

KANGER INTERNATIONAL BERHAD ("Kanger International" OR THE "Company")

MULTIPLE NOVATION AGREEMENT

1. INTRODUCTION

The Board of Directors of Kanger International ("**Board**") wishes to announce that its wholly-owned subsidiary, Kanger Ventures Sdn Bhd ("**Kanger Ventures**"), had on 15 January 2021 entered into the following Collaboration Agreements ("**Collaboration Agreements**"):

- a) Qbeez Holdings Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 6th July 2018 for construction of main building works of the project of development of three (3) blocks of affordable apartment on Lot 52957, Jalan Desa, Taman Desa, Mukim Kuala Lumpur, Wilayah Persekutuan ("**Qbeez Project 1**");
- b) Qbeez Holdings Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 28th December 2018 for construction of building and external works for the project of development two (2) blocks apartment on PT 15659, Jalan Indrahana 3, Mukim Petaling, Kuala Lumpur, Wilayah Persekutuan ("**Qbeez Project 2**");
- c) Lead Pinnacle Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 28th October 2019 for construction of piling and foundation works of the project of construction of a temporary gallery on PT 23923, (H.S.(D) 18603) Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang ("**Lead Project 1**");
- d) Lead Pinnacle Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 7th July 2020 for construction of foundation and main building works for the project of a mixed development of two (2) blocks of service apartment on PT 23923, (H.S.(D) 18603) Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang ("**Lead Project 2**");
- e) Deseo Engineering Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 13th April 2018 for construction of main building works for the project of a development of two (2) blocks of affordable apartments and two (2) blocks of apartment on Lot 55121, Jalan Jujur, Bandar Tun Razak, Cheras, Kuala Lumpur ("**Deseo Project**");
- f) Enduring Power Sdn Bhd and Kanger Ventures in respect of Letter of Award dated 1st June 2019 for construction of main building works for the project of a development of two (2) blocks of service apartment on Lot 1351 & 1377, Jalan Padang/Jalan Padang Walter Grenier dan sebahagian simpanan Jalan, Seksyen 67, Bukit Bintang, Bandar Kuala Lumpur ("**Enduring Project**").

2. SALIENT TERMS

2.1 Pursuant to the respective Collaboration Agreements, all the Collaboration Agreements are subject to the following conditions precedent:

- a) Any approval required from the relevant authority and shareholders in a general meeting of the Company to undertake this collaboration herein contemplated;

- b) Resolution for the approval of Kanger Venture's Board of Directors, as well as the approval of the Company, if applicable, to undertake the collaboration herein contemplated;
- c) Resolution for the approval of the respective developers and main contractors' Board of Directors, as well as the approval of its respective shareholders in a general meeting, if applicable, to undertake the collaboration herein contemplated; and
- d) Change of nature of business of Kanger Ventures, if any.

The Parties shall fulfill the above conditions within 90 (ninety) days from the date of these agreements or such extended date as shall be mutually agreed in writing by the Parties (Cut-Off Date).

2.2 Kanger Ventures' obligations are as follows:

- a) Coordinate the remaining construction work of the respective projects;
- b) Management of subcontractors appointed by the respective main contractors;
- c) to afford all assistance and cooperation to the respective developers and main contractors in relation to the Project; and
- d) to manage payment of the respective Remaining Construction Sum as per the respective Collaboration Agreements.

2.3 The respective remaining construction sum as per the respective Collaboration Agreements are as follows:

- a) Qbeez Project 1 - RM142,810,665.19
- b) Qbeez Project 2 - RM60,126,256.77
- c) Lead Project 1- RM8,972,045.78
- d) Lead Project 2- RM22,587,452.37
- e) Deseo Project- RM56,534,110.01
- f) Enduring Project- RM204,824,990.61

3. RATIONALE

Kanger Group is delighted to participate in these projects which bring a new business activity that will further enlarge the Group's order book and is expected to provide a steady stream of revenue for the Group throughout the tenure of the Collaboration Agreements.

4. RISK FACTORS

The Company does not expect any material risk arising from the respective Collaboration Agreements other than the normal operational risk associated with construction of the respective Project, which the Company would take appropriate measures to minimise it.

5. FINANCIAL EFFECTS

The Collaboration Agreements will have no effect on the total issued share capital of the Company. However, the Collaboration Agreements are expected to contribute positively towards the earnings, earnings per share and net assets of the Group for the duration of the Collaboration Agreements.

6. APPROVALS REQUIRED

The respective Collaboration Agreements is subject to approval of the Company's shareholders and/or any regulatory authorities.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of the Company and/or persons connected with them have any interest, whether direct or indirect, in the respective Collaboration Agreements.

8. STATEMENT OF DIRECTORS

The Board, having taken into consideration all aspects of the respective Letter of Awards, is of the opinion that the respective Letter of Awards and the respective Collaboration Agreements is in the best interests of the Company.

9. DOCUMENT AVAILABLE FOR INSPECTION

The respective Collaboration Agreements will be made available for inspection at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), during normal business hours (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 15 January 2021.