

TITIJAYA LAND BERHAD ("TITIJAYA" OR "COMPANY")

PROPOSED ACQUISITION BY ASAS DINASTI SDN. BHD., AN INDIRECT WHOLLY OWNED SUBSIDIARY OF THE COMPANY, OF A PIECE OF LAND HELD UNDER INDIVIDUAL TITLE NO. CL015682603 (FORMERLY NT013087459 & NT013087440), SITUATED AT KG. NUMBOK, KUALA MENGGATAL, DISTRICT OF KOTA KINABALU, SABAH, TOGETHER WITH THE ABANDONED STRUCTURE KNOWN AS BANGUNAN KOPERASI UMS ERECTED THEREON

1 INTRODUCTION

The Board of Directors of Titijaya wishes to announce that Asas Dinasti Sdn. Bhd. ("**AD**" or "**Purchaser**"), an indirect wholly owned subsidiary of Titijaya, has on 23 May 2025 entered into a Sale and Purchase Agreement ("**SPA**") with the following parties, for the acquisition of a piece of land held under Individual Title No. CL015682603 (formerly NT013087459 & NT013087440), situated at Kg. Numbok, Kuala Menggatal, District of Kota Kinabalu, Sabah ("**Land**" or "**Land B**") together with the abandoned structure known as Bangunan Koperasi UMS ("**Property**"), for a total cash consideration of RM6,000,000.00 ("**Purchase Consideration**" or "**Purchase Consideration B**"), subject to the terms and conditions as stipulated in the SPA ("**Proposed Acquisition**" or "**Acquisition B**"):-

- a) Likas Bay Precinct Sdn. Bhd. ("**LBP**" or "**Vendor**") (Receiver and Manager Appointed) c/o UHY Advisory (KL) Sdn. Bhd. of Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran, Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan ("**Vendor's R&M**").
- b) Lok Yee Hsun ("**LYH**" or "**Landowner**" includes his personal representatives successors and assigns) of the second part and now acting by and through Johnson Rudd A/L Sunny Rudd by virtue of a Power of Attorney dated 7 March 2024 registered in the High Court of Malaya at Kuala Lumpur vide registration no. WA-SKW-6513-03/2024 granted by Emerald Unity Sdn Bhd [Registration NO. 202301012098 (1506020-M)], who is vested with the Subject Loans of Malaysia Building Society Berhad [Registration No. 9417-K] (now known as MBSB Berhad).

Reference is further made to the Company's announcement on 26 May 2025 in connection with the proposed acquisition by AD of a piece of land held under Individual Title No. CL015682612 (formerly NT013087459 & NT013087440), situated at Kg. Numbok, Kuala Menggatal, District of Kota Kinabalu, Sabah, together with the properties erected thereon.

On 26 May 2025, AD had entered into a Sale and Purchase Agreement ("**SPA 1**") with the Vendor, Landowner and Yayasan Universiti Malaysia Sabah ("**YUMS**") (Receiver and Manager Appointed) c/o Ferrier Hodgson MH Sdn. Bhd. of Baker Tilly Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, for the acquisition of a piece of land held under Individual Title No. CL015682612 (formerly NT013087459 & NT013087440), situated at Kg. Numbok, Kuala Menggatal, District of Kota Kinabalu, Sabah together with the Properties erected thereon (collectively "**Land A**") ("**Acquisition A**"), for a total purchase consideration of RM99,000,000.00 ("**Purchase Consideration A**"), subject to the terms and conditions as stipulated in the SPA 1.

Pursuant to Paragraph 10.12(1) and 10.12(2)(c) of Chapter 10 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Land B Acquisition and Land A Acquisition are to be aggregated, as the terms of the transactions were agreed upon within a period of 12 months

and the transactions involve the acquisitions of parcels of land contiguous to each other.

