

LBS SEALS RECLAMATION AND DEVELOPMENT AGREEMENT

Reclamation Works on Area Measuring 1,200 Acres

Petaling Jaya, 8 April 2021 – LBS Bina Group Berhad’s (“LBS” or the “Group”) indirect 70%-owned subsidiary, Leptec Engineering Sdn. Bhd. (“LESB”) today signed a reclamation and development agreement (“RDA”) with the Melaka state government (“State Government”) for the rights to reclaim and develop an area measuring approximately 1,200 acres. The proposed reclaimed land will be part of the Melaka Waterfront Economic Zone (M-WEZ) which spans an area of 25,000 acres located in the coastline of Melaka state.

Following the reclamation works, LBS intends to develop an industry hub with port facilities which includes logistic and warehouse, manufacturing, liquefied natural gas (LNG), port related business and such other developments or economic activities on the site which is strategically located at Tanjung Bruas, Bandar XLV, Daerah Melaka Tengah, Melaka. LBS also plans to seek smart partnership or mutually beneficial collaboration with other parties with regards to this reclamation and development project (“Project”). This Project is in line with LBS’s plans to enlarge its land banks in other states particularly in states with strong growth potential such as Melaka.

In consideration of the rights granted, the State Government shall be paid a cash consideration of RM94.86 million which will be funded by internally generated funds and/or bank borrowings. Upon successful completion of the reclamation works, LBS shall be entitled to four-fifth (4/5) of the reclaimed land whereas the State Government shall be entitled to the remaining one-fifth (1/5) portion of the area.

The RDA was signed by Datuk Mohd Anis Hisham Abdul Aziz, the Managing Director of LESB while Datuk Seri Utama (Dr.) Haji Sulaiman Md Ali, the Chief Minister of Melaka, represented the State Government. The signing of the RDA, witnessed by Tan Sri Lim Hock San, the Executive Chairman of LBS, Datuk Seri Ab Rauf Yusoh, the Speaker of Melaka State Legislative Assembly, Tuan Mohd Yusof Abu Bakar, the CEO of M-WEZ, Cik Nor Fadhilah Mohd Ali, the CFO of Malaysian Communications and Multimedia Commission, Tuan Imri Mokhtar, CEO of Telekom Malaysia Berhad, together with other State Government and LBS officials, was held at the Royale Chulan, Kuala Lumpur.

After the signing ceremony, LBS Executive Chairman Tan Sri Lim Hock San commented, "This RDA provides the Group with an opportunity to procure sizeable tracts of lands at the coastal area of the Straits of Melaka, one of the busiest shipping lanes in the world. This will enable the Group to establish a dominant presence in this area with access to a new market catchment particularly in the industrial and commercial segment. With the Group's strong presence and foothold in the Guangdong province, China, we will be able to further leverage on the "Friendly State and Province" relationships between Melaka and Guangdong to explore bilateral investment corporations and establishments. The RDA also augurs well for our listed subsidiary, MGB Berhad which will benefit from potential construction works to be carried out for the Project. We are confident that the industrial and commercial development will be well received in view of its strategic location, growing economic activities in the vicinity and supports from the State Government. The Project is expected to contribute positively to the future earnings of the Group."

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