund-raising exercises <sup>(f)</sup>
<b>Total</b>	<b>214.18</b>	

Notes:

(a) The details of construction cost for Phase 1 are as follows:

	<b>RM'million</b>
Site levelling cost, setting out cost and cost for preliminary works	3.00
Construction cost for 1 block of 27-storey resort suites comprises 25 floors with total of 500 resort suite units and 2 floors with total of 40 shop lot units	61.41
Construction cost for the 9-storey carpark	28.00
<b>Total</b>	<b>92.41</b>

(b) The details of professional consultant fees are as follows:

	<b>RM'million</b>
<i>Architect</i>	5.41
<i>Civil and structural engineer</i>	1.88
<i>Mechanical and electrical consultant</i>	1.80
<i>Landscape architect</i>	0.22
<i>Planner</i>	0.10
<b>Total</b>	<b>9.41</b>

(c) The details of authority contributions are as follows:

	<b>RM'million</b>
<i>Syarikat Air Melaka Berhad</i>	0.57
<i>TNB</i>	0.48
<i>Indah Water Konsortium Sdn Bhd</i>	2.75
<i>Telekom Malaysia Berhad</i>	0.25
<i>Other relevant authorities' fees</i>	0.65
<b>Total</b>	<b>4.70</b>

(d) The details of the other costs are as follows:

	<b>RM'million</b>
<i>Cost for the Partial Melaka Land</i>	19.50
<i>Other miscellaneous (i.e., administration and site expenses)</i>	6.00
<i>Management and maintenance fees</i>	2.00
<i>Marketing fees</i>	11.00
<i>Legal fees</i>	4.75
<b>Total</b>	<b>43.25</b>

(e) Based on the proposed variation of the utilisation of proceeds to be raised from the issuance of RCB, for which shareholders' approval has been obtained on 25 July 2025. (refer to the circular to our shareholders dated 8 July 2025 for further details).

(f) The breakdown of which has yet to be determined at this juncture, depending on the cost of funding and funding requirements of our Group at that point of time.

As at the LPD, the Development of Partial Melaka Land has yet to commence as our Group is in the process of finalising the detailed development plans for the Development of Partial Melaka Land, which the tentative timeline for the Development of Partial Melaka Land is as follows:

<b>No.</b>	<b>Events</b>	<b>Tentative timeline</b>
1.	Submission for Amendment of Planning Permission Application in relation to the Melaka Land to the relevant authorities (i.e., Majlis Bandaraya Melaka Bersejarah) upon completion of the Proposed Acquisition of Remaining Melaka Land (expected by the 4 <sup>th</sup> quarter of 2025)	1 <sup>st</sup> quarter of 2026

<b>No.</b>	<b>Events</b>	<b>Tentative timeline</b>
2.	Submission for the relevant applications to the relevant authorities (i.e., Majlis Bandaraya Melaka Bersejarah) in relation to the building plan for the Development of Partial Melaka Land	4 <sup>th</sup> quarter of 2026
3.	Obtain all relevant approvals including but not limited to the building plan for the Development of Partial Melaka Land	3 <sup>rd</sup> quarter of 2027
4.	Commencement of Phase 1	4 <sup>th</sup> quarter of 2027
5.	Completion of Phase 1	4 <sup>th</sup> quarter of 2030

For information purposes, the expected commencement and completion dates for Phase 2 cannot be determined at this juncture, as the commencement of Phase 2 will depend on the take-up rate of Phase 1.

- (3) Our Board intends to allocate part of the proceeds to finance the following:
- (i) security deposit of RM750,000 payable by MPTSB in respect of the Proposed Leaseback, on or prior to the date of the Lease Agreement. This security deposit shall be maintained throughout the Lease Term as a security for the lessee's compliance with all provisions in the Lease Agreement and to secure lessor against any loss resulting from the lessee's default, in accordance with the terms and conditions of the Lease Agreement and as set out in **Section 5 of Appendix II** of this Circular; and
  - (ii) Rental in Advance payable by MPTSB in respect of the Proposed Leaseback for the 1<sup>st</sup> year and 2<sup>nd</sup> year of the Lease Term, on or prior to the commencement of the Proposed Leaseback, in accordance with the terms and conditions of the Lease Agreement and as set out in **Section 4 of Appendix II** of this Circular.
- (4) The proceeds of RM5.25 million will be allocated for working capital to finance the day-to-day operations of our Group's existing business as follows:

<b>Working capital</b>	<b>RM'000</b>	<b>%</b>
Working capital for our Manufacturing Business <sup>(a)</sup>	3,750	71.43
General administration and operating expenses <sup>(b)</sup>	1,500	28.57
<b>Total</b>	<b>5,250</b>	<b>100.00</b>

Notes:

- (a) Including, amongst others, the purchase of raw materials for our Manufacturing Business (mainly steel materials, tooling materials and subcontractor fees as part of the manufacturing process), labour cost as well as the maintenance and upgrading of our existing machinery and production lines.
- (b) Including staff related expenses (staff training, wages and salaries, allowances, statutory contribution and staff welfare), office-related expenses (office rental, utilities, office upkeep and equipment) and other miscellaneous expenses (audit fees, professional fees, consultancy fees and secretarial fees).

The above allocation of proceeds is indicative at this juncture and is subject to change depending on the operating and funding requirements of our Group at the time of utilisation. Any surplus or shortfall for any category under working capital requirements of our Group will be adjusted against the other category under working capital requirements of our Group.

- (5) Being the estimated expenses incidental to the Proposed Disposal and Leaseback, such as professional fees (advisory fees, Valuer's fees and solicitors' fees), fees to relevant authorities, and other miscellaneous expenses which include expenses for the EGM, advertising and printing. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for our Group's working capital purposes.

Pending utilisation, the proceeds to be received from the Proposed Disposal for the abovementioned purpose may be placed as deposits with financial institutions and/or short-term money market instruments, as our Board may deem fit. Any interest income derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of our Group (as detailed above), of which the actual breakdown cannot be determined at this juncture and is subject to the operating and funding requirements of our Group at the time of utilisation.

## 2.10 Cash company or Guidance Note 3 company

The Proposed Disposal is not expected to result in MQ Tech becoming a cash company and/or a Guidance Note 3 company as defined under the Listing Requirements.

## 3. PROPOSED LEASEBACK

### 3.1 Details of the Proposed Leaseback

Simultaneous with the execution of the SPA on 19 February 2025, the Lease Agreement had been executed by MPTSB and deposited in escrow with the Purchaser's solicitors, in which MPTSB (as the lessee) agrees to leaseback the Penang Property from MTrustee (as the lessor).

The leaseback of the Penang Property shall commence upon completion of the Proposed Disposal for the Lease Term. The revised rental rate for the further term of 15 years under the option to renew shall be based on the prevailing market rate or the last rental payable, whichever is higher. The annual rental for the 1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term is RM2.25 million, subject to upwards revision every 3 years commencing from the commencement date of the Proposed Leaseback at the rate of 5% of the rental payable for the preceding 3 years, as set out below:

Lease Term	Annual rental RM	Rental increment per Lease Term %
1 <sup>st</sup> to 3 <sup>rd</sup> year <sup>(1)</sup>	2,250,000.00	-
4 <sup>th</sup> to 6 <sup>th</sup> year	2,362,500.00	5.00
7 <sup>th</sup> to 9 <sup>th</sup> year	2,480,625.00	5.00
10 <sup>th</sup> to 12 <sup>th</sup> year	2,604,656.25	5.00
13 <sup>th</sup> to 15 <sup>th</sup> year	2,734,889.06	5.00

*Note:*

(1) Pursuant to the terms and conditions of the Lease Agreement and as set out in **Section 4 of Appendix II** of this Circular, MPTSB shall pay MTrustee the Rental in Advance on or prior to the commencement of the Proposed Leaseback. Thereafter, the quarterly rental for the remaining term shall be payable in advance on the 1<sup>st</sup> day of each quarter of the Lease Term (i.e., starting from the 1<sup>st</sup> day of the 25<sup>th</sup> month of the Lease Term).

The salient terms of the Lease Agreement are set out in **Appendix II** of this Circular.

### 3.2 Basis and justification in arriving at the rental rate for the Proposed Leaseback

The annual rental of RM2.25 million for the 1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term, with a 5.0% increment for every 3 years pursuant to the Proposed Leaseback as detailed in **Section 3.1** of this Circular were arrived at after taking into consideration the following:

- (i) the market rental rates of comparable properties with similar nature in the surrounding area of the Penang Property, as analysed in the comparable rent analysis conducted by the Valuer. The net annual rental of RM2.25 million for the Penang Property, equivalent to a net monthly rental of RM187,500 representing a net monthly rental of RM3.49 per sq ft (gross floor area of 53,671 sq ft), which is below the market net monthly rental of RM3.65 per sq ft, as derived from the Valuer's analysis of comparable rent; and

(ii) the rationale and benefits of the Proposed Leaseback as set out in **Section 4** of this Circular.

#### **4. RATIONALE AND BENEFITS FOR THE PROPOSED DISPOSAL AND LEASEBACK**

The Proposed Disposal and Leaseback represents an opportunity for our Group to unlock and realise the value of our investment in the Penang Property. The gain on disposal of approximately RM0.12 million arising from the Proposed Disposal and Leaseback as set out in **Section 6.2** of this Circular, is expected to strengthen our Group's financial position and financial performance, as this gain will contribute to an increase in the NA and earnings of our Group as set out in **Section 6.3** of this Circular.

Additionally, the proceeds received from the Proposed Disposal will enable our Group to finance the purchase consideration for the Proposed Acquisition of Remaining Melaka Land, partially fund the Development of Partial Melaka Land, Rental in Advance as well as the working capital requirements of our Group, which will provide our Group with financial flexibility, supporting our business expansion plans and operational requirements.

The monetisation of our investments in the Penang Property through the Proposed Disposal via the receipt of the proceeds from the Disposal Consideration, enables our Group to unlock capital resources from being tied up in long term assets, while ensuring business continuity and capital growth as well as providing our Group with flexibility in respect of financial planning to facilitate both expansion and day-to-day operation needs.

The Proposed Leaseback allows our Group to ensure that our existing business operations at the Penang Property will remain unaffected. Besides that, upon expiration of the Lease Term, our Group may consider further extension(s), depending on market conditions at the time to maintain uninterrupted operations.

#### **5. RISK FACTORS FOR THE PROPOSED DISPOSAL AND LEASEBACK**

Our Group will be exposed to, amongst others, the following risk factors in relation to the Proposed Disposal and Leaseback:

##### **5.1 Non completion of the Proposed Disposal and Leaseback**

The completion of the Proposed Disposal and Leaseback is contingent upon the fulfilment of the conditions precedent and compliance with the terms and conditions as stipulated in the SPA. If any of these conditions precedent are not fulfilled or waived within the conditional period, or if there is any occurrence of any breach of terms and conditions, the SPA may be delayed or terminated. Pursuant thereto, MPTSB may not be able to complete the Proposed Disposal and Leaseback, and there is no assurance that the Proposed Disposal can be completed within the time period stipulated under the SPA and the Proposed Leaseback can commence following the terms stipulated under the Lease Agreement.