(AD, LBP and LYH are, collectively, the "**Parties**" and individually, a "**Party**")

(Titijaya and its subsidiaries shall hereinafter be referred to as "**Titijaya Group**" or the "**Group**")

(Land A and Land B are collectively referred to as "**Lands**")

2. INFORMATION OF THE PARTIES

2.1 Information on AD

AD was incorporated in Malaysia under the Companies Act 1965 on 4 October 2016, as a private limited company. The principal activity of AD is investment holding.

The registered address of AD is situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan and business address at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

As at the date of the SPA, the issued and paid-up share capital of AD is RM10,000.00 comprising 10,000 ordinary shares.

The directors of AD are as follows:

1. Datuk Lim Poh Yit
2. Lim Puay Fung
3. Dato' Faizal Bin Abdullah

2.2 Information on LBP

LBP was incorporated in Malaysia under the Companies Act 1965 on 25 May 1999, as a private limited company. The principal activity of LBP is building construction, civil engineering construction and mechanical & electrical works contractor.

The registered and business address of LBP is situated at Unit 8-2, 8-3 & 8-4, 8th Floor, Menara MAA, 6 Lorong Jalan Api-api 1, 88000 Kota Kinabalu, Sabah.

As at the date of the SPA, the issued and paid-up share capital of LBP is RM13,800,000.00 comprising 13,800,000 ordinary shares.

The directors of LBP are as follows:

Lok Yee Hsun
Yunos bin Malai Amit
Michael Kinsuan

LBP has been placed under receivership with Datuk Tee Guan Pian c/o Vendor's R&M as the Receiver and Manager of the assets under the powers contained in the Debentures dated 27 October 2011, 27 January 2014 and 24 August 2015.

2.3 Information on LYH

LYH, a Malaysian male, aged 49.

3. PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITION

AD and Vendor agree that the Purchase Consideration shall be RM6,000,000.00 payable to the Stakeholders.

Deposit

Before signing the SPA, the Purchaser paid an earnest deposit of RM300,000.00 ("**Earnest Deposit**"). Upon the execution of the SPA, the Purchaser shall pay a sum of RM300,000.00 only ("**Balance Deposit**") to Messrs Baker Tilly Insolvency PLT [Registration No. 202106000020 (LLP0028871-LAL) at Baker Tilly Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur ("**Stakeholders**").

The Earnest Deposit and the Balance Deposit shall collectively be referred to as "**Deposit Sum**".

Balance Purchase Price

AD shall within three (3) months from the unconditional on the business day after the date of fulfillment of the last conditions stated in the SPA ("**Completion Date**") pay by way of cash and/or loan the sum of RM5,400,000.00 ("**Balance Purchase Price**") to the Stakeholders.

If the Balance Purchase Price is not paid in full by AD to the Stakeholders on or before the Completion Date, the Completion Date will be automatically extended by one (1) month starting from the day after the Completion Date expires ("**Extended Completion Date**") provided that AD must pay interest at a rate of 8% per annum on the unpaid portion of the Balance Purchase Price.

4 INFORMATION ON THE LAND AND PROPERTY

The Land comprises of a piece of land held under Individual Title No. CL015682603 (formerly NT013087459 & NT013087440), situated at Kg. Numbok, Kuala Menggatal, District of Kota Kinabalu, Sabah which is subject to restrictions which require that consent to transfer be obtained from the State Authority and subject to fulfilment of the covenants.

5 SALIENT TERMS OF THE SPA

The salient terms of the SPA include, amongst others, the following:

5.1 SPA of Land and Property

The Land and Property are sold on the following basis:

- (1) on an "as is where is" basis;
- (2) on a "lock stock and barrel" basis
- (3) on "willing buyer and willing seller" basis, whereby the Purchaser shall be deemed to have made its own necessary inquiries and investigations regarding the Land and the Property and is fully aware of their condition;
- (4) without any representations and warranties, including without limitation as to the fitness for occupation and/or use, description, area, nature, state or

condition, value or compliance with the relevant laws;

- (5) with vacant possession; and
- (6) free from all encumbrances of whatsoever nature including but not limited to any legal or equitable claims from any third parties whomsoever save and except those provided in the SPA, free from restrictions imposed on the title of the Land, as well as charges, liens and caveats.

