

## TITIJAYA LAND BERHAD (“TLB” or “Company”)

### LETTER OF INTENT ENTERED INTO BETWEEN CITY MERIDIAN DEVELOPMENT SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF TLB, AND DHL PROPERTIES (M) SDN. BHD.

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#### 1. INTRODUCTION

The Board of Directors of TLB (“**Board**”) wishes to announce that City Meridian Development Sdn. Bhd. (“**CMD**” or “**Landlord**”), a wholly owned subsidiary of TLB, had on 26 March 2022 entered into a Letter of Intent (“**LOI**”) with DHL Properties (M) Sdn. Bhd. [Registration No. 199901014829 (489729-X)] (“**DHL**”) of Lot 4, Persiaran Perusahaan Seksyen 23, 40300 Shah Alam, Selangor Darul Ehsan, to negotiate in good faith the proposal for the Build-To-Suit (“**BTS**”) and subsequent lease by DHL of the area situated at Lot 12174, No Hakmilik 4022, Mukim 12, Daerah Barat Daya, Pulau Pinang (“**Site**”).

(Both CMD and DHL to be collectively referred to as the “**Parties**” and individually as a “**Party**”).

The binding legal obligations on the Parties shall be subject to full and comprehensive agreement(s) to be mutually agreed on by the Parties in the future.

#### 2. DETAILS OF THE PARTIES TO THE LOI

##### 2.1 Details of CMD

CMD is a private limited company incorporated in Malaysia, having its registered address at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Penang and place of business at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

The Directors of CMD are Tan Sri Dato’ Lim Soon Peng and Lim Poh Yit.

The principal activity of CMD is property development.

##### 2.2 Details of DHL

DHL is a private limited company incorporated in Malaysia, having its registered address at 30-1, Jalan Kuchai Maju 8, Off Jalan Kuchai Lama, 58200 Kuala Lumpur, Wilayah Persekutuan and place of business at Lot 4, Persiaran Perusahaan Seksyen 23, 40300 Shah Alam, Selangor Darul Ehsan.

The Directors of DHL are Mario Lorenz, Loke Wai Ting and Yasmin Binti Aladad Khan.

The principal activity of DHL is business of letting properties, public bonded facilities and security support services.

#### 3. TERMS OF THE LOI

- 3.1 The Landlord, its employees, agents, affiliates and corporate representatives or advisers shall not approach, enter into or negotiate with any other person or company regarding a transaction or agreement which would preclude or adversely impact DHL’s prospective BTS and/or subsequent lease of the Site.
- 3.2 Upon approvals, consents, permits, or licenses having been obtained from the relevant authorities, the Landlord will commence construction on the Site on or around 1<sup>st</sup> June 2022 with practical completion anticipated on 1<sup>st</sup> June 2023 (“**Practical Completion**”).
- 3.3 The confidentiality undertaking the LOI shall remain in force and effect for a period of two (2) years from the expiry or termination of this LOI.

- 3.4 DHL has agreed to pay the Landlord the sum of RM150,000 (“**Booking Fees**”) in the form of a cash deposit by 25 March 2022 and the Landlord acknowledged that DHL has paid a sum of RM30,000 to the Landlord on 31 January 2022 (“**Commitment Fees**”). This payment is for the purpose of early ground work while Parties finalising the agreement(s).
- 3.5 The Parties agreed that should the BTS or subsequent lease agreement is/are not executed on the 6 April 2022 or on any extended date as mutually agreed by the Parties, the LOI shall lapse and the Booking Fee and Commitment Fee shall be deemed forfeited as consideration for the exclusivity period.
- 3.6 In the event the Landlord commits any breach and/or default or terminates the negotiations and/or the LOI before 6th April 2022, DHL shall be entitled to terminate the LOI with immediate effect with no penalty and/or liability, as defined in the LOI.

The Landlord shall refund all monies paid by DHL including the Booking Fees and Commitment Fees and pay to DHL an amount of RM150,000 as agreed liquidated damages.

#### **4. RATIONALE AND BENEFITS OF THE LOI**

The LOI is to pave the way for further discussions and negotiations between the Developer and DHL in respect of the BTS proposal and subsequent lease of the Site.

#### **5. FINANCIAL EFFECTS OF THE LOI**

The LOI is not expected to have any effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholdings of the Company for the financial year ending 30 June 2022.

#### **6. APPROVALS/CONSENT REQUIRED**

The LOI is not subject to the approval of the shareholders of TLB.

#### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the directors and/or major shareholders of TLB and/or persons connected to them has any interest, direct or indirect, in the LOI.

#### **8. DIRECTORS’ STATEMENT**

After having considered all aspects of the LOI, the Board is of the opinion that the LOI is in the best interest of the Company.

The announcement is dated 27 March 2022.