In addition, in the event of a delay or non-completion of the Proposed Disposal, our Company may not be able to realise the benefits from the proposed utilisation of proceeds as disclosed in **Section 2.9** of this Circular.

Notwithstanding the above, our Company will take all reasonable steps to ensure the timely fulfilment of the conditions precedent and compliance with the terms and conditions as set out in the SPA, including obtaining the approvals/consents required within our control to complete the Proposed Disposal and Leaseback. Nonetheless, if the Proposed Disposal and Leaseback does not materialise, our Group will retain the ownership of the Penang Property and continue to benefit from its use, including collecting rental income by leasing or renting any part of the Penang Property to external tenants.

##### **5.2 Loss of potential future capital value appreciation of the Penang Property**

Should market conditions improve or demand for property increase in the future, our Group may lose the opportunity to benefit from any future capital appreciation of the value of the Penang Property. As such, implementing the Proposed Disposal at this juncture could result in our Group not realising a potentially higher value from the Penang Property in the future.

Nonetheless, the Disposal Consideration is at a premium of 15.38% from the prevailing market value as appraised by the Valuer. The Proposed Disposal is being undertaken for the rationale as set out in **Section 4** of this Circular, and the proceeds from the Proposed Disposal will be utilised for the purposes as set out in **Section 2.9** of this Circular, which are expected to strengthen our Group's businesses and operations, thereby mitigating losses associated with the potential future capital appreciation of the Penang Property. Hence, there is also no assurance that our Group will be able to source ready buyers for the Penang Property in the future or that we will be able to dispose of the Penang Property at a higher value.

### 5.3 Leasing risk

The Proposed Leaseback ensures that our Group's existing business operations at the Penang Property will not be disrupted. Following completion of the Proposed Disposal, our Group will continue to occupy and utilise the Penang Property for a duration of the Lease Term.

However, there is no guarantee that the leaseback will not be terminated due to any breach of terms and conditions as outlined in the Lease Agreement. If our Group is unable to continue our lease or find a suitable alternative location for our operations, our ongoing business operations at the Penang Property may be disrupted, potentially impacting the financial performance of our Group.

Notwithstanding this, our Group will endeavour to take all reasonable steps to mitigate these risks, including ensuring compliance with the terms and conditions of the Lease Agreement, initiating lease renewal negotiations within the prescribed timeframe, or identifying a new location to relocate our operations, if necessary.

## 6. EFFECTS OF THE PROPOSED DISPOSAL AND LEASEBACK

### 6.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal and Leaseback will not have any effect on our Company's issued share capital and substantial shareholders' shareholdings as the Proposed Disposal and Leaseback will be satisfied entirely in cash and do not involve any issuance of new Shares.

### 6.2 Loss and LPS

For illustration purposes, the pro forma effects of the Proposed Disposal and Leaseback on our Group's loss and LPS based on the latest audited consolidated financial statements of our Group for the 17-month FPE 28 February 2025 (assuming that the Proposed Disposal and Leaseback had been effected at the beginning of the financial year) are as follows:

	<b>Audited for the 17-month FPE 28 February 2025<sup>(1)</sup> RM'000</b>	<b>(I) After subsequent events up to the LPD RM'000</b>	<b>(II) After (I) and Proposed Disposal and Leaseback RM'000</b>
LAT	(11,991)	(12,091) <sup>(2)</sup>	(12,091)
(+) gain on disposal arising from the Proposed Disposal and Leaseback	-	-	118 <sup>(3)</sup>
(-) interest expense on lease liability	-	-	(1,734) <sup>(4)</sup>
(-) depreciate expense of rights-of-use assets	-	-	(1,406) <sup>(4)</sup>
(-) estimated expenses for the Proposed Disposal and Leaseback	-	-	(1,000) <sup>(5)</sup>
<b>Pro forma LAT</b>	<b>(11,991)</b>	<b>(12,091)</b>	<b>(16,113)</b>
Weighted average no. of Shares in issue ('000)	197,150	197,150	197,150
Basic LPS (sen)	(6.08)	(6.13)	(8.17)

Notes:

- (1) Our Company has changed FYE from 30 September 2024 to 28 February 2025.
- (2) After taking into consideration the estimated expenses of RM0.10 million in relation to the proposed variation of the minimum conversion price of the RCB and the proposed variation of utilisation of proceeds to be raised from the issuance of RCB (“**Proposed Variations**”).
- (3) Gain on disposal of approximately RM0.12 million was derived after taking into consideration the impact from the Proposed Leaseback upon completion of the Proposed Disposal and Leaseback in accordance with MFRS 16: Leases, as follows:

<b>Penang Property</b>	<b>RM'000</b>
Audited carrying amount as at 28 February 2025 (A)	29,602
Disposal Consideration (B)	30,000
Present value of annual lease payment (C)	21,093 <sup>(a)</sup>
<b>Gain on disposal [(B-C)/B] x (B-A)</b>	<b>118</b>

Note:

- (a) Computed based on the annual lease payments throughout the Lease Term as set out in **Section 3.1** of this Circular, with the assumption that the lease payments are made at the beginning of the period and a discount rate per annum of 9.2%. (Source: Bloomberg)
- (4) In accordance with MFRS 16: Leases, the lease liability, representing the present value of the lease payments pursuant to the Lease Agreement, shall be amortised over the Lease Term, recognised as interest expense. Meanwhile, the rights-of-use assets, representing the leased assets (i.e. Penang Property) shall be depreciated on a straight-line basis over the Lease Term.
- (5) The estimated expenses incidental to the Proposed Disposal and Leaseback, such as professional fees (advisory fees, Valuer's fees and solicitors' fees), fees to relevant authorities, and other miscellaneous expenses which include expenses for EGM, advertising and printing.

### 6.3 NA, NA per Share and gearing

The pro forma effects of the Proposed Disposal and Leaseback on the NA, NA per Share and gearing of our Group, based on the audited consolidated financial statements of our Group for the 17-month FPE 28 February 2025 are as follows:

	<b>Audited as at 28 February 2025 RM'000</b>	<b>(I) After subsequent events up to the LPD RM'000</b>	<b>(II) After (I) and Proposed Disposal and Leaseback RM'000</b>
Share capital	57,103	57,103	57,103
Revaluation reserves	4,400	4,400	4,400
Employee share option reserve	481	481	481
Retained earnings / (accumulated losses)	1,735	1,635 <sup>(1)</sup>	753 <sup>(3)</sup>
RCB	334	334	334
<b>Total equity / NA</b>	<b>64,053</b>	<b>63,953</b>	<b>63,071</b>
No. of Shares in issue ('000)	206,555	206,555	206,555
NA per Share (RM)	0.31	0.31	0.31
Total borrowings <sup>(2)</sup>	2,564	2,564	23,657 <sup>(4)</sup>
Gearing (times)	0.04	0.04	0.38

Notes:

- (1) *After taking into consideration the estimated expenses of RM0.10 million in relation to the Proposed Variations.*
- (2) *Comprising lease liabilities of RM0.14 million, finance lease of RM0.05 million and RCB of RM2.37 million as at 28 February 2025.*
- (3) *After incorporating the gain on disposal from the Proposed Disposal and Leaseback of approximately RM0.12 million and after deducting the estimated expenses for the Proposed Disposal and Leaseback of RM1.00 million.*
- (4) *After accounting for the lease liabilities of RM21.09 million, being the present value of the annual lease payments (as detailed in **Section 6.2** of this Circular) arising from the Proposed Leaseback.*

## **7. APPROVALS REQUIRED**

Pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio applicable for the Proposed Disposal is approximately 47.12%, computed based on the Disposal Consideration over the audited NA of our Group from the latest audited consolidated financial statements as at 30 September 2023 of RM63.66 million.

The Proposed Disposal and Leaseback is not a related party transaction.

The Proposed Disposal and Leaseback is subject to the following approvals being obtained from:

- (i) our shareholders at our forthcoming EGM for the Proposed Disposal and Leaseback;
- (ii) the relevant state authority and PDC for the unconditional consents to transfer the Penang Land in favour of the Purchaser, whereby the relevant application to the state authority has yet to be submitted, while the relevant application for the unconditional consent from PDC was submitted on 16 April 2025, with the unconditional consent expected to be obtained by the 2<sup>nd</sup> half of 2025;
- (iii) the relevant state authority and PDC for the unconditional consents for the Proposed Leaseback, whereby the relevant application to the state authority has yet to be submitted, while the relevant application for the unconditional consent from PDC was submitted on 16 April 2025, with the unconditional consent expected to be obtained by the 2<sup>nd</sup> half of 2025; and
- (iv) any other relevant authorities and/or parties, if required.

## **8. CONDITIONALITY**

The Proposed Disposal and Proposed Leaseback are inter-conditional upon each other. The Proposed Leaseback is effective upon the completion of Proposed Disposal.

The Proposed Disposal and Leaseback is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

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## 9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below and the Proposed Disposal and Leaseback, our Board confirms that there are no other outstanding corporate proposals, which have been announced but have yet to be completed prior to the printing of this Circular:

- (i) the issuance of RCB (as announced on 7 June 2024) and the variation of the minimum conversion price of the RCB (as announced on 21 May 2025). The first sub-tranche of the main tranche 1 of the RCB, with an aggregate nominal value of RM2.50 million has been issued on 15 October 2024. Since the issuance of first sub-tranche of main tranche 1 of the RCB, up to the LPD, an aggregate nominal value of RM7.00 million of the RCB has been issued. As at the LPD, our Company has remaining RCB with an aggregate nominal value of RM12.86 million yet to be issued; and
- (ii) the Proposed Acquisition of Remaining Melaka Land (as announced on 19 February 2025), which is expected to be completed by the 4<sup>th</sup> quarter of 2025.

## 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, major shareholders and/or chief executive of our Company and/or any persons connected with them (as defined under the Listing Requirements) have any interest, direct or indirect, in the Proposed Disposal and Leaseback.

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Disposal and Leaseback, including but not limited to the rationale and effects of the Proposed Disposal and Leaseback, the salient terms of the SPA and Lease Agreement, as well as the basis and justification of arriving at the Disposal Consideration and rental rate for the leaseback of the Penang Property, is of the opinion that the Proposed Disposal and Leaseback is in the best interest of our Company and the terms and conditions of the SPA and Lease Agreement as well as the Disposal Consideration are fair and reasonable.

Accordingly, our Board recommends that you vote **in favour** of the resolutions pertaining to the Proposed Disposal and Leaseback to be tabled at our forthcoming EGM.

## 12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of all the conditions precedent as stipulated in the SPA and Lease Agreement as well as subject to all required approvals being obtained from the relevant authorities and/or parties, our Board expects the Proposed Disposal and Leaseback to be completed by the 2<sup>nd</sup> half of 2025.

