

Stock Name : ORIENT
Type : General Announcement
Subject : Joint Venture Agreements with Business Park Development Sdn. Bhd., a subsidiary of LBS Bina Group Berhad

1. INTRODUCTION

Further to the announcements made on 15 May 2025 and 16 July 2025 regarding the Memorandum of Understanding, the Board of Directors of Oriental Holdings Berhad [Registration No. 196301000446 (5286-U)] ("**OHB**" or "**the Company**") wishes to announce that a wholly owned subsidiary, Ultra Green Sdn. Bhd. [Registration No. 199401005834 (291513-U)] ("**UG**" or "**Landowner**") has, on 27 October 2025 entered into Joint Venture Agreement 1 ("**JVA 1**") and Joint Venture Agreement 2 ("**JVA 2**") (collectively "**JVAs**" and which expression shall include any variations or supplements made pursuant thereto) with Business Park Development Sdn. Bhd. [Registration No. 202301003915 (1497834-A)] ("**BPD**" or "**the Developer**"), a subsidiary of LBS Bina Group Berhad ("**LBS**") to jointly develop all that pieces and or parcels of land measuring approximately 54.75 acres located at Klebang, Melaka ("**Development Land**") into a commercial and residential (if any) development project ("**Proposed Joint-Venture**").

2. INFORMATION ON UG, BPD AND LBS

2.1 UG

UG is a private limited company incorporated in Malaysia under the Companies Act 1965 on 5 March 1994. It is a wholly owned sub-subsidiary of OHB held through its wholly owned subsidiary, Kah Motor Company Sdn. Berhad. Its present issued share capital is RM204,000,000 comprising 7,000,000 ordinary shares ("**OS**") and 1,970,000 redeemable preference shares ("**RPS**"). The composition of its board of directors and shareholding structure is as tabulated. The principal activities of UG are land reclamation and investment holding.

Name	Status	Shareholding - OS		Shareholding - RPS	
Datuk Loh Kian Chong	Director	-	-	-	-
Tan Kheng Hwee	Director	-	-	-	-
Tan Hui Ming	Director	-	-	-	-
Lim Ee Hean	Director	-	-	-	-
Dato' Robert Wong Lum Kong	Director	-	-	-	-
Wong Tet Look	Director	-	-	-	-
Dato' Seri Lim Su Tong	Alternate Director	-	-	-	-
OHB	Shareholder			1,970,000	100%
Kah Motor Company Sdn. Berhad	Shareholder	7,000,000	100%	-	-

2.2 BPD

BPD, a private limited company, was incorporated in Malaysia under the Companies Act 2016 on 7 February 2023. It is a 80% subsidiary of LBS Bina Holdings Sdn Bhd which, in turn, is a wholly-owned subsidiary of LBS. The remaining 20% stake in BPD is held by Au-Yang Liang Hin. Its present issued share capital is RM100 represented by 100 ordinary shares. The Directors of BPD are Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, Datuk Wira Lim Hock Guan, Datuk Wira Mohd Anis Hisham bin Abd Aziz, and Au-Yang Liang Hin. BPD is principally engaged in property development.

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2.3 LBS

LBS, a public listed company, was incorporated in Malaysia under the Companies Act 1965 on 29 June 2000. Its present issued share capital totalled RM922,887,304.36 comprising RM830,378,365.78 represented by 1,580,245,151 ordinary shares and RM92,508,938.58 represented by 84,099,035 redeemable convertible preference shares. LBS is principally engaged in property development and investment holding.

3. DETAILS OF PROPOSED JOINT-VENTURE

3.1. UG is the beneficial owner of the Development Land as detailed below:

JVA 1	UG is the registered and/or beneficial owner of all that two (2) parcels of leasehold land of 99 years both expiring on 6 th August 2122 held under individual titles known as HSD 89845, PT 259 and HSD 89844 PT 258, both in Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka with a total area measuring approximately 27.28 acres in Klebang Melaka (" Phase 1A ").
JVA 2	UG is also the beneficial owner of all that parcel of land delineated in the plan annexed in the JVA 2 with a total area measuring approximately 27.47 acres in Klebang Melaka (" Phase 1B "). The issue document of title in respect of Phase 1B has yet to be issued, and UG is currently in the process of procuring the issue document of title for Phase 1B from the relevant authority.

The Proposed Joint Venture encompasses Phases 1A and 1B of the entire 4 phases of the development spanning of the total 561-acre lands held by subsidiaries of OHB. Phases 1A and 1B are planned to be developed into a commercial and residential (if any) development project with estimated gross development value (GDV) of RM600 million for a development period of 5 years where the estimated GDV is based on preliminary internal projections and indicative development plans. This GDV is subject to change and will be further refined upon finalisation of the master plan, phasing strategy, and receipt of relevant approvals. The GDV is presented for illustrative purposes and does not represent a forecast or guarantee of future revenue.