5.2 Conditions Precedent

The SPA is conditional upon the fulfilment of the conditions precedent as stipulated in the SPA.

5.3 Completion Events

- (1) upon AD having paid the full Balance Purchase Price, after deducting the Redemption Sum to Emerald Unity (including any Late Payment Interest, if applicable), to the Stakeholders. Any payment made by AD to the Stakeholders under the SPA will be considered as payment to the Vendor/ Landowner.
- (2) upon registration of the Memorandum of Transfer of the Land title from LBP to the Purchaser, registration of the Memorandum of Charge in favor of AD's Financier (if any) and the perfection of the Deed of Assignment for the Property in favor of AD; and
- (3) upon delivery of vacant possession of the Land and Property to the Purchaser in accordance with the SPA.

5.4 Events of Default

(a) Default by AD:

If AD fails to pay the Balance Purchase Price as required by the SPA, fails to comply with its terms and conditions, or breaches any undertakings, warranties, or representations, LBP has the right to terminate the SPA. In such a case the Deposit Sum will be forfeited by LBP as agreed liquidated damages, any other payments made toward the Purchase Price (if any) will be refunded to AD without interest within 30 business days from the date the Vendor and/or the Landowner receives AD's written request.

(b) Default by LBP:

If AD complies or is ready and willing to comply with all the terms and conditions of the SPA, but LBP breaches any provisions of the SPA and willfully fails or neglects to rectify the breach within thirty (30) business days from the date they receive AD's written request, resulting in the Land not being transferable and the Property not assignable to AD (if applicable), AD shall have the right to either claim for specific performance, or terminate the SPA, whereupon LBP must refund the Deposit Sum and any other payments made toward the Purchase Price (if any) to AD, subject to deductions for solicitors' charges/fees (if unpaid by the Purchaser), free of interest, within thirty (30) business days from the date of receipt of AD's written demand.

5.5 Force Majeure

Neither party shall be responsible for any failure to perform any of its obligations herein, or for damage or loss to the other party if such failure, damage or loss is caused by:-

- (i) natural disasters, strikes, industrial disputes, riots, protest or war;
- (ii) orders under the Prevention and Control of Infectious Diseases Act, 1988, that significantly disrupt the Parties' obligations under the SPA;
- (iii) failures or disruptions in banking, communication, courier, postal, or utilities services;
- (iv) changes or actions in laws, regulations, or orders by the Government or state authorities; or
- (v) any other uncontrollable circumstances beyond the parties' reasonable control.

6 SOURCES OF FUNDING FOR THE PURCHASE CONSIDERATION

The Purchase Consideration for the Proposed Acquisition will be funded by a combination of internally generated funds and/or bank borrowings. The specific proportion of the Purchase Consideration to be funded using internally generated funds and bank borrowings will be determined at a later stage, after taking into consideration the Group's gearing level, interest costs as well as internal cash requirements.

7 BASIS AND JUSTIFICATION FOR THE PURCHASE CONSIDERATION

The total Purchase Consideration was determined on a willing-buyer and willing-seller basis following negotiations and an internal review conducted by the management. In arriving at the Purchase Consideration, the following factors were taken into account:

- (a) the potential development returns from the Land and Property;
- (b) the accessibility and suitability of the Land and Property;
- (c) recent transactions of land within the surrounding area.

Based on the Company's internal assessment, the Purchase Consideration is within the range of acceptable land costs given the potential gross development value to be generated. While a formal valuation was not carried out for the Proposed Acquisition, the Group is confident that the Purchase Consideration reflects the current market value and will generate a positive return for the Group.

8 RATIONAL FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's growth strategy to increase the Group's landbank with suitable land in order to sustain its core business as a property developer.

