

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 adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused the contents of Part C of this Circular on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities prior to its issuance.

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HI MOBILITY BERHAD

Reg. No. 202401023591 (1569440-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

- (I) PROPOSED ACQUISITION OF ACACIA (AS DEFINED HEREIN);**
 - (II) PROPOSED ACQUISITION OF HBCM (AS DEFINED HEREIN); AND**
 - (III) PROPOSED DIVERSIFICATION (AS DEFINED HEREIN)**
- (COLLECTIVELY REFERRED TO AS "PROPOSALS")**

PART B

INDEPENDENT ADVICE LETTER FROM KENANGA INVESTMENT BANK BERHAD TO THE NON-INTERESTED SHAREHOLDERS OF HI MOBILITY BERHAD IN RELATION TO THE PROPOSALS

PART C

- (I) PROPOSED SHAREHOLDERS' RATIFICATION (AS DEFINED HEREIN); AND**
- (II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (AS DEFINED HEREIN)**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

Independent Adviser for Part B



Investment Bank

Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)



Kenanga Investment Bank Berhad

Registration No. 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The extraordinary general meeting ("**EGM**") of HI Mobility Berhad ("**Company**") will be held at Westside 1 & 2, Level 8, St. Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 26 February 2026 at 10.00 a.m. or any adjournment thereof. The Notice of EGM together with the Form of Proxy, Administrative Guide for Shareholders and this Circular are available for download at our Company's website at <https://himobilitygroup.com/investor-resources/>.

A member is entitled to attend and vote at the EGM and is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. The Form of Proxy should be lodged at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, submitting via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time of the EGM. The last day and time for lodging the Form of Proxy is on Tuesday, 24 February 2026 at 10.00 a.m.. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Form of Proxy
Date and time for the EGM

: Tuesday, 24 February 2026 at 10.00 a.m.
: Thursday, 26 February 2026 at 10.00 a.m. or any adjournment thereof

This Circular is dated 11 February 2026

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DEFINITIONS FOR PART A, PART B AND APPENDICES OF THIS CIRCULAR

Except where the context otherwise requires, the following definitions shall apply throughout Part A, Part B and appendices of this Circular:

Acacia	:	Acacia Motor Services Sdn Bhd (Registration No. 199501025773 (354978-K))
Acacia Completion	:	As defined in Appendix I of this Circular in accordance with the Acacia SSA
Acacia Completion Date	:	As defined in Appendix I of this Circular in accordance with the Acacia SSA
Acacia Conditions Precedent	:	As defined in Appendix I of this Circular in accordance with the Acacia SSA
Acacia Consideration Shares	:	The allotment and issuance of 12,344,248 new HI Shares to the Acacia Vendors
Acacia Cut-Off Date	:	As defined in Appendix I of this Circular in accordance with the Acacia SSA
Acacia Purchase Consideration	:	Total purchase consideration of RM29,626,198.00
Acacia Sale Shares	:	The 2,500,000 ordinary shares in Acacia, representing 100% of the issued share capital of Acacia
Acacia SSA	:	The conditional share sale agreement between HI, LHW and BKL for the Proposed Acquisition of Acacia dated 14 November 2025
Acacia Unconditional Date	:	As defined in Appendix I of this Circular in accordance with the Acacia SSA
Acacia Vendors	:	Collectively, LHW and BKL
Act	:	Companies Act, 2016
Announcement	:	The announcement in relation to the Proposals dated 14 November 2025
BKL	:	Madam Bah Kim Lian
Board	:	Board of Directors of HI
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to the Shareholders in relation to the Proposals, the Proposed Shareholders' Ratification and the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature dated 11 February 2026
Completion	:	The completion of the sale and purchase of the Sale Shares in accordance with the SSAs
Consideration Shares	:	Collectively, the Acacia Consideration Shares and the HBCM Consideration Shares which, in aggregate amount to 34,385,068 new HI Shares

DEFINITIONS FOR PART A, PART B AND APPENDICES OF THIS CIRCULAR (Cont'd)

Director(s)	: Directors of HI and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon: (i) a director of HI, its subsidiaries or holding company; or (ii) a chief executive of HI, its subsidiaries or holding company
EGM	: Extraordinary general meeting
EPS	: Earnings per HI Share
EV	: Electric vehicle
FPE	: Financial period ended or ending, as the case may be
FYE(s)	: Financial year(s) ended or ending, as the case may be
HBCM	: Handal BCM Sdn Bhd (Registration No. 199701039925 (455425-V))
HBCM Completion	: As defined in Appendix II of this Circular in accordance with the HBCM SSA
HBCM Completion Date	: As defined in Appendix II of this Circular in accordance with the HBCM SSA
HBCM Conditions Precedent	: As defined in Appendix II of this Circular in accordance with the HBCM SSA
HBCM Consideration Shares	: The allotment and issuance of 22,040,820 new HI Shares to the HBCM Vendors
HBCM Cut-Off Date	: As defined in Appendix II of this Circular in accordance with the HBCM SSA
HBCM Purchase Consideration	: Total purchase consideration of RM52,897,971.00
HBCM Sale Shares	: The 13,000,000 ordinary shares in HBCM, representing 100% of the issued share capital of HBCM
HBCM SSA	: The conditional share sale agreement between HI, LOSB and HVSB for the Proposed Acquisition of HBCM dated 14 November 2025
HBCM Unconditional Date	: As defined in Appendix II of this Circular in accordance with the HBCM SSA
HBCM Vendors	: Collectively, HVSB and LOSB
HI Group or Group	: Collectively, our Company and our subsidiaries
HI or Company	: HI Mobility Berhad (Registration No. 202401023591 (1569440-A))
HI Share(s) or Share(s)	: Ordinary share(s) in HI
HVSB	: Handal Ventures Sdn Bhd (Registration No. 201501044047 (1169368-W))

DEFINITIONS FOR PART A, PART B AND APPENDICES OF THIS CIRCULAR (Cont'd)

IAL	:	Independent advice letter from Kenanga IB to the non-interested Shareholders in relation to the Proposals dated 11 February 2026 as set out in Part B of this Circular
ICE	:	Internal combustion engine
Independent Adviser or Kenanga IB	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
Interested Directors	:	Collectively, BKL, Lim Chern Chuen and Lim Chern Fang
Interested Major Shareholder	:	LHW
Issue Price	:	RM2.40 per Consideration Share
JB Land	:	A parcel of leasehold land identified as PTD 109031 held under individual Title No. H.S.(D) 212963 in Mukim Plentong, Daerah Johor Bahru, Johor
LAT	:	Loss after taxation
LHW	:	Mr Lim Han Weng
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LOSB	:	Liberal Option Sdn Bhd (Registration No. 201401020308 (1096394-D))
LPD	:	23 January 2026, being the latest practicable date prior to the printing of this Circular
LTD	:	13 November 2025, being the last trading day prior to the Announcement
Major Shareholder	:	Any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, who has an interest or interests in one or more voting shares in HI and the number or aggregate number of those shares, is (i) 10% or more of the total number of voting shares in HI; or (ii) 5% or more of the total number of voting shares in HI where such person is the largest shareholder of HI. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
Maybank IB or Principal Adviser	:	Maybank Investment Bank Berhad (Registration No. 197301002412)
MGMSB	:	Mega Galeri Motor Sdn Bhd (Registration No. 202401003719 (1549569-U))
NA	:	Net assets
PAT	:	Profit after taxation
PER	:	Price-to-earnings ratio

DEFINITIONS FOR PART A, PART B AND APPENDICES OF THIS CIRCULAR (Cont'd)

Proposals	:	Collectively, the Proposed Acquisitions and the Proposed Diversification
Proposed Acquisitions	:	Collectively, the Proposed Acquisition of Acacia and the Proposed Acquisition of HBCM
Proposed Acquisition of Acacia	:	Proposed acquisition by HI of Acacia for a purchase consideration to be satisfied wholly via the Acacia Consideration Shares at the Issue Price
Proposed Acquisition of HBCM	:	Proposed acquisition by HI of HBCM for a purchase consideration to be satisfied wholly via the HBCM Consideration Shares at the Issue Price
Proposed Diversification	:	Proposed diversification of the existing principal activities of HI and its subsidiaries to include manufacturing, assembly production, distribution, selling, maintenance and repair of commercial motor vehicles
Public Authorities	:	Includes: (i) any government in any jurisdiction, whether federal, state, provisional, territorial or local; (ii) any minister, department, officer, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested; (iii) any non-government regulatory authority; (iv) any provider of public utility services, whether or not government owned or controlled; and (v) any court in any jurisdiction, having the liberty and authority to exercise its rights, jurisdiction and/or responsibility in connection with or affecting the Sale Shares
Purchase Consideration	:	Collectively, the Acacia Purchase Consideration and the HBCM Purchase Consideration, which in aggregate amounts to RM82,524,169.00
RCPS	:	Redeemable convertible preference shares
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
Sale Shares	:	Collectively, the Acacia Sale Shares and the HBCM Sale Shares
Shareholders	:	Holders of HI Shares
SPA JB Land	:	The conditional sale and purchase agreement between Acacia and Ye Chiu Metal Smelting Sdn Bhd for the proposed acquisition of a lease of a parcel of a leasehold land identified as PTD 109031 held under individual Title No. H.S.(D) 212963 in Mukim Plentong, Daerah Johor Bahru, Johor for a cash consideration of RM16.5 million dated 13 January 2026
SSAs	:	Collectively, the Acacia SSA and the HBCM SSA

DEFINITIONS FOR PART A, PART B AND APPENDICES OF THIS CIRCULAR (Cont'd)

Share Registrar or Boardroom	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
Target Companies	:	Collectively, Acacia and HBCM
USD	:	United States Dollar, the lawful currency of the United States
Vendors	:	Collectively, the Acacia Vendors and the HBCM Vendors
VWAMP	:	Volume weighted average market price
YCMS	:	Ye Chiu Metal Smelting Sdn Bhd (Registration No. 198401012736 (125292-T))
YLSB	:	Yinson Legacy Sdn Bhd (Registration No. 201901003036 (1312362-M)), a company wholly owned by Wengson Holdings Sdn Bhd (Registration No. 202501047200 (1648608-P)), where LHW and BKL hold 90% and 10% equity interest, respectively

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

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

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in its quarterly results or annual reports, is due to rounding differences.

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 plans and objectives will be achieved.

PART A

LETTER TO THE SHAREHOLDERS OF HI IN RELATION TO THE PROPOSALS

EXECUTIVE SUMMARY TO PART A OF THIS CIRCULAR

This Executive Summary highlights only the pertinent information of Part A of this Circular. You are advised to read and understand Part A and appendices of this Circular (including the IAL set out in **Part B**) in its entirety and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at our forthcoming EGM.