- 3.2. UG and the Developer have mutually agreed to enter into these JVAs whereby UG will provide the Development Land on as is where is basis and in consideration of UG's Entitlement (as defined below), UG grants to the Developer the exclusive rights to develop Phases 1A and 1B at Developer's own costs and expense into a commercial and residential (if any) development and to allow the Developer to implement and undertake the overall development of these phases, in accordance with the terms and conditions as stipulated in the JVAs.
- 3.3. Both UG and Developer have agreed that UG shall be entitled to cash entitlement of a sum equivalent to 17% of the GDV derived from the sales of properties units and receivables under the Proposed Joint Venture, subject to the necessary exemption or deduction as may be mutually agreed upon between UG and Developer ("UG's Entitlement"). Notwithstanding the foregoing, UG's Entitlement shall be fully paid and settled by the Developer within five (5) years from the Unconditional Date [as defined in Annexure A, item (B)3] subject to a further extension of one (1) year. Developer shall be entitled to all units of properties on the Development Land, subject to settlement of UG's Entitlement by the Developer in accordance with the JVAs.
- 3.4. UG's Entitlement was arrived at based on negotiation after taking into consideration the internal feasibility study on the development potential and prospects of the Development Land.

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- 3.5. The Developer shall procure its holding company, LBS to provide a corporate guarantee in favour of UG to guarantee the Developer's due performance and commitment in respect of its obligations under the JVAs including the settlement of UG's Entitlement.

4. RATIONALE FOR THE PROPOSED JOINT VENTURE

The Proposed Joint Venture aligns with the Group's (OHB and subsidiaries, collectively) strategic plan to unlock the value of its land by leveraging the development partner's expertise and network. Through this collaboration, the Development Land will be converted into a productive, income-generating asset that enhances the Group's financial performance and ensuring long-term earnings sustainability.

5. FINANCIAL EFFECTS OF PROPOSED JOINT VENTURE

The Proposed Joint Venture will not have any effect on the issued share capital and substantial stockholders' stockholding of OHB and is not expected to have any immediate material impact on Group's earnings, net assets and gearing for the financial year ending 31 December 2025. However, it is expected to contribute positively to the future earnings of the Group upon successful implementation of the development activities on the Development Land.

6. LIABILITIES TO BE ASSUMED

There are no liabilities, including contingent liabilities and guarantees, to be assumed by OHB arising from the Proposed Joint Venture.

7. SALIENT TERMS OF THE JVAs

The salient terms of the JVAs are set out in Annexure A of this announcement.

8. RISK FACTORS

The Board is not aware of any material risk factors arising from the Proposed Development other than those generally associated with the property development and construction industries. These include changes in political, economic, and regulatory conditions; shortages of labour and building materials; rising costs of labour and materials; fluctuations in credit and interest rates; inflation; and natural disasters; all of which may affect the Group's financial and operational performance. These risks are typically managed as part of the Group's ordinary course of property investment activities.

8.1 Transaction risk

The Proposed Joint Venture is contingent upon the fulfilment of various conditions and obligations under the JVAs. Any failure by the developer to meet these obligations, secure necessary approvals, or allocate sufficient financial and operational resources may delay or jeopardize the project. This could result in the Landowner experiencing delays in realizing returns from the land or, in a worst-case scenario, a failure to complete the development.

8.2 Delay in commencement and completion

There is always a potential risk that delays in the commencement or completion of the development due to various factors including, inter-alia, increased in development and/or construction costs, unavailability of skilled manpower, delay in completion of project and obtaining approvals from the relevant authorities, securing adequate funding on the part of the developer and a ready market available for the developed units in the future. Such delays may affect the landowner's ability to generate timely returns or may result in prolonged holding periods without income.

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8.3 Business risk

The future earnings of the Group from the Proposed Joint Venture will depend on various factors, including the location and type of development, rising costs of materials and overheads, quality and reliability of contractors, and holding costs for completed properties.

9. APPROVAL OF SHAREHOLDERS AND RELEVANT GOVERNMENT AUTHORITIES

The Proposed Joint Venture is not subject to approval of the Company's stockholders. The approval of the relevant authorities for the development activities on the Development Land in Klebang Melaka, will be obtained, where applicable, in due course.

10. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS OR MAJOR SHAREHOLDERS

None of the Directors and / or major stockholders and / or persons connected have any interest, direct or indirect, in the Proposed Joint Venture.

11. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors, having taken into consideration all aspects of the Proposed Joint Venture, is of the opinion that the Proposed Joint Venture is in the best interest of the Group as it will facilitate the unlocking of the value of the Development Land and to transform it into a productive and income-generating venture that supports the Group's financial performance and long-term sustainability.