The tentative timeline in relation to the Proposed Disposal and Leaseback is set out below:

Date	Events
26 August 2025	<ul style="list-style-type: none"><li>• EGM for the Proposed Disposal and Leaseback</li></ul>
November 2025	<ul style="list-style-type: none"><li>• Fulfilment of the conditions precedent of the SPA</li></ul>
December 2025	<ul style="list-style-type: none"><li>• Completion of the Proposed Disposal</li><li>• Commencement of the Lease Term</li></ul>

### **13. EGM**

The notice of EGM is available on our Company's website at <https://www.mqtech.com.my/>. The notice convening the EGM and the Form of Proxy are enclosed in this Circular. The EGM will be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 12.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the ordinary resolutions pertaining to the Proposed Disposal and Leaseback as described herein.

If you are unable to attend and vote in person at our EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you may deposit the Form of Proxy at our Company's registered office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The Form of Proxy must be received not less than 24 hours before the time appointed for holding our EGM or any adjournment thereof at which the person named in the appointment proposes to vote. The lodging of Form of Proxy does not preclude you from attending and voting in person should you subsequently decide 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  
**MQ TECHNOLOGY BERHAD**

**TERENCE CHEAH EU LEE**  
Executive Director

**APPENDIX I – SALIENT TERMS OF THE SPA**

The agreed salient terms of the SPA are as follows:

<b>Section</b>	<b>Salient Terms of the SPA</b>	
(1)	Sale and Purchase of the Penang Property	<p>MPTSB agrees to sell and MTrustee agrees to purchase the Penang Property at the Disposal Consideration. The Penang Property is sold on the following conditions:</p> <ul style="list-style-type: none"> <li>(i) free from encumbrances with all attached or accrued rights and benefits which MPTSB enjoys as an owner;</li> <li>(ii) with legal possession, subject to the leaseback the Penang Property by MPTSB from MTrustee (“<b>Lease</b>”) and continuing tenancies;</li> <li>(iii) there is no change to the state and condition of the Penang Property, save for any Defects, and fair tear and wear excepted;</li> <li>(iv) subject to all conditions of the land title, whether expressed or implied, restrictions in interest and the existing category of land use;</li> <li>(v) MPTSB and MTrustee (the “<b>Party(ies)</b>”) entering into the Lease with effect from the Completion Date upon the terms of the Lease Agreement;</li> <li>(vi) the Penang Property are not subject to any prohibitory orders, injunctions (interim or otherwise) or any orders or judgments and/or other constraints, which would prohibit, prevent, hinder, restrict, limit or delay the sale and purchase of the Penang Property; and</li> <li>(vii) each of the representations and warranties of MPTSB remains true and accurate in all respects.</li> </ul>
(2)	Disposal Consideration and Mode of Payment	<p>The Disposal Consideration shall be satisfied by MTrustee as follows:</p> <ul style="list-style-type: none"> <li>(i) before the execution of the SPA, the earnest deposit of RM3.00 million (“<b>Earnest Deposit</b>”) has been paid to MPTSB’s solicitors as stakeholders;</li> <li>(ii) upon the execution of the SPA, the balance deposit of RM3.00 million (“<b>Balance Deposit</b>”) has been paid to MPTSB’s solicitors as stakeholders;</li> </ul> <p>(the Earnest Deposit and Balance Deposit shall be applied in accordance with <b>Section 3 of this Appendix I</b>); and</p> <ul style="list-style-type: none"> <li>(iii) on or before the expiry of the Completion Period, the Balance Sum shall be paid as follows: <ul style="list-style-type: none"> <li>(a) the defect retention sum of RM1.50 million (“<b>Defect Retention Sum</b>”) shall be paid to MPTSB’s solicitors as stakeholders, and shall be applied in accordance with <b>Section 4 of this Appendix I</b>;</li> <li>(b) subject to MTrustee’s solicitors’ receipt of all documents necessary to effect the transfer of the Penang Property, the lease retention sum of RM5.00 million shall be paid to MPTSB’s solicitors as stakeholders (“<b>Lease Retention Sum</b>”), and shall be applied in accordance with <b>Section 6 of this Appendix I</b>; and</li> </ul> </li> </ul>

**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

Section	Salient Terms of the SPA	
		<p>(c) the final balance sum of RM17.50 million (“<b>Final Balance Sum</b>”) shall be paid to MPTSB’s solicitors as stakeholders. MPTSB’s solicitors are authorised to release the Final Balance Sum to MPTSB 18 days after the presentation of the Transfer at the land office, provided that there is no rejection of the presentation. If the presentation has been rejected on or before the aforementioned period for any fault not attributable to MTrustee or its financier, MPTSB’s solicitors are authorised to release the Final Balance Sum to MPTSB 14 days after the rectification and presentation of the Transfer,</p> <p>failing which, MTrustee shall be granted the Extended Completion Period, subject to the payment by MTrustee of the late payment interest on a day-to-day basis at the rate of 8% per annum. The SPA shall be completed on the Completion Date.</p>
(3)	Condition(s) Precedent	<p>The SPA is conditional upon the fulfilment or waiver of the following conditions precedent (“<b>Condition(s) Precedent</b>”) by the date falling 6 months after the date of the SPA (or such other mutually agreed extended date) (“<b>Cut-Off Date</b>”):</p> <ul style="list-style-type: none"> <li>(i) MPTSB having obtained the unconditional consent of the state authority for the transfer of the Penang Land;</li> <li>(ii) MPTSB having obtained the approval from its shareholders and board of directors for the disposal of the Penang Property to MTrustee and the Lease;</li> <li>(iii) MPTSB having deposited with MTrustee all original CFO/CCC and drawings of Building 1, Building 2, Building 3 and the guard house;</li> <li>(iv) MPTSB having obtained the unconditional consent of PDC for the transfer of the Penang Land;</li> <li>(v) MPTSB having procured MQ Tech to obtain Bursa Securities’ approval or clearance for the disposal of the Penang Property, the Lease and the valuation report for the Penang Property in accordance with the Listing Requirements and the Asset Valuation Guidelines of the Securities Commission Malaysia (“<b>Asset Valuation Guidelines</b>”), if applicable;</li> <li>(vi) if applicable, MTrustee having obtained Bursa Securities’ approval or clearance in relation to the acquisition of the Penang Property, the Lease and the valuation report of the Penang Property in accordance with the Main Market Listing Requirements of Bursa Securities and the Asset Valuation Guidelines;</li> <li>(vii) MTrustee having obtained the approvals of its board of directors, the board of directors of Hektar Asset Management and unit holders of Hektar REIT (if applicable) for the acquisition of the Penang Property, the Lease and the equity funding exercise;</li> <li>(viii) MTrustee having completed the legal due diligence on the Penang Property and financial due diligence on MPTSB’s financial capability to meet its obligations under the Lease Agreement with satisfactory results;</li> <li>(ix) MTrustee having obtained proceeds from its funding exercise for the acquisition of the Penang Property;</li> </ul>

**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

Section	Salient Terms of the SPA	
		<p>(x) the Parties having signed in escrow the Lease Agreement and option agreement and deposited with MTrustee’s solicitors;</p> <p>(xi) the Parties having obtained any other requisite authorities’ approvals as may be agreed in writing; and</p> <p>(xii) the Parties having completed the joint inspection of the Penang Property to mutually identify and agree on the Defects.</p> <p>The SPA shall become unconditional on the Unconditional Date. MPTSB’s solicitors are authorised to release the Deposit and all accrued interest to MPTSB on the Unconditional Date.</p> <p>If any of the Conditions Precedent have not been fulfilled or waived on the expiry of the Cut-Off Date, either Party shall be entitled to terminate the SPA and if the termination:</p> <p>(i) is due to the failure by MTrustee in fulfilling the Conditions Precedent set out in <b>Sections 3(x) or 3(xii) of this Appendix I</b>, MPTSB shall be entitled to forfeit the Earnest Deposit and the remaining sum together with 6% accrued interest per annum shall be refunded to MTrustee within 7 business days;</p> <p>(ii) is due to the failure by MPTSB in fulfilling the Conditions Precedent set out in <b>Sections 3(iii), 3(x) or 3(xii) of this Appendix I</b>, MPTSB and/or its solicitors shall within 7 business days refund the Deposit together with 6% accrued interest per annum and pay a sum equivalent to the Earnest Deposit; or</p> <p>(iii) is due to the failure by MPTSB and/or MTrustee in fulfilling the other Conditions Precedent outlined in <b>Section 3 of this Appendix I</b>, MPTSB and/or its solicitors shall refund the Deposit together with 6% accrued interest per annum within 7 business days,</p> <p>and thereafter, save for antecedent breach, the SPA shall be terminated and be of no further effect.</p>
(4)	Defects Joint Inspection	<p>The Parties shall conduct a joint inspection on or before the Cut-Off Date to identify and mutually agreed on any Defects within 7 business days from the completion of the joint inspection.</p> <p>If the Defects were not rectified to the satisfaction of MTrustee, MTrustee shall be entitled to deduct the costs to remedy the Defects from the Defect Retention Sum. If the Defect Retention Sum is insufficient to remedy the Defects, such shortfall shall constitute a debt due and owing by MPTSB to MTrustee, which shall be payable within 14 days upon receipt of a written demand. If the Defects are completed and rectified to the satisfaction of MTrustee, MPTSB’s solicitors are authorised to release the Defect Retention Sum to MPTSB 14 days after the receipt of MTrustee’s written notification.</p>
(5)	Covenants and Undertakings	<p>(i) <u>Call Option</u></p> <p>MTrustee shall grant MPTSB a call option to allow MPTSB to require MTrustee to sell the Penang Property to MPTSB at the prevailing market value or the Disposal Consideration, whichever higher (“<b>Call Option</b>”). The Call Option may be exercised by MPTSB at any time after the expiration of the 5-years lock-in period from the Completion Date, and within the remaining Lease Term, subject to:</p>

**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

Section	Salient Terms of the SPA	
		<p>(a) MPTSB having obtained a loan to redeem the Penang Property and the requisite corporate and regulatory approvals for its acquisition of the Penang Property; and</p> <p>(b) MTrustee having obtained the requisite corporate and regulatory approvals for its disposal of the Penang Property.</p> <p>(ii) <u>Put Option</u></p> <p>MPTSB shall grant MTrustee a put option to allow MTrustee to require MPTSB to purchase the Penang Property at the prevailing market value or the Disposal Consideration, whichever higher (“<b>Put Option</b>”). The Put Option may be exercised by MTrustee at any time after the 5-years lock-in period from the Completion Date, and within the remaining Lease Term, subject to MPTSB having obtained:</p> <p>(a) a loan to redeem the Penang Property and the requisite corporate and regulatory approvals for its acquisition of the Penang Property; and</p> <p>(b) the requisite approvals of its shareholders and the regulatory authorities for its acquisition of the Penang Property.</p> <p>(iii) <u>Performance Guarantee</u></p> <p>MPTSB shall deliver the Performance Guarantee duly executed by MQ Tech, whereupon MQ Tech shall irrevocably and unconditionally guarantee the following throughout the Lease Term:</p> <p>(a) MPTSB’s due and punctual payment and performance of all obligations, duties, undertakings and covenants under the Lease Agreement. In the event of any payment default by MPTSB under the Lease Agreement, MQ Tech shall pay the outstanding sum within 14 days of its receipt of MTrustee’s written demand; and</p> <p>(b) payment of the sum equivalent to the remainder of the rental for the whole of the unexpired Lease Term as agreed liquidated damages, in the event of unilateral termination of the Lease Agreement by MPTSB or termination of the Lease Agreement by MTrustee for default of MPTSB.</p>
(6)	Lease	<p>MPTSB shall at its own cost and expense obtain the approvals of the state authority and PDC for the Lease and sub-let of the identified portion of the Penang Property to SPX (collectively, “<b>Lease Approvals</b>”) within 2 months from the Completion Date (or such other mutually agreed extended period). Notwithstanding the foregoing, the Lease Agreement shall be entered on the Completion Date and the Lease Term shall commence from the Completion Date.</p> <p>MPTSB’s solicitors are authorised to release the Lease Retention Sum to MPTSB within 18 days from the date of presentation of the Lease registration at the land office. If the Lease registration cannot be effected for any reason not due to any fault of the Parties, subject always to the grant of the unconditional consents by the state authority and PDC, MTrustee shall grant and MPTSB shall take on a tenancy of the Penang Property upon the terms of the Lease Agreement.</p>

