**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**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.**

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# DutaLand Berhad

(Registration No. 196701000326 (7296-V))
(Incorporated in Malaysia)

**CIRCULAR TO THE SHAREHOLDERS IN RELATION TO THE:**

**PART A**

**PROPOSED TERMINATION OF:**

**(I) CONSORTIUM AGREEMENT DATED 14 FEBRUARY 2003 ENTERED INTO BETWEEN KH ESTATES SDN BHD ("KHE"), A WHOLLY-OWNED SUBSIDIARY OF DUTALAND BERHAD ("DUTALAND" OR THE "COMPANY") AND OLYMPIA PROPERTIES SDN BHD ("OPSB"), A WHOLLY-OWNED SUBSIDIARY OF OLYMPIA INDUSTRIES BERHAD; AND**

**(II) DEVELOPMENT AGREEMENT DATED 10 AUGUST 2007 ENTERED INTO BETWEEN KHE, OPSB AND KH LAND SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KHE,**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSED TERMINATION")**

**PART B**

**INDEPENDENT ADVICE LETTER FROM MALACCA SECURITIES SDN BHD ("MALACCA SECURITIES") TO THE NON-INTERESTED SHAREHOLDERS OF THE COMPANY IN RELATION TO THE PROPOSED TERMINATION**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser for Part A*

RHB Investment

**RHB INVESTMENT BANK BERHAD**
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Securities)

*Independent Adviser for Part B*

M+Global

**MALACCA SECURITIES SDN BHD**
(Registration No. 197301002760 (16121-H))

The above proposal will be tabled 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 3.30 p.m., or any adjournment thereof. The Notice of EGM and the Proxy Form are enclosed in this Circular.

Appointment of proxy(ies) shall be made no later than Wednesday, 26 August 2026 at 3.30 p.m. as briefed below and more particularly described in the EGM Administrative Details:

(i) electronically via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com; or

(ii) through a duly executed hard copy Proxy Form which must be deposited at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or alternatively, to be deposited into the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The lodging of the Proxy Form will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

| | | |
|---|---|---|
| Day, date and time of the EGM | : | Friday, 28 August 2026 at 3.30 p.m. |
| Last date and time for lodging the Proxy Form | : | Wednesday, 26 August 2026 at 3.30 p.m. |

This Circular is dated 11 August 2026

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

**GENERAL:**

| | | |
|---|---|---|
| **2003 Circular** | : | Explanatory Statement-cum-Circular dated 29 September 2003 in relation to our restructuring scheme |
| **Act** | : | Companies Act 2016, as amended from time to time and any re-enactment thereof |
| **Agreed Ratio** | : | The agreed cost-revenue sharing ratio of 58% : 42% in favour of KHE and OPSB, respectively, pursuant to the Consortium Agreement |
| **Board** | : | Board of Directors of our Company |
| **Bursa Securities** | : | Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) |
| **Consortium Agreement** | : | Consortium agreement dated 14 February 2003 entered into between KHE and OPSB |
| **Circular** | : | This circular to our shareholders dated 11 August 2026 in relation to the Proposed Termination |
| **CMSA** | : | Capital Markets and Services Act 2007 |
| **CPSB** | : | City Properties Sdn Bhd (Registration No. 197301002715 (16234-T)) |
| **DESB** | : | Duta Equities Sdn Bhd (Registration No. 198901006763 (184066-T)) |
| **Development Agreement** | : | Development agreement dated 10 August 2007 entered into between KHE, OPSB and KHL |
| **DBKL** | : | Dewan Bandaraya Kuala Lumpur |
| **Director(s)** | : | Any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Termination were agreed upon a director or chief executive of our Company and shall have the meaning given in Section 2(1) of the CMSA |
| **DMRR** | : | Dairy Maid Resort & Recreation Sdn Bhd (Registration No. 198401006683 (119198-T)) |
| **DSYWK** | : | Dato' Sri Yap Wee Keat |
| **DYWC** | : | Datuk Yap Wee Chun |
| **DutaLand or Company** | : | DutaLand Berhad (Registration No. 196701000326 (7296-V)) |

| | | |
|---|---|---|
| **DutaLand Group or Group** | : | DutaLand and its subsidiaries |
| **DutaLand Share(s) or Share(s)** | : | Ordinary share(s) in our Company |
| **EGM** | : | Extraordinary general meeting |
| **EPS** | : | Earnings per share |
| **FPE** | : | Financial period ended/ending, as the case may be |
| **FYE** | : | Financial year ended/ending, as the case may be |
| **GDC** | : | Gross development costs |
| **GDV** | : | Gross development value |
| **IAL** | : | Independent advice letter from Malacca Securities to the non-interested shareholders of our Company in relation to the Proposed Termination, as set out in Part B of this Circular |
| **Independent Adviser or Malacca Securities** | : | Malacca Securities Sdn Bhd (Registration No. 197301002760 (16121-H)) |
| **Independent Agreed Value** | : | RM1,917.0 million for the Undeveloped Lands, comprising RM1,115.2 million allocated to KHE and RM801.8 million allocated to OPSB, as mutually agreed by KHE and OPSB pursuant to the Termination Agreement |
| **Independent Valuer or Cheston** | : | Cheston International (KL) Sdn Bhd (Registration No. 200401008741 (647245-W)) |
| **Interested Directors** | : | Collectively, TSDYYS and DYWC |
| **Interested Major Shareholders** | : | Collectively, KHD, TSDYYS, DYWC, DSYWK and PSDLLN |
| **Interested Persons** | : | Collectively, TSDYYS, DYWC and DSYWK |
| **KHD** | : | Kenny Height Developments Sdn Bhd (Registration No. 196801000168 (7799-A)) |
| **KHE** | : | KH Estates Sdn Bhd (Registration No. 200201023019 (590682-A)), a wholly-owned subsidiary of our Company |
| **KHL** | : | KH Land Sdn Bhd (Registration No. 200201023064 (590727-V)), a wholly-owned subsidiary of KHE |
| **Listing Requirements** | : | Main Market Listing Requirements of Bursa Securities, including any Practice Notes issued, and amendments thereto that may be made from time to time |

| | | |
|---|---|---|
| **LPD** | : | 13 July 2026, being the latest practicable date prior to the printing of this Circular |
| **LPS** | : | Loss per share |
| **Major Shareholder(s)** | : | A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:<br><br>(a) 10% or more of the total number of voting shares in our Company; or<br><br>(b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company,<br><br>and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Termination were agreed upon, a major shareholder of our Company. For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act |
| **Master Development Order** | : | The development order dated 18 November 2016 approved by DBKL vide reference no. (41)dlm.DBKL.JPRB.1655/74 Bhg.2 [OSC(B) A13 T2 141229-379 (PT KM 150520), granted in favour of KHD, for the commercial development of Parcel 3, Parcel 6A, Parcel 6B, Parcel 7A, Parcel 7B, Parcel 7C, Parcel 8A and Parcel 8B, subject to the terms and conditions contained therein and as may be varied, altered and amended from time to time |
| **NA** | : | Net assets |
| **OIB** | : | Olympia Industries Berhad (Registration No. 198001009242 (63026-U)) |
| **OPSB** | : | Olympia Properties Sdn Bhd (Registration No. 199501039303 (368505-T)), a wholly-owned subsidiary of OIB |
| **Principal Adviser or RHB Investment Bank** | : | RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P)) |
| **Project** | : | A new township known as Kenny Heights Development (formerly known as Bandar Sri Duta) comprising of residential and commercial projects involving earthworks, infrastructure and the construction of condominium and office blocks and a retail outlet/mall on the Subject Lands |
| **Proposed Termination** | : | Proposed termination of the Consortium Agreement and the Development Agreement |
| **PSDLLN** | : | Puan Sri Datin Leong Li Nar, the spouse of TSDYYS |
| **SC** | : | Securities Commission Malaysia |

| | | |
|---|---|---|
| **Subject Lands** | : | Collectively, Parcel 1, Parcel 2, Parcel 3, Parcel 4, Parcel 5, Parcel 6A, Parcel 6B, Parcel 7A, Parcel 7B, Parcel 7C, Parcel 8A and Parcel 8B, being freehold lands to be developed pursuant to the Consortium Agreement |
| **Termination Agreement** | : | Termination agreement dated 14 April 2026 entered into between KHE, OPSB and KHL to terminate the Consortium Agreement and Development Agreement |
| **Trust Deed** | : | Trust deed dated 25 January 2007 entered into between the Trustee, KHE and OPSB pursuant to the Consortium Agreement |
| **Trustee** | : | RHB Trustees Berhad (formerly known as OSK Trustees Berhad) (Registration No. 200201005356 (573019-U)) |
| **TSDYYS** | : | Tan Sri Dato' Yap Yong Seong |
| **Undeveloped Lands** | : | The Subject Lands, save for Parcel 1, Parcel 2 and Parcel 5 |
| **Valuation Certificate** | : | Certificate of valuation dated 19 May 2026 prepared by the Independent Valuer for the valuation of the Undeveloped Lands |
| **Valuation Report** | : | Valuation report dated 19 May 2026 prepared by the Independent Valuer for the valuation of the Undeveloped Lands |

**SUBJECT LANDS:**

| | | |
|---|---|---|
| **Parcel 1** | : | A parcel of freehold land on lot 67801/Geran 77974, measuring 392,785 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which has been disposed pursuant to the Consortium Agreement |
| **Parcel 2** | : | A parcel of freehold land comprising lot 67802/Geran 72851, measuring 160,586 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which has been developed and sold pursuant to the Consortium Agreement and Development Agreement |
| **Parcel 3** | : | A parcel of freehold land comprising lot 67613/Geran 70304, part of lots 67616/Geran 70305 and 62215/Geran 66942, measuring 386,166 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by OPSB |
| **Parcel 4** | : | A parcel of freehold land comprising lot 57489/Geran 54153, measuring 71,688 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |
| **Parcel 5** | : | A parcel of freehold land comprising lot 57491/Geran 54150, measuring 239,389 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which has been disposed pursuant to the Consortium Agreement |

| | | |
|---|---|---|
| **Parcel 6A** | : | A parcel of freehold land comprising part of lots 62216/Geran 66943, 21764/Geran 5362, 21765/Geran 5363 and 57487/Geran 54154, measuring 596,364 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |
| **Parcel 6B** | : | A parcel of freehold land comprising part of lot 62215/Geran 66942, measuring 65,940 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by OPSB |
| **Parcel 7A** | : | A parcel of freehold land comprising part of lots 62216/Geran 66943, 21764/Geran 5362 and 21765/Geran 5363, measuring 151,588 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |
| **Parcel 7B** | : | A parcel of freehold land comprising part of lots 57487/Geran 54154 and 21765/Geran 5363, measuring 140,340 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |
| **Parcel 7C** | : | A parcel of freehold land comprising lot 57490/Geran 54149, part of lots 57487/Geran 54154 and 57488/Geran 54152, measuring 236,623 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |
| **Parcel 8A** | : | A parcel of freehold land comprising lot 67611/Geran 70300, part of lots 67615/Geran 70301 and 62215/Geran 66942, measuring 244,664 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by OPSB |
| **Parcel 8B** | : | A parcel of freehold land comprising part of lot 62216/Geran 66943, measuring 53,594 square feet located within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, which beneficial ownership is held by KHE |

**CURRENCY:**

| | | |
|---|---|---|
| **RM and sen** | : | Ringgit Malaysia and sen, respectively |

All references to "**our Company**" in this Circular are to DutaLand, and references to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context otherwise requires, shall include our subsidiaries. All references to "**you**" in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment or Listing Requirements is a reference to that enactment or Listing Requirements as for the time being amended or re-enacted. Any reference to time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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# PART A

## LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED TERMINATION

All definitions used in this Executive Summary shall have the same meaning as the words and expressions provided in the "Definitions" section.