12. ESTIMATED TIME FRAME FOR COMPLETION

The applications to the relevant authorities in Melaka are expected to be made within the expected time frame from the date of this commencement of the first phase of the Proposed Joint Venture. Barring any unforeseen circumstances and subject to the fulfilment of all conditions precedent as set out in JVs, the Board expects the first phase of Proposed Joint Venture to be completed by the year 2032.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The JVs will be made available for inspection at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal business hours from Mondays to Fridays (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 27 October 2025.

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Annexure A

Salient Terms of the JVs

- (A) In consideration of the deposit sum of RM500,000.00 to be paid by the BPD to UG upon execution of each JVA, UG shall provide the Development Land on an “as is where is basis” for the joint venture development with BPD for the consideration and upon the terms and conditions contained in the JVs.

(B) **Conditions Precedent**

1. The JVs are conditional and shall be subject to fulfilment of the following:
BPD shall at its sole cost and expense with the assistance of UG (where reasonably required) submit and procure all relevant necessary approvals in respect of the development of the Development Land, subject to the terms and conditions imposed by the Government Authorities being acceptable to BPD in writing Provided Always that the BPD shall furnish UG with copies of these approvals including any variations or amendments thereto (referred to as “**CP 1**”).
2. In addition to CP1, JVA 2 is further conditional upon the following:
UG shall at its own costs and expenses procure the issuance of the title for the parcel of land for Phase 1B development and registered in the name of UG (referred to as “**CP 2**”).

(Both CP 1 and CP 2 collectively referred to as “**Conditions Precedent**”).

3. The Conditions Precedent shall be fulfilled within Twelve (12) months from the date of JVs (hereinafter referred to as “**Conditional Period**”) with an extension of Six (6) months from the expiry of the JVs (hereinafter referred to as “**Extended Conditional Period**”). Upon the fulfilment and/or satisfaction of the Conditions Precedent, the JVs shall become unconditional and such date shall be referred to as the “**Unconditional Date**”.
4. In the event that the Conditions Precedent could not be fulfilled within Extended Conditional Period, BPD shall have the right to rescind and terminate the JVs (provided that such failure is not due any default neglect or omission on the part of BPD).

(C) **BPD's and UG's Entitlement and mode of settlement**

1. BPD shall be entitled to all the sale proceeds of all the properties comprised in the Proposed Joint Venture of the Development Land subject to the settlement of UG's Entitlement in accordance with the terms of the JVs.
2. UG shall be entitled to cash entitlement of a sum equivalent to seventeen percent (17%) of the GDV derived from the sales of the Units and the Receivables under the Proposed Joint Venture on the Development Land which shall exclude the GDV Exemptions (hereinafter referred to as “**UG's Entitlement**”).

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Annexure A

Salient Terms of the JVAs

3. The GDV Exemptions refers to all low cost and price restricted units under the rules, all discounts/incentive/rebates (exclude Bumiputra discount) and any waiver/charges imposed by government including but not limited to provision of Bumiputra units. The Developer shall inform UG in writing of any GDV Exemptions and shall furnish UG with the relevant supporting documents in relation thereto.
4. The Developer shall not be entitled to transfer, charge and/or encumber the Development Land unless the same has been paid for, or deemed to have been paid for, by the Developer towards UG's Entitlement in accordance with the terms of the JVAs Provided Always That UG shall not be required to execute any documents in respect any financing obtained by the Developer to undertake the Development of the Development Land.
5. UG's Entitlement shall be paid progressively on a quarterly basis commencing from the fourth (4th) year from the Unconditional Date, calculated based on the progressive payment received by BPD from the end purchasers during the relevant quarter. Notwithstanding the foregoing, UG's Entitlement shall be fully paid and settled by the Developer within five (5) years from the Unconditional Date subject to a further extension of one (1) year.

(D) Development Period

The Development Land shall be completed within five (5) years from the Unconditional Date subject to a further extension of one (1) year, if required and certified by the BPD's architect (hereinafter referred to as the "**Development Period**").

(E) First Right of Refusal

- (1) The development of Phase 1A under JVA 1 shall be independent of the development of Phase 1B under JVA 2, Phase 1C, and Phase 1D. The JVAs shall remain valid, binding, and in full force notwithstanding that other agreement(s) for Phase 1C, and/or Phase 1D may be rescinded, terminated, or otherwise discontinued for any reason whatsoever.
- (2) Subject to the JVA 2 becoming unconditional and upon either (1) the full settlement of UG's Entitlement or (2) BPD having achieved at least 70% sales of the saleable units on the Development Land, whichever is earlier, UG shall grant BPD or its related companies the first right of refusal to develop Phase 1C and/or Phase 1D and execute the definitive agreements in respect thereof, which in any event shall be within two (2) years from the Unconditional Date of the JVA 2 on similar terms and conditions with the JVAs.

- (F)** For the avoidance of doubt, JVA 1 and JVA 2 are independent of each other, and the validity or enforceability of one shall not in any way be affected by the status of the other.