PART B

INDEPENDENT ADVICE LETTER FROM NEWPARADIGM TO THE NON-INTERESTED SHAREHOLDERS OF OUR COMPANY IN RELATION TO THE PROPOSED TERMINATION

All definitions used in this Executive Summary shall have the same meanings as the words and expressions defined in the "Definitions" section of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to "we", "us" or "our" in this Executive Summary are references to NewParadigm, being the Independent Adviser for the Proposed Termination.

THIS EXECUTIVE SUMMARY IS INTENDED TO BE A BRIEF SUMMARY OF THIS IAL WHICH HAS BEEN PREPARED BY NEWPARADIGM TO PROVIDE THE NON-INTERESTED SHAREHOLDERS OF OIB WITH AN INDEPENDENT EVALUATION OF THE PROPOSED TERMINATION AND TO EXPRESS OUR RECOMMENDATION ON THE PROPOSED TERMINATION.

YOU ARE ADVISED TO READ AND UNDERSTAND THIS IAL AND THE LETTER FROM THE BOARD SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE EVALUATIONS AND RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED TERMINATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

1. INTRODUCTION

On 14 April 2026, RHB Investment Bank had, on behalf of the Board, announced that OPSB, a wholly-owned subsidiary of OIB, had on even date entered into the Termination Agreement with KHE and KHL to terminate the Consortium Agreement and the Development Agreement.

The Proposed Termination is deemed a material amendment, modification or variation to a proposal pursuant to Paragraph 8.22 of the Listing Requirements.

In addition, by virtue of the interests of the Interested Directors and the Interested Persons as set out in **Section 9, Part A of the Circular**, the Proposed Termination is deemed as a related party transaction. Accordingly, the Board (save for the Interested Directors) had on 6 November 2025 appointed NewParadigm as the Independent Adviser to provide the non-interested shareholders and the non-interested directors of OIB with our advice in respect of the Proposed Termination.

2. EVALUATION OF THE PROPOSED TERMINATION

In evaluating the Proposed Termination, we have taken into consideration the following factors:

Consideration factors	Reference in this IAL	Evaluation
Rationale and benefits of the Proposed Termination	Section 6.1	The limited progress achieved on the Project, the continued losses arising from the joint operation arrangement and the uncertainty regarding OIB's going concern status highlight the need for the OIB Group to reassess its strategy for Parcels 3, 6B and 8A. Upon termination of the Consortium Agreement, OPSB would have greater flexibility to deal with its portion of the Undeveloped Lands and pursue alternative strategies, including joint ventures, phased developments or outright disposals, without the constraints of the existing joint operation arrangement. Premised on the above, we are of the view that the rationale and benefits of the Proposed Termination are reasonable and not detrimental to the interests of the non-interested shareholders of OIB.

Consideration factors	Reference in this IAL	Evaluation
Outlook and prospects of the industry	Section 6.2	We note the following: (i) the outlook for the Malaysian economy remains cautiously positive for 2026, supported by resilient domestic demand, a stable inflation environment, supportive monetary policy and continued investment activities; (ii) the residential property market in the Klang Valley remains relatively active although overall market conditions remain cautious, while the low and stable Overnight Policy Rate ("**OPR**") and resilience of the property market in the Klang Valley are expected to support property demand; (iii) the overall outlook for the Malaysian property industry remains generally stable, notwithstanding the prevailing market uncertainties; and (iv) the OIB Group's near-term priorities are focused on financial stabilisation, asset monetisation and addressing its going-concern uncertainties. In this regard, the Proposed Termination will provide OPSB with greater flexibility to independently assess and pursue the development, disposal, joint venture or other monetisation of its portion of the Undeveloped Lands without the need for mutual consultation with KHE. Having considered the cautiously positive outlook of the Malaysian economy and property industry, we are of the view that the Proposed Termination provides OIB Group with greater strategic and financial flexibility, which may support its asset monetisation and financial stabilisation efforts.
Salient terms of the Termination Agreement	Section 6.3	Based on our review of the salient terms of the Termination Agreement, we are of the view that the overall terms and conditions are reasonable and not detrimental to the interests of the non-interested shareholders of OIB. Notwithstanding that the allocation of the Independent Agreed Value results in a deviation of approximately 0.2% from the Agreed Ratio, it falls within the agreed tolerance of 0.5% as agreed in the Termination Agreement.

Consideration factors	Reference in this IAL	Evaluation
Risk factors in relation to the Proposed Termination	Section 6.4	In addition to the risk factors highlighted in **Section 5, Part A of the Circular**, the non-interested shareholders of OIB should also consider the following risks: (i) Development restrictions under the Master Development Order; (ii) Financial risk arising from pre-existing and residual obligations; and (iii) Post-termination execution risk. We also wish to highlight that although measures may be taken by the Board and management of OIB to mitigate such risks associated with the Proposed Termination, no assurance can be given that such risk factors will not occur and give rise to material adverse impact on the business and operation of OIB Group, its financial performance or prospects thereon.
Effects of the Proposed Termination	Section 6.5	We are of the view that the Proposed Termination is reasonable and is not detrimental to the interests of the non-interested shareholders of OIB as the Proposed Termination: (i) will not have any effect on the share capital and substantial shareholders' shareholdings of the Company; (ii) is expected to increase the NA per Share of OIB Group from RM0.30 to RM0.56; (iii) is expected to decrease the gearing level of OIB Group from 0.47 times to 0.25 times; (iv) is expected to improve OIB Group's profitability from LPS of 1.78 sen for the FYE 31 December 2025 to EPS of 24.75 sen; and (v) OPSB's net portion of the estimated residual obligations, after taking into account the relevant trade receivables, is approximately RM4.7 million upon completion of the Proposed Termination. In addition, we wish to highlight that the pro forma improvement is primarily attributable to non-recurring accounting adjustments arising from derecognition and remeasurement of the joint operation, and is not indicative of OIB Group's recurring financial performance. Barring unforeseen circumstances, the future development or disposal of OPSB's portion of the Undeveloped Lands may contribute positively to OIB Group's financial performance over time.

3. CONCLUSION AND RECOMMENDATION

Premised on our evaluation of the Proposed Termination in **Section 6 of this IAL**, we are of the opinion that the Proposed Termination is **fair and reasonable** and is **not detrimental** to the interests of the non-interested shareholders of OIB.

Accordingly, we recommend that the non-interested shareholders of OIB to **vote in favour** of the resolution pertaining to the Proposed Termination to be tabled at the forthcoming EGM of the Company.

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Registered Office:

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58000 Kuala Lumpur

11 August 2026

To: The Non-Interested Shareholders of OIB

Dear Sir/Madam,

OLYMPIA INDUSTRIES BERHAD

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF OIB IN RELATION TO THE PROPOSED TERMINATION

This IAL is prepared for inclusion in the Circular and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the "Definitions" section of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to "we", "us" or "our" in this IAL are references to NewParadigm, being the Independent Adviser for the Proposed Termination.

1. INTRODUCTION

On 14 April 2026, RHB Investment Bank had, on behalf of the Board, announced that OPSB, a wholly-owned subsidiary of OIB had, on even date, entered into the Termination Agreement with KHE and KHL to terminate the Consortium Agreement and the Development Agreement.

The Proposed Termination is deemed a material amendment, modification or variation to a proposal pursuant to Paragraph 8.22 of the Listing Requirements.

