

GENERAL ANNOUNCEMENT

Company Name : **ORIENTAL INTEREST BERHAD**
Registration No. 199301017406 (272144-M)

Stock Name : OIB

Type : General Announcement

Subject : **Agreement between OIB Properties (KV) Sdn. Bhd., a wholly owned subsidiary of Oriental Interest Berhad, and Perbadanan Kemajuan Negeri Kedah to jointly develop the Land (as defined)**

(For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in the announcement dated 9 March 2023 in relation to the Development.)

Further to the announcement of 9 March 2023, Oriental Interest Berhad (“OIB” or “the Company”) is pleased to provide the following additional information. The terms used herein, unless the context otherwise states, shall bear the same meaning as those defined in the announcement aforesaid.

- 1. To provide the basis in determining the Minimum Guaranteed Sum of RM326 million or 16%**

The minimum guaranteed sum of RM326 million is about 16% of our GDV. In turn, the GDV is derived from the current market value of the components of the Project and does not include any projected increase in market value of said components over the Completion Period.
- 2. To provide the basis in determining the cost of the Land of RM240 million**

The cost of the Land of RM240 million is determined by PKNK (Perbadanan Kemajuan Negeri Kedah).
- 3. To state the mode of settlement of the Landowner’s Entitlement**

As mentioned in the initial announcement, the Landowner’s Entitlement will be settled in cash and in kind. The latter is based on an agreed form of apportionment of all development components and Malay quota with the selection of units from different components shall be in the ratio of 30:70 favoring Kuota Melayu:Kuota Bebas.
- 4. To also provide the salient terms relating to termination of agreement and the relevant refund/penalty clauses. If there is no such salient terms/clauses, please provide the reason for such inclusion**

Salient terms relating to termination of agreement by Landowner and Developer are as below:

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The Landowner is entitled to terminate the Agreement by giving fourteen (14) days written notice to the Developer in the event that:-

- (a) The Developer is served with petition for winding-up or enters into compulsory or voluntary liquidation or a receiver is appointed for the Developer's substantial assets or if the Developer make an assignment for the benefit of its creditors; and/or
- (b) The Developer defaults on its own term or condition as contained in the Agreement and fails to rectify the default(s) within the period as stated in the Agreement; and/or
- (c) A distress or execution or other process of a court of competent jurisdiction is levied upon or issued against any property of the Developer and is not satisfied or discharged within fourteen (14) days of such execution; and/or
- (d) The Developer fails or defaults in the payment or Landowner's Entitlement or of any sum of money due and payable to the Landowner on its due date; and/or
- (e) The Developer fail to fulfil any of its obligations as provided for in in the Agreement; and/or
- (f) The Developer without reasonable cause (except for Force Majeure as stipulated in the Agreement) cease all works on the Land or suspends completion of construction works for the Project, and remove all personnel and vacate the said Land completely; and/or
- (g) The Developer wilfully abandon the whole or any part of the Project or the Land before its completion without reasonable cause and the Developer shall be deemed to have abandoned the Development/Project or construction works on the Land or if the Developer fails to carry out any of the Development/Project or construction works for a continuous period of six (6) months, unless the Developer is able to justify its non-carrying out of the Development/Project or construction works in writing to the Landowner; and/or
- (h) The Developer wilfully fails to commence the construction of the Development within the Development Timeline; and/or
- (i) The Developer fails to complete the Development until expiry of the Completion Period and in accordance with the Development Timeline or within any extended time, as may be agreed upon by the Landowner, without any valid reason; and/or
- (j) The Developer persistently or flagrantly breaches or neglects to comply with or carry out any material obligations under the Agreement; and/or

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- (k) The Developer acts in breach or neglects to comply with or carry out any obligations within the time periods as prescribed under the Agreement; and/or
- (l) if any statement, representation or warranty made in connection with the execution and delivery of this Agreement at the time of execution and delivery shall be found to have been materially incorrect.

The Development Timeline refers to the detailed schedule for the completion of construction for the Project while Completion Period refers to the period for the completion of the construction of the said Project on the said Land in accordance with the Development Timeline.

In the event that the Agreement is terminated by the Landowner pursuant to above clauses, any payment that has been paid by the Developer to the Landowner shall be absolutely forfeited by the Landowner and the Developer shall immediately return to the Landowner the issue document of title or the master title or subsidiary titles or strata titles if issued (as the case may be) to the Land free from encumbrances, and to cease all works, to remove all its belongings and its workmen from the Land and without prejudice to any other rights and remedies to which the Landowner may be entitled to at law and/or under and/or pursuant to the Agreement.

The Landowner and Developer agree that in the event that either party shall commit a breach of any of the terms of the Agreement (not being a material breach) or is unable to fulfil its obligations within the time prescribed therefore, an extension of time of a period of ninety (90) days shall be accorded to the party committing the breach to rectify or to fulfil the same, failing which the party which is not in default may exercise its rights to terminate this Agreement as provided for herein.

The Developer be entitled to terminate the Agreement by giving fourteen (14) days written notice to the Landowner in the event:-

- (a) Landowner fails to rectify its default in any material term or condition on its part contained in the Agreement within the period provided for in the Agreement; and/or
- (b) That a distress or execution or other process of a court of competent jurisdiction which is levied upon or issued against any property of the Landowner is not satisfied or discharged within fourteen (14) days thereof; and/or
- (c) If an order being made by a court of competent jurisdiction or relevant authority which order shall affect the validity of the Agreement or the Landowner's ability to perform its obligations hereunder; and/or

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- (d) That the Landowner fails to fulfil any of its obligations as provided for in the Agreement.

Unless otherwise specifically provided for herein, in the event that the Agreement is terminated as provided for in the Agreement, the Landowner shall forthwith refund in full to the Developer all payments (if any) received from the Landowner free of interest in exchange for and against and subject to the return to the Landowner of the issue document of title or master title or subsidiary titles or individual strata titles (as the case may) to the said Land free from encumbrances, without prejudice to any other rights and remedies to which the Developer may be entitled to at law and/or under and/or pursuant to this Agreement in particular to claim for any loss of expected profit.

5. To provide more clarity on the applications to the relevant authorities by indicating/specifying the timeline

As mentioned in the initial announcement, the Developer is to apply and submit for the needful approvals which are necessary for the development of the said Land within the 6-month time frame from date of the Agreement, the Developer shall, prior to close of year 2023, seek for extension of time ("EOT") from the Landowner with the duration of EOT to be mutually agreed.

This announcement is dated 13 March 2023.