The location of the Land and connectivity to UMS and the upcoming Hospital UMS (HUMS) has made it a sought after locality in Kota Kinabalu. The HUMS which is slated to commence operations in January 2026 will serve as a crucial centre for medical education, research and public health services. The Company is confident of the prospects of the Land after taking into consideration the location for a sizeable residential development.

9 PROSPECTS OF THE LAND AND PROPERTY

The Group has the intention to acquire the Properties with the purpose of redeveloping them into mixed development properties. The Group is optimistic that the Proposed Acquisition will not only augment the future revenue stream but also make a positive contribution to the overall financial performance of the Group.

10 RISK FACTORS

While the risks associated with the Proposed Acquisition are not entirely new to the Group, given that property development and construction are the key operational activities of the Group, the Proposed Acquisition is still subject to certain risks as outlined below:

10.1 Completion Risk

The Proposed Acquisition may not be completed if any of the terms and conditions cannot be fulfilled and/or waived, as the case may be, within the stipulated timeframe.

To mitigate such risk, the Company will take reasonable steps to ensure and/or procure that all the terms and conditions of the SPA are fulfilled within the stipulated timeframe and that every reasonable effort is made to fulfil the terms and conditions to complete the Proposed Acquisition in a timely manner.

10.2 Market Risk

The investment is aligned with rising student accommodation demand in the area, backed by proximity to UMS. While inherent risks exist in relying heavily on a single tenant demographic, these are mitigated through proactive leasing strategies, market positioning flexibility, and conservative financial management.

11 EFFECT OF THE PROPOSED ACQUISITION

11.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital or the shareholdings of substantial shareholders of Titijaya as the Proposed Acquisition does not involve the issuance of new ordinary shares in Titijaya.

11.2 Earnings and Earnings per share ("EPS")

The Proposed Acquisition will not have any material effect to the earnings and EPS of Titijaya Group for the financial year ending 30 June 2025.

11.3 Net Assets ("NA"), NA per share

The Proposed Acquisition will not have any material effect on the NA per share of Titijaya Group for the financial year ending 30 June 2025.

11.4 Gearing

Subject to unforeseen circumstances, the Proposed Acquisition is not expected to have any material effect on the gearing level of Titijaya Group for the financial year ending 30 June 2025.

11.5 Highest Percentage Ratio applicable to the Proposed Acquisition

As the percentage ratio of the Proposed Acquisition is less than 5%, no announcement of the acquisition of land to the Bursa Securities is required according to Paragraph 10.05(1) of the MMLR.

Taking into consideration Paragraph 10.12 of Chapter 10 and Practice Note 14 of the MMLR on the Aggregation of Transactions, the Purchase Consideration, Acquisition A and B will be aggregated for the purpose of the computation of percentage ratios.

The highest percentage ratio triggered pursuant to Paragraph 10.02(g) of Chapter 10 of the MMLR is 8.5%, being the aggregate value of purchase consideration for the Acquisition A and B based on the Company's latest audited financial statements for the financial year ended 30 June 2024.

12 APPROVAL(S) REQUIRED

Save for the written consent from the relevant state authority to transfer the Land to the AD, the Proposed Acquisition does not require the approval of shareholders of Titijaya Group.

13 INTEREST OF THE DIRECTORS AND/OR MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the directors, major shareholders, persons connected to directors or persons connected to the major shareholders of the Company has any interest, direct or indirect, in the above Proposed Acquisition.

14 STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of Titijaya, having considered all pertinent aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of Titijaya Group.

15 ESTIMATED TIME FRAME FOR COMPLETION

Nine (9) months.

16 DOCUMENTS FOR INSPECTION

The SPA is 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 Kuala Lumpur during normal business hours from Mondays to Fridays (except for Public Holiday) for a period of three (3) months from the date of this Announcement.

This announcement is dated 26 May 2025.