In addition, by virtue of the interests of the Interested Directors and the Interested Persons as set out in **Section 9, Part A of the Circular**, the Proposed Termination is deemed a related party transaction. Accordingly, the Board (save for the Interested Directors) had on 6 November 2025 appointed NewParadigm as the Independent Adviser to provide the non-interested shareholders and the non-interested directors of OIB with our advice in respect of the Proposed Termination.

The purpose of this IAL is to provide the non-interested shareholders of OIB with an independent evaluation and to comment on the fairness and reasonableness of the Proposed Termination insofar as the non-interested shareholders of OIB are concerned. This IAL also opines on whether the Proposed Termination is detrimental to the non-interested shareholders of OIB as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Termination to be tabled at the forthcoming EGM of the Company.

Nonetheless, the non-interested shareholders of OIB should rely on their own evaluation of the merits of the Proposed Termination before deciding on the course of action to be taken at the forthcoming EGM of the Company.

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A Participating Organisation of Bursa Malaysia Securities Berhad

This IAL is prepared solely for the use of the non-interested shareholders of OIB for the purposes stated above and should not be used or relied upon by any other party for any other purposes whatsoever.

THE NON-INTERESTED SHAREHOLDERS OF OIB ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE EVALUATIONS AND RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED TERMINATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF THE NON-INTERESTED SHAREHOLDERS OF OIB ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN OR HAVE ANY QUERY IN RELATION TO THE PROPOSED TERMINATION, THE NON-INTERESTED SHAREHOLDERS OF OIB SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSED TERMINATION

The Proposed Termination entails the termination of the Consortium Agreement and Development Agreement pursuant to the Termination Agreement entered between OPSB, KHE and KHL to terminate the Consortium Agreement and Development Agreement.

Further details of the Proposed Termination and the salient terms of the Termination Agreement are set out in **Section 2.3 and Appendix I, Part A of the Circular**, respectively, and should be read in their entirety by the non-interested shareholders of OIB.

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

The details of the Interested Directors and Interested Major Shareholders and/or persons connected with them are set out in **Section 9, Part A of the Circular**.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the Proposed Termination.

The Interested Persons will abstain from voting and have undertaken to ensure that the persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholdings in OIB on the resolution pertaining to the Proposed Termination to be tabled at the forthcoming EGM of the Company.

4. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED TERMINATION

We have evaluated the Proposed Termination and in rendering our advice, we have considered various factors which we believe are of relevance and general importance to an assessment of the Proposed Termination and would be of general concern to the non-interested shareholders of OIB.

We have not been involved in the formulation, deliberation, negotiation or discussion of the terms and conditions of the Proposed Termination insofar as the non-interested directors and non-interested shareholders of OIB are concerned. Our terms of reference as an Independent Adviser are limited to providing comments, opinions, information and recommendation on the Proposed Termination based on information and documents made available to us, including the following:

(a) information contained in **Part A of the Circular** together with the accompanying appendices;

(b) the Termination Agreement;

(c) the audited consolidated financial statements of OIB Group for the past 5 FYEs from FYE 31 December 2021 to FYE 31 December 2025 and unaudited financial results for the financial period ended 31 March 2026;

(d) the Valuation Report and Valuation Certificate as referred to in **Appendix II, Part A of the Circular**;

(e) other information, documents, confirmations and/or representations provided by the Board and management of the Company; and

(f) other relevant publicly available information.

For the avoidance of doubt, our evaluation is confined to the Proposed Termination and does not extend to a reassessment of the commercial merits of OIB/OPSB entering into the Consortium Agreement and the Development Agreement at the time such agreements were originally entered into. Our assessment is based on the present circumstances of the OIB Group and the Proposed Termination, including, among others, the rationale, salient terms, risk factors and financial effects of the Proposed Termination.

It is not within our terms of reference to express any opinion on legal, accounting and taxation issues relating to the Proposed Termination or commercial merits of the Proposed Termination.

We have relied on the Board and the management of the Company to exercise due care to ensure that all information, documents and representations provided to us for the purpose of our evaluation are accurate, valid and complete in all material respects. We have also undertaken reasonable enquiries and where practicable, corroborated such information with independent sources.

The Board (save for the Interested Directors) has seen and reviewed this IAL and has accepted full responsibility, individually and collectively, for the accuracy, validity and completeness of the information provided to us (save for our assessments, evaluations and opinions) and has confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there is no omission of any fact that would make any statement in this IAL incomplete, misleading or inaccurate.

Based on the foregoing, we are satisfied with the sufficiency of the information provided and disclosures from the Board and the management of the Company. We believe that the information used is free from any material omission, and we have no reason to believe that any of the information is unreasonable, unreliable, inaccurate or incomplete in any material respect which would affect our evaluation and opinion as set out in this IAL.

Our evaluations and opinions as set out in this IAL are based upon market, economic, industry, regulatory conditions, and the information/documents made available to us, as at the LPD. Such conditions may change significantly over a short period of time. Accordingly, our evaluations and opinions in this IAL do not consider the information, events and conditions arising after the LPD.

We will notify the non-interested shareholders of OIB, if after the despatch of the Circular, we:

(i) become aware of any significant change affecting the information contained in this IAL;

(ii) have reasonable grounds to believe that a material statement in this IAL is misleading or deceptive; or

(iii) have reasonable grounds to believe that there is a material omission in this IAL.

If circumstances require, a supplementary IAL will be sent to the non-interested shareholders of OIB if there are material changes in our recommendation as set out in this IAL.

In forming our opinion, we have considered factors which we believe would be of relevance and general importance to the non-interested shareholders of OIB as a whole. We have not taken into consideration any specific investment objective, financial situation, risk profiles or particular needs of any individual shareholders or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who are in doubt as to the action to be taken or require advice in relation to the Proposed Termination in the context of their individual objectives, financial situation, risk profiles or particular needs, to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers.

We shall not be liable for any damage or loss of any kind sustained or suffered by any individual shareholder or any specific group of shareholders relying on the evaluation as set out in this IAL for any purpose whatsoever.

5. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our appointment as the Independent Adviser for the Proposed Termination, we do not have any other professional relationship with OIB for the past 2 years preceding the LPD. We confirm that there is no situation of conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser to OIB for the Proposed Termination.

We are a holder of a Capital Markets Services Licence issued by the Securities Commission Malaysia and are a licensed adviser to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007. Our corporate finance team comprises experienced personnel with the requisite qualifications and experience to provide a range of advisory services encompassing, amongst others, initial public offerings, mergers, acquisitions and/or divestitures, take-over offers and fund-raising exercises.

We have experience in providing independent advice on transactions and issuing opinions on the fairness and reasonableness of transaction terms and financial conditions, including those relating to take-over offers, as well as acquisitions and disposals for related party transactions. Our corporate finance team comprises experienced professionals who have collectively been involved in a wide range of similar assignments, including independent advisory engagements, both within NewParadigm and in their previous professional capacities.

Our credentials and experience as an independent adviser include, amongst others, the following:

(i) independent advice circular dated 4 August 2025 to the non-interested directors and shareholders of Kim Hin Industry Berhad ("**KHIB**") in relation to unconditional voluntary take-over offer by Kim Hin (Malaysia) Sdn Bhd and Chua Seng Huat to acquire all the remaining ordinary shares in KHIB not already held by them at a cash offer price of RM0.85 per share; and

(ii) independent advice circular dated 9 March 2026 to the non-interested directors and shareholders of Timberwell Berhad ("**Timberwell**") in relation to the unconditional mandatory take-over offer by Quattrini Holdings Sdn Bhd ("**Quattrini**") to acquire all the remaining ordinary shares in Timberwell not already owned by Quattrini, Wong Wai Foo and the person acting in concert with them at a cash offer price of RM0.90 per share.