Key information	Summary	Reference to Part A of this Circular
Summary of the Proposed Acquisition of Acacia	The Proposed Acquisition of Acacia entails the proposed acquisition of Acacia by HI from LHW and BKL for a total purchase consideration of RM29,626,198.00 to be satisfied wholly via the issuance of the Acacia Consideration Shares.	Sections 1 and 2
Summary of the Proposed Acquisition of HBCM	The Proposed Acquisition of HBCM entails the proposed acquisition of HBCM by HI from HVSB and LOSB for a total purchase consideration of RM52,897,971.00 to be satisfied wholly via the issuance of the HBCM Consideration Shares.	Sections 1 and 2
Basis and justification for the Acacia Purchase Consideration	The purchase consideration for the Proposed Acquisition of Acacia was arrived at a “willing-buyer willing-seller” basis, after taking into consideration the following: (i) the PER of 7.0 times based on the range of PERs of the comparable companies as set out in Section 2.1.5 of Part A of this Circular and the adjusted audited PAT of Acacia for the FYE 31 January 2025 of RM4.23 million, after taking into account the findings arising from the financial review performed as part of the interim audit for the FPE 31 July 2025; (ii) notwithstanding that Acacia has only recorded profitability in the most recent financial year, it has continued to be profitable based on its latest audited interim accounts as set out in Appendix V of this Circular and also the prospects of Acacia as set out in Section 4.3 of Part A of this Circular; and (iii) rationale and benefits of the Proposed Acquisition of Acacia as set out in Section 3 of Part A of this Circular. In justifying the Acacia Purchase Consideration, our Board (save for the Interested Directors) has also taken into consideration that the PER of 7.0 times represented by the Acacia Purchase Consideration falls within the range of PERs of the comparable companies as set out in Section 2.1.5 of Part A of this Circular.	Section 2

EXECUTIVE SUMMARY TO PART A OF THIS CIRCULAR (Cont'd)

Key information	Summary	Reference to Part A of this Circular
Basis and justification for the HBCM Purchase Consideration	The purchase consideration for the Proposed Acquisition of HBCM was arrived at a “willing-buyer willing-seller” basis, after taking into consideration the following: (i) the PER of 7.0 times based on the range of PERs of the comparable companies as set out in Section 2.1.5 of Part A of this Circular and the audited PAT of HBCM for the FYE 30 June 2025 of RM7.56 million; (ii) prospects of HBCM as set out in Section 4.3 of Part A of this Circular; and (iii) rationale and benefits of the Proposed Acquisition of HBCM as set out in Section 3 of Part A of this Circular. In justifying the HBCM Purchase Consideration, our Board (save for the Interested Directors) has also taken into consideration that the PER of 7.0 times represented by the HBCM Purchase Consideration falls within the range of PERs of the comparable companies as set out in Section 2.1.5 of Part A of this Circular.	Section 2
Basis and justification for the Issue Price	The Issue Price was arrived at a ‘willing-buyer willing-seller’ basis after taking into consideration the closing price and the 5-day VWAMP of HI Shares up to and including the LTD.	Section 2
Rationale and benefits of the Proposals	(i) To enhance our Group’s strategic capabilities amid an evolving industry landscape; (ii) To enhance our Group’s competitiveness in securing tenders; (iii) To synergise operational, strategic and financial aspects; and (iv) To diversify our Group’s business portfolio.	Section 3
Risk factors	(i) Non-completion risk The completion of the Proposals is subject to, among others, the fulfilment of the conditions precedent of the respective SSAs as set out in Appendices I and II of this Circular and obtaining the approvals required for the Proposals as set out in Section 7 of Part A of this Circular. (ii) Integration and business diversification risk The Proposals may expose our Group to various risks, including challenges associated with integrating new operations, aligning management teams and business processes.	Section 5

EXECUTIVE SUMMARY TO PART A OF THIS CIRCULAR (Cont'd)

Key information	Summary	Reference to Part A of this Circular
	(iii) Dependency on key management personnel risk The success of the Proposed Diversification will depend, to an extent, on the skills, experience and continued service of key management personnel of Acacia and HBCM.	
	(iv) Non-renewal of existing contracts with principals There can be no assurance that the brand principals will renew or extend the existing contracts upon expiry, or that such renewals, if any, will be on terms favourable to the Target Companies.	
	(v) Supply and operational risks The Target Companies are exposed to supply and operational risks that may disrupt production and delivery, including reliance on the timely availability of components and body kits from international brand principals, logistics constraints, and regulatory changes, which could lead to shortages, higher costs, and delays. They also face operational risks from potential machinery and equipment failures during assembly activities, whether production is carried out internally or outsourced.	
	(vi) Product segment risks HBCM distributes commercial vans and trucks, unlike Acacia and our Group, which focus on commercial buses. Differences in products, customers, life cycles, and demand sensitivity may add operational complexity for our enlarged Group.	
	(vii) Political, economic and regulatory risks The financial and business prospects of the Target Companies may be affected by the changes in political, economic and regulatory conditions in Malaysia.	
Approvals / Consent required	The Proposals are subject to the following being obtained: (i) approval of the non-interested Shareholders for the Proposals at our forthcoming EGM;	Section 7

EXECUTIVE SUMMARY TO PART A OF THIS CIRCULAR (Cont'd)

Key information	Summary	Reference to Part A of this Circular
	(ii) approval of Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities. Bursa Securities' approval was obtained vide its letter dated 29 January 2026 and subject to the conditions as set out in Section 7 of Part A of this Circular; and (iii) approval, waiver and / or consent of any other relevant authorities, if required.	
Interests of Directors, Major Shareholders, Chief Executive and / or persons connected with them	The Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the Proposals at the relevant Board meetings pertaining to the Proposals. The Interested Major Shareholder and Interested Directors will abstain from voting in respect of their direct and / or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. Further, the Interested Major Shareholder and Interested Directors have also undertaken to ensure the persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.	Section 10
Audit Committee's statement	The Audit Committee of our Company, after having considered all aspects of the Proposals, including the salient terms of the SSAs, basis and justification for the Purchase Consideration and Issue Price, rationale, benefits and effects of the Proposals, prospects of the Target Companies and the views of Kenanga IB, is of the view that the Proposals are: (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.	Section 12
Directors' statement and recommendation	Our Board (save for the Interested Directors), after having considered all aspects of the Proposals including but not limited to the salient terms of the SSAs, basis and justification for the Purchase Consideration and Issue Price, rationale, benefits and effects of the Proposals, prospects of the Target Companies, the views of the Principal Adviser on the Proposals and the views of Kenanga IB on the Proposals, is of the view that the Proposals are in the best interest of our Company.	Section 13



HI MOBILITY BERHAD
Reg. No. 202401023591 (1569440-A)
(Incorporated in Malaysia)

Registered Office
Level 7, Mercu 3
No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur
Wilayah Persekutuan

11 February 2026

Board of Directors

Raja Datuk Zaharaton Binti Raja Zainal Abidin
Bah Kim Lian
Datuk Wira Azhar Bin Abdul Hamid
Lim Chern Chuen
Ahmed Fairuz Bin Abdul Aziz
Faridah Bt Iskandar
Lim Chern Fang

(Independent Non-Executive Chairperson)
(Non-Independent Non-Executive Director)
(Senior Independent Non-Executive Director)
(Executive Director cum Chief Executive Officer)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Alternate Director to Bah Kim Lian)

To: The Shareholders of HI

Dear Sir/Madam,

PROPOSALS

1. INTRODUCTION

On 14 November 2025, Maybank IB had, on behalf our Board, announced that HI had, on even date, entered into the following:

- (i) the Acacia SSA with the Acacia Vendors for the Proposed Acquisition of Acacia; and
- (ii) the HBCM SSA with the HBCM Vendors for the Proposed Acquisition of HBCM.

On 29 January 2026, Maybank IB had, on behalf our Board, announced that Bursa Securities had, vide its letter dated 29 January 2026, approved the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 7 of Part A** of this Circular.

In conjunction with the Proposed Acquisitions, our Company proposes to diversify the existing principal activities of our Group to include manufacturing, assembly, production, distribution, selling, maintenance and repair of commercial motor vehicles.

The Proposed Acquisitions are deemed to be related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, we had, on 31 October 2025, appointed Kenanga IB to act as the Independent Adviser to advise our non-interested Directors and non-interested Shareholders on the Proposals. The IAL from Kenanga IB in relation to the Proposals is set out in **Part B** of this Circular.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE RECOMMENDATION OF THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSALS AS SET OUT IN PART B OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Acquisitions

The Proposed Acquisitions entail the acquisition by HI of the entire equity interest in the respective Target Companies for the Purchase Consideration to be wholly satisfied via the issuance of the Consideration Shares at the Issue Price as follows:

Target Company	Name of vendor	Purchase consideration RM	Number of Consideration Shares to be issued
Acacia	LHW	20,738,339	8,640,974
	BKL	8,887,859	3,703,274
	Total	29,626,198	12,344,248
HBCM	HVSB	29,093,884	12,122,451
	LOSB	23,804,087	9,918,369
	Total	52,897,971	22,040,820

Subject to the terms and conditions of the respective SSAs, the Sale Shares shall be acquired free from all encumbrances together with all accrued rights and benefits attaching to the Sale Shares. The salient terms of the Acacia SSA and HBCM SSA are set out in **Appendices I and II** of this Circular, respectively.

Upon completion of the Proposed Acquisitions, the Target Companies will become wholly-owned subsidiaries of our Company.

For avoidance of doubt, the Proposed Acquisitions have no implications under the Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by Securities Commission Malaysia.

2.1.1 Information on the Target Companies

Information on the Target Companies is set out in **Appendices III and IV** of this Circular.

2.1.2 Information on the Acacia Vendors

2.1.2.1 LHW

LHW, a Malaysian, aged 73, is currently a director and a shareholder of Acacia. He is also a major shareholder of our Company. He is also the spouse of BKL and father of Lim Chern Chuen, the Executive Director cum Chief Executive Officer of our Company and Lim Chern Fang, the alternate director of BKL and Chief Marketing Officer of our Company.

2.1.2.2 BKL

BKL, a Malaysian, aged 73, is currently a director and a shareholder of Acacia. She is also a Non-Independent Non-Executive Director and shareholder of our Company. She is also the spouse of LHW and mother of Lim Chern Chuen and Lim Chern Fang.

2.1.3 Information on the HBCM Vendors

2.1.3.1 HVSB

HVSB was incorporated in Malaysia on 16 December 2015 under the Companies Act 1965 as a private limited company under the name Handal Logistic Solutions Sdn Bhd and is deemed registered under the Act. On 22 September 2022, Handal Logistic Solutions Sdn Bhd changed its name to HVSB. The principal activity of HVSB is investment holding.

As at the LPD, HVSB has an issued share capital of RM10,480,003.00 comprising 3 ordinary shares ("**HVSB Shares**") and 10,480,000 RCPS. All the RCPS are held by LHW.

As at the LPD, the directors and ordinary shareholders of HVSB and their respective ordinary shareholding in HVSB are as follows:

Name	Direct		Indirect	
	No. of HVSB Shares	%	No. of HVSB Shares	%
LHW	2	66.67	⁽¹⁾ 1	33.33
BKL	1	33.33	⁽²⁾ 2	66.67

Notes:

(1) Deemed interested by virtue of his wife's, BKL, direct shareholding in HVSB pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of her husband's, LHW, direct shareholding in HVSB pursuant to Section 8 of the Act.

2.1.3.2 LOSB

LOSB was incorporated in Malaysia on 4 June 2014 under the Companies Act 1965 as a private limited company and is deemed registered under the Act. It is an investment holding company holding shares in HBCM.

As at the LPD, LOSB has an issued share capital of RM1,000.00 comprising 1,000 ordinary shares ("**LOSB Shares**").

As at the LPD, the directors and ordinary shareholders of LOSB and their respective shareholding in LOSB are as follows:

Name	Direct		Indirect	
	No. of LOSB Shares	%	No. of LOSB Shares	%
Datuk Choo Keng Kit	600	60.00	-	-
Tan Say Tuan	400	40.00	-	-

2.1.4 Original cost of investment

2.1.4.1 Original cost of investment by the Acacia Vendors in Acacia

The original cost and date of investment in Acacia made by the Acacia Vendors are as follows:

<u>Acacia Vendors</u>	<u>Date of investment</u>	<u>No. of ordinary shares</u>	<u>Cost of investment</u>	
			(RM)	(RM per share)
LHW	21 November 2022	15,928	478.00	0.03
BKL	21 November 2022	30,000	900.00	0.03
LHW	11 July 2023	54,072	1,622.00	0.03
LHW	12 December 2023	1,330,000	1,330,000.00	1.00
BKL	12 December 2023	570,000	570,000.00	1.00
LHW	21 November 2024	350,000	350,000.00	1.00
BKL	21 November 2024	150,000	150,000.00	1.00

2.1.4.2 Original cost of investment by the HBCM Vendors in HBCM

The original cost and date of investment in HBCM made by the HBCM Vendors are as follows:

<u>HBCM Vendors</u>	<u>Date of investment</u>	<u>No. of ordinary shares</u>	<u>Cost of investment</u>	
			(RM)	(RM per share)
LOSB	9 September 2014	1,500,000	1.00	*
LOSB	18 March 2015	2,400,000	2,400,000.00	1.00
LOSB	3 January 2022	1,950,000	2,845,409.27	1.46
HVSB	3 January 2022	7,150,000	10,433,167.31	1.46

Note:

* *Negligible*

2.1.5 Basis and justification for the Purchase Consideration

2.1.5.1 Proposed Acquisition of Acacia

The purchase consideration for the Proposed Acquisition of Acacia was arrived at a “willing-buyer willing-seller” basis after taking into consideration the following:

- (i) the PER of 7.0 times based on the range of PERs of the comparable companies as set out below and the adjusted audited PAT⁽¹⁾ of Acacia for the FYE 31 January 2025 of RM4.23 million, after taking into account the adjustments to the FYE 31 January 2025 financial results arising from the financial review performed as part of the interim audit for the FPE 31 July 2025;
- (ii) notwithstanding that Acacia has only recorded profitability in the most recent financial year, it has continued to demonstrate profitability based on its latest audited interim accounts as set out in **Appendix V** of this Circular and also the prospects of Acacia as set out in **Section 4.3 of Part A** of this Circular; and
- (iii) rationale and benefits of the Proposed Acquisition of Acacia as set out in **Section 3 of Part A** of this Circular.

