

**TITIJAYA LAND BERHAD (“TLB” or “Company”)
MEMORANDUM OF UNDERSTANDING BETWEEN TLB AND PENANG DEVELOPMENT
CORPORATION**

1. INTRODUCTION

The Board of Directors of TLB (“**Board**”) wishes to announce that the Company had on 17 January 2022 entered into a Memorandum of Understanding (“**MOU**”) with Penang Development Corporation to explore the opportunity to cooperate in developing the Proposed Land (as defined below).

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

2. INFORMATION ON PDC

Penang Development Corporation (“**PDC**”) is a body corporate established under the Penang Development Corporation Enactment 1971 and having its business office at Bangunan Tun Dr. Lim Chong Eu, No.1, Persiaran Mahsuri, Bandar Bayan Baru, 11909 Bayan Lepas, Pulau Pinang, Malaysia.

PDC is the premier development agency of the State Government of Penang. Its principal activities include being the government think-tank, industrial park development, township development, urban redevelopment, affordable housing and investments.

3. SALIENT TERMS AND RATIONALE OF THE MOU

- 3.1 PDC is the premier development agency of the State Government of Penang which has been tasked by the State Government of Penang with the responsibilities of being the master developer of the Bandar Cassia Township at Batu Kawan, Penang. PDC is also the beneficial owner of all the pieces of land located in Bandar Cassia, Mukim 13, Batu Kawan, Seberang Perai Selatan, Pulau Pinang (“**Site**”) and the Site is earmarked for mixed development including but not limited to medical hub, eco-tourism and global business services.
- 3.2 TLB or its subsidiary company (“**Investor**”) wishes to expand its investment to the State of Penang particularly in Bandar Cassia and intend to acquire or lease, or to enter into a joint venture with PDC pertaining a piece of land within the Site measuring approximately 230 acres (“**Proposed Land**”).
- 3.3 The Parties agree to collaborate to develop the Proposed Land (“**Proposed Development**”) subject to terms and conditions as the Parties may mutually agree in a formal definitive purchase and development agreement and/or lease agreement or joint development agreement.
- 3.4 This MOU is to serve as a preparatory agreement specifying the preliminary arrangements between TLB and PDC with the aim of entering into a definitive agreement for the lease and/or sale and purchase and/or joint venture of the Proposed Land and the construction of the Proposed Development.

- 3.5 Save and except for confidentiality obligations and certain clauses stipulated in this MOU, the MOU is non-binding in nature and shall not give rise to any financial obligations to the Parties. For the avoidance of doubt, there is no legal obligation on either Party to enter into the proposed transaction anticipated in the definitive agreement. Each Party undertakes that it shall, in good faith, throughout the period of this MOU facilitate work on the deliverables of this MOU.
- 3.6 This MOU will be effective on the date of signing by the Parties and shall remain in full force and effect for a period of six (6) months from the date of this MOU or until the signing of the definitive agreement (if sooner) or until terminated by either Party by giving one (1) month's prior written notice to the other Party, whichever shall occur earlier.

During the subsistence of this MOU, PDC agrees that PDC shall only negotiate exclusively with the Investor which substantially is similar to the Proposed Development on the Proposed Land. The effective period of this MOU may be extended for a further period as the Parties may mutually agree in writing.

4. RATIONALE OF THE MOU

The MOU allows the Parties to negotiate exclusively during the term thereof and sets out the understanding and intention in respect of the collaboration to develop the Proposed Land.

The collaboration with PDC for the Proposed Development will serve as a platform for TLB to expand its business activities in the property development and/or construction projects in the State of Penang that will be beneficial to the Company, including but not limited to the Proposed Development.

5. RISK FACTORS

The Board of TLB wishes to inform that there is no certainty that the MOU will result in the signing of a definitive agreement, and that further details of the MOU will be announced once a definitive agreement has been entered into.

The Board is of the view that the MOU does not expose the Company to any new business risk as the MOU does not create any binding contractual obligation on TLB.

6. FINANCIAL EFFECTS

The MOU will not have any effect on the issued share capital and substantial shareholders' shareholdings of TLB. The MOU will not have any effect on the earnings per share, net assets per share and gearing of TLB for the financial year ending 30 June 2022.

7. APPROVALS REQUIRED

The execution of the MOU does not require any approval of shareholders or any relevant authorities.

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

None of the Directors and/or major shareholders of TLB and/or persons connected with them have any interest, either direct or indirect, in the MOU.

9. DIRECTORS' STATEMENT

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the MOU will be made available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal office hours from Monday to Friday (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 19 January 2022.