

17 June 2025

Dear Valued Shareholders of Jaya Tiasa Holdings Berhad

**UPDATE TO THE ANNOUNCEMENT OF THE PROPOSED ACQUISITIONS DATED 30 MAY 2025**  
**("ANNOUNCEMENT")**

*(All definitions used herein shall have the same meaning as defined in the Announcement, except as otherwise defined herein.)*

Reference is made to the Announcement.

The Company wishes to inform that the decision to pursue with the Proposed Acquisitions were carefully considered by the management and subsequently approved by the board of directors of the Company ("**Board**"), in accordance with good governance and fiduciary principles. The Board has exercised independent judgment, taking into account the Company's long-term strategy, financial position and acted in the best interest of all stakeholders. We wish to emphasise the following key points to ensure clarity:

**1. Venturing into the property development sector**

As stated in Section 3 of the Announcement, the Proposed Acquisitions present a strategic opportunity for the Company to broaden its business portfolio by engaging in property development. Currently, the Company's core activities encompass the development of oil palm plantations, palm oil processing, extraction and sales of logs and development of planted forest. These operations are inherently subject to the volatility of global commodity markets, where fluctuations in prices may impact revenue streams and profitability.

Engaging in property development offers a natural hedge against commodity cycles, contributing to earnings diversification and reducing reliance on commodity cycles. Additionally, the demand for real estate is often driven by factors such as urbanisation, population growth and infrastructural development, which can provide more stable and predictable returns to the Company.

Notwithstanding the venture into property development sector, the Board remains committed to the Company's dividend policy of paying out not less than 20% of its net profit, subject to not compromising the Company's ability to support its pursuit for sustainable long-term growth.

**2. Valuation of the Subject Lands**

Notwithstanding the carrying net book value recorded by the Vendor, the Purchase Consideration of RM100,000,000.00 for the Proposed Acquisitions was arrived based on the market value of the Subject Lands on 24 February 2025, as appraised by the Valuer (a licensed, independent and professionally qualified valuer, registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia). Such valuation has taken into account the value of the Subject Lands themselves, as well as all planning and development approvals obtained from the relevant authorities by the Vendors for the Subject Lands, as indicated in Section 2.4 of the Announcement. Such approvals significantly enhanced the

development potential and commercial value of the Subject Lands beyond the valuation that would typically be associated with any vacant or undeveloped land. Furthermore, the Subject Lands are not sited on peat soil and have been physically improved, with some engineering work partially completed, such as the construction of the main drain, land filling and leveling, and the subbase for internal road.

The valuation exercise was conducted in accordance with established industry standards and best practices. For further information on the valuation methodologies, Valuation Report pursuant to the Proposed Acquisitions is made available for inspection at the registered office of the Company at No. 1 - 9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak, Malaysia.

### 3. Overview of the development plans

As disclosed in Appendix II of the Announcement, planning and development approvals obtained for the Subject Lands are for the development of commercial towers, commercial shops, apartments, private hospital and a road reserve to be surrendered to the State of Sarawak.

For avoidance of doubt, the Company has conducted a necessary preliminary feasibility studies prior to the decision made to acquire the Subject Lands ("**Feasibility Studies**"). Drawing upon the findings of the Feasibility Studies, the Company has determined that the Subject Lands are strategically located to support the construction of a mixed development consisting residential and commercial buildings. Additionally, on 13 May 2025, the Purchaser has completed its due diligence on the Subject Lands, which is a condition precedent stated in the SPA.

Notwithstanding this, the Company may make changes to the building development plans from time to time, if required, as disclosed in Section 2.4 of the Announcement. Following the completion of the transfer of ownership of the Lands to the Purchaser, the Company may conduct a comprehensive review of the master plan for the Subject Lands ("**Review**"). The final development plan may or may not differ from the Vendor's original development proposal, and the Company will use the Review to finalise its own development strategy for the Subject Lands.

Resulting from the above, the Company will only be able to determine the final gross development costs and gross development value upon completion of the Review and hence, the gross development costs and gross development value of RM469.6 million and RM612.7 million, respectively, as disclosed in Section 2.4 of the Announcement, may vary. The Company has also not contracted or committed to any development costs with any parties for the Subject Lands at this juncture, subject to finalisation of its own development strategy.

As disclosed in Section 2.4 of the Announcement, as at the LPD, there are no immediate development plans for Lot 693. The acquisition of Lot 693 is primarily driven by its strategic connectivity to the adjacent vacant land of Lot 1369. This proximity presents significant potential for integrated development, enhancing the overall value proposition of the development master plan. In line with the Company's commitment to thorough planning and due diligence, Lot 693 will be subject to the above-mentioned Review in conjunction with the other three (3) lots. The Review will enable the Company to assess and determine the most viable and sustainable development options for Lot 693, ensuring alignment with the Company's long-term strategic objectives.

The Company will ensure that any development undertaken on all the Subject Lands will be in line with our commitment to prudent capital allocation and financial discipline, sustainable

growth, long-term value creation and compliance with all planning and regulatory requirements. The Company and Board are committed to maintaining transparent communication with shareholders and will continue to provide updates on the progress of the development on the Company's website at [www.jayatiasa.net](http://www.jayatiasa.net).

**4. Corporate governance**

The Board has diligently supervised the management's deliberations concerning the Proposed Acquisitions and has ensured that all strategic decisions are made with due consideration of the Company's long-term objectives, stakeholder interests, and risk management frameworks. The Board has actively engaged with management, providing constructive feedback and ensuring that all necessary internal processes in deciding on the Proposed Acquisition were thoroughly conducted prior to the execution of the SPA. Based on the foregoing, the Company wishes to emphasise that the management and the Board had upheld and will continue to adhere with the established corporate governance standards, principles of the Malaysian Code on Corporate Governance and the Company's Board Charter.

We appreciate your continued support and interest in our developments.

Sincerely,  
Dato' Jin Kee Mou  
Chief Executive Officer