Note:

- (1) *Based on the financial review conducted as part of the interim audit, PAT was revised downward from RM5.14 million to RM4.23 million mainly due to the application of revenue cut-off procedures, where certain revenues initially recorded during the period were reassessed.*

2.1.5.2 Proposed Acquisition of HBCM

The purchase consideration for the Proposed Acquisition of HBCM was arrived at a “willing-buyer willing-seller” basis after taking into consideration the following:

- (i) the PER of 7.0 times based on the range of PERs of the comparable companies as set out below and the audited PAT of HBCM for the FYE 30 June 2025 of RM7.56 million;
- (ii) prospects of HBCM as set out in **Section 4.3 of Part A** of this Circular; and
- (iii) rationale and benefits of the Proposed Acquisition of HBCM as set out in **Section 3 of Part A** of this Circular.

Our Board (save for the Interested Directors) is of the view that the Acacia Purchase Consideration and the HBCM Purchase Consideration are justifiable after taking into consideration that the PER of 7.0 times falls within the range of PERs of the listed automotive comparable companies of 6.2 times to 7.1 times as follows:

Comparable company⁽¹⁾	Principal activities	Market capitalisation⁽²⁾ (RM' million)	Earnings⁽³⁾ (RM' million)	PER⁽⁴⁾ (times)
Sime Darby Berhad	The principal activity of the company is investment holdings while its subsidiaries are principally engaged in sale of equipment and vehicles; sale of parts, assembly charges and provision of after-sales services; manufacturing and engineering.	14,108.3	2061.0	6.8
DRB-HICOM Berhad	The principal activity of the company is investment holdings with investments in the automotive, aerospace and defence, postal, banking, services and properties segments while its subsidiaries are principally engaged in manufacturing, assembly, supply, maintenance, marketing, refurbishment or retrofitting of military and commercial vehicles, equipment and spare parts; sale of motor vehicles, related spare parts and accessories; importation, distribution and trading of motor vehicles and related spare parts.	2,493.9	92.7	26.9
MBM Resources Berhad	The principal activity of the company is investment holdings while its subsidiaries are principally engaged in trading, marketing and distribution of motor vehicles, spare parts and provision of related motor repair services.	2,024.8	329.0	6.2
Bermaz Auto Berhad	The principal activity of the company is investment holdings while its subsidiaries are principally engaged in distribution of vehicles, automotive spare parts and provision of after-sales services.	664.3	94.0	7.1

Comparable company ⁽¹⁾	Principal activities	Market capitalisation ⁽²⁾	Earnings ⁽³⁾	PER ⁽⁴⁾
Tan Chong Motor Holdings Berhad	The principal activity of the company is investment holdings while its subsidiaries are principally engaged in vehicles assembly, manufacturing, distribution and after-sales services.	465.9	(212.3)	N/A
Minimum				6.2 ⁽⁵⁾
Maximum				7.1 ⁽⁵⁾
Average				6.7 ⁽⁵⁾

(Source: Capital IQ and company filings)

Notes:

- (1) The comparable companies may not be directly comparable to the Target Companies due to, among others, composition and breadth of business activities, scale of business, profit track record, financial position, risk profile, future prospects and other factors. The comparable companies are listed on the Main Market of Bursa Securities and were selected based on their respective principal activities in the automotive industry, with automotive-related activities such as involvement in the manufacturing and distribution segment which are broadly comparable to the activities of the Target Companies. The comparable companies have also been identified on a best effort basis based on publicly available information and are selected for illustrative purposes only.
- (2) Based on the closing price as at the LTD.
- (3) Based on the latest trailing twelve (12)-month financial results for the respective comparable companies.
- (4) Computed based on market capitalisation divided by earnings.
- (5) Excluding DRB-HICOM Berhad which is an outlier as its PER may be disrupted due to its diversified portfolio of businesses across multiple industries. Tan Chong Motor Holdings Berhad is excluded as it is loss-making.

For avoidance of doubt, there was no adjustment adopted for purposes of valuing the 100% of the issued and paid-up share capital of Acacia and HBCM as these acquisitions allow for our Company to gain control of Acacia and HBCM rather than acquiring a minority stake. Although the respective Sale Shares are perceived to be illiquid, their control premium effectively offset the illiquidity discount.

2.1.6 Basis and justification for the Issue Price

The Issue Price was arrived at a 'willing-buyer willing-seller' basis after taking into consideration the closing price and the 5-day VWAMP of HI Shares up to and including the LTD, as follows:

	Premium/(Discount)		
	RM	RM	%
Closing price as at the LTD	2.40	-	-
5-day VWAMP of HI Shares up to and including the LTD	2.35	0.05	2.13

(Source: Bloomberg)

Our Board (save for the Interested Directors) is of the view that the Issue Price is justifiable after taking into consideration that the Issue Price represents a premium of 2.13% to the 5-day VWAMP of HI Shares up to and including the LTD.

2.1.7 Ranking of the Consideration Shares

The Consideration Shares will, upon allotment and issuance, rank equally in all respects with the existing HI Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights (including voting rights), allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Consideration Shares.

2.1.8 Listing and quotation of the Consideration Shares

Bursa Securities has, vide its letter dated 29 January 2026, approved the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 7 of Part A** of this Circular.

2.1.9 Liabilities to be assumed

Save for the obligations (as detailed in **Section 2 and Section 4 of Appendix I and Appendix II** of this Circular respectively) and the liabilities of the assumption of applicable guarantees provided to the financiers amounting to RM94.6 million in respect of financing provided to Acacia and applicable guarantees provided to the financiers amounting to RM140.6 million and USD4.0 million in respect of financing provided to HBCM, arising from or in connection with the SSAs, there are no liabilities, including contingent liabilities and guarantees, to be assumed by our Company arising from the Proposed Acquisitions.

2.1.10 Additional financial commitment

To capitalise on the growing demand for locally assembled buses, Acacia has entered into the SPA JB Land to acquire the lease over the JB Land to expand its assembly capacity from 20 to 50 units per month. As at the LPD, Acacia has already secured orders for 298 units of buses, including bus chassis, scheduled for delivery by the third quarter of 2026 using its existing assembly capacity. The proposed land acquisition is expected to be completed by the third quarter of 2026. The estimated capital expenditure of approximately RM23.0 million⁽¹⁾ is required to bring the abovementioned expanded capacity on-stream and will be funded through our Group's internally generated funds and bank borrowings. Please refer to **Section 2.1.11 of Part A** of this Circular in relation to the proposed acquisition of the lease of the JB Land.

Save as disclosed above, there is no other financial commitment required to put the Target Companies on-stream following the completion of the Proposals in view that the Target Companies are already in operations and income-generating.

Note:

- (1) *Comprising the purchase consideration for the lease of the JB Land of RM16.5 million and estimated capital expenditure of RM6.5 million for the establishment of commercial vehicle assembly facilities.*

2.1.11 Information on the JB Land

Acacia has entered into the SPA JB Land to acquire the lease over the JB Land. The total purchase consideration for the proposed acquisition of the lease of the JB Land by Acacia is RM16.5 million, representing RM126.3 per square foot (“**psf**”). It was arrived at on a “willing-buyer willing-seller” basis, after taking into account recently completed transactions of comparable leasehold properties. The comparable leasehold properties are (i) located in close proximity to the JB Land; (ii) have similar land size ranging between two (2) to four (4) acres; and (iii) all the transactions took place in 2024 and 2025. Based on these past transactions, the transacted prices ranged from RM92 psf to RM178 psf. In addition, Acacia’s transaction at RM126.3 psf represents a slight discount as compared to the average of the recently completed comparable transaction prices of RM136 psf. Please refer to **Section 10 of Appendix III** to this Circular for further information on the JB Land.

2.1.12 Public shareholding spread

The public shareholding spread of our Company before and after the Proposed Acquisitions are as follows:

	As at the LPD	After the Proposed Acquisitions
Public shareholding spread	32.0 ⁽¹⁾ %	31.8 ⁽²⁾ %

Notes:

- (1) *Computed based on 500,000,000 HI Shares in issue as at the LPD.*
- (2) *Computed based on the enlarged number of HI Shares after the Proposed Acquisitions of 534,385,068.*

Our Company complies and will comply with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements.

2.1.13 Profit warranty

Pursuant to the SSAs as set out in **Appendices I and II** of this Circular, the respective Vendors have represented, warranted and undertaken to HI that, among others, the unaudited PAT recorded by Acacia for the FPE 31 July 2025 and HBCM for the FPE 30 September 2025 is not less than RM2.1 million and RM1.8 million, respectively. The respective Vendors further agreed that the said unaudited PAT shall be verified, approved and certified by an external auditor to be appointed by HI following the execution of the respective SSAs.

Pursuant to the above, Acacia’s PAT for the FPE 31 July 2025 is RM3.2 million and HBCM’s PAT for the FPE 30 September 2025 is RM1.9 million, which have been audited by the external auditor. As such, the profit warranties for both Acacia and HBCM have been met.

2.1.14 Historical share prices

The monthly highest and lowest market prices of HI Shares as traded on Bursa Securities since our listing on 28 March 2025 to January 2026 are as follows:

	High RM	Low RM
<u>2025</u>		
March ⁽¹⁾	1.33	1.20
April	1.44	1.21
May	1.34	1.23
June	1.61	1.24
July	2.00	1.51
August	2.38	1.86
September	2.62	2.16
October	2.88	2.32
November	2.72	2.22
December	2.75	2.31
<u>2026</u>		
January	2.80	2.27

The last transacted market price of HI Shares as at the LTD 2.40

The last transacted market price of HI Shares as at the LPD 2.57

(Source: Bloomberg)

Note:

(1) Since the listing date of our Company.

2.2 Proposed Diversification

Our Group is principally involved in the mass transit sector, providing both cross-border and local bus services. Our Group provides cross-border bus services to the public mainly between Johor Bahru and Singapore, intracity bus services serving routes in Johor, Melaka and the Klang Valley, intercity bus services for longer-distance travel between cities, towns or states and chartered bus services which primarily cater to corporations for specific purposes over a defined period.

A summary of the financial performance of our Group based on our audited consolidated financial statements for the FYE 31 January 2024 and FYE 31 January 2025 respectively is as follows:

	FYE 31 January	
	2024⁽¹⁾	2025
	RM'000	RM'000
Revenue:		
• Scheduled bus services	190,649	263,577
• Chartered bus services	13,525	14,020
• Other services	3,539	2,222
Consolidated profit before tax	45,146	50,475
Consolidated PAT attributable to the owners of our Company	33,172	43,763

Note:

- (1) *Based on the combined financial statements of our Group which were prepared in connection with our Company's listing on the Main Market of Bursa Securities.*

The integration of the Target Companies with our Group is intended to complement and support our Group's core business of bus operations by establishing a more integrated and streamlined transportation value chain.

The aggregate net profits of the Target Companies based on their latest audited financial statements compared with the net profits of our Group is 29.0%. According to Paragraph 10.13(1) of the Listing Requirements, our Company must seek the approval of the Shareholders in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (i) the diversion of 25% or more of the NA of our Group to an operation which differs widely from those operations previously carried on by our Group; or
- (ii) the contribution from such an operation of 25% or more of the net profits of our Group.