**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

Section	Salient Terms of the SPA	
		<p>If MPTSB fails to comply with the foregoing, the Lease Retention Sum shall be forfeited by MTrustee and MPTSB's solicitors shall forthwith release the Lease Retention Sum together with the accrued interest to MTrustee. MTrustee shall be entitled to apply for the Lease Approvals or the unconditional consents for the tenancy of the Penang Property, as the case may be, at MPTSB's cost and expense. If the unconditional consents for the tenancy of the Penang Property are not obtained for any reason not due to any fault of the Parties, notwithstanding the completion of the SPA, MTrustee is entitled to terminate the SPA and the Lease Agreement, whereupon:</p> <p>(i) MPTSB shall within 10 business days refund MTrustee all monies received by it or its solicitors as part of the Disposal Consideration and 6% accrued interest per annum on the Lease Retention Sum;</p> <p>(ii) subject to the refund of the aforesaid sums, if a loan is obtained by MTrustee for the purchase of the Penang Property, it shall procure the discharge, execution and delivery of the memorandum of transfer to re-transfer the Penang Land to MPTSB. MPTSB shall obtain the approvals of the state authority and PDC to effect the re-transfer of the Penang Land at its cost and expense; and</p> <p>(iii) the legal possession of the Penang Property shall be deemed to have been delivered to MPTSB,</p> <p>and thereafter, save for antecedent breach, the SPA shall be terminated and be of no further effect.</p>
(7)	Default and Termination	<p>(i) <u>Termination by MPTSB</u></p> <p>MPTSB shall be entitled to terminate the SPA at any time before the Completion Date, if:</p> <p>(a) MTrustee defaults in the payment of any part of the Disposal Consideration; or</p> <p>(b) there is any fundamental breach by MTrustee of any of its representations, warranties, covenants, undertakings or obligations under the SPA, which is not capable of remedy, or capable of remedy but is not remedied within 14 days from the date of its receipt of MPTSB's written notice.</p> <p>In such event of termination, within 14 days of the delivery of termination notice, if MPTSB elects not to pursue the right to specific performance, the Earnest Deposit and the 6% accrued interest per annum will be absolutely forfeited by MPTSB as agreed liquidated damages, and MPTSB shall within 10 business days return all other monies received as part of the Disposal Consideration. MTrustee shall re-deliver the possession of the Penang Property, the Transfer and any documents delivered, with MPTSB's rights, title and interest intact simultaneously with MPTSB's compliance of the foregoing.</p> <p>(ii) <u>Termination by MTrustee</u></p> <p>MTrustee shall be entitled to terminate the SPA at any time before the Completion Date, if:</p> <p>(a) MPTSB fails, neglects or refuses to complete the SPA; or</p>

**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

Section	Salient Terms of the SPA	
		<p>(b) there is any fundamental breach by MPTSB of any of its representations, warranties, covenants, undertakings or obligations under the SPA, which is not capable of remedy, or capable of remedy but is not remedied within 14 days from the date of its receipt of a MTrustee’s written notice.</p> <p>In such event of termination, if MTrustee elects not to pursue the right to specific performance, MPTSB shall within 10 business days return all monies received as part of the Disposal Consideration and the 6% accrued interest per annum, and additionally pay a sum equivalent to the Earnest Deposit as agreed liquidated damages. MTrustee shall re-deliver the possession of the Penang Property, the Transfer and any documents delivered, with MPTSB’s rights, title and interest intact simultaneously with MPTSB’s compliance of the foregoing.</p> <p>(iii) <u>Termination for Non-registration of Transfer</u></p> <p>Either Party shall be entitled to terminate the SPA if the Transfer cannot be registered for any reason not due to the Parties’ default and cannot be rectified within 14 days. In such event of termination, MPTSB shall within 10 business days return all monies received as part of the Disposal Consideration, together with the 6% accrued interest per annum. MTrustee shall re-deliver the possession of the Penang Property, the Transfer and any documents delivered, with MPTSB’s rights, title and interest intact simultaneously with MPTSB’s compliance of the foregoing.</p>
(8)	Payment and Apportionment of Outgoings	<p>(i) MPTSB shall be responsible to pay all outgoings in respect of the Penang Property, including but not limited to the quit rent, assessment, maintenance and sewerage charges, water and electricity charges and all such other outgoings, as and when they become due and payable up to and including the Date of Possession.</p> <p>(ii) MPTSB covenants and undertakes to pay within the timeframe specified by the relevant authorities, any additional assessments and other rates (if any) in relation to the Penang Property that may be retrospectively imposed as well as all fines, penalties, interest, costs and expenses arising from any late or non-payment, for the period prior to the Date of Possession.</p> <p>(iii) MPTSB undertakes to indemnify and keep MTrustee fully indemnified against all costs, expenses or sums payable or paid, or damages suffered or incurred by MTrustee arising from MPTSB’s failure or delay in paying any outgoings in respect of the Penang Property that are due and payable prior to the Date of Possession.</p>

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## APPENDIX II – SALIENT TERMS OF THE LEASE AGREEMENT

The agreed salient terms of the Lease Agreement are as follows:

Section	Salient Terms of the Lease Agreement	
(1)	Nature of Lease	The Lease is a triple-net fixed term lease, where MPTSB (as the lessee) shall be responsible for the operation, maintenance, replacement and repair (including structural repair) of the Penang Property at its own cost and expense, and pay for all the outgoings (other than the repair of the main structure of foundation, walls, floors and roof of the Penang Property, which affects the structural integrity of the Penang Property and its ability to be in proper operational use by MTrustee (as the lessor)) in accordance with the terms of the Lease Agreement. In return for granting the Lease, MTrustee shall be entitled to the guaranteed rent.
(2)	Term and Option to Renew	<p>The Lease is granted for a fixed term of 15 years (“<b>Principal Lease Period</b>”). Upon the request of either Party, the Lease Agreement shall be renewed upon the expiry of the Principal Lease Period for a further term of 15 years (“<b>Secondary Lease Period</b>”), provided always that:</p> <ul style="list-style-type: none"> <li>(i) there shall not be any existing breach or non-observance of any of the covenants, provisions and stipulations of the Lease Agreement on the part of MPTSB, which remains unremedied;</li> <li>(ii) either Party may, not less than 12 months before the expiration of the Principal Lease Period, deliver written notice of renewal to the other Party, and subject to compliance to the terms of the Lease Agreement, the other Party shall not refuse the renewal; and</li> <li>(iii) the renewal shall be subject to lease rental to be mutually agreed by the Parties before the commencement of the Secondary Lease Period, which shall be based on the prevailing market rate or the last guaranteed rent payable, whichever is higher.</li> </ul>
(3)	Non-registration of the Memorandum of Lease	<p>If the registration of the memorandum of lease in Form 15A of the National Land Code is not or cannot be effected for any reason not due to any fault of the Parties, MTrustee shall grant and MPTSB shall take on a tenancy of the Penang Property on the terms and conditions of the Lease Agreement, whereupon the Principal Lease Period and Secondary Lease Period (if any), shall be amended to a fixed term of 3 years each, with an automatic renewal of 4 successive 3 year terms, subject to MPTSB obtaining the unconditional consents by the state authority and PDC for the tenancy within 2 months.</p> <p>If the unconditional consents of the state authority and PDC for the tenancy is not obtained for any reason, the Lease Agreement shall be terminated with immediate effect and this constitutes a terminable event under the SPA. In such event of termination, the Rental in Advance shall be forfeited by MTrustee as agreed liquidated damages and MTrustee shall refund MPTSB the security deposit (or the balance proceeds drawn), without interest.</p>
(4)	Guaranteed Rent and Mode of Payment	<p>The guaranteed rent for the 1<sup>st</sup> year of the Lease Term is RM2.25 million. The guaranteed rent shall be revised upwards (step up) every 3 years at the rate of 5% of the guaranteed rent for the preceding 3 years. MPTSB shall pay:</p> <ul style="list-style-type: none"> <li>(i) the Rental in Advance, being the first 24 months guaranteed rent for the 1<sup>st</sup> and 2<sup>nd</sup> year of the Lease Term, on or prior to the commencement date of the Lease; and</li> <li>(ii) thereafter, the guaranteed rent on a quarterly basis in advance, on the 1<sup>st</sup> day of the 25<sup>th</sup> month of the Lease Term and at each and every succeeding 3 months after the 25<sup>th</sup> month of the Lease Term.</li> </ul>

**APPENDIX II – SALIENT TERMS OF THE LEASE AGREEMENT (CONT'D)**

Section	Salient Terms of the Lease Agreement	
		Without prejudice to the other rights and remedies available to MTrustee under the Lease Agreement, at law and in equity, MPTSB shall be liable to pay MTrustee late payment interest on any amount due and payable to MTrustee pursuant to the Lease Agreement, at the rate of 10% per annum.
(5)	Security Deposit	<p>On or prior to the date of the Lease Agreement, MPTSB shall pay MTrustee the security deposit of RM750,000.00, which shall be maintained throughout the Lease Term:</p> <ul style="list-style-type: none"> <li>(i) as security for compliance by MPTSB of all provisions in the Lease Agreement; and</li> <li>(ii) to secure MTrustee against any damage, loss, cost, charge, expense, penalty, compensation, fine, payment or liability (including legal expenses on a solicitor/own client basis) resulting from any default by MPTSB under the Lease Agreement and any claim by MTrustee against MPTSB in relation to any matter arising out of or in connection to the Penang Property.</li> </ul>
(6)	Sub-letting of the Penang Property	<p>MTrustee acknowledges that it is aware that part of the Penang Property has been sub-let to SPX and MTrustee has no objection to the sub-letting, subject to MPTSB having obtained the consents of the state authority and PDC (where applicable). In addition, MPTSB shall be entitled to sub-lease and/or sub-let the possession or use of the Penang Property (or any part thereof) on such terms as it may deem fit for such purpose which is not inconsistent with the business of MPTSB or its tenant(s) or sub-lessee(s), which is in accordance with the permitted use and the terms of the Lease Agreement, and subject to:</p> <ul style="list-style-type: none"> <li>(i) the restrictions in interest specified under the land title; and</li> <li>(ii) the terms of the lease/tenancy contract(s) entered with the sub-lessee or tenants shall be consistent with the terms of the Lease Agreement.</li> </ul> <p>MPTSB shall be responsible for the full performance of the obligations of the tenants, occupiers or sub-lessees towards MTrustee, and shall prior to the entering of any sub-lease and/or tenancy, apply for the requisite consents for the sub-lease and/or tenancy from the state authority and PDC.</p>
(7)	Default by MTrustee	MTrustee will be in default of the Lease Agreement if it does not comply with any of its obligations under the Lease Agreement and if the event of default is capable of remedy but is not remedied within 14 days (or other mutually agreed extended period) after MPTSB's notice.
(8)	Termination for Default by MPTSB	<p>MPTSB will be in default of the Lease Agreement if:</p> <ul style="list-style-type: none"> <li>(i) it does not pay the guaranteed rent or any other sum due to MTrustee, whether formally demanded or not;</li> <li>(ii) it does not pay the consumptions, outgoings or any amount due and payable under the Lease Agreement, whether formally demanded or not;</li> <li>(iii) it does not comply with any other obligations under the Lease Agreement;</li> <li>(iv) any of the representations or warranties made by MPTSB is found to have been incorrect or misleading in a material respect;</li> </ul>