6. EVALUATION OF THE PROPOSED TERMINATION

In arriving at our conclusion and recommendation in respect of the Proposed Termination, we have assessed the following factors:

Section 6.1	:	Rationale and benefits of the Proposed Termination
Section 6.2	:	Outlook and prospects of the industry
Section 6.3	:	Salient terms of the Termination Agreement
Section 6.4	:	Risk factors in relation to the Proposed Termination
Section 6.5	:	Effects of the Proposed Termination

6.1 Rationale and benefits of the Proposed Termination

We take cognisance of the rationale for the Proposed Termination as set out in **Section 3, Part A of the Circular**, and our comments are as follows:

We note that OPSB has encountered various challenges and has seen limited progress in the Project since the Consortium Agreement was entered into over 20 years ago. OIB Group has been incurring losses from the joint operation, as set out below:

<u>OIB's Share of Losses from the Joint Operation</u>

	Audited					**Unaudited**
	FYE 31 December					**FPE 31 March**
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**	**2026 RM'000**
Income and expenses						
Income	460	106	132	3,029	6,764	4
Expense	(3,468)	(3,331)	(5,456)	(5,130)	(8,086)	(978)
Net Loss	**(3,008)**	**(3,225)**	**(5,324)**	**(2,101)**	**(1,322)**	**(974)**

The losses incurred by OPSB from the joint operation were mainly attributable to staff costs, administrative expenses, holding costs of the Undeveloped Lands and other related expenses ("**Operating Expenses**") and includes expenses attributable to the sale of the development projects for FYE 2023 to FYE 2025.

Development activities remained limited in FYE 2021 to FYE 2023, reflecting the impact of the COVID-19 pandemic and the prevailing economic and market conditions during the period. The higher income recorded in FYE 2024 and FYE 2025 were mainly attributable to the sale of completed properties in Kenny Heights Estate. The related carrying costs of the properties sold were recognised as cost of sales. For FPE 31 March 2026, the joint operation recorded minimal income while continuing to incur the Operating Expenses. resulting in OPSB recording a share of loss of approximately RM1.0 million.

Apart from the sale of completed properties in Kenny Heights Estate, no other income-generating development projects were undertaken by the joint operation during the period under review.

(Source: Management and OIB's Annual Reports for the FYE 31 December 2021 to FYE 31 December 2025 of OIB)

As a result, any further delay in the development of the Undeveloped Lands may expose the joint operation to additional costs and losses, including higher holding and development costs. Prolonged delays may also affect the feasibility and/or value of any future development due to changes in market demand, competition from an oversupply of similar developments in the vicinity, and other relevant development-related factors. In this regard, the Proposed Termination may enable OIB Group to mitigate further losses and reassess its strategy for Parcels 3, 6B and 8A of the Undeveloped Lands.

We note that OIB Group's audited financial statements for the FYE 31 December 2025 included an unqualified opinion with material uncertainties related to going concern due to, among others, consistent losses over the years. In response, OIB Group intends to strengthen its cash flows, dispose of some of its non-core assets and gradually reduce its borrowings.

Notwithstanding that both OPSB and KHE are ultimately controlled and managed by TSDYYS and parties related to him, both entities operate as separate corporate entities and may have different business priorities and objectives. Upon the termination of the Consortium Agreement, both OPSB and KHE can deal with their respective portions of the Undeveloped Lands, without the requirement for mutual consultation. This may provide OPSB with greater flexibility to pursue alternative strategies, including joint ventures, phased developments or outright disposals, and to undertake more timely and cost-efficient capital planning as compared to the existing joint operation arrangement.

We also note that both OPSB and KHE covenant and undertake with each other that they shall comply with all conditions in the Master Development Order and not do anything or omit to do anything which would or may result in any modification, or variation, or the revocation or cancellation of the Master Development Order. We are of the view that such covenant and undertaking provide a contractual framework for the protection of both OPSB and KHE and enable either party to seek legal recourse against its counterparty in the event of any non-compliance, thereby mitigating the risks arising from any differing business directions and future development plans.

As stated in the Valuation Report, the Undeveloped Lands are strategically located within an established and well-connected corridor of Kuala Lumpur, approximately 5.5 kilometres from Kuala Lumpur City Centre. They are adjacent to the affluent neighbourhood of Sri Hartamas and bordered by Mont Kiara, Damansara Heights and Dutamas, within an area where the concentration of expatriate families and working professionals has created demand for quality residential options and supporting services. In addition, the near-term outlook for development land in Kuala Lumpur remains positive, particularly for freehold sites with approved planning permissions in mature, high-visibility locations such as the Mont Kiara-Sri Hartamas-Dutamas corridor, which may support the development and monetisation potential of OPSB's parcels following the Proposed Termination.

Whilst JLL and Cheston adopted the same valuation methodology, namely the Comparison Method, in arriving at their respective valuations of the Undeveloped Lands, there were differences between the market values ascribed by each valuer. The market values ascribed by JLL and Cheston, together with the average thereof, are summarised below:

	Parcels	Market Value Ascribed by JLL (RM'000)	Market Value Ascribed by Cheston (RM'000)	Average Market Value i.e. Independent Agreed Value (RM'000)
OPSB Land	3, 6B, 8A	799,600	804,100	801,850
KHE Land	4, 6A, 7A, 7B, 7C, 8B	1,111,800	1,118,500	1,115,150
Total		**1,911,400**	**1,922,600**	**1,917,000**

In this regard, JLL adopted the Comparison Method in arriving at its valuation of the Undeveloped Lands and applied adjustments for differences between the comparable properties and the Undeveloped Lands, including factors such as time, location, land size, terrain, accessibility, category of land use, zoning, plot ratio, tenure and other relevant features to ascertain a fair and reasonable value. According to DutaLand's announcement dated 14 April 2026, Cheston similarly adopted the Market/Comparison Approach and applied adjustments for differences in, among others, market conditions (time), location and accessibility, shape, corner/end premium, site constraint, size, category of land use/express condition, restriction in interest and tenure to render the sold properties as similar as possible with the Undeveloped Lands.

Notwithstanding that JLL and Cheston adopted the Comparison Method, differences in the market values ascribed to the Undeveloped Lands may arise from the respective valuers' selection, assessment and application of adjustments to the comparables. Given that the Master Development Order was issued more than 10 years ago and there have been no active development projects except for Kenny Heights Estate, we are of the view that the Comparison Method is reasonable, appropriate and consistent with generally applied valuation methodologies. The basis of deriving the Independent Agreed Value based on the average of the market values ascribed by the JLL and Cheston is a reasonable commercial term which addresses the valuation gap between JLL and Cheston.

Premised on our evaluation as set out above, we are of the opinion that the rationale and benefits of the Proposed Termination are reasonable and not detrimental to the interests of the non-interested shareholders. In particular, the Proposed Termination enables OPSB and KHE to pursue their respective strategies independently, while the continuing obligations under the Master Development Order provide safeguards against actions that may adversely affect the overall development. Nevertheless, the non-interested shareholders of OIB should note that the potential benefits arising from the Proposed Termination are subject to certain risk factors as disclosed in Section 5, Part A of the Circular and our commentaries under Section 6.4 of this IAL.