Accordingly, our Board wishes to seek the approval of the non-interested Shareholders for the Proposed Diversification pursuant to the Listing Requirements at our forthcoming EGM.

3. RATIONALE AND BENEFITS OF THE PROPOSALS

The Proposals are premised on the following rationale and benefits to be realised by our Group:

(i) Enhancing strategic capabilities amid an evolving industry landscape

On 27 March 2025, the Ministry of Finance Malaysia announced an allocation of RM1.9 billion for a government-owned public transport company to procure approximately 1,660 buses, of which 1,350 are EV buses and 310 are diesel buses.

The upcoming procurement of EV buses by the government-owned public transport company is expected to be realised through tenders under multiple procurement models ("**EV Bus Tenders**"), including an outsourcing model which requires bidders to supply, operate and maintain the EV buses throughout the contract period. These tenders emphasise end-to-end service delivery, operational efficiency, fleet management, maintenance and service reliability.

Our Group's business model has been historically focused on participating in tenders for the operation of stage bus services or acting as a subcontractor to existing stage bus operations. However, the requirements for participation in the EV Bus Tenders and future tenders, which may include both EV and ICE buses (collectively, "**Tenders**"), are expected to favour operators capable of delivering an integrated solution that encompasses vehicle supply, operations and maintenance.

As such, the integration of Acacia's established operational capabilities and assets will enable our Group to scale up our fleet to meet the supply requirements of the Tenders and extend our service coverage into new regions where the Tenders may be rolled out.

(ii) Enhancing competitiveness in securing tenders

As Acacia has a primary focus on manufacturing, assembly production, distribution, selling, maintenance and repair of EV and ICE buses, the Proposed Acquisition of Acacia is expected to enhance our Group's ability to compete in the upcoming Tenders, particularly as the EV Bus Tenders mandate locally assembled buses in line with government initiatives to support the Malaysian bus industry.

Under the outsourcing model, bus operators without local assembly or manufacturing capabilities are required to partner with approved local assemblers in order to qualify for participation in the Tenders. As such, through the Proposed Diversification, our Group would be able to independently participate in the Tenders, thereby capturing the full commercial benefit of any successful tender, strengthen our position and expand our geographical network within the evolving public transport sector.

(iii) Operational, strategic and financial synergies

The Proposed Acquisition of HBCM complements the Proposed Acquisition of Acacia as it enables HBCM to leverage on Acacia's existing assembly facilities. The consolidation of vehicle assembly activities under one facility represents a capital-efficient means for both Acacia and HBCM to scale production and distribution. HBCM currently does not own or operate any vehicle assembly facilities and relies on third-party assemblers to fulfil its assembly requirements. This existing assembly arrangement of HBCM provides contextual background for the potential synergies which can be achieved from the integration of HBCM within our enlarged Group structure alongside Acacia's assembly operations and the bus operations of HI. As government-related tenders may be dependent on budget allocations and timing of procurement cycles, it is critical for our Group to ensure that our assembly line capacity is optimally utilised.

Furthermore, Acacia and HBCM have overlapping brand Principals across certain commercial vehicle categories. The consolidation of these businesses under a single group structure is expected to allow for improved internal coordination in managing brand relationships, aftersales support and potential optimisation of purchasing terms while maintaining compliance with the respective contractual arrangements with such brand Principals.

HBCM's established clientele network, supplier relationships and customer base can also provide a downstream avenue to support the scale and deployment of vehicles produced by Acacia. This operational and production synergies will allow Acacia to benefit from improved production planning, reduced procurement lead times and reduce idle capacity risk.

Furthermore, potential synergies may arise from the Proposed Acquisition of HBCM as our Group will be able to leverage on our expertise in applying technology to fleet management which is expected to optimise operating costs and enhance the attractiveness of the commercial vehicles distributed by HBCM. This, in turn, creates opportunities to offer integrated services and solutions alongside the sale of physical vehicles, thereby unlocking new business models and revenue streams. In addition, our Group's existing workshop facilities and expertise can be leveraged and expanded to support Acacia's aftersales activities, thereby enhancing the competitiveness of Acacia's products and services. Additionally, Acacia's existing aftersales activities can supplement our Group's operations, enabling our Group to expand into new areas without the need for additional investment in workshop facilities.

From a financial standpoint, as set out in **Section 6.4 of Part A** of this Circular, the Proposed Acquisitions are earnings accretive. Furthermore, the consolidation of Acacia and HBCM is expected to enable our Group to realise financial synergies as our Group is able to achieve better economies of scale in procurement, logistics and production which is expected to lead to lower unit costs and improved financial margins. Moreover, the streamlining of overlapping administrative and operational functions is expected to lower overheads and improve overall profitability of our Group. Collectively, these financial synergies are expected to further improve the EPS and enhance shareholder value in the future.

(iv) Diversification of our Group's business portfolio

The Proposed Diversification, undertaken in conjunction with the Proposed Acquisitions will broaden our Group's business into the manufacturing, assembly and distribution of commercial vehicles, which complements our existing operations. The integration of upstream activities is expected to enhance our Group's control over supply reliability and operational efficiency.

In addition, the Proposed Diversification allows our Group to develop new income streams which complements our existing operations and contribute towards a more balanced and resilient earnings base over the longer term.

Premised on the above and the favourable outlook of the automotive industry in Malaysia as set out in **Section 4 of Part A** of this Circular, the Proposals are expected to contribute positively to the future earnings of our Group, thus enhancing the Shareholders value in the medium to long term.

4. PROSPECTS AND FUTURE PLANS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained growth in household spending supported by positive labour market conditions, steady investment activities, continued export growth led by electrical and electronic goods, robust tourism activity and strong recovery in mining-related exports. However, the agriculture sector moderated led by slower performance in rubber, oil palm and other agriculture subsectors. On a quarter on quarter seasonally-adjusted basis, the Malaysian economy expanded by 2.4% in the third quarter of 2025 (2Q 2025: 2.2%).

Malaysia's private consumption is expected to continue expanding amid continued growth in wages, further supported by income-related policy measures. While more moderate external demand may weigh on wages in the export-oriented sectors, overall wage growth will be cushioned by more resilient domestic-oriented sectors. Malaysia's investment outlook is expected to remain sustained, supported by the forthcoming investment intentions and ongoing implementation of multi-year projects in both the private and public sectors.

Both headline and core inflation are expected to remain moderate for the remainder of the year. Based on the Ministry of Finance's Economic Outlook 2026, headline inflation is projected to average between 1.0% to 2.0% for 2025 amid steady domestic demand and continued easing in global cost conditions. These factors, together with Government measures to cushion the impact of domestic policy reforms on households, will help sustain a low and stable inflation environment. Heading into 2026, inflation is expected to remain moderate amid steady domestic demand, stable labour market conditions, and favourable supply conditions.

In 2025, the economy is expected to grow between 4.0% and 4.8%, underpinned by firm domestic demand. From the demand perspective, private consumption is anticipated to remain resilient, supported by higher disposable income, favourable labour market conditions, targeted assistance programmes and vibrant tourism activities. Investment momentum will be sustained by the realisation of multi-year projects and strong inflows into high-growth segments such as semiconductors and data centres.

From a supply perspective, the services and manufacturing sectors will continue to lead growth. The services sector will be driven by robust tourism activities, dynamic retail trade and increased demand for business-related services. Meanwhile, the manufacturing sector will benefit from growing semiconductor demand due to the expansion of the digital economy and the increasing use of AI edge applications as well as strong performance in domestic-oriented industries.

For 2026, Malaysia's economy is projected to expand between 4.0% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 ("**VM2026**").

In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing sectors will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

(Sources: Quarterly Bulletin Vol.41 No.3 in third quarter of 2025, Bank Negara Malaysia and Economic Outlook 2026, Ministry of Finance Malaysia)

4.2 Overview and outlook of the automotive industry in Malaysia

The transportation subsector expanded by 9.0% in the first half of 2025, attributed to vibrant trade, business and leisure activities, as reflected by the increase in various segments, mainly the land and air transport segments, as well as supporting activities related to highway and airport operations.

The subsector is expected to grow by 7.7% in the second half of 2025 supported by positive growth in all segments. Within the land transport segment, growth in traffic volumes on toll highways and ridership of rail transport are driven by additional extended weekends. The government's ongoing efforts to enhance nationwide connectivity through the construction and upgrading of rural roads and improvements to the public transportation system will further support interstate mobility. In addition, the government continues to advance highway infrastructure projects, including the expansion of urban transit networks, aimed at fostering economic inclusion by linking remote communities with regional growth areas. In conjunction with VM2026, the government will also strengthen public transport networks and promote eco-tourism activities to enhance the overall tourism experience.

The motor vehicles segment is estimated to experience a marginal contraction due to normalisation of total industry volume for new vehicle sales following all-time high sales of 817,955 units recorded in 2024. Despite the slowing down in sales, the demand for national cars remains sizeable and orders for EVs continues to rise. Therefore, in line with continuation of high order books for the whole year, the automotive industry is expected to support the performance of the segment. Overall, the subsector is forecast to maintain growth of 4.4% in 2025.

With the New Industrial Master Plan 2030 ("**NIMP 2030**"), Malaysia's total automotive industry volume is expected to reach 1.22 million units by 2030, driven by the growing demand of EVs amid a shift in consumer preferences towards environmentally friendly transportation.

Growth is also expected in the after sales market, particularly in the expansion of the market for spare parts, repairs and maintenance services. As part of the strategies of NIMP 2030, the automotive industry will prioritise improving the competitiveness of the value chain by producing high-quality products that meets the standards of both vehicle manufacturers and consumer requirements, as well as encouraging the adoption of environmentally friendly technologies to support the transition towards greener mobility solutions.

(Sources: Economic Outlook 2026, Ministry of Finance Malaysia and NIMP 2030 Sectoral Plan - Automotive industry, Ministry of Investment, Trade and Industry)

4.3 Prospects of the Target Companies

As set out in **Section 2 of Part A** of this Circular, the Proposals will result in the Target Companies becoming wholly-owned subsidiaries of our Company. The future performance of our enlarged Group will depend on the overall outlook of the automotive industry and our Group's ability to effectively manage, transform, and optimise the operations of the acquired entities.

In 2025, Acacia assembled approximately 266⁽¹⁾ units of completely knocked down diesel and electric vehicles. As disclosed in **Section 2.1.10 of Part A** of this Circular, Acacia intends to capitalise on the growing demand for locally assembled buses through the acquisition of the JB Land to expand its assembly capacity from 20 to 50 units per month as Acacia is expected to benefit from our enlarged Group's market access and enhanced demand visibility derived from our Group's established bus operations, which is likely to support improved capacity utilisation and operational efficiency. In turn, HBCM will be able to leverage Acacia's assembly capabilities to enhance cost efficiency and optimise its distribution of commercial vehicles. With the integration, the Target Companies will be able to streamline operations, optimise resource utilisation, and strengthen their overall operational resilience.

Upon completion of the Proposals, our Group is expected to benefit from synergies arising from the alignment of assembly and distribution functions with our Group's operational expertise. This integration is expected to create opportunities for expansion of electric buses and in line with the Government of Malaysia's initiatives to promote the local public transport industry. In addition, the expanded assembly capacity of Acacia is expected to support higher order volumes and improve responsiveness to customer demand, thereby strengthening our Group's competitiveness across the commercial vehicle value chain. Collectively, these factors are expected to contribute positively to the long-term growth prospects and value creation potential of our Group.

Note:

(1) Higher output was achieved from January to December 2025, exceeding the annual capacity of 240 units, as a result of overtime.

5. RISK FACTORS

Save as disclosed below which are by no means exhaustive, our Group does not foresee any other additional risks arising from the Proposals given that our Group is already involved in the automotive industry:

5.1 Non-completion risk

The completion of the Proposals is subject to, among others, the fulfilment of the conditions precedent of the respective SSAs as set out in **Appendices I and II** of this Circular and obtaining the approvals required for the Proposals as set out in **Section 7 of Part A** of this Circular.