Section	Salient Terms of the Lease Agreement
	<p>(v) it ceases or threatens to cease to carry on a substantial part of its business;</p> <p>(vi) it unilaterally terminates the Lease prior to the expiration of the Lease Term;</p> <p>(vii) an insolvency event as set out in the Lease Agreement occurs to it; or</p> <p>(viii) any distress, legal or execution proceedings is levied or commenced against it by MTrustee or otherwise, or judgment is entered against MPTSB,</p> <p>and such event of default which is capable of remedy by MPTSB but is not remedied within 14 days (or other mutually agreed extended period) after MTrustee’s notice or the forfeiture notice pursuant to Section 235 of the National Land Code (where applicable). In such event of default, MTrustee may issue a written notice or written forfeiture notice pursuant to Section 235 of the National Land Code to terminate the Lease Agreement by:</p> <p>(i) enforcing the Performance Guarantee against MQ Tech;</p> <p>(ii) serving a notice terminating the Lease Agreement whereupon amongst others, the following shall ensue in accordance with the terms of the Lease Agreement:</p> <p>(a) pay an accelerated lump sum payment of all quarterly guaranteed rent payable for the unexpired Lease Term;</p> <p>(b) yield-up, handover and surrender the vacant possession of the Penang Property, failing which MPTSB shall pay double rental (at the rate immediately payable prior to the termination) until the date of actual redelivery of the Penang Property;</p> <p>(c) assign or novate to MTrustee the sub-leases and tenancies entered, and where applicable, cause the relevant approvals of the state authority and PDC to be obtained in respect of such assignment or novation;</p> <p>(d) MTrustee shall be entitled to apply the security deposit to remedy any breaches and obligations of MPTSB and the remaining security deposit shall be refunded within 30 days, free of interest; and</p> <p>(e) MPTSB is entitled to enforce the Performance Guarantee against MQ Tech; or</p> <p>(iii) instituting proceedings against MPTSB for possession of the Penang Property.</p>



Our Ref. : NTL/PG/25/0018/RN

PRIVATE AND CONFIDENTIAL

18 February 2025

**MQ TECHNOLOGY BERHAD** (the "Client")  
Unit 310, Block C, Damansara Intan  
No. 1, Jalan SS20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan

Attn: The Board of Directors

Dear Sirs,

**VALUATION CERTIFICATE**

**AN INDIVIDUALLY DESIGNED INDUSTRIAL PREMISES COMPRISING TWO (2) SINGLE-STOREY DETACHED FACTORIES ANNEXED WITH DOUBLE-STOREY OFFICES AND A THREE-STOREY PRODUCTION AREA & OFFICE BUILDING ERECTED ON LOT 14840, MUKIM 12, DISTRICT OF BARAT DAYA, STATE OF PULAU PINANG HELD UNDER TITLE NO. PN 5908 BEARING ASSESSMENT ADDRESS AS NO. 86-B, LINTANG BAYAN LEPAS 9, TAMAN PERINDUSTRIAN BAYAN LEPAS, FASA IV, 11900 BAYAN LEPAS, PULAU PINANG (hereinafter referred to as the "Subject Property")**

We refer to **MQ TECHNOLOGY BERHAD's** instruction to assess the **Market Value** of the Subject Property for the purpose of submission to **Bursa Malaysia Securities Berhad** for the **Proposed Disposal and Leaseback** of the Subject Property by **Microlead Precision Technology Sdn Bhd** (a wholly-owned subsidiary of **MQ Technology Berhad**) ("**Proposed Disposal and Leaseback**").

This Valuation Certificate ("**VC**") is prepared for inclusion in the circular to the shareholders of **MQ Technology Berhad** in relation to the **Proposed Disposal and Leaseback**. We confirm that we have inspected the Subject Property, made relevant title search and gathered other necessary information to arrive at the **Market Value** of the Subject Property as at the date of valuation ("**DOV**") i.e. **17 January 2025**.

This VC is prepared in accordance with 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** with the necessary professional care and due diligence.

The basis of valuation adopted is **Market Value** which is defined herein as "the estimated amount for which an asset or liability should exchange on the **DOV** between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

This VC should be read in conjunction with the respective full Report and Valuation bearing reference number **NTL/PG/25/0018/RN** dated **18 February 2025**.

**OPINION OF VALUE**

After due consideration of all relevant factors, we are of the opinion that the **Market Value** of the **60-year leasehold interest** (expiring on **11 September 2065**) in the Subject Property, in its existing condition, free from all encumbrances and with the benefit of vacant possession is **RM26,000,000/- (Ringgit Malaysia Twenty Six Million Only)**.

For and on behalf of,  
**NAWAWI TIE LEUNG PROPERTY CONSULTANTS SDN BHD, VPM (1) 0002/1**  
**(FORMERLY KNOWN AS BTZ NAWAWI TIE LEUNG PROPERTY CONSULTANTS SDN BHD)**

  
  
**Mr LUM MINGMING, MRICS, MRISM 679078-VJ**  
Registered Valuer (V-1040)

**Nawawi Tie Leung Property Consultants Sdn Bhd** (579078-V)  
A member of **Edmund Tie & Company (SEA) Pte Ltd**  
14, Penang Street, 10200 Georgetown, Penang, Malaysia  
T. +604 263 8093 | F. +604 261 2032 | www.ntl.my





VALUATION CERTIFICATE

1.0 TERM OF REFERENCE

We have been instructed by MQ TECHNOLOGY BERHAD to prepare a Report and Valuation to determine the Market Value of the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad for the Proposed Disposal and Leaseback. In this connection, we are required to provide the Market Value of the Subject Property, in its existing condition, free from all encumbrances and with the benefit of vacant possession.

2.0 IDENTIFICATION OF PROPERTY

Type of Property : An individually designed industrial premises comprising two (2) single-storey detached factories annexed with double-storey offices and a three-storey production area & office building

Assessment Address : No. 86-B, Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Pulau Pinang

Location : The Subject Property is located within Taman Perindustrian Bayan Lepas (also known as Bayan Lepas Industrial Park)

Title Particulars	Title No.	:	PN 5908
	Lot No.	:	Lot 14840
	Bandar / Pekan / Mukim	:	Mukim 12
	District	:	Barat Daya
	State	:	Pulau Pinang
	Tenure	:	60-year leasehold interest (expiring on 11 September 2065)
	Quit Rent	:	RM8,270/-
	Category of Land Use	:	Perusahaan/Perindustrian
	Land Area	:	7,657 square metres ("sq m")
	Registered Proprietor(s)	:	Microlead Precision Technology Sdn Bhd (1/1 share)



Express Condition	<p>: <i>Pemilik yang berdaftar selepas Perbadanan Pembangunan Pulau Pinang hendaklah:-</i></p> <ul style="list-style-type: none"> <li><i>i) Dalam tempoh masa 2 tahun dari tarikh Pindah Milik yang pertama didaftarkan atau dalam jangka masa yang ditetapkan yang diluluskan oleh Pihak Berkuasa Negeri, mendirikan bangunan kilang atau bangunan kilang-kilang di atas tanah yang diberi milik itu mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan dan hendaklah memelihara bangunan atau bangunan-bangunan yang telah didirikan itu dengan memuaskan Pihak Berkuasa Tempatan.</i></li> <li><i>ii) Membersihkan, melupuskan atau menyebabkan berlakunya pembersihan atau perlupusan 'effluents' perdagangan dalam bentuk atau cara yang memuaskan pihak-pihak berkuasa yang berkenaan.</i></li> <li><i>iii) Membayar dan menjelaskan semua cukai, kadar-kadar bayaran hasil dan lain-lain bayaran yang dinilai pada masa itu terhadap tanah yang diberi milik tersebut atau mana-mana bahagian yang berkenaan yang dikenakan oleh Majlis Perbandaran Seberang Perai / Majlis Perbandaran Pulau Pinang.</i></li> <li><i>iv) Memastikan bahawa 30% daripada pekerja-pekerja bagi tiap-tiap peringkat pengurusan yang diambil dalam perniagaan untuk tanah yang diberi milik ini hendaklah terdiri dari kaum BUMIPUTRA.</i></li> <li><i>v) Mematuhi semua terma-terma dan syarat-syarat yang terkandung di dalam Surat Perjanjian Jual Beli yang ditandatangani di antara pemilik yang berdaftar selepas Perbadanan Pembangunan Pulau Pinang dengan Perbadanan Pembangunan Pulau Pinang.</i></li> </ul>
Restriction-In-Interest	<p>: <i>i) Tanah yang diberi milik ini tidak boleh dipindah milik, cagar, pajak atau pajakan kecil, tenensi disewakan atau dengan apa-apa urusan sekalipun diuruskan tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri.</i></p> <p><i>ii) Tanah yang diberi milik ini tidak boleh di Pecah Sempadan atau di Pecah Bahagian.</i></p> <p><i>iii) Tanah yang diberi milik ini dan mana-mana bangunan yang terdapat di atasnya tidak boleh digunakan untuk apa jua kegunaan selain daripada yang diluluskan oleh Perbadanan Pembangunan Pulau Pinang dan Pihak Berkuasa Negeri.</i></p>
Encumbrance(s)	<p>: <i>Nil</i></p>



Endorsement(s)	:	<i>No. Pers 0799SC2007036526 Pindahmilik Tanah oleh Perbadanan Pembangunan Pulau Pinang kepada Microlead Precision Technology Sdn Bhd. Didaftarkan pada 23 November 2007.</i>
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**3.0 PROPERTY DESCRIPTION**

The Subject Property is an individually designed industrial premises comprising two (2) single-storey detached factories annexed with double-storey offices and a three-storey production area & office building erected on a parcel of 60-year leasehold industrial land legally identified as Lot 14840, Mukim 12, District of Barat Daya, State of Pulau Pinang held under Title No. PN 5908 and bearing assessment address as No. 86-B, Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Pulau Pinang.