6.2 Outlook and Prospects

We take cognisance of the outlook and prospects of the Malaysian economy, property market in Malaysia and OIB Group as set out in **Section 4, Part A of the Circular**, and our commentaries are set out below:

6.2.1 Overview and outlook on the economy

Malaysia's economy maintained a resilient growth path, expanding by 5.4% in the first quarter of 2026 (Q1 2025: 4.4%), supported by steady domestic demand and robust growth in the external sector. Private consumption remained a primary growth catalyst, bolstered by a stable labour market and increased household disposable income. Meanwhile, investment activity remained resilient and continued to provide support to the economy, underpinned by sustained investment flows into the services and manufacturing sectors.

On the supply side, growth was supported by expansion in all sectors, except the mining and quarrying sector. The construction sector expanded 7.7% (Q1 2025: 14.2%), supported by positive performance across all subsectors. The non-residential buildings subsector recorded a 10.1% expansion, driven by rapid activity in data centres construction in Johor and the Klang Valley, factory construction in Johor, and industrial park development in Penang. The residential buildings subsector grew 3.9%, largely led by private housing projects, especially the serviced apartment segment in the Federal Territory of Kuala Lumpur.

The labour market remained resilient in the first quarter of 2026, supported by continued stability in domestic economic activity despite the challenging external environment. Total employment increased by 1% to 16.7 million persons (Q1 2025: 1.9% or 16.6 million persons) and the unemployment rate improved to 2.9%, with the total number of unemployed persons further reducing to 506,500 (Q1 2025: 3.1% or 522,500 persons).

(Source: First Quarter 2026: An Update, Ministry of Finance Malaysia)

On 9 July 2025, the Monetary Policy Committee ("**MPC**") of Bank Negara Malaysia decided to reduce the OPR by 25 basis points to 2.75%. The ceiling and floor rates of the corridor of the OPR are correspondingly reduced to 3% and 2.5% respectively.

(Source: *Monetary Policy Statement dated 9 July 2025, Bank Negara Malaysia)*

On 9 July 2026, MPC decided to maintain the OPR at 2.75%.

Therefore, the growth projection for 2026 is expected to be firmly within the forecast range of 4%−5%. This growth outlook remains subject to downside risks from a prolonged conflict in the Middle East and lower commodity production. Upside potential to growth could arise from a better global growth outlook following de-escalation of the conflict, stronger demand for E&E goods and higher tourism activity.

Headline and core inflation in the first five months of the year averaged 1.7% and 2.1% respectively, broadly within expectations, amid some initial pass-through of higher global cost pressures. Developments surrounding the Middle East conflict remain fluid, with elevated global commodity prices expected to exert upward pressure on inflation. Nevertheless, the impact on both headline and core inflation in 2026 is expected to remain contained, reflecting domestic policy measures and stable demand conditions, which will mitigate the pass-through of external cost pressures to domestic prices.

(Source: Monetary Policy Statement dated 9 July 2026, Bank Negara Malaysia)

The prevailing low and stable interest rate environment is expected to support domestic consumption and investment activity by maintaining favourable financing conditions for businesses and homebuyers. Together with the government's continued implementation of national economic initiatives and infrastructure projects, these factors are expected to underpin business confidence, support property demand and contribute to the resilience of the Malaysian economy.

Premised on the above, we are of the view that the outlook for the Malaysian economy remains cautiously positive for 2026. Notwithstanding the uncertainties arising from geopolitical developments and external economic conditions, Malaysia's resilient domestic demand, stable inflation environment, supportive monetary policy and continued investment activities are expected to support sustainable economic growth.

6.2.2 Overview and outlook of the property industry in Malaysia

The national property transaction performance in the first quarter of 2026 demonstrated moderation, decreasing by 8 per cent to 89,966 compared to the first quarter of 2025. Year-on-year, the transaction value also experienced a marginal decline of 0.6 per cent to RM51.09 billion. The Malaysian House Price Index (MHPI) grew positively by 1.7 per cent, reaching 235.2 points with an average house price of RM507,533 per unit. By property type, terraced and semi-detached houses led the growth, up by 2.2 per cent each, followed by high-rise units at 1.3 per cent, whereas detached houses saw a slight decline of 0.7 per cent.

The new residential launch segment saw moderate activity, shrinking to 9,112 units with a sales performance rate of 11.5 per cent compared to the first quarter of 2025. The performance of unsold completed residential properties continued to record an increase. Unsold completed residential units recorded over 32,000 units valued at RM16.37 billion, which is an increase of 7.6 percent in terms of volume and a decrease of 7.7 percent in terms of value from the previous quarter. The number of unsold completed serviced apartments rose to 19,263 units valued at RM16.52 billion, up from 18,752 units valued at RM15.42 billion in the fourth quarter of 2025.

In the commercial segment, the occupancy rate for shopping complexes remained at 79 percent, while the occupancy rate for private purpose-built offices showed a slight increase to 72.3 percent compared to 72 percent in the same quarter last year.

(Source: Press Release – Launch of the Property Market First Quarter 2026 by the Department of Valuation and Property Services (JPPH))

The residential property market in Klang Valley, comprising W.P. Kuala Lumpur, W.P. Putrajaya and Selangor, showed signs of moderation in 1Q2026, recording 13,906 transacted units valued at RM9.3 billion - an 11.2% decline compared to the previous period. In contrast, the high-rise residential segment remained active, registering 5,986 transactions with collective value of RM4.7 billion.

The All House Price Index for Klang Valley stood at 221.8 points (1.3% yearly increase) while the High-Rise Price Index remained stable at 223.7 points. Mirroring the national trend, residential property overhang in the Klang Valley increased by 10.9% to 14,244 units, with the majority of unsold units concentrated in the luxury segment priced above RM 1 million. Within the high-rise segment, comprising condominiums, apartments and serviced apartments, the overhang declined marginally by 0.9%, with unsold inventory largely concentrated in the RM 500,000 to RM600,000 and above RM1 million price brackets.

(Source: Malaysia Real Estate Highlights 1H2026, Knight Frank)

Through Budget 2026, the government consistently provides continuous injections for the national property development by introducing measures to encourage property market demand growth. This includes increasing the allocation for the Housing Credit Guarantee Scheme (SJKP) up to RM20 billion which will benefit 80,000 homebuyers. Additionally, the full stamp duty exemption on transfer instruments and loan agreements for first-time homebuyers purchasing houses priced up to RM500,000 has been extended until the end of 2027, specifically to encourage first home ownership.

The implementation of initiatives under the MADANI Economy framework, as translated in Budget 2026 and the Thirteenth Malaysia Plan (RMK13), is expected to act as a catalyst for the property market's recovery momentum. Furthermore, positive developments in the completion of strategic infrastructure development play a crucial role in driving transit-oriented development (TOD), which will simultaneously act as a catalyst for improving the national economy and property market.

(Source: Press Release – Launch of the Property Market First Quarter 2026 by the Department of Valuation and Property Services (JPPH))

The above indicators suggest that the residential property market in the Klang Valley remains active although overall market conditions remain cautious. Notwithstanding external uncertainties arising from geopolitical risks, potential inflationary pressures and evolving market conditions, the prevailing low and stable OPR, coupled with the resilience of the property market in the Klang Valley, is expected to support sustainable property demand.

Accordingly, we are of the view that the overall outlook for the Malaysian property industry remains generally stable, notwithstanding the prevailing market uncertainties.

6.2.3 Prospects of OIB Group

We are of the view that the Proposed Termination is not detrimental to OIB Group after taking into consideration the outlook and prospects of the Malaysian economy and Malaysia's property industry.