There can be no assurance that the aforementioned conditions and approvals will be satisfied, waived or obtained, as the case may be, within the stipulated timeframe or any of the termination events will not occur such that the Proposals cannot be completed. Any delay in the fulfilment of the conditions precedent and obtaining the approvals required for the Proposals may lead to a delay in the completion and / or termination of the Proposals and non-realisation of the benefits expected to be realised from the Proposals.

Notwithstanding, our Company will take all necessary and reasonable steps to ensure the fulfilment of the conditions precedent of the respective SSAs which are within our Company's control within the stipulated timeframe as well as mitigate the occurrence of any of the termination events that are within our Company's control to complete the Proposals.

5.2 Integration and business diversification risk

There can be no assurance that the anticipated benefits of the Proposals as set out in **Section 3 of Part A** of this Circular will be realised as the synergistic benefits will largely depend on the successful integration of our Group and the Target Companies. The Proposals may expose our Group to various risks, including challenges associated with integrating new operations, aligning management teams and business processes.

Furthermore, there can be no assurance that the anticipated benefits of the Proposed Acquisition of Acacia will be realised or the expected financial performance of Acacia will be achieved post-completion of the Proposed Acquisition of Acacia due to its limited operational and financial track record, and given the highly competitive nature of the automotive industry.

Notwithstanding, our Company will undertake the necessary measures to facilitate a smooth integration process, including establishing an appropriate management framework and implementation plan to ensure effective integration of our Group and the Target Companies.

5.3 Dependency on key management personnel risk

The success of the Proposed Diversification will depend, to an extent, on the skills, experience and continued service of key management personnel of Acacia and HBCM. The loss of any such personnel without suitable and timely replacements could disrupt operations, delay project delivery, and adversely affect the financial performance of our enlarged Group.

As such, our Group will strive to adopt appropriate measures to retain Acacia's and HBCM's key management personnel and attract qualified personnel, including providing competitive remuneration packages, requisite training and other employment benefits. Our Group will also seek to develop a broader pool of experienced personnel, both through recruitment and by fostering internal talent development to reduce reliance on any single individual.

5.4 Non-renewal of existing contracts with principals

The Target Companies' business operations are dependent on contracts entered into with their respective brand principals for the assembly, distribution and sale of their existing portfolio of commercial vehicles in Malaysia. Therefore, the continuation of the Target Companies' business operations is reliant on the renewal or extension of these contracts upon expiry, which are subject to the discretion of the brand principals and may be conditional upon meeting performance requirements or other commercial terms imposed by them.

There can be no assurance that the brand principals will renew or extend the existing contracts upon expiry, or that such renewals, if any, will be on terms favourable to the Target Companies. In the event that the relevant brand principals elect not to renew or extend the contracts, or materially vary the terms of engagement, the Target Companies may be unable to secure alternative brand principals with commercially acceptable terms.

Notwithstanding, our enlarged Group will endeavour to mitigate this risk by continuing to strengthen our enlarged Group's relationships with existing brand principals. Historically, the Target Companies have maintained long-standing business relationships with their brand principals, and their contracts have been continually renewed upon expiry in the past. Our enlarged Group will also continue to explore opportunities to expand our portfolio of vehicle brands and to secure new assembly and distribution arrangements with other manufacturers.

5.5 Supply and operational risks

The businesses of the Target Companies are exposed to various supply risks which may affect production continuity and delivery performance. Some of the supply risks includes the dependence on the timely availability of components, spare parts and body kits, which are primarily sourced from the international brand principals, logistics constraints or regulatory changes which may result in material shortages, increased operational costs and the abilities to meet the agreed upon delivery schedule with the Target Companies' customers.

In addition, the Target Companies may also be subject to operational risks, irrespective of whether the assembly production are performed internally or subcontracted to third parties as building activities involve the usage of various machineries and equipment and that these machineries and equipment, may on occasion, be out of service due to unanticipated failures or damages sustained during operations.

Whilst our Group will adopt inventory management, preventive maintenance and business continuity measures to mitigate the abovementioned risks, there can be no assurance that such measures will fully eliminate the Target Companies' supply and operational risks. However, historically, the Target Companies have not faced any major disruptions in respect of their business operations.

5.6 Product segment risks

HBCM primarily operates in the distribution of commercial vans and trucks, which differs from commercial buses where Acacia and our Group operates in. The differences in product specifications, customer segments, shorter product life cycles and the higher sensitivity to consumer demand fluctuations may increase operational complexity for our enlarged Group and that there can be no assurance that the anticipated benefits of the Proposed Acquisition of HBCM will be realised given the highly competitive nature of the automotive industry.

Notwithstanding the differences between the product segments, our Group's existing involvement in the automotive industry may mitigate certain risks arising from the differences in product segments as the underlying industry practices, standards and risk management frameworks remains substantially similar. Our Group will continue to identify, manage and mitigate risks arising from the difference in product segments within the broader automotive sector.

5.7 Political, economic and regulatory risks

The financial and business prospects of the Target Companies may be affected by the changes in political, economic and regulatory conditions in Malaysia. The economic, political and regulatory factors include but is not limited to the changes in government policies, the introduction of new laws and regulations, economic downturn, risk of inflation and changes in interest rates.

Notwithstanding, our Company will adopt a proactive approach in monitoring key developments and reviewing the business strategies of the Target Companies to respond effectively to changes in the political, economic and regulatory environment.

6. EFFECTS OF THE PROPOSALS

The Proposed Diversification will not have any effect on the issued share capital, substantial shareholders' shareholdings, NA per HI Share and gearing, earnings and EPS, as it will not involve any issuance of new HI Shares. Nevertheless, the effects of the Proposed Acquisitions are set out below.

6.1 Issued Share Capital

The effect of the Proposed Acquisitions on the issued share capital of our Company is as follows:

	No. of HI Shares ('000)	RM'000
As at the LPD	500,000	214,043
Consideration Shares to be issued for the following:		
- Proposed Acquisition of Acacia	12,344	29,626
- Proposed Acquisition of HBCM	22,041	52,898
Enlarged number of HI Shares and issued share capital	534,385	296,567

6.2 Substantial shareholders' shareholdings

The effect of the Proposed Acquisitions on the shareholding of our substantial shareholders in our Company is as follows:

	As at the LPD			After the Proposed Acquisitions		
	Direct		Indirect	Direct		Indirect
	No. of HI Shares ('000)	%		No. of HI Shares ('000)	%	
LHW	268,750	53.75	(1)32,400	277,390	51.91	(1)48,226
BKL	32,400	6.48	(2)268,750	36,103	6.76	(2)289,513
Bumi Mampan Sdn Bhd ("Bumi Mampan")	38,850	7.77	-	38,850	7.27	-
Dato' Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar	-	-	(3)38,850	-	-	(3)38,850
Mohd Azmir Bin Rahmani	-	-	(3)38,850	-	-	(3)38,850

Notes:

- (1) Deemed interested by virtue of his wife's, BKL, direct shareholding in our Company and his direct shareholding in HVSB pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of her husband's, LHW, direct shareholding in our Company and her direct shareholding in HVSB pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their direct shareholdings in Bumi Mampan pursuant to Section 8 of the Act.

6.3 NA per HI Share and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of our Company as at 31 January 2025 and assuming that the Proposed Acquisitions had been effected on that date, the pro forma effect of the Proposed Acquisitions on the NA per HI Share and gearing of our Group are as follows:

	Audited as at 31 January 2025	After subsequent event	After the Proposed Acquisitions
	RM'000	RM'000	RM'000
Share capital	100,000	⁽¹⁾ 214,043	⁽³⁾ 296,567
Exchange translation reserve	(1,776)	(1,776)	(1,776)
Merger reserve	(27,999)	(27,999)	(27,999)
Retained earnings	61,243	⁽¹⁾ 55,713	⁽²⁾ 55,165
Equity attributable to owners of our Company / NA	131,468	239,981	321,957
No. of HI Shares in issue ('000)	100,000	500,000	534,385
NA per HI Share (RM) ⁽⁴⁾	1.31	0.48	0.60
Total borrowings	169,502	169,502	⁽⁶⁾ 235,060
Gearing (times) ⁽⁵⁾	1.29	0.71	0.73

Notes:

- (1) After taking into account the impact of our Company's listing on the Main Market of Bursa Securities, being the significant event or transaction completed from 1 February 2025 up to the LPD ("Subsequent Event"):
 - (i) issuance of 95,000,000 new HI Shares at the issue price of RM1.22 per HI Share and the expenses directly attributable to our listing of RM1.9 million; and
 - (ii) other listing expenses which are not directly attributable to the issuance of new HI Shares and not being capitalised into share capital of RM5.5 million.
- (2) After taking into consideration the estimated expenses relating to the Proposals of approximately RM0.55 million.
- (3) After taking into account the value of the Consideration Shares to be issued.
- (4) Computed based on NA divided by number of HI Shares in issue.
- (5) Computed based on total borrowings divided by NA.
- (6) After taking into consideration the total borrowings of Acacia as at 31 January 2025 of RM10.18 million and the total borrowings of HBCM as at 30 June 2025 of RM55.38 million.

6.4 Earnings and EPS

For illustrative purposes only, based on the audited consolidated statements of profit or loss and other comprehensive income of our Company for the FYE 31 January 2025 and assuming that the Proposed Acquisitions had been effected on 1 February 2024, being the beginning of the FYE 31 January 2025, the pro forma effect of the Proposed Acquisitions on the earnings of our Group and EPS are as follows:

	RM'000
Consolidated PAT attributable to the owners of our Company	43,763
Add: Acacia's adjusted PAT for the FYE 31 January 2025	(1)4,232
Add: HBCM's PAT for the FYE 30 June 2025	(2)7,557
Less: Estimated expenses relating to the Proposed Acquisitions	(3)(548)
Pro forma consolidated PAT attributable to the owners of our Company after the Proposed Acquisitions	55,004

Number of HI Shares in issue ('000):

- As at 31 January 2025	100,000
- After the Subsequent Event	500,000
- After the Proposed Acquisitions	534,385

EPS (sen):

- As at 31 January 2025	43.76
- After the Subsequent Event	8.75
- After the Proposed Acquisitions	10.29

Notes:

- (1) Represents 100% of the adjusted audited PAT of Acacia for the FYE 31 January 2025 after taking into account the findings arising from the financial review.
- (2) Represents 100% of the audited PAT of HBCM for the FYE 30 June 2025.
- (3) Comprising professional fees relating to the Proposals of approximately RM0.55 million.

7. APPROVALS / CONSENT REQUIRED

The Proposals are subject to the following:

- (a) approval of the non-interested Shareholders for the Proposals at our forthcoming EGM;
- (b) approval of Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities which was obtained vide its letter dated 29 January 2026, subject to the following conditions:

No.	Condition imposed	Status of compliance
(i)	HI and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(ii)	HI must comply with the public security holding spread requirements pursuant to Paragraph 8.02 (1) of the Listing Requirements upon listing and quotation of the Consideration Shares;	To be complied

No.	Condition imposed	Status of compliance
(iii)	HI is required to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders in general meeting approving the Proposals prior to the listing and quotation of the Consideration Shares;	To be complied
(iv)	HI and Maybank IB are required to inform Bursa Securities upon completion of the Proposals; and	To be complied
(v)	HI is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed.	To be complied

; and

(c) approval, waiver and / or consent of any other relevant authorities, if required.

8. CONDITIONALITY OF THE PROPOSALS

The Proposals are inter-conditional upon each other and are not conditional upon any other corporate exercise/scheme of our Company.

9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to Paragraph 10.02(g) of the Listing Requirements is 32.0%, being the aggregate of the following:

- (i) the highest percentage ratio applicable to the Proposed Acquisition of Acacia pursuant to Paragraph 10.02(g) of the Listing Requirements of 11.5%, computed based on the value of the consideration given compared with our consolidated NA as at 31 July 2025 (being our latest available quarterly report at the time of the Announcement which has been reviewed by our auditors); and
- (ii) the percentage ratio applicable to the Proposed Acquisition of HBCM pursuant to Paragraph 10.02(g) of the Listing Requirements of 20.5%, computed based on the value of the consideration given compared with our consolidated NA as at 31 July 2025 (being our latest available quarterly report at the time of the Announcement which has been reviewed by our auditors).