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSED TERMINATION AS SET OUT IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THE ENTIRE PART A OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED TERMINATION TO BE TABLED AT OUR FORTHCOMING EGM.**

| Key information | Summary | Reference to Circular (Part A) |
|---|---|---|
| Details of the Proposed Termination | Based on the Consortium Agreement, KHE and OPSB intended to jointly develop the Subject Lands into the Project.<br><br>The Consortium Agreement was entered into as part of our Company's restructuring scheme as per our 2003 Circular. Under the said restructuring scheme, our Company, via KHE, had also undertaken the acquisition of Parcel 4, Parcel 5, Parcel 6A, Parcel 7A, Parcel 7B, Parcel 7C and Parcel 8B of the Subject Lands from KHD for a purchase consideration of RM261.0 million, based on valuation approved by the SC.<br><br>As announced on 25 January 2007, the Trust Deed was entered into on the same date between the Trustee, KHE and OPSB. Pursuant thereto, the Subject Lands were transferred to the Trustee, who shall hold the legal title to the Subject Lands on trust for and on behalf of KHE and OPSB respectively, in accordance with the terms of the Trust Deed.<br><br>KHE, OPSB and KHL have entered into the Development Agreement for the appointment of KHL as the developer to develop Parcel 1, Parcel 2 and such other parcels of the Subject Lands as may be mutually agreed by KHE and OPSB.<br><br>In April 2011 and April 2017, Parcel 5 and Parcel 1 of the Subject Lands were sold respectively, while Parcel 2 was developed into a housing development known as Kenny Heights Estate, comprising 49 town villas and the units in the development were fully sold.<br><br>As at the LPD, the Undeveloped Lands, save for a temporary car park constructed on Parcel 7C which is not operational, remain undeveloped due to various factors, including but not limited to, misalignment in relation to development strategies, different risk appetites, different capital allocation objectives for KHE and OPSB and a combination of unforeseen economic and market conditions. These factors created considerable challenges in securing sufficient internal and external funding and maintaining the commercial viability of the Project.<br><br>Under the Termination Agreement, KHE, OPSB and KHL have agreed to mutually terminate the Consortium Agreement and Development Agreement. KHE and OPSB have also agreed to enter into a separate deed of revocation to terminate the Trust Deed.<br><br>KHE and OPSB have mutually agreed on RM1,917.0 million as the Independent Agreed Value for the Undeveloped Lands, which was derived from the average market value of the Undeveloped Lands as ascribed by the Independent Valuer and OIB's valuer of RM1,922.6 million and RM1,911.4 million, respectively. The Independent Agreed Value comprises RM1,115.2 million portion to KHE and RM801.9 million portion to OPSB, representing 58.2% and 41.8%, respectively. As the deviation falls within the agreed | Section 2 |

| **Key information** | **Summary** | **Reference to Circular (Part A)** |
|---|---|---|
| | 0.5% tolerance, pursuant to the Termination Agreement, no payment or reimbursement is payable to any party.<br><br>Pursuant to the Termination Agreement, KHE and OPSB have agreed that upon the termination date, the distribution of asset, liabilities, income and expenses accruing from the joint development under the Consortium Agreement up to such date, shall be made in accordance with the Agreed Ratio.<br><br>The Proposed Termination does not involve any transfer of land or payment of consideration between the parties to the Consortium Agreement and the Development Agreement as it merely provides for the termination of such agreements, with each party retaining their respective ownership of the Undeveloped Lands, which are currently held in trust by the Trustee. | |
| Rationale for the Proposed Termination | The Consortium Agreement and Development Agreement were entered into when both parties had shared a common vision to jointly develop the Subject Lands. However, both companies' business priorities, financial positions, commercial objectives and prevailing market conditions have evolved.<br><br>Our Company believes that the Consortium Agreement and Development Agreement, no longer allow KHE to execute its objectives for its portion of the Undeveloped Lands effectively.<br><br>Through the Proposed Termination, KHE stands to benefit from the flexibility to plan and implement initiatives for its portion of the Undeveloped Lands without the requirement to seek prior approval from OPSB, thereby streamlining decision-making processes and enabling more responsive execution of its business plans.<br><br>Following the Proposed Termination, KHE and OPSB will continue to be bound by the obligations under the Master Development Order as preserved pursuant to the Termination Agreement. The Termination Agreement does not inhibit either party from planning, pursuing its own business strategies and implementing and managing initiatives relating to its respective portions of the Undeveloped Lands | Section 3 |
| Risk factors in relation to the Proposed Termination | The risk factors relating to the Proposed Termination are as follows:<br><br>(i) development risk;<br><br>(ii) financial and operational risks; and<br><br>(iii) regulatory risk. | Section 5 |
| Approvals required | The Proposed Termination is deemed as a related party transaction and is subject to the following approvals being obtained:<br><br>(i) the approval of our Company's non-interested shareholders at our forthcoming EGM;<br><br>(ii) the approval of OIB's non-interested shareholders at their forthcoming EGM; and<br><br>(iii) the approval, consent and/or sanction of any other relevant authorities, if required.<br><br>The Proposed Termination is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company. | Section 7 |

| **Key information** | **Summary** | **Reference to Circular (Part A)** |
|---|---|---|
| Interests of Directors, Major Shareholders and/or persons connected with them | Save as disclosed below, none of our Directors, Major Shareholders and/or persons connected with them have any interest, whether direct and/or indirect, in the Proposed Termination:<br><br>(i) TSDYYS, who is our Group Managing Director and a Major Shareholder of our Company, is deemed interested in the Proposed Termination by virtue of him being the Group Managing Director of OIB and a major shareholder of OIB with direct and indirect shareholdings, via DESB, of 57.0%;<br><br>(ii) DYWC, being our Executive Director and a Major Shareholder of our Company, is deemed interested in the Proposed Termination by virtue of him being a major shareholder in OIB with indirect shareholdings, via DESB, of 57.0%;<br><br>(iii) DSYWK, being a Major Shareholder of our Company, is deemed interested in the Proposed Termination by virtue of him being the Executive Director and a major shareholder of OIB with direct and indirect shareholdings, via DESB, of 57.0%;<br><br>(iv) KHD, being a Major Shareholder of our Company, of which its sole shareholder is TSDYYS;<br><br>(v) PSDLLN, being a Major Shareholder of our Company, whom is also the spouse of TSDYYS and the mother of DYWC and DSYWK; and<br><br>(vi) OIB, being a shareholder of our Company, of which its shareholders include the Interested Persons. | Section 9 |
| Audit Committee's statement | Our Audit Committee, after taking into consideration all aspects of the Proposed Termination as well as the evaluation and recommendation of the Independent Adviser on the Proposed Termination, is of the opinion that the Proposed Termination is:<br><br>(i) in the best interest of our Company;<br><br>(ii) fair, reasonable and on normal commercial terms; and<br><br>(iii) not detrimental to the interest of the non-interested shareholders of our Company. | Section 11 |
| Directors' statement and recommendation | Our Board, save for the Interested Directors, having considered all aspects of the Proposed Termination, including but not limited to the salient terms of the Termination Agreement, rationale, risk factors and effects of the Proposed Termination as well as the evaluation and recommendation of the Independent Adviser on the fairness and reasonableness of the Proposed Termination, is of the opinion that the Proposed Termination is fair, reasonable and in the best interest of our Company. Accordingly, our Board (save for the Interested Directors) recommends that you vote **IN FAVOUR** of the resolution pertaining to the Proposed Termination to be tabled at our forthcoming EGM. | Section 12 |

# DutaLand Berhad

(Registration No. 196701000326 (7296-V))
(Incorporated in Malaysia)

**Registered office:**
Level 23, Menara Olympia
No. 8, Jalan Raja Chulan
50200 Kuala Lumpur

11 August 2026

**Board of Directors:**

Tun Arifin bin Zakaria *(Chairman and Independent Non-Executive Director)*
Tan Sri Dato' Yap Yong Seong *(Group Managing Director)*
Datuk Yap Wee Chun *(Executive Director)*
Dato' Abdul Majit bin Ahmad Khan *(Independent Non-Executive Director)*
Datuk Ooi Woon Chee *(Independent Non-Executive Director)*
Ms Chan May May *(Independent Non-Executive Director)*

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED TERMINATION**

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## 1. INTRODUCTION

On 14 April 2026, RHB Investment Bank had, on behalf of our Board, announced that KHE, OPSB and KHL had, on even date, entered into the Termination Agreement to terminate the Consortium Agreement and Development Agreement.

Our Company had previously on 30 October 2003 obtained from our then shareholders, approval for, amongst others, the proposed joint operations as a consortium between KHE and OPSB to develop the Subject Lands.

Following such approval, KHE and OPSB have appointed KHL as developer to develop the Subject Lands under 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 as set out in **Section 9 of Part A** of this Circular, the Proposed Termination is deemed a related party transaction and will be subject to the approval of non-interested shareholders of our Company to be obtained at our forthcoming EGM.

Accordingly, Malacca Securities has been appointed as the Independent Adviser on 13 November 2025 to advise the non-interested Directors and non-interested shareholders of our Company on the Proposed Termination. The IAL from Malacca Securities in relation to the Proposed Termination is set out in **Part B** of this Circular.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED TERMINATION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED TERMINATION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE IAL BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED TERMINATION TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED TERMINATION

### 2.1 Background information on the Consortium Agreement and Development Agreement

#### 2.1.1 The Consortium Agreement

Based on the Consortium Agreement, KHE and OPSB intended to jointly develop the Subject Lands into the Project. The original master plan for the Project was approved via a layout plan and development orders issued by Jabatan Perancangan Bandaraya, DBKL dated 3 September 1997, 17 September 1997, 12 October 1999 and 18 November 2016.

The Consortium Agreement was entered into as part of our Company's restructuring scheme as per our 2003 Circular. Under the said restructuring scheme, our Company via KHE, had also undertaken the acquisition of Parcel 4, Parcel 5, Parcel 6A, Parcel 7A, Parcel 7B, Parcel 7C and Parcel 8B of the Subject Lands from KHD for a purchase consideration of RM261.0 million, while OIB via OPSB, had undertaken the acquisition of Parcel 1, Parcel 2, Parcel 3, Parcel 6B and Parcel 8A from KHD for a purchase consideration of RM189.0 million. As announced on 25 April 2007, KHE completed the acquisition of its portion of the Subject Lands on even date.

As disclosed in our 2003 Circular, acquisitions of KHE's portion of the Subject Lands were deemed as related party transactions in view of the following interests then:

(i) PSDLLN, a major shareholder of our Company, was a major shareholder in KHD through her direct and indirect shareholdings and her son's, DYWC, indirect interest in KHD;

(ii) DYWC, a major shareholder of our Company, was deemed a major shareholder in KHD through his indirect interest and his mother's, PSDLLN, direct and indirect shareholdings in KHD;

(iii) TSDYYS, a major shareholder of our Company, was deemed a major shareholder in KHD through his wife's, PSDLLN, direct and indirect shareholdings and his son's, DYWC, indirect interest in KHD; and

(iv) DSYWK, a major shareholder of our Company, was deemed a major shareholder in KHD through his mother's, PSDLLN, direct and indirect shareholdings and his brother's, DYWC, indirect interest in KHD.