We note that OIB Group's near-term priorities are focused on financial stabilisation, asset monetisation and addressing its going-concern uncertainties. In this regard, the Proposed Termination will provide OPSB with greater flexibility to independently assess and pursue the development, disposal, joint venture or other monetisation of its portion of the Undeveloped Lands without the need for mutual consultation with KHE. This would allow OIB Group to determine the timing and manner of dealing with the OPSB Land based on its own risk appetite, as well as commercial and financial considerations.

OIB Group is also pursuing initiatives to improve its gaming and leasing operations and to diversify its revenue streams. While these initiatives may support the Group's overall prospects, their successful implementation remains subject to the requisite approvals, market conditions and business execution.

Premised on the above, we are of the view that the Proposed Termination would allow OIB Group to deal with the OPSB Land independently and may assist the Group in its asset monetisation and financial stabilisation efforts.

Notwithstanding the above, we wish to highlight that the Malaysian property market and property development industry are subject to various risks and uncertainties beyond OIB Group's control, including changes in government regulations and policies, financial crisis, pandemics and geopolitical conflict. These events may result in, among others, fluctuations in construction costs and decline in global or domestic demand for properties in Malaysia. The occurrence of any of the foregoing events may adversely affect the property development business of OIB Group and, consequently, the financial performance and monetisation prospects of its portion of the Undeveloped Lands.

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6.3 Salient terms of the Termination Agreement

The salient terms of the Termination Agreement and our commentaries are as set out below:

No.	Salient terms of the Termination Agreement	Our comments
6.3.1	**Conditions Precedent** The Termination Agreement shall be conditional upon KHE, KHL and OPSB (collectively "**Parties**" and each a "**Party**") (and where applicable, its holding company) obtaining its respective shareholders' approval at the general meeting for the termination of the Consortium Agreement and the Development Agreement ("**Conditions Precedent**") within 4 months after the date of the Termination Agreement subject to a further extension of 2 months or such other further period as may be mutually agreed between the Parties in writing.	This term sets out the condition to be fulfilled by the Parties and the necessary approvals/procedures to effect and facilitate the Proposed Termination. We note that, based on the approvals disclosed in **Section 7, Part A of the Circular**, there are no other material approvals required for the Proposed Termination. We are of the view that the timeframe to obtain such approvals is reasonable and in line with the timeline typically required for a public listed company on Bursa Securities to procure shareholders' approval for corporate exercises.
6.3.2	**Termination Date** Subject to the fulfilment of the Conditions Precedent, the Parties agree that the Consortium Agreement and Development Agreement shall be terminated on the date ("**Termination Date**") which is three (3) days from the date the last of the Conditions Precedent is fulfilled, save for any rights, obligations, and liabilities which have accrued prior to the Termination Date or which are expressed or intended to survive such termination, as provided for in the Termination Agreement.	This term provides clarity on the effective timing of the termination of the Consortium Agreement and the Development Agreement.
6.3.3	**Termination** It is agreed by KHE and OPSB (collectively "**Proprietors**" and each a "**Proprietor**") that upon the Termination Date: (i) the distribution of the assets, liabilities, income and expenses accruing from the joint development under the Consortium Agreement up to the date of the Termination Agreement, shall be made in the Agreed Ratio;	This term stipulates the applicability of the Agreed Ratio, being a cost and revenue sharing ratio of 42%:58% as agreed upon by OPSB and KHE pursuant to the Consortium Agreement, for the distribution of assets, liabilities, income and expenses accrued up to the date of the Termination Agreement. It also provides for the respective parcels of land to remain with their respective beneficial owners, namely OPSB and KHE. It should be noted that none of the parcels is jointly owned by OPSB and KHE under a common title.

No.	Salient terms of the Termination Agreement	Our comments
	(ii) all parcels of **Parcel 3, Parcel 6B and Parcel 8A** (collectively, "**OPSB Land**"), and excluding the Parcel 1, which has been disposed of; and the Parcel 2, which has been developed, shall remain owned by OPSB whether held directly in its name or held on trust for its benefit; and (iii) all parcels of **Parcel 4, Parcel 6A, Parcel 7A, Parcel 7B, Parcel 7C and Parcel 8B** (collectively, "**KHE Land**"), and excluding Parcel 5, which has been disposed of, shall remain owned by KHE, whether held directly in its name or held on trust for its benefit. For the purposes of the above, the Proprietors expressly acknowledge and agree that the total current market value of the Undeveloped Lands is RM1,917,000,000.00 and, notwithstanding the Agreed Ratio, the respective portions of the Independent Agreed Value attributable to OPSB and KHE are RM801,850,000.00 and RM1,115,150,000.00 respectively, being the Independent Agreed Value attributed to OPSB Land and KHE Land. The attribution represents a deviation (whether positive or negative) of less than zero point five per centum (0.5%) from their respective portions of the Independent Agreed Value based on the Agreed Ratio. The Proprietors further acknowledge and agree that such allocation is final and that they shall have no rights, claims or entitlements arising from such deviation.	We note that the Independent Agreed Value was agreed between the Proprietors, having regard to their respective independent valuations, which results in a slight deviation from the Agreed Ratio, with the resultant ratio being approximately 41.8% (OPSB) and 58.2% (KHE). OPSB's share of the Independent Agreed Value is 0.2% lower than the Agreed Ratio. OPSB and KHE have mutually agreed that any deviation from the Agreed Ratio that falls within the agreed 0.5% tolerance will not result in any payment or reimbursement by either party. In this respect, the 0.5% tolerance is intended to provide a practical and objective settlement mechanism for minor differences arising from the valuation of the Undeveloped Lands, rather than to confer an economic benefit on either party. The 0.5% tolerance is considered fair as it applies equally to both parties and preserves their respective economic interests, while allowing for minor differences arising from valuation of the Undeveloped Lands. It is also considered reasonable as it provides a mutually agreed threshold for valuation variances, given the practicalities associated with valuation of the same parcels of land undertaken by JLL and Cheston, including differences in assumptions used, adjustment factors, or professional judgement. The agreed tolerance is a narrow threshold designed to eliminate minor difference arising from these factors, with any variance exceeding 0.5% subject to appropriate equalisation payment. As the deviation of 0.2% is within the agreed 0.5% tolerance, it is considered reasonable that no compensation is payable to OPSB for the shortfall. Having regard to the above, including the return of the respective parcels to their beneficial owners, the arrangements in respect of the land titles, the distribution of the assets, liabilities, income and expenses in accordance with the Agreed Ratio, and the independently assessed market values of the respective parcels, we are of the view that the overall arrangements under the Proposed Termination are fair and reasonable.