10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, Major Shareholders, Chief Executive and/or persons connected with them has any interest, direct or indirect, in the Proposals:

- (i) LHW, our Major Shareholder, is one of the Acacia Vendors. He is also an indirect major shareholder of HBCM and the spouse of BKL. He is the father of Lim Chern Chuen, the Executive Director cum Chief Executive Officer of our Company and Lim Chern Fang, the alternate director of BKL and Chief Marketing Officer of our Company;
- (ii) BKL, our Non-Independent Non-Executive Director, is one of the Acacia Vendors. She is also an indirect major shareholder of HBCM and the spouse of LHW. She is the mother of Lim Chern Chuen and Lim Chern Fang;

- (iii) Lim Chern Chuen, our Executive Director cum Chief Executive Officer, is one of the directors of HBCM. He is also the son of LHW and BKL and the sibling of Lim Chern Fang; and
- (iv) Lim Chern Fang, the alternate director to BKL and our Chief Marketing Officer. She is also the daughter of LHW and BKL and the sibling of Lim Chern Chuen.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the Proposals at the relevant Board meetings pertaining to the Proposals. The Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. Further, the Interested Directors have also undertaken to ensure that persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

The Interested Major Shareholder will abstain from voting in respect of his direct and/ or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. Further, the Interested Major Shareholder has also undertaken to ensure that persons connected with him will also abstain from voting in respect of their direct and/or indirect shareholding in our Company, if any, on the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

As at the LPD, the direct and indirect shareholdings of the Interested Directors and Interested Major Shareholder in our Company are as follows:

	Direct		Indirect	
	No. of HI Shares ('000)	% ⁽¹⁾	No. of HI Shares('000)	% ⁽¹⁾
LHW	268,750	53.75	⁽²⁾ 32,400	6.48
BKL	32,400	6.48	⁽³⁾ 268,750	53.75
Lim Chern Chuen	-	-	-	-
Lim Chern Fang	-	-	-	-

Notes:

- (1) Computed based on 500,000,000 HI Shares in issue as at the LPD.
- (2) Deemed interested by virtue of his wife's, BKL, direct shareholding in our Company pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of her husband's, LHW, direct shareholding in our Company pursuant to Section 8 of the Act.

11. TRANSACTIONS WITH THE SAME RELATED PARTIES FOR THE PAST 12 MONTHS

Save for the Proposed Acquisitions and the recurrent related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Group as set out in the announcements to Bursa Securities dated 18 July 2025, 10 November 2025 and 31 December 2025, our Company has not entered into any transaction with the Interested Directors, Interested Major Shareholder and/or persons connected with them for the past 12 months preceding the LPD.

12. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of our Company, after having considered all aspects of the Proposals including the salient terms of the SSAs, basis and justification for the Purchase Consideration and Issue Price, rationale, benefits and effects of the Proposals, prospects of the Target Companies and the views of Kenanga IB, is of the view that the Proposals are:

- (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.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors), after having considered all aspects of the Proposals including but not limited to the salient terms of the SSAs, basis and justification for the Purchase Consideration and Issue Price, rationale, benefits and effects of the Proposals, prospects of the Target Companies, the views of the Principal Adviser on the Proposals and the views of Kenanga IB on the Proposals, is of the view that the Proposals are in the best interest of our Company.

Accordingly, our Board (save for the Interested Directors) recommend that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

14. ADVISERS

Maybank IB has been appointed as Principal Adviser to our Company for the Proposals.

In view of the interests of the Interested Major Shareholder and Interested Directors as set out in **Section 10 of Part A** of this Circular and in compliance with Paragraph 10.08 of the Listing Requirements, Kenanga IB has been appointed to act as independent adviser to undertake the following in relation to the Proposals:

- (i) comment as to whether the Proposals are:
 - (a) fair and reasonable so far as the non-interested Shareholders are concerned; and
 - (b) to the detriment of the non-interested Shareholders,

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

- (ii) advise the non-interested Shareholders on whether they should vote in favour of the Proposals; 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.

15. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise / scheme which has been announced by our Company but is pending completion as at the date of this Circular.

16. TENTATIVE TIMETABLE FOR COMPLETION

Barring unforeseen circumstances and subject to relevant required approvals being obtained, the Proposals are expected to be completed by the first quarter of 2026. The tentative timeline for the Proposals is as follows:

Event	Tentative timing
EGM Completion of the Proposals	26 February 2026 First quarter of 2026

17. EGM

The forthcoming EGM will be held at Westside 1 & 2, Level 8, St. Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 26 February 2026 at 10.00 a.m. or any adjournment thereof.

The Notice of the EGM together with the Form of Proxy, Administrative Guide and this Circular are available at the Company's website at <https://himobilitygroup.com/investor-resources/> or Bursa Securities' website at <https://www.bursamalaysia.com/>.

The voting of the EGM will be conducted by poll. If you are unable to attend and vote at our EGM, you may appoint up to two (2) proxies to attend and vote for him/her or on his/her behalf by completing, signing, and returning the enclosed Form of Proxy and depositing it at our Company's share registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, submitting via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.

Shareholders are advised to refer to the Administrative Guide for the EGM for details on the registration and voting process.

18. FURTHER INFORMATION

Please refer to the appendices of this Circular for further information.

Yours faithfully,
For and on behalf of our Board
HI MOBILITY BERHAD

AHMED FAIRUZ BIN ABDUL AZIZ
Independent Non-Executive Director

PART B

**INDEPENDENT ADVICE LETTER FROM KENANGA IB TO THE NON-INTERESTED
SHAREHOLDERS OF HI IN RELATION TO THE PROPOSALS**

EXECUTIVE SUMMARY

All capitalised terms used in this Executive Summary shall have the same meanings as the words and expressions defined in the “Definitions” section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to “we”, “us” or “our” in this Executive Summary are references to Kenanga IB, being the Independent Adviser for the Proposals.

This Executive Summary is intended to be a brief summary of this IAL which has been prepared by Kenanga IB to provide the non-interested Shareholders with an independent evaluation of the Proposals and to express our recommendation on the Proposals.

You are advised to read and understand both this IAL and the letter from the Board set out in Part A of the Circular together with the accompanying appendices, and to carefully consider the evaluations and recommendations contained in both the letters before voting on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

1. INTRODUCTION

On 14 November 2025, Maybank IB had, on behalf of the Board, announced that HI had on even date entered into the SSAs for the Proposed Acquisitions. In conjunction with the Proposed Acquisitions, HI proposes to undertake the Proposed Diversification. The Proposed Acquisitions and the Proposed Diversification are inter-conditional upon each other.

On 29 January 2026, Maybank IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 January 2026, approved the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities.

The Proposed Acquisitions are deemed to be related party transactions pursuant to the provisions of Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Major Shareholder and Interested Directors, as set out in **Section 10 of Part A** of the Circular.

Accordingly, the Board had appointed us, Kenanga IB, on 31 October 2025, as the Independent Adviser to advise the non-interested Directors and the non-interested Shareholders of HI on the fairness and reasonableness of the Proposals, and whether the non-interested Shareholders of HI should vote in favour of the Proposals.

2. EVALUATIONS OF THE PROPOSALS

In evaluating the Proposals, we have considered the following:

Reference in this IAL	Consideration factors	Evaluation
Section 6.1	Rationale and benefits of the Proposals	We take note that the Proposals will enable HI Group to strengthen its strategic capabilities in response to the evolving public transport landscape by integrating upstream manufacturing and downstream operational competencies. The Proposals will also enable the Group to be better positioned to participate independently in upcoming public sector transport tenders that require end-to-end fleet supply, operations and maintenance solutions. We also take note that the Proposals are expected to generate meaningful operational and financial synergies for the Group. The sharing of assembly facilities and resources will enable more efficient production planning, reduced procurement lead times and optimised utilisation of existing capacity.

EXECUTIVE SUMMARY (CONT'D)

Reference in this IAL	Consideration factors	Evaluation
		Furthermore, we take note that the Proposals will broaden HI Group's business portfolio and the Proposed Diversification will allow the Group to develop new income streams that complement the existing operations and contribute towards a more balanced and resilient earnings base over the long term. Premised on the above, we are of the view that the rationale and benefits of the Proposals are reasonable.
Section 6.2	Basis and justification for the purchase consideration of the Target Companies and the lease of the JB Land	We noted that the Purchase Consideration for the Proposed Acquisitions was arrived at a "willing-buyer willing-seller" basis after taking into consideration the PER and the adjusted audited PAT of Acacia as well as the audited PAT of HBCM. We have reviewed the selected comparable companies as disclosed in Section 2.1.5 of Part A of the Circular and are of the view that the range of PERs derived is reasonable as the comparable companies are incorporated in the same region as the Target Companies and are principally involved in similar business segments to the Target Companies. We are of the view that the Purchase Consideration is fair and reasonable as it is within the range of PERs of the comparable companies. Hence, the Purchase Consideration to be paid by HI pursuant to the Proposed Acquisitions is not detrimental to the interests of the non-interested Shareholders of HI. We also noted that Acacia has entered into the SPA JB Land to acquire the lease over the JB Land, and that the purchase consideration for the proposed acquisition was determined on a willing-buyer willing-seller basis, after taking into account the recently completed transactions of comparable leasehold properties. We have reviewed the purchase considerations of comparable leasehold properties and identified the range of prevailing transacted prices. We noted that the purchase consideration for the lease of the JB Land falls within the range of prevailing transacted prices of comparable leasehold properties. We are of the view that the purchase consideration for the lease of the JB Land is fair and reasonable. Hence, the purchase consideration for the lease of the JB Land to be paid by Acacia is not detrimental to the interests of the non-interested Shareholders of HI.
Section 6.3	Evaluation of the Issue Price	We noted that the Issue Price was arrived at a "willing-buyer willing-seller" basis after taking into consideration the closing price of HI Shares as at the LTD and the 5-day VWAMP of HI Shares up to and including the LTD. We also noted that the Issue Price represents a premium of 2.13% to the 5-day VWAMP of HI Shares up to and including the LTD. As such, we are of the opinion that the Issue Price is fair and reasonable, and it is not detrimental to the interests of the non-interested Shareholders of HI.
Section 6.4	Salient terms of the SSAs and the SPA JB Land	Based on our review of the salient terms of the SSAs and the SPA JB Land, we are of the view that the overall terms and conditions of the SSAs and the SPA JB Land are reasonable and not detrimental to the interests of the non-interested Shareholders of HI.

EXECUTIVE SUMMARY (CONT'D)

Reference in this IAL	Consideration factors	Evaluation
Section 6.5	Effects of the Proposals	We are of the opinion that the pro forma effects of the Proposals are not detrimental to the interests of the non-interested Shareholders of HI on an overall basis.
Section 6.6	Industry overview, outlook and prospects	We believe that moving forward, barring any unforeseen circumstances, the prospects of the Target Companies should be generally positive as the integration of upstream manufacturing and downstream operational competencies will strengthen HI Group's strategic capabilities.
Section 6.7	Risk factors in relation to the Proposals	We noted that the risks associated with the Proposals are the typical risks associated with the business of HI and are inherent in transactions of this nature. We wish to highlight that although measures have been / will be taken by HI to mitigate such risks associated with the Proposals, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and operation of HI, its financial performance or prospects thereon.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals and our evaluation is set out in **Section 6 of this IAL**. The non-interested Shareholders of HI should consider all the merits and demerits of the Proposals based on all relevant pertinent factors including those which are as set out in **Part A** of the Circular, the relevant appendices thereof, this IAL and other publicly available information.

Premised on our evaluation of the Proposals in **Section 6 of this IAL**, we are of the opinion that the Proposals are fair, reasonable and not detrimental to the interests of the non-interested Shareholders of HI.