As disclosed in the 2003 Circular, the primary objective of the restructuring exercise was to put our Group on a stronger financial footing to enable our Group to continue as a going concern, return to profitability and enhance returns to stakeholders in the long run. The acquisition of the Subject Lands from KHD is in line with the objective of our Group to focus on property development activities after the restructuring exercise. Pursuant to the above, KHE and OPSB each has obtained an independent market valuation for the Subject Lands and based on such valuations, concluded on the purchase consideration for the Subject Lands and the Agreed Ratio for the Consortium Agreement as follows:

| | **Valuation as approved by the SC[1]/Purchase consideration RM'million** | **Agreed Ratio %** |
|---|---|---|
| KHE | 261.0 | 58.0 |
| OPSB | 189.0 | 42.0 |
| **Total** | **450.0** | **100.0** |

***Note:***

*(1) The valuation was undertaken by Jones Lang Wootton with a valuation report dated 1 August 2000 and was approved by the SC on 8 March 2002 (Source: 2003 Circular)*

### 2.1.2 The Trust Deed

Under the Consortium Agreement, for the purposes of undertaking and implementing the development of the Project, KHE and OPSB agreed that the Subject Lands would be transferred to a trustee to hold the lands on trust for the parties. Accordingly, as announced on 25 January 2007, the Trust Deed was entered into on the same date between the Trustee, KHE and OPSB. Pursuant thereto, the Subject Lands were transferred to the Trustee, who shall hold the legal title to the Subject Lands on trust for and on behalf of KHE and OPSB respectively, in accordance with the terms of the Trust Deed.

For the purpose of facilitating the implementation of the Project and the administration of matters relating to the Subject Lands, KHE and OPSB intend that the Subject Lands shall be held on trust by the Trustee. Pursuant to such trust arrangement, the legal title to the Subject Lands shall be vested in the Trustee, who shall also be granted the necessary power of attorney on behalf of KHE and OPSB in relation to the Subject Lands. This arrangement is intended to facilitate the implementation of the Project, including the issuance of the Master Development Order, which could only be issued in the name of a single legal entity.

Instead of establishing a special purpose vehicle company or form an incorporated joint venture company, the joint operation arrangement pursuant to the Consortium Agreement with appointment of KHL to undertake the Project was intended to enable each party to retain the beneficial ownership of its respective land. Such approach would also avoid additional time, costs and administrative requirements associated with the establishment and maintenance of a separate entity.

### 2.1.3 The Development Agreement

KHE, OPSB and KHL have entered into the Development Agreement for the appointment of KHL as the developer to develop Parcel 1, Parcel 2 and such other parcels of the Subject Lands as may be mutually agreed by KHE and OPSB.

The Development Agreement was only entered on 10 August 2007, subsequent to the completion of our restructuring scheme on 25 April 2007.

### 2.1.4 Information on the Project

Based on the 2003 Circular, an area covering 50.93 acres of the Subject Lands were intended to be developed under Stage 1 of the Project, comprising 1,634 residential condominiums, 3,399,800 square feet commercial office blocks and 265,000 square feet retail components. The entire proposed development was to be made available for sale to the public. Details on the development such as number of blocks and storeys for the proposed phases were to be determined at a later stage, considering the changing customer profile and preferences for such development. Based on the proposed layout plan of Stage 1, the GDV for the development was estimated to exceed RM2.9 billion and the GDC was projected at approximately RM2.3 billion, of which KHE's share was approximately RM1.3 billion and OPSB's share was approximately RM960.8 million, at the material time. The gross profits were estimated to exceed RM600.0 million, of which KHE's share was expected to be approximately RM356.4 million and OPSB's share was expected to be approximately RM258.0 million. The approval of the development order for Stage 1 of the Project was subject to the payment of development charges, amongst others. The development initially was to be funded from the rights issue exercise by our Company and OIB and subsequently with internally generated funds from the Project.

As disclosed in the 2003 Circular, the development of Stage 1 of the Project was proposed to be carried out in phases over a period of 10 years, subject to the future market conditions. With the assumption that the restructuring is completed by first quarter of 2004, and the first launch 6 months from completion date, and construction commences 9 months from the completion date, the proposed development under Stage 1 was expected to commence in October 2004 and completed on May 2012. In respect of the remaining areas not under the development of Stage 1, there were no immediate plans on its future development.

### 2.1.5 Details on sale of Parcel 1, Parcel 2 and Parcel 5

In April 2011 and April 2017, Parcel 5 and Parcel 1 of the Subject Lands were sold respectively, while Parcel 2 was developed into a housing development known as Kenny Heights Estate, comprising 49 town villas and the units in the development were fully sold.

Details on the development and sale of Parcel 2 are as follows:

| | | |
|---|---|---|
| GDC | : | RM147,757,914 |
| GDV | : | RM213,702,380 |
| Commencement date(1) | : | April 2008 |
| Completion date(2) | : | March 2011 |
| Number of units sold | : | 49 units |

***Notes:***

(1) *Refers to the date of first unit sold.*

(2) *Refers to the date of issuance of certificate of completion and compliance for the development project.*

Parcel 1 and Parcel 5 of the Subject Lands were not developed and were sold as vacant lands. The sale of such parcels as vacant lands was in order to realise our investments, reduce borrowings and fund our working capital requirements, mainly for other property development, sales and marketing, administrative and staff costs, at the material time. Both disposals of land were not subject to our shareholders' approval at the material time.

Further details of the sale of Parcel 1, Parcel 2 and Parcel 5 are as follows:

| | Parcel 1[(1)] RM'000 | Parcel 2 RM'000 | Parcel 5[(2)] RM'000 |
|---|---|---|---|
| Sale consideration | 150,000 | 65,944[(3)] | 76,000 |
| Less: Infrastructure costs incurred | (10,000) | - | - |
| Less: Premium for conversion of land[(4)] | - | - | (5,183) |
| Less: Redemption of borrowings | (99,000) | - | (54,881) |
| **Net consideration** | **41,000** | **65,944** | **15,936** |
| | | | |
| Distribution of net consideration (based on Agreed Ratio): | | | |
| KHE | 23,780[(5)] | 38,248[(5)] | 9,243[(5)] |
| OPSB | 17,220 | 27,696 | 6,693 |
| **Total** | **41,000** | **65,944** | **15,936** |

*(Source: Our management and OIB's circular dated 30 August 2018 in relation to a settlement of RM45.4 million owing by OPSB to KHE by way of transfer and delivery of vacant or legal possession of 12 units of condominiums together with 39 car park bays)*

***Notes:***

(1) *Parcel 1 was disposed to Semanja Hartamas Sdn Bhd at a sale price of RM150.0 million.*

(2) *Parcel 5 was disposed to Seri Sentosa Kiara Sdn Bhd at a sale price of RM76.0 million.*

(3) *Amount refers to the gross development profit.*

(4) *Refers to conversion of land category from 'agriculture' to 'building'.*

(5) *Distribution of net consideration to KHE of RM23.8 million, RM38.2 million and RM9.2 million for Parcel 1, Parcel 2 and Parcel 5, respectively, were used to fund our Group's working capital.*

### 2.2 Information on the Undeveloped Lands

The Undeveloped Lands are located in Sri Hartamas within Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur and are sited off the northern (left) side of Jalan Sri Hartamas 1, travelling from Jalan Duta towards Damansara Heights. The Undeveloped Lands front onto SPRINT Highway (Damansara Link), Jalan Sri Hartamas 1 and Jalan Sri Hartamas 17 and are accessible from Kuala Lumpur City Centre via Jalan Tugu, Jalan Cenderasai, Jalan Tanglin, Jalan Parlimen, thence either via Jalan Tuanku Abdul Halim (formerly Jalan Duta) and Jalan Dutamas onto Jalan Sri Hartamas 1 or via Jalan Duta-Sungai Buloh Highway and SPRINT Highway (Damansara Link).

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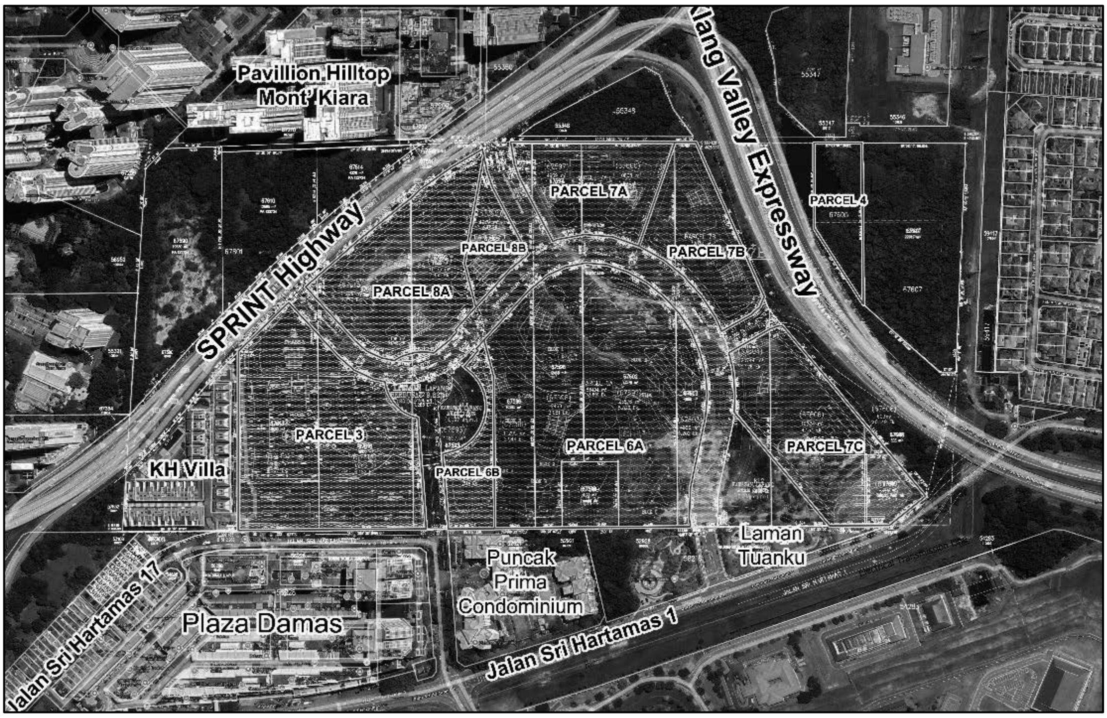
The location map for the Undeveloped Lands is as follows:




*(Source: Valuation Report)*

According to the layout plan of the Master Development Order, the Undeveloped Lands (except for Parcel 4) will be developed under 8 parcels of land with an approval for total gross floor area of 18,315,537 sq. ft. with a permissible plot ratio of 1:8. An initial development charge deposit of RM1.0 million has been paid while the final development charges will be determined later based on prevailing market valuations of the parcels. The validity of the development orders has been extended several times, with the final correspondence from DBKL to KHL dated 2 July 2023, informed that the Master Development Order shall remain indefinitely.

For information purposes, Parcel 4, which is not part of the Master Development Order, has a permissible plot ratio of 1:4.

As at the LPD, the Undeveloped Lands, save for a temporary car park constructed on Parcel 7C which is not operational, remain undeveloped due to various factors, including but not limited to, misalignment in relation to development strategies, different risk appetites, different capital allocation objectives for KHE and OPSB and a combination of unforeseen economic and market conditions. The prevailing economy and market conditions affected the viability and timing of the development vis-à-vis the global financial crisis from 2008 to 2009 and compounded by the COVID-19 pandemic from 2020 to 2022. The cumulative impact of these events created considerable challenges for both KHE and OPSB in securing sufficient internal and external funding and maintaining the commercial viability of undertaking a large-scale integrated development in accordance with the Consortium Agreement. Notwithstanding these challenges, the joint operation successfully developed and sold Parcel 2 between 2008 to 2011.