No.	Salient terms of the Termination Agreement	Our comments
		Separately, we note that Lot 62215, forming part of the OPSB Land, is subject to a charge in favour of OSK Capital Sdn Bhd registered on 2 April 2012. Following a refinancing, a new charge was registered on 23 April 2026 to secure an RM30.0 million term loan obtained by OIB for the OIB Group's working capital purposes. As the charge relates solely to land beneficially owned by OPSB and does not encumber the KHE Land or affect KHE's entitlements under the Proposed Termination, and the related financing and discharge obligations will be borne by the OIB Group, we are of the view that the continued existence of the charge after completion of the Proposed Termination is not detrimental to the interests of the non-interested shareholders of OIB.
6.3.4	**<u>Proprietors' Residual Obligations in respect of the Undeveloped Lands</u>** (i) The Parties hereby agree and confirm that, as at the date of the Termination Agreement: a. no works whatsoever have been undertaken on the Undeveloped Lands or any part thereof, whether for the development or otherwise, save and except for Parcel 7C, on which a Car Park Facility has been constructed; and b. where any works have been undertaken, including in respect of Parcel 2 and the Car Park Facility on Parcel 7C, or any costs or expenses have been incurred in connection therewith, all such costs, expenses, liabilities and outgoings (whether actual or contingent) accrued up to the date of the Termination Agreement have been fully discharged, settled and accounted for by the Proprietors in accordance with the Agreed Ratio.	This term confirms that, apart from the Car Park Facility on Parcel 7C, no development work has been carried out on the Undeveloped Lands. All costs, expenses, liabilities and outgoings incurred up to the date of the Termination Agreement have been accounted for between the Proprietors in accordance with the Agreed Ratio. Any outstanding payment or reimbursement obligations will remain payable until fully settled. This arrangement is fair and reasonable, as it provides a clear basis for dealing with liabilities incurred before the termination.

No.	Salient terms of the Termination Agreement	Our comments
	(ii) Notwithstanding that the Parties have fully discharged, settled and accounted for all costs, expenses, liabilities and outgoings (whether actual or contingent) accrued up to the date of the Termination Agreement, in accordance with the Agreed Ratio, if there remain any outstanding costs, expenses or liabilities relating to the Undeveloped Lands incurred prior to the date of the Termination Agreement that are payable to, or reimbursable by, the Developer, or payable by one Proprietor to the other Proprietor, the relevant payment or reimbursement shall continue as a residual obligation of the relevant Party until fully discharged.	
6.3.5	**Development – Parcel 2** (i) The Parties agree and acknowledge that the Development – Parcel 2 including all access roads and other related infrastructure and amenities, has been completed. However, the strata titles for Development - Parcel 2 have yet to be issued by the appropriate authorities and pending the issuance of the strata title and the completion of the transfer of such strata titles to the end-purchasers, there are funds remain deposited in the Housing Development Account and the stakeholder solicitors. (ii) Save and except for the costs incurred by the Developer in attending to the residual obligations of the Development – Parcel 2 (which shall be borne by the Proprietors in the Agreed Ratio), the developer entitlements, all development costs and any and all liabilities, expenses, or losses arising from, relating to, or payable in connection with the Development – Parcel 2 up to the date of the Termination Agreement, have been fully settled by the Proprietors in accordance with the Agreed Ratio.	This term confirms that Development - Parcel 2 has been completed and all units have been sold, with the sale proceeds accounted for and distributed in accordance with the Agreed Ratio. It also provides for the completion of the remaining post-completion matters, including the subdivision of Parcel 2, issuance of separate strata titles, transfer of such titles to the purchasers and finalisation of the project accounts. The Developer will continue to fulfil these residual obligations after the termination, and the related costs and expenses will be borne by the Proprietors in accordance with the Agreed Ratio. Consistent with Section 6.3.4 above, we are of the view that this arrangement is fair and reasonable.

No.	Salient terms of the Termination Agreement	Our comments
	(iii) All sales proceeds, payments and distributions arising from the sold parcels of the Development – Parcel 2 (other than the funds deposited in the Housing Development Account and the stakeholder solicitors) have been fully accounted for and distributed by the Developer to the Proprietors in accordance with the Agreed Ratio and the terms of the Development Agreement, and neither Proprietor shall have any further claim against the other in respect thereof. (iv) Notwithstanding the Termination, there remain certain residual obligations required to be performed or discharged by the Developer, including without limitation, applying for and procuring the subdivision of the Parcel 2 and obtaining the issuance of separate issue documents of titles to the parcels comprised in the Development – Parcel 2, and for the purposes hereof, the Developer's obligations in respect of the Development – Parcel 2 shall continue in full force and effect until such obligations are fully performed and discharged in accordance with the Termination Agreement, the Development Agreement, applicable law and regulations, and finally confirmed mutually by the Proprietors. (v) The costs and expenses required to perform and discharge such residual obligations are currently estimated at approximately RM0.1 million, comprising principally subdivision and strata title application costs, survey, professional and authority fees, and legal and professional fees for the finalisation of the project accounts. Such costs and expenses shall continue to be borne by the Parties in accordance with the Agreed Ratio.	

No.	Salient terms of the Termination Agreement	Our comments
6.3.6	**<u>Master Development Plan</u>** For the purposes of the Master Development Plan, the Proprietors covenant and undertake with each other that they shall comply with all conditions in the Master Development Plan and not do anything or omit to do anything (whether intentionally or unintentionally), which would or may result in any modification, or variation, or the revocation or cancellation of the Master Development Plan (unless required by the appropriate authorities or mutually agreed by the Proprietors).	We note that development remains subject to the Master Development Order granted in favour of KHD, and any amendments, variations or modifications thereto require the prior written consent of the other Proprietor and coordination with KHE and/or KHD in connection with submissions to the relevant authorities. We are of the view that this term is fair and reasonable as the obligations in respect of the Master Development Order apply mutually to both OPSB and KHE and preserves the existing planning framework and development rights relating to the Undeveloped Lands. The mutual covenant also safeguards OPSB against any action by KHE which may adversely affect the Master Development Order without OPSB's consent. The requirement for OPSB and KHE to obtain the other party's prior written consent and coordinate any amendments, variations or modifications to the Master Development Order also provides a safeguard against unilateral changes that may adversely affect the overall development. Any practical implications arising from the consent and coordination requirements in respect of amendments, variations or modifications to the Master Development Order are further discussed in **Section 6.4(i) of this IAL**.
6.3.7	**<u>Right of Way</u>** The Proprietors agree to grant to each other uninterrupted and irrevocable reciprocal rights of access over roads as shown in the Master Development Plan and located on their respective parcels of the Undeveloped Lands as may be reasonably required for the development of the Undeveloped Lands.	This term provides for reciprocal rights of access within the Undeveloped Lands, which is necessary for the development of the parcels, particularly where infrastructure and access points are interdependent under the Master Development Order. Hence, we are of the view that this term is reasonable.

No.	Salient terms of the Termination Agreement	Our comments
6.3.8	**<u>Right of First Refusal</u>** In the event any Proprietor: (i) intends to sell its parcel of land forming part of Parcel 6A, Parcel 6B, Parcel 8A or Parcel 8B ("**Selling Proprietor**"); or (ii) receives a bona fide offer from a third party to purchase its parcel of land forming part of Parcel 6A, Parcel 6B, Parcel 8A or Parcel 8B, such Selling Proprietor shall irrevocably grant to the other Proprietor a right of first refusal to purchase the said parcel of land forming part of Parcel 6A, Parcel 6B, Parcel 8A or Parcel 8B (as the case may be) on terms no less favourable than those proposed to be offered to, or received from such third-party purchaser.	This term grants the non-Selling Proprietor the right of first refusal to purchase the underlying parcel(s) of land forming part of Parcel 6A, Parcel 6B, Parcel 8A and Parcel 8B, on terms no less favourable than those offered by a third party. This provides the non-Selling Proprietor with the option to consolidate ownership of such parcels and may reduce coordination constraints in the development of adjoining land. However, it may also limit the Selling Proprietor's flexibility and timing in disposing of the land to third parties. We are of the view that this arrangement is reasonable considering the prevailing circumstances and consistent with market practice.
6.3.9	**<u>Breaches, termination and consequential arrangements</u>** (i) Upon the Termination Date, each Party shall be released and discharged from all obligations arising under or in connection with the Consortium Agreement and the Development Agreement, and neither Party shall have any further claims against the other arising from or in connection with the Consortium Agreement and/or the Development Agreement. (ii) Notwithstanding the above, the release and discharge shall not affect either Party's rights in respect of any antecedent breach of the Development Agreement occurring prior to the Termination Date. In addition, the Proprietors and the Developer shall continue to be responsible for, and indemnify the other Party against, any claims, losses, liabilities, damages, costs and expenses arising from any breach of their respective residual obligations relating to Development - Parcel 2 after the Termination Date.	This term is reasonable and commercially justifiable as it releases OPSB and KHE from further claims under the Consortium Agreement and the Development Agreement after the Termination Date, while preserving their rights in respect of antecedent breaches and the continuing rights and obligations relating to Development Parcel 2.