Accordingly, we recommend that the non-interested Shareholders of HI to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

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11 February 2026

To: The non-interested Shareholders of HI Mobility Berhad

Dear Sir / Madam,

HI MOBILITY BERHAD

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF HI MOBILITY BERHAD IN RELATION TO THE PROPOSALS

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

1. INTRODUCTION

On 14 November 2025, Maybank IB had, on behalf of the Board, announced that HI had on even date entered into the SSAs for the Proposed Acquisitions. In conjunction with the Proposed Acquisitions, HI proposes to undertake the Proposed Diversification. The Proposed Acquisitions and the Proposed Diversification are inter-conditional upon each other.

On 29 January 2026, Maybank IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 January 2026, approved the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities.

The Proposed Acquisitions are deemed to be related party transactions pursuant to the provisions of Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Major Shareholder and Interested Directors, as set out in **Section 10 of Part A** of the Circular.

Accordingly, the Board had appointed us, Kenanga IB, on 31 October 2025, as the Independent Adviser to advise the non-interested Directors and the non-interested Shareholders of HI on the fairness and reasonableness of the Proposals, and whether the non-interested Shareholders of HI should vote in favour of the Proposals.

The purpose of this IAL is to provide the non-interested Shareholders of HI with an independent evaluation on the fairness and reasonableness of the Proposals insofar as the non-interested Shareholders of HI are concerned. This IAL also opines on whether the Proposals are detrimental to the non-interested Shareholders of HI as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

Nonetheless, the non-interested Shareholders of HI should rely on their own evaluation of the merits of the Proposals before deciding on the course of action to be taken at the forthcoming EGM.

This IAL is prepared solely for the use of the non-interested Shareholders of HI for the purpose of considering the merits of the Proposals and should not be used or relied upon by any other party or for any other purposes whatsoever.

Kenanga

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

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

2. DETAILS OF THE PROPOSALS

2.1 Proposed Acquisitions

The Proposed Acquisitions entail the acquisition of the following companies:

No.	Target company	Percentage equity to be acquired (%)	Purchase consideration (RM'mil)	No. of Consideration Shares (‘000)
(i)	Acacia	100.00	29.63	12,344
(ii)	HBCM	100.00	52.90	22,041
	Total		82.53	34,385

The Purchase Consideration will be fully satisfied through the issuance of the Consideration Shares at the Issue Price.

2.2 Proposed Diversification

Based on the latest audited financial statements, the aggregate net profits of the Target Companies represent approximately 29.0% of the net profits of HI Group. Pursuant to Paragraph 10.13(1) of the Listing Requirements, HI must seek the approval of the Shareholders in a general meeting for any transaction or business arrangement that may reasonably be expected to result in either:

- (i) the diversion of 25% or more of the NA of HI Group to an operation which differs widely from those operations previously carried on by the Group; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the Group.

Accordingly, HI is required to seek the approval from the non-interested Shareholders for the Proposed Diversification pursuant to the Listing Requirements at the forthcoming EGM.

Further details of the Proposals are set out in **Section 2 of Part A** of the Circular and should be read in its entirety.

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3. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND / OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, Major Shareholders, chief executive and persons connected with them have any interest, direct or indirect, in the Proposals:

- (i) LHW, a Major Shareholder of HI, is one of the Acacia Vendors. He is also an indirect major shareholder of HBCM and the spouse of BKL. He is the father of Lim Chern Chuen, the Executive Director cum Chief Executive Officer of HI and Lim Chern Fang, the alternate director of BKL and Chief Marketing Officer of HI;
- (ii) BKL, a Non-Independent Non-Executive Director of HI, is one of the Acacia Vendors. She is also an indirect major shareholder of HBCM and the spouse of LHW. She is the mother of Lim Chern Chuen and Lim Chern Fang;
- (iii) Lim Chern Chuen, the Executive Director cum Chief Executive Officer of HI, is one of the directors of HBCM. He is also the son of LHW and BKL and the sibling of Lim Chern Fang; and
- (iv) Lim Chern Fang, the alternate director to BKL and Chief Marketing Officer of HI. She is also the daughter of LHW and BKL and the sibling of Lim Chern Chuen.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the board meetings of HI pertaining to the Proposals. The Interested Directors will also abstain from voting in respect of their direct and / or indirect shareholding in HI, if any, on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM. Further, the Interested Directors have also undertaken to ensure that persons connected to them will also abstain from voting in respect of their direct and / or indirect shareholding in HI, if any, on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

The Interested Major Shareholder will abstain from voting in respect of his direct and / or indirect shareholding in HI, if any, on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM. Further, the Interested Major Shareholder has also undertaken to ensure that persons connected to him will also abstain from voting in respect of their direct and / or indirect shareholding in HI, if any, on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

Please refer to **Section 10 of Part A** of the Circular for further details.

4. SCOPE AND LIMITATIONS OF OUR EVALUATIONS OF THE PROPOSALS

We have not been involved in the formulation, deliberation and negotiation of the terms and conditions of the Proposals.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the Proposals insofar as the non-interested Shareholders are concerned based on information and documents made available to us as set out below:

- (i) the information contained in **Part A** of the Circular together with the accompanying appendices;
- (ii) the SSAs;
- (iii) other information, documents, confirmations and / or representations provided by the Board and the management of HI ("**Management**"); and
- (iv) other relevant publicly available information.

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

We have relied on the Board and the Management to exercise due care to ensure that all information, documents and representations provided to us to facilitate our evaluations are accurate, valid and complete in all material respects and free from material omission. The Board has seen, reviewed and accepted this IAL. We have also undertaken reasonableness checks and where possible, corroborating such information with independent sources. The Board has, individually and collectively, accepted full responsibility for the accuracy, validity and completeness of the information provided to us and given herein (save for our assessment, evaluations and opinions) and has confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there is no omission of any fact that would make any statement in this IAL incomplete, misleading or inaccurate.

Accordingly, having made all reasonable enquiries, we are satisfied with the sufficiency of the information provided and disclosure from the Board and the Management, and we have no reason to believe that any of the information is unreasonable, unreliable, inaccurate, incomplete and / or that there are any facts not contained in this IAL, the omission of which would make any information in this IAL misleading.

Our evaluations and opinions as set out in this IAL are based upon market, economic, industry, regulatory and the information / documents made available to us, as at 23 January 2026, being the latest practicable date prior to this IAL (“**LPD**”). Such conditions may change significantly over a short period of time. Accordingly, our evaluations and opinions in this IAL do not consider the information, events and conditions arising after the LPD.

We will notify the non-interested Shareholders of HI if after the despatch of the Circular, we:

- (i) become aware of any significant change affecting the information contained in this IAL;
- (ii) have reasonable grounds to believe that a material statement in this IAL is misleading or deceptive; or
- (iii) have reasonable grounds to believe that there is a material omission in this IAL.

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

In forming our opinion, we have considered factors which we believe would be of relevance and general importance to the non-interested Shareholders of HI as a whole. We have not taken into consideration any specific investment objective, financial situation, risk profiles or particular needs of any individual shareholder or any specific group of Shareholders. We recommend that any individual shareholder or group of Shareholders who are in doubt as to the action to be taken or require advice in relation to the Proposals in the context of their individual objectives, financial situation, risk profiles or particular needs, to consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers. We shall not be liable for any damage or loss of any kind sustained or suffered by any individual shareholder or any specific group of Shareholders relying on the evaluation as set out in this IAL for any purpose whatsoever.

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

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

We provide a range of advisory services which include, amongst others, mergers, acquisitions and divestitures, take-overs / general offers, fund raising and initial public offerings. We have experience in the independent analysis of transactions and issuing opinions on whether the terms and financial conditions of a transaction are deemed fair and reasonable, including those of acquisitions, disposals and general offers. We are a holder of a Capital Markets Services Licence issued by the Securities Commission Malaysia as a principal adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007.

Our credentials and experience as an Independent Adviser since 2022 up to the LPD, include amongst others, the following:

No.	Company	Proposal
1.	Oriental Holdings Berhad ("OHB")	Independent advice letter dated 29 January 2026 to the non-interested stockholders of OHB in relation to proposed related party acquisitions.
2.	Apex Healthcare Berhad ("AHB")	Independent advice circular dated 8 December 2025 to the non-interested directors and the holders of the offer shares in AHB pertaining to a conditional voluntary take-over offer.
3.	Lianson Fleet Group Berhad ("LFG")	Independent advice letter dated 27 November 2025 to the non-interested shareholders of LFG in relation to proposed related party acquisitions.
4.	Malaysian Resources Corporation Berhad ("MRCB")	Independent advice letter dated 25 November 2025 to the non-interested shareholders of MRCB in relation to a proposed related party acquisition.
5.	Genting Malaysia Berhad ("Genting Malaysia")	Independent advice circular dated 13 November 2025 to the non-interested directors and the holders of the offer shares in Genting Malaysia pertaining to an unconditional voluntary take-over offer.
6.	FGV Holdings Berhad ("FGV")	Independent advice circular dated 26 June 2025 to the non-interested directors and the holders of the offer shares in FGV pertaining to an unconditional voluntary take-over offer.
7.	LFG	Independent advice letter dated 11 June 2025 to the non-interested shareholders of LFG in relation to the proposed variation to certain clauses of a share sale and purchase agreement, and proposed exemptions from the obligation to undertake a mandatory take-over offer.
8.	Parkwood Holdings Berhad ("Parkwood")	Independent advice letter dated 17 April 2025 to the non-interested shareholders of Parkwood in relation to the proposed exemptions from the obligation to undertake a mandatory take-over offer.

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No.	Company	Proposal
9.	Icon Offshore Berhad (" ICON ")	Independent advice letter dated 10 January 2025 to the non-interested directors and shareholders of ICON pertaining to proposed related party acquisitions.
10.	Ranhill Utilities Berhad (" Ranhill ")	Independent advice circular dated 28 June 2024 to the non-interested directors and the holders of the offer shares in Ranhill pertaining to an unconditional mandatory take-over offer.
11.	UMW Holdings Berhad (" UMW ")	Independent advice circular dated 8 January 2024 to the holders of the offer shares in UMW pertaining to an unconditional mandatory take-over offer.
12.	Pelikan International Corporation Berhad (" PICB ")	Independent advice letter dated 7 September 2023 to the shareholders of PICB pertaining to a proposed disposal.
13.	Malaysian Building Society Berhad (" MBSB ")	Independent advice letter dated 12 July 2023 to the shareholders of MBSB in relation to a proposed acquisition of 100% equity interest of Malaysian Industrial Development Finance Berhad from its sole shareholder, Permodalan Nasional Berhad.
14.	Sunway Real Estate Investment Trust (" Sunway REIT ")	Independent advice letter dated 31 May 2023 to the non-interested unitholders of Sunway REIT pertaining to a proposed acquisition.
15.	Lingkar Trans Kota Holdings Berhad (" LITRAK ")	Independent advice letter dated 15 May 2023 to the shareholders of LITRAK pertaining to a proposed capital reduction and repayment, and proposed delisting.
16.	Boustead Holdings Berhad (" Boustead ")	Independent advice circular dated 17 April 2023 to the holders of the offer shares in Boustead pertaining to a conditional voluntary take-over offer.
17.	CapitaLand Malaysia Trust (" CLMT ")	Independent advice letter dated 8 February 2023 to the non-interested unitholders of CLMT pertaining to the proposed acquisition of 433 strata titles within Queensbay Mall held by Special Coral Sdn Bhd, and the entire equity stakes in Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd, and Milky Way Hypermarkets / Retail Complexes Berhad.
18.	Lion Posim Berhad (" LPB ")	Independent advice letter dated 17 November 2022 to the non-interested shareholders of LPB pertaining to a proposed unincorporated joint venture and proposed diversification.
19.	Cycle & Carriage Bintang Berhad (" CCB ")	Independent advice circular dated 15 August 2022 to the holders of the offer shares in CCB pertaining to an unconditional voluntary take-over offer.

Premised on the above, we are capable, competent and have the relevant experience in carrying out our role and responsibilities as the Independent Adviser for the Proposals.