The details of the 9 parcels of Undeveloped Lands are summarised below:

| Parcel / Beneficial owner | Title no. | Lot no. | Land area sq. ft. | Land tenure | Category of land use | Express condition | Existing condition | Restriction of interest | Encumbrances | Market value RM'million | Net book value as at 30 June 2025 RM'million |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 3[(1)] / OPSB | Geran 70304, 70305 (part) and 66942 (part) | Lot 67613, 67616 (part) and 62215 (part) | 386,166 | Interest in perpetuity | Building, in respect of Lot 67613 and Lot 67616. Agriculture, in respect of Lot 62215. | "*Tanah ini hendaklah digunakan untuk pembangunan bercampur bagi tujuan kediaman dan perdagangan sahaja*" in respect of Lot 67613 and Lot 67616. Nil, in respect of Lot 62215. | Vacant development / agriculture land overgrown with bushes and unknown trees | Nil | In respect of Lot 62215, charged by the Trustee to OSK Capital Sdn Bhd, registered on 23 April 2026.[(7)] | 476.7 | 92.9 |
| 4[(2)] / KHE | Geran 54153 | Lot 57489 | 71,688 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | Nil | 45.4 | 12.2[(8)] |
| 6A[(3)] / KHE | Geran 66943 (part), 5362 (part), 5363 (part) and 54154 (part) | Lot 62216 (part), 21764 (part), 21765 (part) and 57487 (part) | 596,364 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | Nil | 501.1 | 114.3[(9)] |

| Parcel / Beneficial owner | Title no. | Lot no. | Land area sq. ft. | Land tenure | Category of land use | Express condition | Existing condition | Restriction of interest | Encumbrances | Market value RM'million | Net book value as at 30 June 2025 RM'million |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 6B[3] / OPSB | Geran 66942 (part) | Lot 62215 (part) | 65,940 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | In respect of Lot 62215, charged by the Trustee to OSK Capital Sdn Bhd, registered on 23 April 2026.[7] | 55.4 | 12.6 |
| 7A[4] / KHE | Geran 66943 (part), 5362 (part) and 5363 (part) | Lot 62216 (part), 21764 (part) and 21765 (part) | 151,588 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | Nil | 131.1 | 29.7[10] |
| 7B[4] / KHE | Geran 54154 (part) and 5363 (part) | Lot 57487 (part) and 21765 (part) | 140,340 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | Nil | 121.9 | 27.5[11] |

| Parcel / Beneficial owner | Title no. | Lot no. | Land area sq. ft. | Land tenure | Category of land use | Express condition | Existing condition | Restriction of interest | Encumbrances | Market value RM'million | Net book value as at 30 June 2025 RM'million |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 7C[5] / KHE | Geran 54154 (part), 54152 (part) and 54149 | Lot 57487 (part), 57488 (part) and 57490 | 236,623 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees with the exception of a temporary parking lot not in operation | Nil | Nil | 265.1 | 46.4[12] |
| 8A[6] / OPSB | Geran 70300, 70301 (part) and 66942 (part) | Lot 67611, 67615 (part) and 62215 (part) | 244,664 | Interest in perpetuity | Building, in respect of Lot 67611 and Lot 67615. Agriculture, in respect of Lot 62215. | "*Tanah ini hendaklah digunakan untuk pembangunan bercampur bagi tujuan kediaman dan perdagangan sahaja*" in respect of Lot 67611 and Lot 67615. Nil in respect of Lot 62215. | Vacant development / agriculture land overgrown with bushes and unknown trees | Nil | In respect of Lot 62215, charged by the Trustee to OSK Capital Sdn Bhd, registered on 23 April 2026.[7] | 272.0 | 48.6 |
| 8B[6] / KHE | Geran 66943 (part) | Lot 62216 (part) | 53,594 | Interest in perpetuity | Agriculture | Nil | Vacant agriculture land overgrown with bushes and unknown trees | Nil | Nil | 53.9 | 10.0[13] |
| | | | | | | | | | **Total** | **1,922.6** | **394.3** |

*(Source: Termination Agreement, Valuation Certificate, Valuation Report and management accounts for the joint operations (in respect of the net book value of the Undeveloped Lands))*

***Notes:***

(1) *Parcel 3 is not contiguous to other parcels of land.*

(2) *Parcel 4 is not contiguous to other parcels of land.*

(3) *Parcel 6A and Parcel 6B are contiguous to one another and share the same plot of land.*

(4) *Parcel 7A and Parcel 7B are contiguous to one another and share the same plot of land.*

(5) *Parcel 7C is not contiguous to other parcels of land.*

(6) *Parcel 8A and Parcel 8B are contiguous to one another and share the same plot of land.*

(7) *For information purposes, Lot 62215 was previously charged to OSK Capital Sdn Bhd for RM5.0 million financing which was subsequently discharged and charged for a refinancing facility of RM30.0 million on 23 April 2026.*

*As the Proposed Termination does not involve any transfer of land or payment of consideration between the parties to the Consortium Agreement and the Development Agreement, but merely provides for the termination of such agreements, each party will retain their respective ownership of the Undeveloped Lands. As such, the existing encumbrances will remain following the termination of the Consortium Agreement and Development Agreement, and OPSB shall bear the costs of discharging such encumbrances in the future.*

(8) *Consists of original cost of investment of RM11.2 million and capitalised expenditure in relation to Parcel 4 of RM1.0 million.*

(9) *Consists of original cost of investment of RM101.0 million and capitalised expenditure in relation to Parcel 6A of RM13.2 million.*

(10) *Consists of original cost of investment of RM26.7 million and capitalised expenditure in relation to Parcel 7A of RM3.0 million.*

(11) *Consists of original cost of investment of RM24.7 million and capitalised expenditure in relation to Parcel 7B of RM2.8 million.*

(12) *Consists of original cost of investment of RM41.7 million and capitalised expenditure in relation to Parcel 7C of RM4.7 million.*

(13) *Consists of original cost of investment of RM8.5 million and capitalised expenditure in relation to Parcel 8B of RM1.5 million.*

Save for Parcel 4, each of the land parcel stretches through several land titles and lots. Therefore, these parcels that are identified based on the Master Development Order, are being described as being “part” of certain titles and lots. For clarity, there is no overlapping in terms of the beneficial ownership for the land titles and lots described as being “part”. The respective land title will be retained by the beneficial owner after the Proposed Termination.

### 2.3 Proposed Termination

Under the Termination Agreement, KHE, OPSB and KHL have agreed to mutually terminate the Consortium Agreement and Development Agreement. KHE and OPSB have also agreed to enter into a separate deed of revocation to terminate the Trust Deed.

Pursuant to the Termination Agreement, KHE and OPSB have agreed that upon the termination date, the distribution of asset, liabilities, income and expenses accruing from the joint development under the Consortium Agreement up to such date, shall be made in accordance with the Agreed Ratio.

In addition to the above, in respect of Parcel 2 which was developed and fully sold, KHE and OPSB have agreed for KHL, as the developer, to continue discharge and perform all outstanding obligations and liabilities arising from the development of Parcel 2, including without limitation, applying for and procuring the subdivision of the Parcel 2 and obtaining the issuance of separate issue documents of titles. Such obligations shall continue until all such obligations and liabilities have been fully discharged and performed by KHL and, KHE and OPSB have mutually confirmed in writing that the relevant works have been duly completed. 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 KHE and OPSB in accordance with the Agreed Ratio. Similarly, for the Undeveloped Lands, both KHE and OPSB have agreed that should there be any outstanding costs, expenses or liabilities relating to the Undeveloped Lands incurred prior to the date of the Termination Agreement, the relevant payment or disbursement shall continue as a residual obligation until fully discharged. As at the LPD, such costs are estimated at approximately RM14.8 million, which shall continue to be borne by KHE and OPSB in accordance with the Agreed Ratio. KHE’s portion for the expenses in relation to KHL’s residual obligations for Parcel 2 and the Undeveloped Lands is approximately RM8.6 million in total.

The Proposed Termination does not involve any transfer of land or payment of consideration between the parties to the Consortium Agreement and the Development Agreement as it merely provides for the termination of such agreements, with each party retaining their respective ownership of the Undeveloped Lands, which are currently held in trust by the Trustee.

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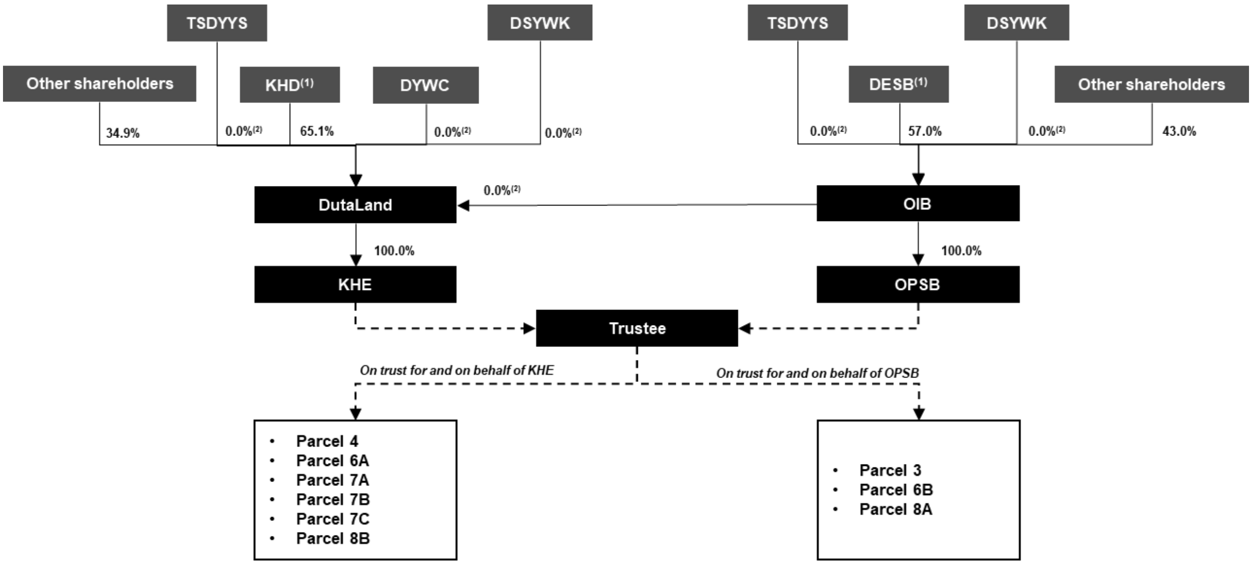
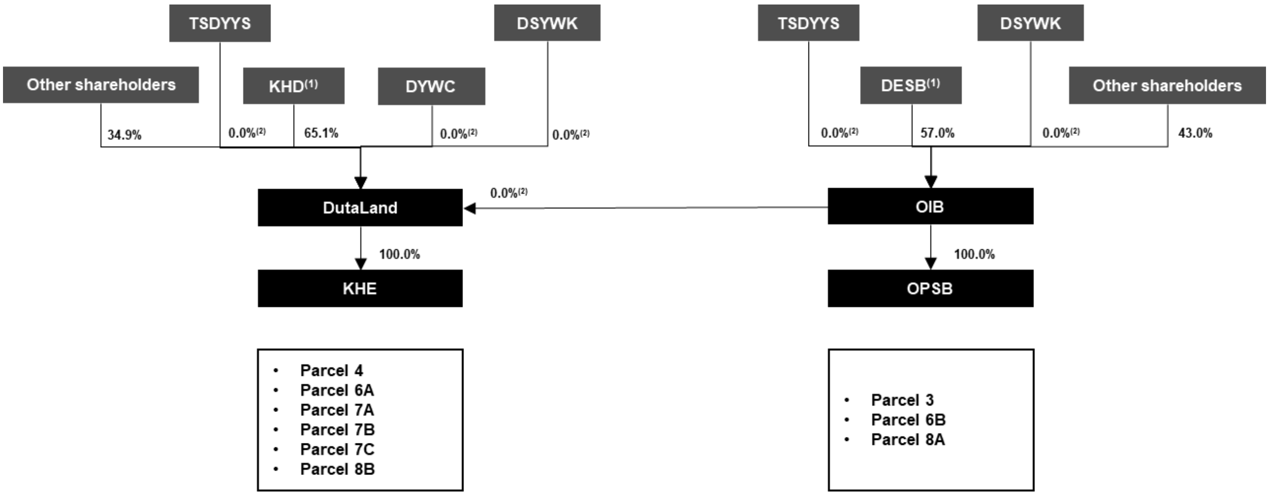
The structure as at the LPD and after the Proposed Termination are illustrated in the diagrams below:

