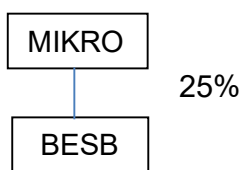


MIKRO MSC BERHAD (“MIKRO” OR THE “COMPANY”)

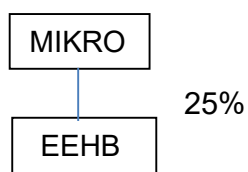
CONDITIONAL SHARE SALE AGREEMENT (“SSA”) IN BIO ENECO SDN BHD (“BESB”) FOR SHARE SALE IN ELRIDGE ENERGY HOLDINGS BHD (“EEHB”)

1. Reference is made to Extraordinary General Meeting of Mikro held on 4 September 2023 in regard to acquisition of 1,050,000 ordinary shares capital of BESB, for a purchase consideration of RM52,500,000.
2. The acquisition was completed on 13 September 2023.
3. Mikro had on 31 January 2024 entered into the conditional SSA on the proposed share exchange of its 25% equity in BESB for the 1,750,000 ordinary shares in EEHB (“**Consideration Shares**”) representing 25% equity interest in EEHB (“**Proposed Share Exchange**”).

Before the Proposed Share Exchange



After the Proposed Share Exchange



4. Background Information of EEHB

Elridge Energy Holdings Bhd (“EEHB”) is in the midst of preparing an application for the proposed listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Proposed Listing**”).

5. The salient terms of the SSA

- 5.1 All shareholder/vendors of BESB shall sell and EEHB shall acquire the Sale Shares which shall collectively constitute one hundred per centum (100%) of the issued ordinary shares in BESB, subject to the fulfilment of the Conditions Precedent and the terms and conditions of the SSA.

The Sale Shares are sold on the following basis:

- strictly upon the condition that all and not only part of the Sale Shares are acquired by EEHB, unless mutually agreed otherwise;
- free from any liens, charges and encumbrances and any other third-party rights;
- with full legal and beneficial title;
- with all rights attaching thereto on the Completion Date; and
- on the basis that the Warranties herein are true and accurate in all respects.

5.2 Consideration

The Sale Shares shall be acquired by EEHB from all Vendors for the total consideration of RM34,979,979 based on the issue price per Consideration Share of RM0.0212, to be settled fully via the issuance and allotment of 1,649,998,600 Consideration Shares.

The agreed basis of consideration in respect of the Sale Shares was arrived after taking into consideration the audited net assets of BESB as at 31 December 2023 of RM35.03 million.

5.3 Conditions Precedent

The obligations of the parties that are set out in the SSA are subject to and conditional upon the following:-

- the approvals from the regulatory authorities (namely Bursa Securities) in relation to the application by EEHB for the Proposed IPO of EEHB being obtained;
- the written consent from the relevant financial institution of BESB having been obtained for the share exchange (where applicable);
- the approvals from the board of directors and shareholders of the Vendors having been obtained for the disposal of its proportion of the Sale Shares and the execution of the SSA in accordance with the terms and conditions of the SSA (where applicable);
- the approvals from the board of directors and shareholders of EEHB having been obtained for the acquisition of the Sale Shares and for the issuance and allotment of the Consideration Shares.
- any other relevant approvals, consents and provisions required in relation to the acquisition of the Sale Shares being obtained (where applicable).

In the event the Conditions Precedent is not fulfilled or obtained by 12 months from the date of the SSA or such other later date as may be agreed upon between the parties of the SSA as the last date by which the Conditions Precedent must be fulfilled ("**Cut-Off Date**"), the Vendors or EEHB may, acting reasonably, by mutual agreement in writing extend the Cut-Off Date or failing agreement to extend, the Vendors or Elridge may terminate the SSA.

The SSA shall become unconditional on the day upon which the Conditions Precedent have been fulfilled in accordance with the provisions of the SSA ("**Unconditional Date**").

5.4 Completion

Upon receiving the written instruction from EEHB subsequent to the Unconditional Date, the Vendors shall within two (2) Business Days (or such later date as may be mutually agreed by the parties to the SSA) (“**Delivery Date**”) deliver to EEHB all documents necessary to effect the transfer of the Sale Shares (“**Documents**”).

Within five (5) Business Days (or such later date as may be mutually agreed by the parties to this Agreement) from the Delivery Date, EEHB shall cause the Consideration Shares to be issued and allotted to the Vendors and the number of such Consideration Shares to be allotted to the Vendors accordingly (“**Completion Date**”). For the avoidance of doubt, Elridge shall cause the new share certificate(s) of EEHB to be issued and made available to the Vendors as soon as practicable.

6. Basis of Arriving at the Consideration

The Consideration of RM34,979,979 was arrived at on a willing-buyer willing-seller basis after taking into consideration of the audited net assets of Bio Eneco Sdn Bhd as at 31 December 2023 of RM35.03 million.

7. Basis of Determining the Issue Price for the Consideration Shares

The issue price of 0.0212 per Share for the Consideration Shares is based on after taking into consideration of the audited net assets of RM35.03 million.

8. Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with each other.

9. Liabilities to be Assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA, there are no other liabilities, including contingent liabilities and/or guarantees to be assumed by Mikro arising from the Proposed Share Exchange.

10. RATIONALE FOR THE SSA

The Proposed Share Exchange is to facilitate the Proposed Listing.

The objectives of the Proposed Listing are:-

- (a) to further enhance the value of Mikro MSC’s investment in BESB via the Proposed Share Exchange and Proposed Listing;

- (b) to provide funds for the expansion of EEHB and its future working capital requirements; and
- (c) to enable EEHB to gain access to the capital markets for funds for its future expansion and overall continued growth.

11. RISK FACTORS

MIKRO is not expected to assume additional risks pursuant to the Proposed Share Exchange as the Proposed Share Exchange does not involve any change to the existing business operations of the Mikro Group.

12. EFFECTS OF THE PROPOSED SHARE EXCHANGE

12.1 Share Capital and Substantial Shareholders' Shareholdings

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

12.2 Earnings

The Proposed Share Exchange is not expected to have any effect on the earnings and earnings per share of Mikro and its subsidiary companies ("Mikro Group") for the financial year ending 30 June 2024.

12.3 Net Assets

The Proposed Share Exchange is not expected to have any effect on the net assets as well as net assets per share of the Mikro Group for the financial year ending 30 June 2024..

12.4 Gearing

The Proposed Share Exchange is not expected to have any effect on the gearing of the Mikro Group.

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Share Exchange is expected to be completed by the 31 January 2024.

14. SUBMISSION TO THE AUTHORITIES

The applications to the relevant authorities for the Proposed Listing (which comprises, amongst others, the Proposed Exchange) are expected to be submitted within three (3) month from the date of this announcement.

15. APPROVALS REQUIRED

The Proposed Share Exchange is subject to the following approvals being obtained:-

- (a) Bursa Securities for the Proposed Listing; and
- (b) such other consents or approvals as may be required by any other relevant authorities or parties.

The Proposed Share Exchange is not subject to the approval of the shareholders of Mikro.

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

None of the Directors and/or major shareholders of Mikro and/or persons connected with them, has any interest, direct or indirect, in the Proposed Share Exchange.

17. DIRECTORS' STATEMENT

The Board, having taken into consideration all aspects relevant to the Proposed Share Exchange is of the opinion that the Proposed Share Exchange is in the best interest of Mikro.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The SSA is available for inspection at the registered office of Mikro at No. 3, Jalan Anggerik Mokara 31/48, Seksyen 31, Kota Kemuning, 40460 Shah Alam, during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 31 January 2024.