

OTHERS MALAYSIAN PACIFIC INDUSTRIES BERHAD INVESTMENT AGREEMENT FOR SEMICONDUCTOR ASSEMBLY AND TESTING BASE PROJECT IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

MALAYSIAN PACIFIC INDUSTRIES BERHAD

Type	Announcement
Subject	OTHERS
Description	MALAYSIAN PACIFIC INDUSTRIES BERHAD INVESTMENT AGREEMENT FOR SEMICONDUCTOR ASSEMBLY AND TESTING BASE PROJECT IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

1. INTRODUCTION

Malaysian Pacific Industries Berhad ("**MPI**" or the "**Company**") wishes to inform that Carsem Holdings (HK) Limited ("**CHK**"), a wholly-owned subsidiary of the Company, had on 22 December 2021 entered into an Investment Agreement (the "**Agreement**") with Suzhou Industrial Park Suxiang Cooperation Zone Management Committee ("**SXIP**"). The Agreement provides the framework for the proposed investment ("**Proposed Investment**") in a new plant to be situated at the Suzhou Industrial Park Suxiang Cooperation Zone ("**Suxiang Cooperation Zone**"), the PRC ("**Proposed Plant**").

2. DETAILS AND RATIONALE OF THE AGREEMENT

CHK proposes to incorporate a new wholly-owned subsidiary in the PRC ("**New Co**") to undertake the Proposed Investment and to construct the Proposed Plant to design and provide assembly and test services for semiconductor and electronic components. The Legal Representative of the New Co will be Mr Manuel Zarauza Brandulas, the Group Managing Director of MPI.

SXIP is the governmental body fully responsible for the matters of economic and social development in the Suxiang Cooperation Zone.

Upon signing of the Agreement, SXIP will commence land acquisition procedures in the Suxiang Cooperation Zone for the proposed acquisition by New Co of the land (“**Land**”) for the Proposed Plant. The size of the Land is estimated to be 100Mu (or approximately 66,667 square meters) and the usage term is expected to be 50 years. The price of the Land for the term of 50 years is estimated to be RMB22.40 million (approximately RM14.81 million as at 17 December 2021).

The Agreement is not subject to the approval of the shareholders of the Company or any regulatory authorities.

3. EFFECTS OF THE AGREEMENT

The Agreement will not have any effect on the total shares issued and substantial shareholders’ shareholding in the Company.

The Agreement is not expected to have any material effects on the earnings of MPI Group for the financial year ending 30 June 2022, as well as the net assets value and gearing of the MPI Group.

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

None of the directors and major shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Agreement.

5. DIRECTORS’ STATEMENT

The Board of Directors of MPI is of the opinion that the Agreement is in the best interest of the Company.

This announcement is dated 22 December 2021.

Announcement Info

Company Name	MALAYSIAN PACIFIC INDUSTRIES BERHAD
Stock Name	MPI
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