**As at the LPD**




**After the Proposed Termination**




***Notes:***

(1) *TSDYYS is the sole shareholder of KHD and DESB. TSDYYS is also a common Director for our Company and OIB.*

(2) *Amount is negligible.*

Our Company has appointed the Independent Valuer to undertake an independent valuation on the Undeveloped Lands to determine the current market value of each parcel of the Undeveloped Lands based on the respective ownership of KHE and OPSB. Such valuation exercise, which was undertaken on 5 January 2026, was for reference purposes only to ascertain sharing ratio between KHE and OPSB based on current market value of the Undeveloped Lands. The Independent Valuer has appraised the Undeveloped Lands at RM1,922.6 million. A similar valuation was also undertaken by OIB through its appointed valuer.

For the purpose of this Circular, an updated valuation was undertaken by the Independent Valuer on the valuation date of 12 May 2026 and the market value of the Undeveloped Lands remained at RM1,922.6 million.

In arriving at the opinion of the market value of the Undeveloped Lands, the Independent Valuer has appraised the Undeveloped Lands using the market/comparison approach as the only preferred valuation method. The market/comparison approach is premised on the principle of comparing the property under valuation with recently transacted properties of a similar nature. Where dissimilarities exist, adjustments are made. A survey by the Independent Valuer was made of property sales that have occurred in this or similar areas within the appropriate time horizon. These comparable sale prices are then adjusted for comparability to reflect differences in market condition (time), location and accessibility, size, tenure, corner/end premium, shape/site efficiency, planning approval/plot ratio, category of land use/conversion premium, infrastructure and topography/terrain/site condition to render the sold properties as similar as possible with the Undeveloped Lands.

In the absence of confirmed development orders specifying detailed development parameters for each parcel, the application of the income approach through the residual method or the discounted cash flow method would require the adoption of numerous assumptions relating to the potential development configuration and financial performance of the Undeveloped Lands. Consequently, the resulting valuation outcomes may be highly sensitive to variations in these assumptions and may not provide a reliable reflection of prevailing market conditions.

For corporate governance reasons of our Company and OIB as two public listed companies and to enhance the independence and objectivity of the valuation exercise, the appointment of separate valuers by KHE and OPSB was to allow each party to independently assess the market value of their respective portions of the Undeveloped Lands and to ensure that each party's interests were independently considered.

Based on market value of the Undeveloped Lands as ascribed by the Independent Valuer and OIB's valuer, KHE and OPSB had negotiated on an independent value and such value must not deviate more than 0.5% from each parties' portion based on the Agreed Ratio, taking cognisance of the change in Subject Lands composition and the market values of the Undeveloped Lands since the Consortium Agreement was entered into.

Pursuant to Clause 2.4 of the Termination Agreement, KHE and OPSB have mutually agreed on RM1,917.0 million as the Independent Agreed Value for the Undeveloped Lands. The Independent Agreed Value was derived from the average market value of the Undeveloped Lands as ascribed by the Independent Valuer and OIB's valuer. The Independent Agreed Value comprises RM1,115.2 million portion to KHE and RM801.9 million portion to OPSB, representing 58.2% and 41.8%, respectively, as illustrated below:

| | Parcels | Total land area sq. ft. | Valuation by the Independent Valuer (1) | | Valuation by OIB's valuer (2) | | Independent Agreed Value | | Difference (3) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | '000 | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| KHE | 4, 6A, 7A, 7B, 7C and 8B | 697 | 1,118,500 | 58.2 | 1,111,800 | 58.2 | 1,115,150 | 58.2 | (3,350) | 0.0 |
| OPSB | 3, 6B and 8A | 1,250 | 804,100 | 41.8 | 799,600 | 41.8 | 801,850 | 41.8 | (2,250) | 0.0 |
| **Total** | | **1,947** | **1,922,600** | **100.0** | **1,911,400** | **100.0** | **1,917,000** | **100.0** | **(5,600)** | **0.0** |

***Notes:***

(1) *Based on the Valuation Report.*

(2) *Based on OIB's announcement dated 14 April 2026 in relation to the Proposed Termination.*

(3) *Represents the difference between valuation by the Independent Valuer and the Independent Agreed Value.*

The Independent Agreed Value is relied upon to assess whether either party will retain land or development entitlements with a value that is in excess or falls short of the entitlement based on the Agreed Ratio to determine whether any reimbursement is required. The Independent Agreed Value represents a deviation of less than 0.5% from the respective parties' portion based on the Agreed Ratio. The agreed value portion to KHE and OPSB as illustrated below is final and both parties shall have no rights, claims or entitlements arising from the deviation.

| | Independent Agreed Value | | Value based on Agreed Ratio | | Deviation | |
|---|---|---|---|---|---|---|
| **Ownership** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| KHE | 1,115,150 | 58.2 | 1,111,860 | 58.0 | (3,290) | (0.2) |
| OPSB | 801,850 | 41.8 | 805,140 | 42.0 | 3,290 | 0.2 |
| **Total** | **1,917,000** | **100.0** | **1,917,000** | **100.00** | **-** | **-** |

Based on the above, as the deviation falls within the agreed 0.5% tolerance, pursuant to the Termination Agreement, no payment or reimbursement is payable to any party.

### 2.3.1 Salient terms of the Termination Agreement

In order to preserve the Master Development Order, the approved layout plan and the approved plot ratio and to safeguard both parties' interests and to ensure that KHE and OPSB continue to enjoy the mutual benefits arising therefrom, the Termination Agreement provides that any variation to the Master Development Order by KHE or OPSB otherwise than in accordance with the terms of the Termination Agreement would constitute a breach of the surviving obligations expressly preserved under the Termination Agreement. In such circumstances, KHE or OPSB, as the case may be, may pursue a claim against the defaulting party in accordance with the terms of the Termination Agreement.

For information purposes, the right of first refusal set out in the Termination Agreement provides KHE and OPSB the opportunity to acquire the adjoining parcels between Parcel 6A and Parcel 6B and between Parcel 8A and Parcel 8B before any disposal to a third party. For clarity, Parcel 3, Parcel 4, parcel 7A, Parcel 7B and Parcel 7C are not adjacent to any other parcels of the Undeveloped Lands. Our Board shall comply with the provisions under Chapter 10 of the Listing Requirements, including seeking our shareholders' approval, where required in relation to the right of first refusal.

In the event of disposal of any of the Undeveloped Lands (excluding Parcel 4 which is not subject to the Master Development Order) to a third-party purchaser, the disposing party is bound by the Termination Agreement to procure the third-party purchaser to enter into an undertaking with KHE, OPSB and KHD, to be contractually bound by the Master Development Order and right of way of the Undeveloped Lands as provided under the Termination Agreement, respectively.

For information purposes, no power of attorney has been granted in respect of Parcel 4. As such, Parcel 4 is not subject to the revocation of the power of attorney set out in the Termination Agreement.

Further details of the salient terms of the Termination Agreement are as set out in **Appendix I of Part A** of this Circular.

### 2.3.2 Liabilities to be assumed

There will be no liabilities, including contingent liabilities and guarantees, to be assumed by our Group arising from the Proposed Termination.

## 3. RATIONALE FOR THE PROPOSED TERMINATION

The Consortium Agreement and Development Agreement were entered into when both parties had shared a common vision to jointly develop the Subject Lands. However, both companies' business priorities, financial positions, commercial objectives and prevailing market conditions have evolved.

Our Company believes that the Consortium Agreement and Development Agreement no longer allow KHE to execute its objectives for its share of the Undeveloped Lands effectively. Our Company has carefully reviewed the strategic and operational challenges currently confronting KHE, which underscore the need to pursue a revised strategy for the Undeveloped Lands. These challenges include, but not limited to, the difference in business direction between our Company and OIB in terms of the future plan for the Undeveloped Lands.

Our Company is of the view that, through the Proposed Termination, KHE stands to benefit from the flexibility to plan and implement initiatives for its portion of the Undeveloped Lands without the requirement to seek prior approval from OPSB, thereby streamlining decision-making processes and enabling more responsive execution of its business plans. In addition, the termination of the Consortium Agreement allows both KHE and OPSB to pursue their respective business directions independently, without the requirement for mutual consultation.

Notwithstanding that KHE and OPSB are ultimately controlled and managed by TSDYYS and parties related to him, both entities operate as separate corporate entities with their respective business strategies, priorities and considerations. Accordingly, KHE and OPSB may independently evaluate and pursue opportunities that are aligned with their respective business objectives, including monetise and/or formulate a development strategy for their respective portions of the Undeveloped Lands.

The table below illustrates our Group's financial performance over the past 3 years and the latest quarterly result:

| | **Audited FYE 2023 RM'000** | **Audited FYE 2024 RM'000** | **Audited FYE 2025 RM'000** | **Unaudited FPE 31 March 2026 RM'000** |
|---|---|---|---|---|
| Revenue | | | | |
| - Commodity trading | 167,563 | 146,062 | 400,434 | 317,791 |
| - Property development | 2,020 | 15,768 | 26,985 | 31,616 |
| - Investment holding and others | 38,849 | 40,467 | 25,770 | 28,623 |
| - Plantation | 1,474 | 1,919 | 3,860 | 3,419 |
| - Adjustments and elimination | (21,091) | (21,344) | - | - |
| | **188,815** | **182,872** | **457,049** | **381,449** |
| Profit/(loss) before tax | | | | |
| - Commodity trading | (5,472) | 2,804 | 444 | 814 |
| - Property development | (10,489) | (3,081) | 7,102 | 7,902 |
| - Investment holding and others | 15,735 | 66,672 | (8,333) | (6,290) |
| - Plantation | (595) | (1,364) | 145 | 1,591 |
| - Adjustments and elimination | 6,095 | (64,504) | 546 | (1,338) |
| | **5,274** | **527** | **(96)** | **2,679** |
| Net operating cash flow | (68,775) | (55,311) | (45,094) | (41,051) |
| Cash and cash equivalents | 96,910 | 84,475 | 117,641 | 81,332 |
| Total borrowings | 377 | 323 | 722 | 608 |
| Net assets | 1,247,223 | 1,247,751 | 1,230,671 | 1,229,792 |
| Share of loss in the joint operations | (6,099) | (6,917) | (2,729) | (2,497) |

*(Source: Annual report for our Group for FYE 2023, FYE 2024 and FYE 2025, quarterly result for FPE 31 March 2026 and our management (in respect of the share of loss in the joint operations for FPE 31 March 2026))*

The revenue for our Group increased significantly to RM457.0 million in FYE 2025 from RM188.8 million and RM182.9 million for FYE 2023 and FYE 2024, respectively, representing an increase of approximately 142.1% and 149.9% from FYE 2023 and FYE 2024, respectively. Such increase was primarily driven by our commodity trading segment.