Premised on the above, having considered the salient terms of the Termination Agreement, we are of the view that the overall salient terms of the Termination Agreement are reasonable and are not detrimental to the interests of the non-interested shareholders of OIB.

6.4 Risk factors in relation to the Proposed Termination

In evaluating the Proposed Termination, the non-interested shareholders of OIB should carefully consider the potential risks of the Proposed Termination as set out in **Section 5, Part A of the Circular**.

In addition to the risk factors set out therein, you should also take note of the following:

(i) Development restrictions under the Master Development Order

Pursuant to the Termination Agreement, the development of OPSB's portion of the Undeveloped Lands remains subject to the Master Development Order granted in favour of KHD. Any amendments, variations or modifications to the Master Development Order require the prior written consent of the other Proprietor, and coordination with KHE and/or KHD in connection with the submissions to the relevant authorities. Notwithstanding the existing development order, further planning and technical approvals are required at various stages of development and remain subject to compliance with the Master Development Order.

In this regard, OIB Group may need to coordinate with KHD, as the holder of the Master Development Order, in respect of submissions to, and approvals from the relevant authorities for any amendments, variations or modifications to the Master Development Order. Accordingly, where OPSB's development plans require any amendment, variation or modification to the Master Development Order, OPSB's ability to implement such plans may remain subject to such consent, coordination and approval requirements, which could affect the timing, phasing and execution of development on OPSB's portion of the Undeveloped Lands.

(ii) Financial risk arising from pre-existing and residual obligations

Upon completion of the Proposed Termination, OPSB will remain responsible for its share of the pre-existing obligations relating to Parcel 2 and the Undeveloped Lands, including development-related costs which may not be fully quantified at this stage. Such liabilities will be borne by OPSB and KHE in accordance with the Agreed Ratio or based on the respective parcels allocated, as the case may be. As set out in **Section 6.4, Part A of the Circular**, OPSB's net portion of the estimated residual obligations, after taking into account the relevant trade receivables, is approximately RM4.7 million upon completion of the Proposed Termination. Such amount is expected to be repaid as and when the liabilities are due and payable, and will be funded through internally generated funds.

Further, there are outstanding development charges of approximately RM207.6 million in relation to the Master Development Order as set out in the Valuation Report. Such amount does not represent an immediate liability payable by OPSB upon completion of the Proposed Termination. The respective obligors and indicative outstanding development charges attributable to each Parcel are set out below:

Undeveloped Lands	Obligors	Outstanding Development Charges (RM'000)
Parcel 3	OPSB	41,582
Parcel 6	OPSB & KHE	77,042
Parcel 7A	KHE	14,565
Parcel 7B	KHE	13,442
Parcel 7C	KHE	32,233
Parcel 8	OPSB & KHE	28,754
TOTAL		**207,618**

(Source: Valuation Report and management of OIB)

The outstanding development charges are attributable to the respective landowners, being the obligors in respect of the relevant Parcels, and will continue to be borne by them respectively following the Proposed Termination, which we consider to be fair and reasonable.

The actual amount payable by OPSB, if any, will depend on amongst others, the relevant parcels to be developed, applicable development parameters, approval conditions imposed by the relevant authorities and any amendment, variation or modification to the existing development order or Master Development Order.

As the relevant building and technical approvals are also required before development works may commence, any changes to the approved development parameters or related authority requirements may affect the timing and cost of the proposed development.

(iii) Post-termination execution risk

The Proposed Termination provides OIB Group with control over Parcels 3, 6B and 8A of the Undeveloped Lands, enabling greater flexibility in planning and execution of its development strategy. However, this also represents a trade-off between enhanced control and the potential loss of synergies previously available from the joint operation, including shared expertise, resources and risk-sharing arrangements.

Further, the independent development of the respective parcels may give rise to risks of fragmented development, which may result in inconsistencies in design, development standards and phasing, and may affect the overall integration and cohesiveness of the Project. Uncoordinated development timing across adjoining parcels may also lead to overlapping market offerings, which could potentially affect pricing dynamics and sales absorption.

These risks may, to a certain extent, be mitigated through continued coordination with KHE in respect of development planning, design and phasing across the adjoining parcels.

While we note that measures may be taken by the Board and management of the Company to mitigate such risks associated with the Proposed Termination, no assurance can be given that one or a combination of the risk factors will not crystallise, and give rise to a material adverse impact on the business and operations of OIB Group, its financial performance/position or prospects thereon.

In evaluating the Proposed Termination, non-interested shareholders of OIB should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposed Termination at the forthcoming EGM of the Company. Non-interested shareholders of OIB should also note that the risk factors mentioned in the Circular and this IAL are not meant to be exhaustive.

6.5 Effects of the Proposed Termination

We noted the following effects of the Proposed Termination as set out in **Section 6, Part A of the Circular**.

Our commentaries on the effects are summarised as follows:

Effects	NewParadigm's comments
Issued share capital and substantial shareholdings	The Proposed Termination will not have any effect on the share capital and substantial shareholders' shareholdings of OIB as the Proposed Termination does not involve the issuance of any new OIB Shares.

Effects	NewParadigm's comments
NA, NA per Share and gearing level	Based on the assumptions set out in **Section 6.2, Part A of the Circular**, and arising from the derecognition and remeasurement of the related assets and liabilities, the Proposed Termination is expected to increase OIB's total NA attributable to its equity holders as at 31 December 2025 from RM303.75 million to RM575.30 million, resulting in a decrease in OIB's gearing from 0.47 times to 0.25 times and an increase in the NA per Share from RM0.30 to RM0.56 upon completion of the Proposed Termination. Notwithstanding the above, the improvements in NA, NA per Share and gearing are primarily attributable to non-recurring accounting adjustments and do not represent actual cash flows. Barring any unforeseen circumstances, OPSB's portion of the Undeveloped Lands may contribute positively to OIB Group's NA over time, whether through development or disposal of Parcels 3, 6B and 8A.
Earnings and EPS	Based on the assumptions set out in **Section 6.3, Part A of the Circular**, the Proposed Termination is expected to increase OIB's earnings attributable to its equity holders as at 31 December 2025 from a loss after tax of RM18.22 million to a profit after tax of RM253.33 million, and correspondingly increase OIB's profitability from LPS of 1.78 sen to EPS of 24.75 sen. The Proposed Termination eliminates OIB Group's exposure to the joint operation going forward, subject to residual obligations under the Termination Agreement. As the joint operation has historically incurred losses, the Proposed Termination may therefore support OIB Group's future earnings performance. OPSB's portion of the Undeveloped Lands may contribute positively to OIB Group's future earnings, whether through development or disposal of Parcels 3, 6B and 8A, subject to market conditions and the successful execution of OIB Group's strategies.
Share of joint operation	We take cognisance of OIB Group's share of the assets, liabilities, income and expenses of the joint operation and the pro forma effects of the Proposed Termination, as set out in **Section 6.4, Part A of the Circular**. We note that, following the Proposed Termination, OPSB will retain approximately RM1.6 million of current assets and assume approximately RM6.3 million of current liabilities relating mainly to its portion of the joint operation's receivables and residual obligations. This results in an estimated net funding requirement of approximately RM4.7 million, which is expected to be funded through internally generated funds. As the residual obligations represent liabilities already attributable to OPSB under the existing joint-operation arrangement and do not constitute additional consideration payable to KHE, we consider the arrangement reasonable.