**3.1 Subject Site**

The subject site is a parcel of 60-year leasehold industrial land, which is rectangular in shape. The titled land area of the subject site is 7,657 sq m [approximately 82,419 square feet ("sq ft") or 1.8921 acres ("ac")].

It is generally flat in terrain and lies at the same level as the frontage road of Lintang Bayan Lepas 9. The site has dual frontage measuring about 63.341 metres (208 feet) and about 120.895 metres (397 feet) onto Lintang Bayan Lepas 9. The western boundary which measures about 63.321 metres (208 feet) adjoins the neighbouring Lot 15112 whilst the northern boundary which measures about 120.900 metres (397 feet) adjoins the neighbouring Lot 14445.

The front and southern boundaries are demarcated by plastered & painted brick walls cum steel mesh whilst the western and northern boundaries are demarcated by chain-link fencing. The main entrance is secured with barrier gate. There is another entrance at side which is secured with sliding metal gate. The internal circulation within the subject site is tarmacadamised with provision of surface parking bays.

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3.2 Subject Buildings

Brief description of the subject buildings erected on the subject site are as follows:-

Building Component	Gross Floor Area ("GFA")	
	sq m	sq ft
<b>Building 1</b>		
Single-storey detached factory	1,741.51	18,745
Annexed double-storey office	1,035.96	11,151
<b>Sub-Total</b>	<b>2,777.47</b>	<b>29,896</b>
<b>Building 2</b>		
Single-storey detached factory	683.64	7,359
Annexed double-storey office	470.45	5,064
<b>Sub-Total</b>	<b>1,154.09</b>	<b>12,423</b>
<b>Building 3</b>		
Three-storey production area & office building	1,044.36	11,241
<b>Sub-Total</b>	<b>1,044.36</b>	<b>11,241</b>
<b>Guard house</b>	<b>10.32</b>	<b>111</b>
<b>TOTAL</b>	<b>4,986.24</b>	<b>53,671</b>

**Remarks:-**

i) **Building 1 together with guard house**

The building plan for Building 1 together with guard house was approved by *Majlis Perbandaran Pulau Pinang* ("MPPP") [now known as *Majlis Bandaraya Pulau Pinang* ("MBPP")] on 8 June 2006 vide Ref No. 43419(LB) and Certificate of Fitness for Occupation ("CFO") (Certificate No. JB/SKM/06/0073) was issued by MPPP on 8 September 2006. The age of the buildings is approximately 19 years from the date of the CFO.

ii) **Building 2**

The building plan for Building 2 was approved by MBPP on 24 May 2023 vide Ref No. MBPP/ILCS-OSC/PB1891/2023 and pending the issuance of Certificate of Completion & Compliance ("CCC"). We have been informed by the Client that the issuance of CCC is in process.

iii) **Building 3**

The building plan for Building 3 was approved by MBPP on 26 June 2023 vide Ref No. MBPP/ILCS-OSC/PB1900/2023 and pending the issuance of CCC. We have been informed by the Client that the issuance of CCC is in process.

On the date of our inspection, we noted that the subject buildings are in good condition and state of repairs.



**4.0 TOWN PLANNING**

The Subject Property is designated for industrial use and in line with the express condition stated in the title document.

**5.0 OCCUPANCY STATUS**

Building	Occupancy Status												
Building 1	Owner occupied												
Building 2	<p>Tenanted by SPX Xpress (Malaysia) Sdn Bhd. The tenancy details as per the Tenancy Agreement dated 30 July 2024 ("Tenancy Agreement") are summarised as below:-</p> <table border="0"> <tr> <td><b>Tenant</b></td> <td>: SPX Xpress (Malaysia) Sdn Bhd</td> </tr> <tr> <td><b>Term</b></td> <td>: 1 year</td> </tr> <tr> <td><b>Rental period</b></td> <td>: 1 September 2024 - 31 August 2025</td> </tr> <tr> <td><b>*Lettable area</b></td> <td>: 14,415.77 sq ft</td> </tr> <tr> <td><b>Current rental</b></td> <td>: RM47,500/- per month</td> </tr> <tr> <td><b>Option to renew</b></td> <td>: 1 year and subject to new rental</td> </tr> </table> <p>*The area stated in the above-mentioned Tenancy Agreement is larger than the area measures based on the Approved Building Plan and on our on-site measurement. For the purpose of this Report and Valuation, we have adopted the area of 12,423 sq ft.</p>	<b>Tenant</b>	: SPX Xpress (Malaysia) Sdn Bhd	<b>Term</b>	: 1 year	<b>Rental period</b>	: 1 September 2024 - 31 August 2025	<b>*Lettable area</b>	: 14,415.77 sq ft	<b>Current rental</b>	: RM47,500/- per month	<b>Option to renew</b>	: 1 year and subject to new rental
<b>Tenant</b>	: SPX Xpress (Malaysia) Sdn Bhd												
<b>Term</b>	: 1 year												
<b>Rental period</b>	: 1 September 2024 - 31 August 2025												
<b>*Lettable area</b>	: 14,415.77 sq ft												
<b>Current rental</b>	: RM47,500/- per month												
<b>Option to renew</b>	: 1 year and subject to new rental												
Building 3	Unoccupied												

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**6.0 METHODS OF VALUATION**

In arriving at the **Market Value** of the Subject Property, we have adopted the **Cost Approach** of Valuation as a primary approach in this valuation and **Investment Method of Income Approach** as a check.

i) **Cost Approach**

The "**Cost Approach**" seeks to ascertain the value of the property through the summation of the value components of the land and cost of the building. In determining the value of the land, the comparison approach is adopted whilst making due allowance to factors of location, accessibility, size, tenure and other relevant factors. The improvements done to the site will also be compiled and analysed. In determining the cost of building, current rates on construction cost to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of construction, finishes, contractor's overheads, fees and profit. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building. Further adjustments have been made on the non-issuance of the CCC for Building 2 and Building 3.

ii) **Investment Method of Income Approach**

In "**Investment Method of Income Approach**", the capital value is derived from an estimate of the Market Rental, which the Subject Property can reasonably be let for. Outgoings, such as property taxes, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annum rental income is capitalised at an appropriate current market yield to arrive at its indicative capital value. Further adjustments have been made on the non-issuance of the CCC for Building 2 and Building 3.

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**Cost Approach**

**a) Land**

In arriving at the Market Value of the Subject Property, we have taken into consideration of the past recorded transactions of detached factories within Bayan Lepas Industrial Park and industrial land within the vicinity, which include the following:-

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
<b>Source</b>	<i>Jobatan Penilaian dan Perkhidmatan Harta ("JPPH") and Land Search conducted at the Pejabat Tanah dan Galian Pulau Pinang / Pejabat Daerah dan Tanah Barat Daya, Pulau Pinang</i>			
<b>Legal Property Description</b>	Lot 12378, Mukim 12, District of Barat Daya, State of Pulau Pinang held under Title No. PN 5863	Lot 14444, Mukim 12, District of Barat Daya, State of Pulau Pinang held under Title No. PN 4246	Lot 12370 & Lot 12371, Mukim 12, District of Barat Daya, State of Pulau Pinang held under Title Nos. PN 5891 & PN 5867 respectively	Lot 15091, Mukim 12, District of Barat Daya, State of Pulau Pinang held under Title No. PM 594
<b>Address</b>	No. 15-A, Hilir Sungai Keluang 1, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Pulau Pinang	No. 97, Solok Bayan Lepas, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang	Plot 12 & 13, Hilir Sungai Keluang 3, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang	Lot 15091, off Jalan Batu Maung, Kawasan Industri Batu Maung, 11960 Bayan Lepas, Pulau Pinang
<b>Property Type</b>	Detached factory with office	Detached factory with office	Detached factory with office	Industrial land
<b>Land Area</b>	66,069 sq ft	174,698 sq ft	90,040 sq ft	27,706 sq ft
	1.5167 ac	4.0105 ac	2.0670 ac	0.6360 ac
<b>Tenure</b>	60-year leasehold interest (expiring on 23 July 2051)	60-year leasehold interest (expiring on 21 September 2063)	60-year leasehold interest (expiring on 9 September 2051)	60-year leasehold interest (expiring on 10 May 2048)
<b>Vendor(s)</b>	Zenmax Sdn Bhd	U-Freight (Malaysia) Sdn Bhd	Zoomic Technology (M) Sdn Bhd	Khor Chee Tatt sbg Wasi
<b>Purchaser(s)</b>	K-Tool Engineering Sdn Bhd	DHL Supply Chain (Malaysia) Sdn Bhd	Foundpac Technologies Sdn Bhd	Voltz Engineering Sdn Bhd
<b>Consideration</b>	RM19,000,000/-	RM53,000,000/-	RM25,500,000/-	RM3,850,000/-
<b>Date of Transaction</b>	27 May 2024	15 March 2024	2 December 2022	22 March 2023
<b>Analysis (Improved land value after minus the building value)</b>	<b>RM159.58 psf</b>	<b>RM175.38 psf</b>	<b>RM135.89</b>	<b>*RM138.96</b>

\*Land value before improvement



Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Adjustment Factors	Positive adjustment for time & remaining lease	Positive adjustment for time, size (land area) & remaining lease	Positive adjustment for time & remaining lease	Positive adjustment for location, time & remaining lease; Negative adjustment for size (land area)
Site Improvement	RM0.00 psf	RM0.00 psf	RM0.00 psf	RM10.00 psf
Adjusted Land Value	RM185.64 psf	RM193.21 psf	RM165.56 psf	RM194.35 psf
<p><u>Adjusted Land Value</u></p> <p>Comparable 1: RM185.64                      Comparable 2: RM193.21                      Comparable 3: RM165.56                      Comparable 4: RM194.35</p> <p>Based on the above, the adjusted land values for the Comparable are in the range of RM165.56 psf to RM194.35 psf. In arriving at the Market Value for the Land, we have greater emphasis on Comparable 2 which is one the latest transaction with remaining lease almost similar to the Subject Property and has the least adjustment (+10.2%). After considering all the factors above, we are of the opinion that Market Value for the Subject Land is RM195.00 psf (rounded figure).</p>				

**b) Building**

For the building cost, we have benchmarked against the JUBM Construction Cost Handbook 2024 and Building Cost Information Services Malaysia (BCISM) Costbook 2024.

Source	Component	Construction Cost Range	
		RM psm	RM psf
JUBM Construction Cost Handbook 2024	Single-storey conventional factory of structural steelwork	1,575 - 2,090	146 - 194
	Owner operated factories, low rise	1,955 - 2,560	182 - 238
BCISM Costbook 2024	Light duty factories	1,590 - 2,090	148 - 194
	Warehouses	1,900 - 2,660	177 - 247
	Three-storey offices, owner operated	1,640 - 3,230	152 - 300

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Valuation Parameters	Remarks
Replacement Cost New	<p><u>Building 1</u>                      Factory (Production area): RM220 psf                      Office: RM260 psf</p> <p><u>Building 2</u>                      Factory: RM230 psf                      Office: RM250 psf</p> <p><u>Building 3</u>                      Production area: RM230 psf                      Office: RM230 psf</p> <p>Guard house: RM100 psf</p>
Estimated Life Span	60 years
Estimated Age of Buildings	Building 1 & guard house: approximately 19 years Building 2: approximately 3 years Building 3: newly completed
Depreciation	Building 1 & guard house: $19/60 = 32\%$ Building 2: $3/60 = 5\%$ Building 3: $0/60 = 0\%$
Time Frame for the Issuance of CCC	0.5 year
Present Value (PV)	7.50%

Having considered the above **Cost Approach** of Valuation, we have arrived at the Market Value of **RM26,000,000/-** (Ringgit Malaysia Twenty Six Million Only).