Despite the increase in revenue, our Group recorded a marginal loss before tax of RM0.1 million in FYE 2025, compared with profit before tax of RM5.3 million and RM0.1 million for FYE 2023 and FYE 2024, respectively, due to higher other expenses incurred in FYE 2025. While our commodity trading segment remained profitable for FYE 2025, the key profit contributor for FYE 2025 was our property development segment which contributed a profit before tax of RM7.1 million for FYE 2025 due to the higher margin associated with property development activities. Similar trend is noted for FPE 31 March 2026 whereby our property development segment was the key profit contributor which contributed a profit before tax of RM7.9 million, despite only being the second highest revenue contributor after our commodity trading segment over the same period.

In view of the financial performance outlined above, together with the consecutive share of losses recognised from the joint operations, our Company believes that the Proposed Termination will enable KHE to pursue with the development of its portion of the Undeveloped Lands independently. This is expected to facilitate our Group’s property development activities and allow our Group to realise future revenue from the development of the Undeveloped Lands, which has demonstrated stronger earnings contribution in recent financial years.

Following the Proposed Termination, KHE and OPSB will continue to be bound by the obligations under the Master Development Order as preserved pursuant to the Termination Agreement. The Termination Agreement does not inhibit either party from planning, pursuing its own business strategies and implementing and managing initiatives relating to its respective portions of the Undeveloped Lands, including the timing, manner and approach of development or monetisation, without requiring mutual consultation or agreement with the other party, except where such actions may affect the Master Development Order.

As at the LPD, there is no comprehensive development plan for the Undeveloped Lands, including the development timeline, estimated GDC, estimated GDV and sources of funds. However, our Company remains committed to comply with the Master Development Order. Upon the completion of the Proposed Termination, our Group intends to undertake a holistic assessment of our business strategy for KHE’s portion of the Undeveloped Lands to formulate a detailed and commercially viable development plan. Such assessment will include, among others, evaluating prevailing market conditions and demand, determining the appropriate development concept and timeline, estimating the GDC and GDV, assessing our Group's financial requirements and identifying suitable funding sources and financing structures. Should our Group conclude that the development strategy is not commercially viable, our Group may evaluate monetisation strategies to unlock the value of such lands in the best interests of our Group.

Our Company is of the view that the Proposed Termination will enable KHE to capitalise on new opportunities and is expected to contribute positively to our Company's future financial performance.

## 4. OUTLOOK AND PROSPECTS

### 4.1 Overview and outlook on the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (4Q 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics (E&E) exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

Bank Negara Malaysia Governor Dato' Sri Abdul Rasheed Ghaffour says, 'As a small and open economy, Malaysia will inevitably face both direct and indirect impact from the ongoing geopolitical conflict in the Middle East. Higher energy prices, supply chain disruptions, and heightened uncertainty are expected to weigh on the external environment. Nevertheless, the Malaysian economy is expected to remain resilient in 2026, with growth expected to come in within the range of 4% - 5%, supported by steady domestic demand and continued expansion in our export performance.'.

The resilient domestic demand will provide a strong buffer against external headwinds. Household spending will be underpinned by firm labour market conditions and continuous policy support. Investment activity will be driven by the continued progress of multi-year projects in both the private and public sectors, as well as the ongoing implementation of national master plans. Despite the external headwinds, export growth will continue to be supported by the global technology expansion, particularly for E&E goods, reflecting Malaysia's role in global value chains.

Headline inflation is projected to average 1.5%–2.5% in 2026. Following the Middle East conflict, inflation is expected to edge higher due to elevated global energy and other key commodity prices, broadly in line with expectations. In the absence of excessive demand pressures, existing policy measures, including targeted fuel subsidies and other mitigation measures, are expected to help limit near-term spillovers to broader inflation. However, the extent and pace of pass-through to domestic prices from the ongoing conflict will also depend on firms' pricing behaviour and demand conditions.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2026, Bank Negara Malaysia)*

### 4.2 Overview and outlook on the property sector in Malaysia

The Central Region property market performance was moderate in 2025, as indicated in market activities. The region recorded 99,437 transactions worth RM107.09 billion, a decrease of 0.4% in volume, while value saw an increase of 3.7% compared to 2024. Combined, these three states formed 23.9% and 44.3% of the national volume and value of transactions. In terms of transaction volume, WP Kuala Lumpur and WP Putrajaya showed upward trends of 14.2% and 0.3% respectively. In terms of transaction value, WP Putrajaya recorded an increase of 46.8%, followed by WP Kuala Lumpur and Selangor which increased by 6% and 2.1%, respectively.

By sub-sector, the residential segment continued to dominate the region's property transactions, accounting for 68.7% (68,279 transactions) of the total. Likewise in value, the residential sub-sector also dominated the region's overall property transaction, dominating a 43% share. The residential subsector was the dominant subsector across all states. The residential property in the Central Region recorded 68,279 transactions worth RM46.09 billion, a decrease of 2.9% in volume and increased 4.4% in value against 2024. The movement was driven by a 17.7% decrease in transaction volume in WP Putrajaya and also a 5.6% decrease in Selangor. Meanwhile, WP Kuala Lumpur saw an increase of 8.7%. In terms of transaction value, WP Putrajaya and Selangor recorded a decrease of 19.4% and 3.6%, respectively, whereas WP Kuala Lumpur increased by 26.4%.

The primary market in the Central Region experienced downward trend with the performance of new launches declining in WP Kuala Lumpur and Selangor, while in WP Putrajaya it remained nil. WP Kuala Lumpur and Selangor showed decreases of 15% (6,663 units) from 2024 (7,840 units) and 3.4% (14,358 units) from 2024 (14,862 units) respectively, during the review period.

The situation of unsold residential units recorded mixed movements during the review period. Selangor experience an increase across all unsold stages compared to 2024. Unsold completed units rose by 70.9% (2024: 2,075 units), unsold under construction increases by 72.3% (2024: 8,607 units), and unsold not constructed surged by more than double (2024: 1,746 units).

The residential property price trend in 2025 showed mixed movements across the board. Residential properties for landed and high-rise units in prominent and established areas witnessed a marginal capital appreciation. In the high-rise residential segment, strong performances were recorded. In WP Kuala Lumpur, apartments/ condominiums located in prominent areas are served with efficient road linkages, indicating an increase, including Verticas Residensi (10.5%), Residensi 22 Mont Kiara (10.3%) and Seringin Residences (10.1%).

Malaysia's economy is projected to sustain the growth momentum in 2026 between 4% and 4.5%, according to Economic Outlook 2026, Ministry of Finance (MoF), supported by robust domestic demand and a resilient external sector. The implementation the New Industrial Master Plan 2030 (NIMP 2030), National Energy Transition Roadmap (NETR), National Semiconductor Strategy (NSS), National AI Action Plan 2030 and others impactful measures under the Thirteen Malaysian Plan will reinforce economic fundamentals and sustained investor confidence.

The property market's trajectory in 2026 is expected to remain resilient, underpinned by market activity, stable price movement and variation of construction activity. Residential demand is shifting toward more high value and affordable units. Nevertheless, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Budget 2026. While policy support and selective demand drivers provide a foundation for stability, the broader outlook remains vulnerable to external economic shifts and domestic affordability constraints. Meanwhile, the non-residential subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas.

*(Source: Property Market Report 2025, National Property Information Centre)*

### 4.3 Overview and outlook on the agriculture sector in Malaysia

The agriculture sector grew 2.6% (Q1 2025: 0.7%), supported by growth in the oil palm, livestock, other agriculture, as well as forestry and logging subsectors. The oil palm subsector increased by 5.5%, contributed by higher fresh fruit bunches production from Peninsular Malaysia and Sarawak. The livestock subsector recorded a growth of 8.7%, driven by better output in the poultry segments. The other agriculture subsector rose 1.5%, supported by encouraging performance in the vegetable and fruit segments. However, the rubber subsector contracted 25% due to low natural rubber production, mainly among smallholders, and a decrease in rubber-planting areas. The fishing subsector declined 6.9% due to reduced marine fishing and aquaculture activity.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2026, Bank Negara Malaysia)*

The agriculture sector is forecast to expand by 2.2% in 2026, supported by all subsectors, except forestry and logging. The oil palm subsector is projected to produce higher crude palm oil ("**CPO**") output attributed to increased fresh fruit bunch and oil extraction rate ("**OER**"). These improvements are mainly driven by expected favourable weather conditions, expansion of matured plantation areas and further improvements in harvesting practices as well as continued adoption of mechanisation. Additionally, improved OER, owing to more frequent harvesting activities and better field management, is likely to enhance fruits quality and reduce losses. These developments will provide a lift to the overall expansion of the oil palm subsector during the year. In terms of price, average CPO price is forecast to range between RM3,900 and RM4,100 per tonne (2025: RM4,000 – RM4,300). This is in line with higher global CPO production and increased output of competing vegetable oils.

*(Source: Economic Outlook 2026, Ministry of Finance Malaysia)*

### 4.4 Prospects of our Group

As our Group enters FYE 2027, we remain cautiously optimistic despite continued global economic uncertainty arising from geopolitical tensions, inflationary pressures, energy market volatility and fluctuating commodity prices. Supported by strong fundamentals, prudent financial management and a resilient business model, our Group is well-positioned to navigate these challenges while pursuing sustainable long-term growth. Following the divestment of its plantation assets, our Group has strengthened its financial position and will continue to deploy capital prudently to support land bank replenishment, strategic investments and the advancement of key development projects.

Property development will remain our Group's principal earnings driver. Our Group has approved the acquisition of new development land to strengthen its presence in the mid-market residential segment, where demand is expected to remain supported by favourable demographics, urbanisation and homeownership initiatives. At the same time, the Proposed Termination is expected to provide greater flexibility and control over the development of the Project as a premier high-end mixed-use project. Our Group will also continue to unlock value from its existing property portfolio through disciplined project execution, effective cost management and strategic partnerships, while mitigating rising construction costs through prudent procurement and operational efficiencies.

Our Group also remains positive on the outlook for its commodity trading business, supported by resilient demand for essential commodities and opportunities in regional markets, while maintaining a disciplined approach to risk management and capital allocation. Across all business segments, our Group will continue to uphold high standards of corporate governance, operational excellence and sustainability, with emphasis on responsible development, resource efficiency and stakeholder value creation. Guided by these priorities, our Group remains confident of delivering sustainable long-term value to shareholders.

*(Source: Management of our Group)*

## 5. RISK FACTORS IN RELATION TO THE PROPOSED TERMINATION

### 5.1 Development risk

As the Undeveloped Lands are adjacent to each other, developments carried out independently rather than a coordinated single project may create inconsistencies in terms of design standards, development timeline and inefficient land use. Notwithstanding that the development of the Undeveloped Lands will be in accordance to the Master Development Order, there may be a risk that key elements such as utility networks, drainage systems and open spaces may not integrate efficiently across the parcels, particularly for Parcel 6A and Parcel 8B of the Undeveloped Lands. Such lack of coordination may result in inefficiencies, increased costs and sub-optimal outcomes for KHE.

