

FAVELLE FAVCO BERHAD ("FFB" or "the Company")

ADDENDUM TO THE PROJECT DEVELOPMENT AGREEMENT IN CONNECTION WITH THE PROPOSED DEVELOPMENT OF TWO UNITS OF SINGLE-STOREY LOGISTIC WAREHOUSES WITH A COMBINED GROSS LETTABLE AREA OF 14,000 SQUARE METRES ON THE PROJECT LAND FOR LEASING PURPOSES ("THE PROJECT")

We refer to the announcement dated 24 May 2024 in relation to the Project ("Initial Announcement"). Unless otherwise defined, the definitions used throughout this Announcement shall have the same meaning as those used in the Initial Announcement.

1. INTRODUCTION

On 24 May 2024, the Board of Directors announced that the Company had entered into a PDA in respect of the Project with Dexus Property and Dexus Funds Management Limited.

The Board of Directors of the Company wishes to announce that the Company had on 1 August 2025 entered into a supplemental agreement with Dexus Property ("**Development Manager**") and Dexus Funds Management Limited ("**Performance Guarantor**") to add two new clauses in the Addendum to the Project Development Agreement ("**Addendum to PDA**") relating to the future sale or development of the Stage 2 Lot ("**Lot 2**").

2. DETAILS OF THE ADDENDUM TO PDA

Pursuant to the Addendum to PDA, the Company, Dexus Property and Dexus Funds Management Limited have mutually agreed that the following additions to the PDA shall be made and deemed to have immediate effect as from the date of the Addendum to PDA.

(a) Clause 11.3 - Right of first refusal to purchase Lot 2

This clause shall only apply if Practical Completion is achieved by the Development Manager for Stage 1 and the Agreement is not validly terminated by the Company prior to the Date of Practical Completion. If these conditions are met and the Company receives an offer from a third party to purchase Lot 2 within 15 years following completion of Services, it must first offer the Lot 2 to Dexus on the same terms. If Dexus declines, the Company may proceed with the third-party sale. However, if that sale does not materialise, Dexus's right of first refusal will be reinstated for future offers. This right remains enforceable even if Lot 2 is mortgaged. For the avoidance of doubt, the right of first refusal under this clause is personal to the Development Manager (and also for the benefit of Dexus), and does not constitute an option or other interest in land in respect of the Lot 2. This right does not apply to the Stage 1 Lot.

(b) Clause 11.4 – Right of First Refusal for Development of Lot 2

This clause shall only apply if Practical Completion is achieved by the Development Manager for Stage 1 and the Agreement is not validly terminated by the Company prior to the Date of Practical Completion. If the Company decides to develop or redevelop Lot 2 within 15 years, Dexus will have the first right to propose a joint venture or similar arrangement. Both parties will have 50 business days to negotiate terms in good faith. If no agreement is reached, the Company may proceed on its own. The rights granted under this Clause 11.4 are personal rights and do not constitute an option to purchase or create any interest in the Stage 2 Lot and may only be exercised by the Development Manager.

3. RATIONALE FOR THE ADDENDUM TO PDA

Given the positive progress and cooperation with Development Manager for ongoing Stage 1 development, the Company considers them a preferred partner for any future sale or development of Lot 2. These clauses formalise that preference while maintaining flexibility for the Company.

This announcement is dated 1 August 2025.