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**Investment Method of Income Approach**

As a cross reference, we have applied the **Investment Method of Income Approach** in arriving at the Market Value of the Subject Property by capitalising the net rental income using suitable net yield over the life of investment of the remaining unexpired term.

In determining the yield, we have analysed the information published in the REITs Annual Report and Media Release as follows:-

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Source	Axis REIT Annual Report 2023	Axis REIT Annual Report 2023	Axis REIT Annual Report 2023	CapitaLand Malaysia Trust Annual Report 2023	Sunway REIT Media Release
Address	No. 88A, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Pulau Pinang	PMT 770, Jalan Cassia Selatan 6/4, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	No. 74, Lorong Perusahaan Utama 4, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Pulau Pinang	No. 1564, Mukim 12, Jalan Nafiri, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Pulau Pinang	Bukit Tengah Industrial Park
Property Type	Detached warehouse with office	Detached warehouse with office	Detached warehouse with office	Detached warehouse with office	Detached factory with office
Tenure	60-year leasehold	Leasehold	60-year leasehold	Term in perpetuity	60-year leasehold
Land Area	331,491 sq ft	108,791 sq ft	598,452 sq ft	549,928	453,024 sq ft
	7.6100 ac	2.4975 ac	13.7386 ac	12.6246 ac	10.4000 ac
Lettable Area / GFA	205,151 sq ft	44,000 sq ft	395,225 sq ft	335,000 sq ft	307,487 sq ft
Building Age	25 years	6 years	20 to 22 years	11 to 18 years	N/A
Occupancy Rate	100%	100%	100%	100%	100%
Date of Acquisition	17 January 2012	19 December 2019	15 February 2012	14 December 2022	18 December 2023
Purchase Price	RM48,500,000/-	RM14,600,000/- (Land Lease)	RM59,000,000/-	RM80,000,000/-	RM66,800,000/-
Market Value	RM70,000,000/-(1)	RM19,800,000/-(1)	RM85,000,000/-(1)	RM82,000,000/-(1)	N/A
Gross Rental (per annum)	RM5,975,000/-	RM1,632,000	RM6,801,000	RM5,165,000	N/A
Net Rental (per annum)	RM5,165,000/-	RM1,405,000	RM6,056,000	RM4,540,000	RM5,076,800(3)
Net Rental (per month)	RM2.10 psf	RM2.66 psf	RM1.28 psf	RM1.13 psf	RM1.38 psf(3)
Gross Yield(4)	8.54%	8.24%	8.00%	6.30%	N/A
Net Yield(5)	7.38%	7.10%	7.12%	5.54%	7.60%(2)

**Notes:-**

- (1) Based on the valuation as at 31 December 2023.
- (2) The net yield as announced in the Media Release by Sunway REIT dated 18 December 2023.
- (3) Net Rental per annum and per month is calculated based on the net yield and purchase price.  
 (Net Rental per annum = Yield x Transacted Price)  
 [Net Rental per month = (Net Rental per annum ÷ Lettable Area / GFA) ÷ 12]
- (4) Gross Yield = Gross Rental per annum ÷ Market Value
- (5) Net Yield = Net Rental per annum ÷ Market Value



In determining the rental rate for the Subject Property, we have analysed the information published in the selected REITs Annual Report, Tenancy Agreement and asking rentals as follows:-

Details	Comparable 1	Comparable 2 <sup>(2)</sup>	Comparable 3
Source	Axis REIT Annual Report 2023	Tenancy Agreement	Axis REIT Annual Report 2023
Address	No. 88A, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase IV, 11900 Bayan Lepas, Pulau Pinang	Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Pulau Pinang	PMT 770, Jalan Cassia Selatan 6/4, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang
Property Type	Detached warehouse with office	Detached factory with office	Detached warehouse with office
Land Area	331,491 sq ft	N/D	108,791 sq ft
	7.6100 ac	N/D	2.4975 ac
Lettable Area / GFA	205,151 sq ft	159,450 sq ft	44,000 sq ft
Building Age	25 years	16 years	6 years
Occupancy Status	100%	100%	100%
Date	31 December 2023	2024	31 December 2023
Achieved Rental (Gross) (per month)	RM497,917/-( <sup>(2)</sup> )	RM717,526/-	RM136,000/-( <sup>(3)</sup> )
	RM2.43 psf	RM4.50 psf	RM3.09 psf
Adjustment Factors	Positive adjustment for size (lettable area)	Positive adjustment for size (lettable area); Negative adjustment for building condition	Positive adjustment for location
Adjusted Achieved Rental (Gross) (per month)	RM2.79 psf	RM3.83 psf	RM3.40 psf

Details	Comparable 4 <sup>(3)</sup>	Comparable 5 <sup>(3)</sup>	Comparable 6 <sup>(3)</sup>
Source	iProperty.com.my		
Address	Taman Perindustrian Bayan Lepas	Taman Perindustrian Bayan Lepas	Taman Perindustrian Bayan Lepas
Property Type	Detached warehouse with office	Detached factory with office	Detached factory with office
Land Area	87,120 sq ft	153,766 sq ft	46,939 sq ft
	2.1000 ac	3.5300 ac	1.0776 ac
Lettable Area / GFA	27,500 sq ft	110,000 sq ft	35,800 sq ft
Building Age	N/A	N/A	N/A
Occupancy Status	Unoccupied	Unoccupied	Unoccupied
Date	4 January 2025	18 January 2025	3 January 2025
Asking Rental (Gross) (per month)	RM133,888/-	RM380,000/-	RM160,000/-
	RM4.87 psf	RM3.45 psf	RM4.47 psf
Adjustment Factors	Negative adjustment for size (lettable area) & negotiable	Positive adjustment for size (lettable area); Negative adjustment for negotiable	Negative adjustment for size (lettable area) & negotiable
Adjusted Asking Rental (Gross) (per month)	RM4.26 psf	RM3.28 psf	RM3.91 psf



Adjusted Achieved Rental (Gross) (per month)

Comparable 1: RM2.79 psf

Comparable 2: RM3.83 psf

Comparable 3: RM3.40 psf

Adjusted Asking Rental (Gross) (per month)

Comparable 4: RM4.26 psf

Comparable 5: RM3.28 psf

Comparable 6: RM3.91 psf

Based on the above analysis, we noted that the adjusted asking rentals are ranging between RM3.28 psf to RM4.26 psf whilst the adjusted achieved rentals ranging between RM2.79 psf to RM3.83 psf. In arriving at the Market Rental of the Subject Property, we have placed greater emphasis on Comparable 2 which is the latest achieved rental as it reflects current market condition. After considering all factors above, we are of the opinion that the Market Rental of the Subject Property is RM3.80 psf per month.

Notes:-

- (1) Based on the information extracted from the Annual Reports.
- (2) We are unable to disclose detailed information on Comparable 2 due to confidentiality.
- (3) Full address for Comparable 4, 5 & 6 is not available

The key parameters adopted in the computation of Investment Method of Income Approach are summarised as follows:-

Description	Parameters	Remark
Gross Monthly Rental	<p><u>Building 1 &amp; 3:</u> RM3.80 psf</p> <p><u>Building 2:</u> Term: RM3.82 psf Reversion: RM3.80 psf</p>	<p>As Building 1 is owner occupied and Building 3 is unoccupied, we have benchmarked against the achieved rental of industrial premises within the same development scheme and surrounding neighbourhood. We have also analysed the asking rentals of industrial premises within the same development scheme. Therefore, we have adopted the gross monthly rental of RM3.80 psf.</p> <p>For Building 2 which is currently tenanted. we have adopted the current passing rental in the Term Period and gross monthly rental of RM3.80 psf in the Reversion Period.</p>
Monthly Outgoings	<p><u>Building 1 &amp; 3:</u> RM0.15 psf</p> <p><u>Building 2:</u> Term: RM0.10 psf Reversion: RM0.15 psf</p>	<p>We have considered the current outgoings of the Subject Property i.e. assessment, quit rent and fire insurance as provided by the registered proprietor and estimated RM0.05 per sq ft per month for building repairs and maintenance. We have obtained the total outgoings at RM0.14 psf per month.</p> <p>Therefore, we have adopted the outgoings at RM0.15 psf per month (rounded figure) for Building 1 and Building 3.</p> <p>As per the Tenancy Agreement, majority of the repairs and maintenance costs are borne by the Tenant excluding repair and/or replace the roof, floor, main structural walls, beams/pillars, pipes embedded inside the walls and water tanks. Therefore, we have adopted lower outgoings at RM0.10 psf per month in the Term Period and RM0.15 psf per month in the Reversion Period for Building 2.</p>



Description	Parameters	Remark
Yield	<p><u>Building 1 &amp; 3:</u> 7.50%</p> <p><u>Building 2:</u> Term: 7.25% Reversion: 7.50%</p>	<p>Based on our analysis from REITs Annual Report and Media Release of industrial properties in Penang, the net yield is ranging from 5.54% to 7.60%.</p> <p>We have adopted the same yield rate of 7.50% for Building 1 and Building 3.</p> <p>For Building 2 which is currently tenanted, we have adopted the yield rate of 7.25% in the Term Period and 7.50% in the Reversion Period due to the inherent risk with the investment and uncertainties of the market.</p>
Void	5%	<p>Due to scarcity of land on Penang Island and limited availability of industrial properties, the occupancy rate of Bayan Lepas Industrial Park is more than 90%. We also noted that many industrial premises have been extended vertically to meet the demand.</p> <p>Based on Property Market Report First Half 2024, there is only 7 overhang industrial units in Penang.</p> <p>Therefore, we have adopted 5% void factor to reflect the period to secure for tenancy which is deemed to be fair and reasonable for the Subject Property.</p>
Present Value (PV)	7.50%	<p>We have adopted a risk-free rate of about 4.00% based on the 10 year's Malaysian Government Securities (MGS) yield and added another 3.50% for the risk premium. Therefore, a discount rate of 7.50% is adopted.</p>

We have arrived at the Market Value of RM25,000,000/- (Ringgit Malaysia Twenty Five Million Only) based on the Investment Method of Income Approach.

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**7.0 RECONCILIATION OF VALUE**

The value for the Subject Property derived from both **Cost Approach** and **Investment Method of Income Approach** are as follows: -

Approach of Valuation	Value
<b>Cost Approach</b>	RM26,000,000/-
<b>Investment Method of Income Approach</b>	RM25,000,000/-

We have adopted the Market Value as derived from the **Cost Approach** of Valuation as main approach to the valuation of the Subject Property. This approach is the most appropriate as there are sufficient market sale evidences to provide a fair representation of the Market Value of the Subject Property.