In addition, developing the contiguous Undeveloped Lands as smaller, separately managed projects may reduce collective market presence compared to a single, larger development. The fragmentation of planning and branding could dilute overall market appeal, potentially affecting property pricing and buyer interest.

Furthermore, the absence of a unified development approach resulting from the Proposed Termination may expose KHE to competition risk arising from the developments within the Undeveloped Lands in addition to competition from other external projects, particularly if such developments are targeting similar market segments. Such competition could lead to an overlap of product offerings, reduced differentiation and property pricing pressures, ultimately impacting profit margins of our Group as a whole.

Although the absence of cost sharing and a unified development approach may present certain challenges, the sale or development of smaller land parcels, which may be more readily marketed to a wider pool of investors and developers than a larger integrated development site, could provide KHE with greater flexibility in determining the development strategy and timing for each land parcel. Furthermore, in the event that OPSB disposes of any adjacent land to Parcel 6A or Parcel 8B, our Company is of the view that the associated development risk can be mitigated through the right of first refusal arrangement as set out in the salient terms of the Termination Agreement in **Appendix I of Part A** this Circular. In relation to the right of first refusal, our Board would ensure provisions under Chapter 10 of the Listing Requirements are complied with, including seeking our shareholders' approval, where required.

### 5.2 Financial and operational risk

Our Group is poised to benefit from the Proposed Termination should we successfully advances the development of KHE's portion of the Undeveloped Lands. Such development, however, remains subject to various financial and operational risks that could compromise project execution and delivery timeline. These include availability of funding to undertake the development, potential delays in construction, challenges related to labour availability and subcontractor performance and unforeseen site or supply chain disruptions.

Notwithstanding the foregoing, our Company will take all reasonable steps to ensure that the risks associated with the development of KHE's portion of the Undeveloped Lands are monitored managed carefully.

### 5.3 Regulatory risk

As the current category of land use of KHE's portion of the Undeveloped Lands is designated for agricultural use, KHE will be required to apply for a conversion of the category of land use to residential or commercial use, as applicable. Such conversion is subject to the approval of the relevant authorities and there can be no assurance that approval will be obtained in timely manner or can be obtained at all. In addition, the approval for conversion, if obtained, may also be subject to terms and conditions which may not be acceptable to KHE if such conditions may materially and adversely affect the plan and hence prospect for KHE's portion of the Undeveloped Lands. Under such events, KHE's portion of the Undeveloped Lands may not be suitable for the intended development.

Additionally, KHE will bear the full cost of converting the category of land use to residential or commercial use following the Proposed Termination. Under the Consortium Agreement, such costs would otherwise have been shared with OPSB based on the Agreed Ratio. Consequently, KHE may incur higher upfront development costs, which could impact overall project viability, cash flow and expected returns.

Further, any developments undertaken by KHE within its portion of the Undeveloped Lands shall be made in accordance with the Master Development Order. Any deviation would require approval for a variation to the existing approval or new approval for a new development order from the relevant authorities should there be any changes to the development plans that are not in accordance with the existing development order. The requirement to secure such approvals may result in additional regulatory processes, potential delays and increased costs.

## 6. EFFECTS OF THE PROPOSED TERMINATION

### 6.1 Share capital and substantial shareholders' shareholdings

The Proposed Termination will not have any effect on the issued and paid-up share capital and shareholding of substantial shareholders of our Company as the Proposed Termination does not involve the issuance of any new shares of our Company.

### 6.2 NA, NA per share and gearing

For illustrative purposes only, based on the latest audited financial statements of our Group as at 30 June 2025 and on the assumption that the Proposed Termination had been effected at the beginning of the financial year, the pro forma effects of the Proposed Termination on the NA and gearing of our Group are as follows:

| | **Audited as at 30 June 2025 RM'000** | **After the Proposed Termination RM'000** |
|---|---|---|
| Share capital | 423,059 | 423,059 |
| Capital reserve | 53,089 | 53,089 |
| Treasury shares | (11,987) | (11,987) |
| Exchange fluctuation reserve | (682) | (682) |
| Retained profits | 724,105 | 1,014,427[(2)(3)] |
| | 1,187,584 | 1,477,906 |
| Non-controlling interests | 43,087 | 43,087 |
| **Total equity/NA attributable to equity holders of our Company** | **1,230,671** | **1,520,993** |
| | | |
| No. of shares ('000) | 809,258 | 809,258 |
| NA per share (RM) | 1.52 | 1.88 |
| | | |
| Total borrowings | 722 | 722 |
| Gearing (times) | - [(1)] | - [(1)] |

***Notes:***

(1) *Amount is negligible.*

(2) *After taking into account the net effect from the remeasurement of assets and liabilities pursuant to the Proposed Termination of RM291.8 million as tabulated below:*

| | ***RM'000*** |
|---|---|
| *Remeasurement of assets and liabilities* | *380,357* |
| *Deferred tax* | *(88,535)* |
| | *291,822* |

*The abovementioned effects are non-recurring in nature.*

(3) *After taking into account the estimated expenses in relation to the Proposed Termination of RM1.5 million. The breakdown is as follows:*

| | ***RM'000*** |
|---|---|
| *Professional fees* | *1,145* |
| *Regulatory fees* | *70* |
| *EGM related expenses (EGM venue, printing fees, etc.)* | *285* |
| | *1,500* |

The increase in pro forma net assets of RM290.3 million is mainly attributable to the termination of the joint operation. Since the execution of the Consortium Agreement and after the completion of our restructuring, our Group has recognised our share of the income, expenses, assets and liabilities of the joint operations in accordance with MFRS 11 *Joint Arrangements.* Following the Proposed Termination and in accordance with MFRS 11 *Joint Arrangements*, our Company is required to derecognise and remeasure its proportionate share of the joint operation's assets and liabilities. Upon termination, any changes arising from the derecognition and remeasurement of our Company's proportionate share of the joint operation's assets and liabilities are recognised in the income statement. Please refer to **Section 6.4 of Part A** of this Circular below for the proforma effects on our Group's share of the joint operation.

### 6.3 Profit/Loss and profit/loss per share

For illustrative purposes only, based on the latest audited financial statements of the Group as at 30 June 2025 and on the assumption that the Proposed Termination had been effected at the beginning of the financial year, the pro forma effects of the Proposed Termination on the profit/loss and profit/loss per share of the Group are as follows:

| | **Audited as at 30 June 2025 RM'000** | **After the Proposed Termination RM'000** |
|---|---|---|
| (Loss)/Profit after tax attributable to equity holders of our Company | (11,919) | 278,403[(1)] |
| No. of shares ('000) | 809,258 | 809,258 |
| (Loss)/Profit per share (sen) | (1.47) | 34.40 |

***Note:***

(1) *After taking into consideration the net effect from the remeasurement of assets and liabilities and other expenses pursuant to the Proposed Termination as disclosed in **Section 6.2 of Part A** of this Circular.*

The increase in pro forma profit after tax attributable to equity holders of our Company of RM290.3 million is mainly attributable to the termination of the joint operation. Since the execution of the Consortium Agreement and after the completion of our restructuring, our Group has recognised our share of the income, expenses, assets and liabilities of the joint operations in accordance with MFRS 11 *Joint Arrangements*, our Company is required to derecognise and remeasure its proportionate share of the joint operation's assets and liabilities. Upon termination, any changes arising from the derecognition and remeasurement of our Company's proportionate share of the joint operation's assets and liabilities are recognised in the income statement. Please refer to **Section 6.4 of Part A** of this Circular below for the proforma effects on our Group's share of the joint operation.

### 6.4 Share of joint operation

Our Group's aggregate share of the revenue, expenses, assets and liabilities of the joint operations and the proforma effects of the Proposed Termination assuming it is effective on 30 June 2025 are illustrated below:

| | **Audited FYE 30 June 2025 RM'000** | **After the Proposed Termination RM'000** |
|---|---|---|
| Revenue | - | - |
| Cost of sales | - | - |
| Other income | 422 | - |
| Other expenses, including finance cost and tax | (3,151) | - |
| **Loss for the year** | **(2,729)** | **-** |
| Non-current assets | 228,957 | - |
| Cash and cash equivalents | 363 | 363[(1)] |
| Other current assets | 12,038 | 2,171[(2)] |
| Current liabilities | (249,390) | (8,648)[(3)] |
| Non-current liabilities | (118) | - |
| **Net assets** | **(8,150)** | **(6,114)** |

***Notes:***

(1) *The cash and cash equivalents will be utilised by KHE to partially fund the current liabilities.*

(2) *Other current assets consist of KHE's portion of the trade receivables and other receivables of the joint operations.*

(3) *Current liabilities relate to KHE's portion of the estimated expenses to discharge KHL's residual obligations for Parcel 2 and the Undeveloped Lands. Further information on KHL's residual obligations are disclosed under **Section 2.3 of Part A** of this Circular.*

Total estimated cost for KHL to discharge its residual obligation for Parcel 2 and Undeveloped Lands is RM14.9 million of which KHE's portion is approximately RM8.6 million and is to be funded by KHE's portion of the cash and cash equivalents in the joint operations and our Group's internally generated funds.

## 7. APPROVALS REQUIRED

The Proposed Termination is deemed as a related party transaction and is subject to the following approvals being obtained:

(i) the approval of our Company's non-interested shareholders at our forthcoming EGM;

(ii) the approval of OIB's non-interested shareholders at an EGM to be convened; and

(iii) the approval, consent and/or sanction of any other relevant authorities, if required.

The Proposed Termination is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

## 8. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Termination (of which our Company is seeking for your approval at the forthcoming EGM), there are no other outstanding corporate exercise which have been announced by our Company but have yet to be completed prior to the printing of this Circular.

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

As at the LPD, save as disclosed below, none of our Directors, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Termination.

TSDYYS who is our Group Managing Director and a Major Shareholder of our Company is deemed interested in the Proposed Termination by virtue of him being the Group Managing Director of OIB and a major shareholder of OIB with direct and indirect shareholdings, via DESB, of 57.0%.

DYWC, being our Executive Director and a Major Shareholder of our Company is also deemed interested in the Proposed Termination by virtue of him being a major shareholder in OIB with indirect shareholdings, via DESB, of 57.0%.

In addition, DSYWK, being a Major Shareholder of our Company, is deemed interested in the Proposed Termination by virtue of him being the Executive Director and a major shareholder of OIB with direct and indirect shareholdings, via DESB, of 57.0%.

DYWC and DSYWK are sons of TSDYYS and therefore they are persons connected to each other.

The following persons and/or entities are persons connected to the Interested Persons:

(i) KHD, being a Major Shareholder of our Company, of which its sole shareholder is TSDYYS. For information purposes, the shareholding of TSDYYS in KHD as at the LPD is as follows:

| | No. of shares | % |
|---|---|---|
| TSDYYS | 2,203,000 | 100.0 |

(ii) PSDLLN, being a Major Shareholder of our Company, whom is also the spouse of TSDYYS and the mother of DYWC and DSYWK; and

(iii) OIB, being a shareholder of our Company, of which its shareholders include the Interested Persons.