We wish to highlight that the pro forma effects as set out in **Section 6, Part A of the Circular** are presented for illustrative purposes only and may not be indicative of OIB Group's future financial performance.

In addition, we wish to highlight that the Proposed Termination will not involve any cash consideration between OPSB and KHE, and the Independent Agreed Value attributable to the Proposed Termination is not expected to have any material impact on the cash flows of the OIB Group. The pro forma increases in NA and profitability are primarily due to accounting adjustments arising from the derecognition and remeasurement of OIB Group's proportionate share of the joint operation's assets and liabilities pursuant to the Proposed Termination. The resulting accounting gain recognised in profit or loss, after taking into account deferred tax, is non-recurring and is not indicative of OIB Group's recurring operating earnings.

Premised on the above, we are of the view that the pro forma effects of the Proposed Termination are reasonable and are not detrimental to the interests of the non-interested shareholders of OIB.

7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders of OIB should carefully consider the justifications for the Proposed Termination based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular**, together with the accompanying appendices, before voting on the resolution pertaining to the Proposed Termination at the forthcoming EGM of the Company.

Premised on our evaluation of the Proposed Termination in Section 6 of this IAL, we are of the opinion that, on the basis of the information available to us, the Proposed Termination is <u>fair and reasonable</u> and is <u>not detrimental</u> to the interests of the non-interested shareholders of OIB.

Accordingly, we recommend the non-interested shareholders of OIB to <u>vote in favour</u> of the resolution pertaining to the Proposed Termination to be tabled at the forthcoming EGM of the Company.

Yours faithfully,

For and on behalf of
NEWPARADIGM SECURITIES SDN BHD

CHARANJEEV SINGH
Group Managing Director /
Group Chief Executive Officer

OLYMPIA INDUSTRIES BERHAD

(Registration No. 198001009242 (63026-U))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Olympia Industries Berhad ("**Company**") will be held at Ballroom 1 & 2, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 August 2026 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

ORDINARY RESOLUTION

PROPOSED TERMINATION OF CONSORTIUM AGREEMENT DATED 14 FEBRUARY 2003 ENTERED INTO BETWEEN OLYMPIA PROPERTIES SDN BHD ("OPSB"), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND KH ESTATES SDN BHD ("KHE"), A WHOLLY-OWNED SUBSIDIARY OF DUTALAND BERHAD ("CONSORTIUM AGREEMENT") AND THE DEVELOPMENT AGREEMENT DATED 10 AUGUST 2007 ENTERED INTO BETWEEN OPSB, KHE AND KH LAND SDN BHD ("KHL"), A WHOLLY-OWNED SUBSIDIARY OF KHE ("DEVELOPMENT AGREEMENT") ("PROPOSED TERMINATION")

"**THAT** subject to the requisite approvals from all relevant authorities and/ or parties (if required) being obtained in respect of the Proposed Termination, approval be and is hereby given to OPSB, a wholly-owned subsidiary of the Company, to terminate the Consortium Agreement and Development Agreement upon the terms and conditions contained in the Termination Agreement dated 14 April 2026;

AND THAT the Board of Directors of the Company and OPSB (save for Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat) be and are hereby empowered and authorised to take all such steps, to do all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company and OPSB all such documents and/or agreements as may be necessary or expedient in order to finalise, implement, complete and to give effect to the Proposed Termination and any proposal or transaction which is consequential to or in connection with the Proposed Termination including the termination of the trust deed dated 25 January 2007 entered into between OPSB, KHE and RHB Trustees Berhad, with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and/or parties and/or as the Directors may, in their discretion, deem fit, necessary or expedient in the best interest of the Company and OPSB."

By Order of the Board

Lim Yoke Si (MAICSA 0825971) (SSM PC No. 202008000548)
Company Secretary

Kuala Lumpur
11 August 2026

Notes:

1. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting.

2. Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.

6. The appointment of a proxy may be made in a hard copy form or by electronic means as follows:

   (a) <u>In hard copy form</u>

   The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing Services Sdn Bhd ("**Tricor**"), at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the EGM or no later than 10.00 a.m. on 26 August 2026.

   (b) <u>By Tricor Online System</u>

   The Form of Proxy can be electronically submitted to Tricor via Vistra Share Registry and IPO (MY) portal ("**Vistra SRMY portal**") at https://srmy.vistra.com. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of form of proxy via Vistra SRMY portal.

7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2026 shall be entitled to attend the meeting or to appoint proxy(ies) to attend and vote on his/her behalf.

8. In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution as set herein will be put to vote by way of poll.

PERSONAL DATA PROTECTION STATEMENT

*By submitting an instrument appointing a proxy(ies) and/or representatives(s) to attend and to vote at the Extraordinary General Meeting ("**EGM**") of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

OLYMPIA INDUSTRIES BERHAD

[198001009242 (63026-U)]

Form of Proxy

CDS Account No.	No. of shares held

*I/We, ____
*NRIC/Passport/Company No.: ______________________ Mobile Phone No.:______________
Address: ____
being a member of OLYMPIA INDUSTRIES BERHAD ("the Company"), hereby appoint:-

1. Name of proxy		NRIC/ Passport No.		Proportion of shareholdings and % represented by proxy	
				No. of Shares	%
Address					

and/or

2. Name of proxy		NRIC/ Passport No.		Proportion of shareholdings and % represented by proxy	
				No. of Shares	%
Address					

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company which will be held at Ballroom 1 & 2, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 August 2026 at 10.00 a.m., or at any adjournment thereof.

No.	Ordinary Resolution	For	Against
1	Proposed Termination of the Consortium Agreement and Development Agreement		

(Please indicate the manner in which you wish your vote to be cast with an "X" in the appropriate space above. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion)

Signed this __________ day of ________________, 2026.

____
Signature / Common Seal of Shareholder

* Delete where inapplicable

Notes:

1. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting.
2. Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
6. The appointment of a proxy may be made in a hard copy form or by electronic means as follows:

   (a) In hard copy form
   The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or notarially certified copy of that power of authority, must be deposited at the office of Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the EGM or no later than 10.00 a.m. on 26 August 2026.

   (b) By Tricor Online System
   The Form of Proxy can be electronically submitted to Tricor via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY portal") at https://srmy.vistra.com. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of form of proxy via Vistra SRMY portal.
7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2026 shall be entitled to attend the meeting or to appoint proxy(ies) to attend and vote on his/her behalf.
8. In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution as set herein will be put to vote by way of poll.

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THE REGISTRAR OF
OLYMPIA INDUSTRIES BERHAD
[198001009242 (63026-U)]

Affix
stamp

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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