The **Investment Method of Income Approach** is the secondary approach and used as a check on the Market Value. The Subject Property has actual rental only for Building 2. There is no actual rental for Building 1 & Building 3 as it is owner occupied and unoccupied respectively. As such, the Income Approach of Investment Method is sensitive to the estimated rental and outgoings.

Therefore, we have considered the **Cost Approach** as the most appropriate and reliable approach of valuation in our final opinion of the **Market Value**.

**8.0 OPINION OF VALUE**

After due consideration of all relevant factors, we are of the opinion that the **Market Value** of the 60-year leasehold interest (expiring on 11 September 2065) in the Subject Property, in its existing condition, free from all encumbrances and with the benefit of vacant possession is **RM26,000,000/- (Ringgit Malaysia Twenty Six Million Only)**.

This Valuation Certificate should be read in conjunction with our full Report and Valuation bearing reference number NTL/PG/25/0018/RN dated 18 February 2025.

Yours faithfully,

For and on behalf of,  
**NAWAWI TIE LEUNG PROPERTY CONSULTANTS SDN BHD, VPM (1) 0002/1**  
**(FORMERLY KNOWN AS NAWAWI TIE LEUNG PROPERTY CONSULTANTS SDN BHD)**

Sr LUM MINGMING, MRICS, MRISM  
 Registered Valuer (V-1040)

**DATE: 18 February 2025**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

The information relating to MTrustee and Hektar REIT in this Circular was obtained from publicly available sources and/or provided by the management of MTrustee and Hektar Asset Management respectively. The responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

**2. CONSENT****2.1 Adviser**

TA Securities, being the Adviser for the Proposed Disposal and Leaseback has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

**2.2 Valuer**

NTL, being the independent valuer for the Penang Property in relation to the Proposed Disposal and Leaseback, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Valuation Certificate, the Valuation Report and all references thereto, in the form and context in which they appear in this Circular.

**3. CONFLICT OF INTEREST****3.1 Adviser**

TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposed Disposal and Leaseback.

**3.2 Valuer**

NTL has confirmed that there is no conflict of interest which exists or is likely to exist in relation to its role as the independent valuer for the Penang Property in relation to the Proposed Disposal and Leaseback.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, there is no material litigation, claims or arbitration involving our Group or the Penang Property, either as plaintiff or defendant, which has a material effect on the financial position of our Group. Our Board confirms that there is no proceeding pending or threatened involving our Group or Penang Property, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group.

**[The rest of this page has been intentionally left blank]**

**5. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, there is no material commitment incurred or known to be incurred by our Group, which upon becoming enforceable, may have material impact on the financial position of our Group:

<b>Contracted but not provided for:</b>	<b>RM'000</b>
- Capital expenditure commitment in respect of the construction works for Building 3	311
- Commitment for capital contribution in respect of the incorporation of Yuen Hing (Hong Kong) Technology Co., Limited (“YHTCL”) of HK\$2,000,000 (equivalent to approximately RM1.08 million, based on an exchange rate of HK\$100: RM54.0947 as at the LPD)	1,082
<b>Total</b>	<b>1,393</b>

**6. CONTINGENT LIABILITIES**

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group and/or our Company, which upon becoming enforceable, may have a material impact on the financial position of our Group and/or our Company.

**7. MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any other material contracts (not being contracts entered into in the ordinary course of business of our Group) within 2 years immediately preceding the date of this Circular:

- (i) the following transaction agreements in connection with the issuance of RCB, comprising commercial papers and/or medium term notes, under the CP/MTN Programme:
  - (a) the Subscription Agreement dated 7 June 2024 made between MQ Tech and Triton Capital Fund VCC (“Triton”) in respect of the issuance by MQ Tech to Triton of 2.0% RCB, with an aggregate nominal value of up to RM150.00 million, to be satisfied by Triton entirely in cash, as supplemented by the Supplemental Subscription Agreement dated 21 May 2025 made between MQ Tech and Triton in respect of the revision of the minimum conversion price of the RCB from RM0.10 to RM0.05 per Share;
  - (b) the Facility Agreement dated 24 September 2024 made between MQ Tech and Kenanga Investment Bank Berhad, as the principal adviser, lead arranger, lead manager and facility agent in respect of the CP/MTN Programme; and
  - (c) the Trust Deed dated 24 September 2024 made between MQ Tech and MTrustee, as the trustee for the holders of the RCB;
- (ii) the Sale and Purchase Agreement dated 19 February 2025 made between SASB and CSSB in respect of the Proposed Acquisition of Remaining Melaka Land;
- (iii) the SPA; and
- (iv) the Shareholders’ Agreement dated 9 April 2025 made between Inspur International (Hong Kong) Limited, MQ Tech and Long Yin Technology Sdn Bhd to govern the relationship and respective rights of the parties as shareholders of YHTCL. The initial issued share capital of YHTCL is HK\$10,000,000, of which MQ Tech will hold a 20% equity interest, amounting to HK\$2,000,000. All parties have agreed to complete their respective capital contributions within 2 years from 9 May 2025, being the date of incorporation of YHTCL.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia during normal business hours on Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Constitution;
- (ii) the audited consolidated financial statements of our Group for the FYE 30 September 2023 and 17-month FPE 28 February 2025 as well as the latest unaudited consolidated financial statements of our Group for the 3-month FPE 31 May 2025;
- (iii) the SPA;
- (iv) the Lease Agreement;
- (v) the Valuation Report together with the Valuation Certificate;
- (vi) the letters of consent and declarations of conflict of interest referred to in **Sections 2 and 3 of this Appendix IV**, respectively; and
- (vii) the material contracts referred to in **Section 7 of this Appendix IV**.

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TECHNOLOGY BERHAD

**MQ TECHNOLOGY BERHAD**  
(Registration No. 200301033383 (635804-H))  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM” or “Meeting”) of MQ Technology Berhad (“MQ Tech” or “Company”) will be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 12.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

### ORDINARY RESOLUTION 1

**PROPOSED DISPOSAL BY MICROLEAD PRECISION TECHNOLOGY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF MQ TECH (“MPTSB”), TO MTRUSTEE BERHAD, ACTING AS THE TRUSTEE FOR AND ON BEHALF OF HEKTAR REAL ESTATE INVESTMENT TRUST (“MTRUSTEE”) OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PN 5908, LOT 14840, MUKIM 12, DISTRICT OF BARAT DAYA, STATE OF PULAU PINANG WITH THE BUILDINGS ERECTED THEREON, TOGETHER WITH ALL INFRASTRUCTURE, MAJOR SYSTEMS, AND FIXTURES AND FITTINGS ATTACHED THERETO (COLLECTIVELY, THE “PENANG PROPERTY”) FOR A DISPOSAL CONSIDERATION OF RM30,000,000 TO BE SATISFIED ENTIRELY IN CASH (“DISPOSAL CONSIDERATION”) (“PROPOSED DISPOSAL”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties having been obtained, and the conditions precedent as stipulated in the conditional sale and purchase agreement dated 19 February 2025 entered into between MPTSB and MTrustee for the Proposed Disposal (“SPA”) being obtained and fulfilled or waived, approval be and is hereby given to MPTSB to dispose the Penang Property to MTrustee for the Disposal Consideration, pursuant to the terms and conditions of the SPA;

**AND THAT** the Board of Directors of the Company (“Board”) be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Disposal, with full powers to assent to and give effect to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities and/or parties in connection with the Proposed Disposal.”

### ORDINARY RESOLUTION 2

**PROPOSED LEASEBACK OF THE PENANG PROPERTY BY MPTSB FROM MTRUSTEE FOR A TERM OF 15 YEARS (WITH AN OPTION TO RENEW FOR A FURTHER TERM OF 15 YEARS) (“LEASE TERM”), UPON COMPLETION OF THE PROPOSED DISPOSAL (“PROPOSED LEASEBACK”)**

“**THAT** subject to the passing of Ordinary Resolution 1, approvals of all relevant authorities and/or parties having been obtained, approval be and is hereby given to MPTSB to upon the completion of the Proposed Disposal, leaseback the Penang Property from MTrustee for the Lease Term, pursuant to the terms and conditions of the lease agreement executed by MPTSB and MTrustee for the Proposed Leaseback;

**AND THAT** the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Leaseback, with full powers to assent to and give effect to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Leaseback.”

By Order of the Board,  
**LIM LI HEONG** (MAICSA 7054716) (SSM Practicing Certificate No.: 202008001981)  
**WONG MEE KIAT** (MAICSA 7058813) (SSM Practicing Certificate No.: 202008001958)  
Company Secretaries  
Kuala Lumpur  
1 August 2025

Notes:

- (i) *For the purpose of determining who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 August 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend the EGM or appoint a proxy to attend, speak or vote on his/her behalf.*
- (ii) *A member entitled to attend and vote at the EGM is entitled to appoint proxy/proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.*
- (iii) *A member may appoint not more than 2 proxies to attend the same EGM. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.*
- (iv) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- (v) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (vi) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (vii) *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Company’s registered office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 24 hours before the time set for holding the EGM or at any adjournment thereof.*

*Personal data privacy:*

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.*



TECHNOLOGY BERHAD

**MQ TECHNOLOGY BERHAD**  
(Registration No. 200301033383 (635804-H))  
(Incorporated in Malaysia)

**FORM OF PROXY**

CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC / Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

Telephone number \_\_\_\_\_ Email address \_\_\_\_\_

being a \*member/members of **MQ TECHNOLOGY BERHAD** (Registration No. 200301033383 (635804-H)) hereby

appoint \_\_\_\_\_ NRIC / Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

Telephone number \_\_\_\_\_ Email address \_\_\_\_\_

or failing \*him/her \_\_\_\_\_ NRIC / Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

Telephone number \_\_\_\_\_ Email address \_\_\_\_\_

or failing \*him /her, the Chairman of the Meeting as \*my/our proxy to vote on \*my/ our behalf at the Extraordinary General Meeting (“**EGM**”) of MQ Technology Berhad (“**Company**”) to be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 12.00 p.m. or at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

No.	Description	Resolutions	For	Against
1.	Proposed Disposal	Ordinary Resolution 1		
2.	Proposed Leaseback	Ordinary Resolution 2		

*(Please indicate with an “X” in the appropriate space provided above on how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy may vote as he/she thinks fit.)*

\_\_\_\_\_  
Signature/ common seal of shareholder  
Date:

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	<b>No. of shares</b>	<b>Percentage</b>
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100%</b>

Notes:

- (i) *For the purpose of determining who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 August 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend the EGM or appoint a proxy to attend, speak or vote on his/her behalf.*
- (ii) *A member entitled to attend and vote at the EGM is entitled to appoint proxy/proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.*

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- (iii) *A member may appoint not more than 2 proxies to attend the same EGM. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.*
- (iv) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- (v) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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STAMP

**MQ TECHNOLOGY BERHAD**  
(Registration No. 200301033383 (635804-H))

C/O Acclime Corporate Services Sdn Bhd  
Level 7, Mercu 3, No. 3, Jalan Bangsar  
KL Eco City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Malaysia

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- (vi) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (vii) *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Company's registered office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 24 hours before the time set for holding the EGM or at any adjournment thereof.*