The direct and indirect interest of the Interested Persons, Interested Major Shareholders and their persons connected in our Company, as at the LPD are as follows:

| | Direct | | Indirect | |
|---|---|---|---|---|
| | No. of shares | %(1) | No. of shares | %(1) |
| TSDYYS | 25,600 | -(2) | 527,007,058(3) | 65.1 |
| DYWC | 28,200 | -(2) | 526,907,058(4) | 65.1 |
| DSYWK | 100,000 | -(2) | 526,907,058(4) | 65.1 |
| PSDLLN | - | - | 526,823,075(5) | 65.1 |
| KHD | 526,823,075 | 65.1 | - | - |
| OIB | 83,983 | -(2) | - | - |

***Notes:***

(1) *Based on 809,258,039 issued ordinary shares (excluding treasury shares) of our Company as at the LPD.*

(2) *Amount is negligible.*

(3) *By virtue of his interest in KHD, OIB and his son, DSYWK.*

(4) *By virtue of his interest in KHD and OIB.*

(5) *By virtue of her interest in KHD.*

The Interested Directors have abstained and will continue to abstain from deliberating and voting on the Proposed Termination at the relevant meetings of our Board.

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

## 10. TRANSACTIONS WITH THE INTERESTED DIRECTORS, INTERESTED MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM FOR THE PRECEDING 12 MONTHS

The total amount transacted with the Interested Persons and/or persons connected with them for the 12-month period preceding the LPD was approximately RM2.2 million which comprises of the following:

| Transacting company within the Group | Transacting Interested Persons | Nature of transaction | Total amount transacted in the preceding 12 months<br>RM'000 | Nature of relationship between the Group and the transacting Interested Persons |
|---|---|---|---|---|
| DutaLand, KHL, Sea Resorts Development Sdn Bhd, Oakland Holdings Sdn Bhd and Pertama Land & Development Sdn Bhd | DMRR | Rental of office premises, including parking space at Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur and provision of related/administrative facilities such as maintenance of the premises and properties, if required, from DMRR for a term of not more than 3 years with rental payable on a monthly basis. | 893 | DMRR is a wholly-owned subsidiary of OIB and its principal activities are property investment and letting of properties.<br><br>TSDYYS, DYWC and DSYWK are major shareholders of OIB. Meanwhile, PSDLLN and KHD are persons connected to TSDYYS, DYWC and DSYWK. |
| Herald Privilege Sdn Bhd | CPSB | Rental of retail premises at Avenue K, 156, Jalan Ampang, 50450 Kuala Lumpur for retailing of food and beverages, and provision of related/administrative facilities such as maintenance of the premises and properties, if required, from CPSB for a term of not more than 3 years with rental payable on a monthly basis. | 1,281 | CPSB is a party connected with TSDYYS and DYWC and its principal activity is investment holding, renting and managing of a shopping complex.<br><br>TSDYYS and KHD are major shareholders of CPSB holding 88.0% and 12.0% interest, respectively, while TSDYYS, DYWC and DSYWK are directors of CPSB. PSDLLN is a person connected to TSDYYS, KHD, DYWC and DSYWK. |

## 11. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of our Company, after taking into consideration all aspects of the Proposed Termination as well as the evaluation of the Independent Adviser on the Proposed Termination, is of the opinion that the Proposed Termination is:

(i) in the best interest of our Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of our Company.

## 12. DIRECTORS' STATEMENT / RECOMMENDATION

Our Board (save for the Interested Directors) having considered all aspects of the Proposed Termination, including but not limited to the salient terms of the Termination Agreement, rationale, risk factors and effects of the Proposed Termination as well as the evaluation and recommendation of the Independent Adviser on the fairness and reasonableness of the Proposed Termination, is of the opinion that the Proposed Termination is fair, reasonable and in the best interests of our Company.

Accordingly, our Board (save for the Interested Directors) recommends that you vote **IN FAVOUR** of the resolution pertaining to the Proposed Termination to be tabled at our forthcoming EGM.

## 13. ADVISERS

RHB Investment Bank has been appointed as the Principal Adviser to our Company for the Proposed Termination.

The Proposed Termination is deemed as a related party transaction in view of the interests as set out in **Section 9 of Part A** of this Circular. Accordingly, Malacca Securities has been appointed to act as the Independent Adviser to undertake the following:

(i) comment as to whether the Proposed Termination is:

(a) fair and reasonable so far as our Company's non-interested shareholders are concerned; and

(b) detrimental to our Company's non-interested shareholders,

and set out the reasons for such opinion, key assumptions made and factors taken into consideration in forming that opinion;

(ii) advise our non-interested shareholders whether they should vote in favour of the Proposed Termination; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

The IAL from the Independent Adviser, setting out their comments and recommendation on the Proposed Termination, is set out in **Part B** of this Circular.

## 14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the requisite approvals being obtained, the Proposed Termination is expected to be completed by the third quarter of 2026.

## 15. EGM

The EGM will be physically held at Ballroom 1 & 2, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 August 2026 at 3.30 p.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Termination.

The Notice of EGM and the Proxy Form are enclosed in this Circular and are available online at our Company's website at https://www.dutaland.com.my.

Appointment of proxy(ies) shall be made no later than Wednesday, 26 August 2026 at 3.30 p.m. as briefed below and more particularly described in the EGM Administrative Details:

(i) electronically via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com; or

(ii) through a duly executed hard copy Proxy Form which must be deposited at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or alternatively, to be deposited into the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The lodging of the Proxy Form will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

Please follow the procedures provided in the EGM Administrative Details, which is available online on our Company's website at https://www.dutaland.com.my, in order to register, participate and vote at the EGM.

## 16. FURTHER INFORMATION

You are advised to refer to the enclosed appendices in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
**DUTALAND BERHAD**

**Tun Arifin bin Zakaria**
Chairman, Independent Non-Executive Director

## SALIENT TERMS OF THE TERMINATION AGREEMENT

The following is the salient terms of the Termination Agreement:

(a) Termination of Consortium Agreement and Development Agreement

(i) Subject to the terms and conditions of the Termination Agreement and the Termination Agreement becoming unconditional, the parties agree that the Consortium Agreement and the Development Agreement shall be terminated within three (3) days from the date on which the condition precedent is fulfilled ("**Termination Date**"), save for any rights, obligations and liabilities which have accrued prior to the Termination Date or which are expressed or intended to survive such Proposed Termination, as provided for in the Termination Agreement.

(ii) KHE and OPSB agree that, subject to the terms of the Termination Agreement, upon the Termination Date:

(aa) The Independent Agreed Value for the Undeveloped Land is RM1,917,000,000 and, OPSB and KHE respective portion based on the Agreed Ratio are as follows:

| Proprietors | Agreed Ratio | OPSB and KHE respective portion of the Independent Agreed Value (Based on Agreed Ratio) |
|---|---|---|
| OPSB | 42% | RM 805,140,000 |
| KHE | 58% | RM 1,111,860,000 |
| **Total** | **100%** | **RM1,917,000,000** |

(bb) Parcel 3, Parcel 6B and Parcel 8A (collectively, the "**OPSB-JDA Land**") shall remain owned by OPSB, whether held directly in its name or held on trust for its benefit; and

(cc) Parcel 4, Parcel 6A, Parcel 7A, Parcel 7B, Parcel 7C and Parcel 8B (collectively, the "**KHE-JDA Land**") shall remain owned by KHE, whether held directly in its name or held on trust for its benefit.

(iii) KHE and OPSB have mutually agreed that their respective portion to the Independent Agreed Value, which represents a deviation (whether positive or negative) of less than 0.5% from KHE and OPSB respective portion based on the Agreed Ratio, shall be as follows:

OPSB : RM801,850,000
KHE : RM1,115,150,000

(iv) KHE and OPSB further acknowledges and agrees that the Independent Agreed Value attributed to them is final and they shall have no rights, claims or entitlements arising from the abovementioned deviation.

(b) Condition precedent

The Termination Agreement shall be conditional upon the parties (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 within four (4) months from the date of the Termination Agreement ("**Stop Date**") or within two (2) months from the Stop Date or such other further period as may be mutually agreed between the parties in writing.

(c) Termination of Development Agreement and the appointment of the developer

(i) Subject to the provisions of the Termination Agreement, the Development Agreement and the appointment of KHL as the developer thereunder:

(aa) in respect of Parcel 1, shall cease upon (1) the sale of Parcel 1, (2) KHL having procured the closure of the housing development account in respect of Parcel 1 and (3) refund the fund in the housing development account in respect of Parcel 1 to KHE and OPSB in accordance with the Agreed Ratio;

(bb) in respect of Parcel 5, have ceased upon the sale of Parcel 5;

(cc) in respect of Parcel 2, shall continue until all obligations and liabilities required pursuant to the applicable law and regulations have been fully discharged and performed by KHL as the developer, and upon KHE and OPSB have mutually confirmed in writing that such work has been duly completed;

(dd) in respect of the Undeveloped Lands, shall on the Termination Date be terminated and shall cease to have any further force or effect, save for such residual rights, obligations and liabilities as are expressly preserved under the Termination Agreement; and

(ee) upon the termination of the Consortium Agreement and Development Agreement, and the termination of the Trust Deed, KHE and OPSB may determine, in respect of its KHE-JDA Land or its OPSB-JDA Land (as the case may be), decide for any or all parcels whether the legal title shall revert to themselves, continue to be held by the Trustee under a new trust deed, or be transferred to a new trustee.

(ii) Notwithstanding the termination:

(aa) any costs, expenses or liabilities relating to Parcel 2 and the Undeveloped Land which is incurred prior to the date of the Termination Agreement shall be borne by KHE and OPSB in accordance with the Agreed Ratio, and shall remain a continuing and residual obligation of KHE and OPSB to pay or reimburse to KHL for such costs, expenses and liabilities; and

(bb) if there remain any outstanding costs, expenses or liabilities relating to Parcel 2 and the Undeveloped Land payable by KHE or OPSB (as the case may be) to the other, it shall remain a continuing and residual obligation of KHE or OPSB (as the case may be) to pay or reimburse the other for such outstanding costs, expenses and liabilities.

(d) Master Development Order

For the purposes of preserving the approved layout, conditions, terms, plot ratio and the integrity of the Master Development Order, KHE and OPSB 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 (whether intentionally or unintentionally), which would or may result in any modification, or variation, or the revocation or cancellation of the Master Development Order (unless required by the appropriate authorities or mutually agreed by KHE and OPSB).

(e) Right of way

KHE and OPSB agree to grant to each other uninterrupted and irrevocable contractual right of way and access over and across such part or parts of their respective parcels of the Undeveloped Lands as may be reasonably required for the development of the Undeveloped Lands.

(f) Right of first refusal

In the event KHE or OPSB:

(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 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.

(g) Termination Date

Termination shall take effect on the Termination Date and the following steps shall be undertaken by the parties:

(i) KHE and OPSB shall notify the Trustee of the termination, and entering into a new trust deed or a supplemented trust deed, if required;

(ii) the parties shall take all necessary steps to revoke the irrevocable power of attorney dated 26 April 2023 granted by the Trustee in favour of KHL in respect of the Undeveloped Land (save and except for Parcel 4) to enable KHL to perform its obligations and exercise its rights and powers under the Development Agreement; and

(iii) the parties shall execute, deliver and perform all such further documents, acts and things as may be reasonably required to give full effect to the terms and conditions of the Termination Agreement.

On the Termination Date, each party shall release and discharge the other party from all obligations arising under or in connection with the Consortium Agreement and/or the Development Agreement, and neither party shall have any claims against the other arising from or in connection with the Consortium Agreement and/or the Development Agreement save and expect from, amongst others, any antecedent breach of the Consortium Agreement or the Development Agreement prior to the Termination Date. In addition, KHE and OPSB, and KHL shall indemnify and keep the other party indemnified against all demands, claims, actions, suits, proceedings, investigations or inquiries, damages, liabilities, losses, injuries, fines, taxes or impositions, and all costs and expenses incurred, arising from or in connection with, amongst others, their respective residual obligations in respect of the development of Parcel 2 after the Termination Date.