6. EVALUATIONS OF THE PROPOSALS

We have taken the following into consideration in our evaluation:

Section 6.1	: Rationale and benefits of the Proposals
Section 6.2	: Basis and justification for the purchase consideration of the Target Companies and the lease of the JB Land
Section 6.3	: Evaluation of the Issue Price
Section 6.4	: Salient terms of the SSAs and the SPA JB Land
Section 6.5	: Effects of the Proposals
Section 6.6	: Industry overview, outlook and prospects
Section 6.7	: Risk factors in relation to the Proposals

6.1 Rationale and benefits of the Proposals

We take cognisance of the rationale and benefits of the Proposals as set out in **Section 3 of Part A** of the Circular, our evaluation of the rationale and benefits of the Proposals are as follows:

(i) Enhancing strategic capabilities amidst an evolving industry landscape

We take note that the integration of Acacia's established operational capabilities and assets will enable the Group to scale its fleet to meet the supply requirements of future public sector transport tenders and extend its service coverage into new regions where these tenders may be rolled out.

(ii) Enhancing competitiveness in securing tenders

We take note that the Proposed Acquisition of Acacia is expected to enhance the Group's ability to compete in future public sector transport tenders, particularly as the upcoming procurement of EV buses by the government-owned public transport company mandate locally assembled buses in line with government initiatives to support the Malaysian bus industry. We also take note that through the Proposed Diversification, the Group would be able to independently participate in the upcoming tenders, thereby capturing the full commercial benefit of any successful tender, while strengthening its competitive position and expanding its geographical network within the evolving public transport sector.

(iii) Operational, strategic and financial synergies

We take note that the Proposed Acquisitions of HBCM complements the Proposed Acquisition of Acacia by enabling both entities to consolidate their assembly activities, providing a capital-efficient platform to scale production and better manage capacity, particularly given the timing uncertainties of government-related tenders.

We also take note that Acacia and HBCM have overlapping brand Principals across certain commercial vehicle categories, and that the consolidation of these businesses under a single group structure is expected to facilitate improved internal coordination in managing brand relationships, aftersales support and the potential optimisation of purchasing terms, whilst remaining compliant with the respective contractual arrangements with such brand Principals.

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In addition, we also take note that HBCM's established clientele, supplier network and customer base can support the downstream deployment of vehicles produced by Acacia, and that the expected operational synergies may improve production planning, shorten procurement lead times and reduce idle-capacity risks. In addition, we take note that HI's expertise in fleet-management technology, together with its existing workshop capabilities, may enhance the competitiveness of the Group's vehicle offerings and create opportunities for integrated services and additional revenue streams.

From a financial standpoint, we take note that the Proposed Acquisitions are expected to be earnings accretive and that the consolidation of Acacia and HBCM is anticipated to generate financial synergies through economies of scale and reduced overlapping functions, which may lead to improve margins, lower overheads and enhanced shareholder value.

(iv) Diversification of the Group's business portfolio

We take note that the Proposed Diversification, undertaken in conjunction with the Proposed Acquisitions, will broaden HI's business into the manufacturing, assembly and distribution of commercial vehicles, which complements its existing operations. The integration of upstream activities is expected to enhance the Group's control over supply reliability and operational efficiency.

In addition, we take note that the Proposed Diversification would allow the Group to develop new income streams that complement the existing operations and contribute towards a more balanced and resilient earnings base over the long term.

Premised on the above, we are of the opinion that the rationale for the Proposals are **reasonable**. Nevertheless, the non-interested Shareholders of HI should note that the potential benefits arising from the Proposals are subject to certain risk factors as disclosed in **Section 5 of Part A** of the Circular and our commentaries as set out in **Section 6.7 of this IAL**.

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6.2 Basis and justification for the purchase consideration of the Target Companies and the lease of the JB Land

6.2.1 Purchase consideration of the Target Companies

As set out in **Section 2.1.5 of Part A** of the Circular, we noted that the Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the PER and the adjusted audited PAT of Acacia as well as the audited PAT of HBCM as follows:

No.	Transaction	Purchase consideration (RM'mil)	PAT (RM'mil)	PER (times)
1.	Proposed Acquisition of Acacia	29.63	(1) 4.23	7.0
2.	Proposed Acquisition of HBCM	52.90	7.56	7.0

Note:

(1) We take note that Acacia's PAT was revised downwards from RM5.14 million to RM4.23 million mainly due to the application of revenue cut-off procedures, where certain revenues initially recorded during the period were reassessed during the financial review conducted as part of the interim audit.

In addition, we also take note that the Purchase Consideration was arrived at after taking into consideration the rationale and benefits of the Proposed Acquisitions as disclosed in **Section 3 of Part A** of the Circular and our commentaries as set out in **Section 6.1 of this IAL**.

Comparable companies

We take note of the list of comparable companies as disclosed in **Section 2.1.5 of Part A** of the Circular. We have perused through the comparable companies disclosed and noted that they are of the following criteria:

- (i) listed on the Main Market of Bursa Securities; and
- (ii) principally involved in the automotive industry in Malaysia.

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As disclosed in **Section 2.1.5 of Part A** of the Circular, the PER multiples of the comparable companies as at the LTD and as at the LPD are as follows:

Comparable companies	PER (times)	
	LTD	LPD
Sime Darby Berhad	6.8	9.2
DRB-HICOM Berhad	26.9	33.6
MBM Resources Berhad	6.2	6.1
Bermaz Auto Berhad	7.1	12.5
Tan Chong Motor Holdings Berhad	N/A	N/A
High	(1) 7.1	(1) 12.5
Low	(1) 6.2	(1) 6.1
Average	(1) 6.7	(1) 9.3
Median	(1) 6.8	(1) 9.2

Note:

(1) Excluding DRB-HICOM Berhad which is an outlier as its PER may be disrupted due to its diversified portfolio of businesses across multiple industries. Tan Chong Motor Holdings Berhad is excluded as it is loss-making.

Based on the above, we are of the view that the comparable companies chosen to derive the range of PERs are **reasonable** as the comparable companies are incorporated in the same region as the Target Companies and are principally involved in similar business segments to the Target Companies.

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Pursuant to the above, the comparison of the implied PER of the Target Companies against the range of PER of the comparable companies are as follows:

No.	Transaction	Purchase consideration (RM'mil)	PAT (RM'mil)	Implied PER (times)	PER of comparable companies as at the LTD (times)	PER of comparable companies as at the LPD (times)	Remarks
1.	Proposed Acquisition of Acacia	29.63	4.23	7.0	6.2x to 7.1x	6.1x to 12.5x	We take note that the implied PER of 7.0 times are within the range of PER of the comparable companies of 6.2x to 7.1x as at the LTD and 6.1x to 12.5x as at the LPD.
2.	Proposed Acquisition of HBCM	52.90	7.56	7.0	6.2x to 7.1x	6.1x to 12.5x	

We take note that there was no adjustment adopted for purposes of valuing 100% issued and paid-up share capital of Acacia and HBCM as these acquisitions allow HI to gain control of Acacia and HBCM rather than acquiring a minority stake, where any perceived illiquidity of the Sale Shares is effectively offset by the applicable control premium.

Based on the above, we are of the view that the Purchase Consideration is **fair** and **reasonable** as it is within the range of PERs of the comparable companies. Hence, the Purchase Consideration to be paid by HI pursuant to the Proposed Acquisitions is **not detrimental** to the interests of the non-interested Shareholders of HI.

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6.2.2 Purchase consideration for the lease of the JB Land

As set out in **Appendix III** of the Circular, we take note that Acacia has entered into the SPA JB Land to acquire the lease over the JB Land. We also take note that the purchase consideration for the proposed acquisition of the lease of the JB Land was arrived at a “willing-buyer willing seller” basis, after taking into account recently completed transactions of comparable leasehold properties. The details of the proposed acquisition of the lease of the JB Land is summarised below:

Description	Audited net book value (RM'mil)	Purchase consideration (RM'mil)	Land area	Price per square foot (RM)
Piece of 60-year leasehold land together with the detached factory and office erected thereon	1.2	16.5	1.214 hectares	126.3

We noted that the purchase consideration of RM16.50 million for the lease of the JB Land is substantially higher than its audited net book value of RM1.2 million as at 31 December 2024. This variance arises because the audited net book value reflects the historical cost of the JB Land at the time of its acquisition approximately 30 years ago and does not account for any subsequent appreciation in market value. Accordingly, the higher purchase consideration is more representative of the JB Land's current market value rather than its historical cost.

As disclosed in **Appendix III** of the Circular, the prevailing prices of recently completed transactions of comparable leasehold properties are as follows:

Transaction date	Address	Building type	Land area (acres)	Transaction price (RM'psf)
14 January 2025	PLO 37, Jalan Keluli	Detached factory	2	92
30 December 2024	PLO 544, Jalan Keluli 3	Detached factory	2	142
18 October 2024	PLO 678, Jalan Keluli 7	Detached factory	2	178
16 July 2024	PLO 688, Jalan Keluli 8	Detached factory	2	132
15 March 2024	PLO 494, Jalan Keluli 7	Detached factory	4	(1) 20
Average				(1) 136

Note:

(1) Excluding RM20 psf which Acacia considered an outlier as it pertains to a larger 4-acre land area.

Based on our review of the recently completed transactions, we noted that the transacted prices ranged from RM92 per square foot (“psf”) to RM178 psf, with an average of RM136 psf. In comparison thereto, the purchase consideration of RM126 psf for the lease of the JB Land falls within the prevailing market range and is below the average transacted prices.

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We take note that the acquisition is intended to facilitate the expansion of Acacia's assembly capacity from 20 to 50 units per month, thereby enabling Acacia to better capitalise on the growing demand for locally assembled buses. We also take note that the JB Land is located in close proximity to Acacia's existing operations, being approximately 1.5 kilometres from Acacia's existing plant, which is expected to enhance operational efficiency and coordination of the enlarged assembly operations. Therefore, the strategic location and operational relevance of the JB Land substantiate its value to the Group, as the acquisition is expected to facilitate capacity expansion while minimising disruption to existing operations.

Based on the above, we are of the view that the purchase consideration for the lease of the JB Land is **fair** and **reasonable**. Hence, the purchase consideration for the lease of the JB Land to be paid by Acacia is **not detrimental** to the interests of the non-interested Shareholders of HI.

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6.3 Evaluation of the Issue Price

6.3.1 Mode of settlement of the Purchase Consideration

The Purchase Consideration for the Proposed Acquisitions will be wholly satisfied by issuance and allotment of the Consideration Shares at an issue price of RM2.40 per HI Share to the Vendors, subject to the terms and conditions of the SSAs.

The settlement via Consideration Shares will allow HI to further enhance its financial position without any impact on its cash flow position as compared to the settlement via cash and / or bank borrowings. Based on the latest unaudited quarter result of HI as at 31 July 2025, HI's cash and bank balances amounts to approximately RM146.08 million. The issuance of the Consideration Shares will result in a marginal reduction in the public shareholding spread from 32.0% as at the LPD to 31.8% after the Proposed Acquisitions, which remains in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements.

Please refer to **Section 6.5 of this IAL** for our commentaries on the effects of the Proposals.

Premised on the above, we are of the view that the mode of settlement is **reasonable** and **not detrimental** to the non-interested Shareholders.

6.3.2 Basis and justification for the Issue Price

As stated in **Section 2.1.6 of Part A** of the Circular, the Issue Price was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the closing price as at the LTD and the 5-day VWAMP of HI Shares up to and including the LTD.

	Share Price	Premium / (Discount)	
	RM	RM	%
Closing price as at the LTD	2.40	-	0.00
5-day VWAMP up to and including the LTD	2.35	0.05	2.13
1-month VWAMP up to and including the LTD	2.53	(0.13)	(5.14)
3-month VWAMP up to and including the LTD	2.45	(0.05)	(2.04)
6-month VWAMP up to and including the LTD	2.13	0.27	12.68

(Source: Bloomberg L.P.)

Based on the above, we take note that the Issue Price:

- (i) is equivalent to the closing price of RM2.40 as at the LTD;
- (ii) represents a premium of RM0.05 or 2.13% over the 5-day VWAMP of HI Shares up to and including the LTD;
- (iii) represents a discount ranging from RM0.05 or 2.04% to RM0.13 or 5.14% over the 1-month and 3-month VWAMP of HI Shares up to and including the LTD; and
- (iv) represents a premium of RM0.27 or 12.68% over the 6-month VWAMP of HI Shares up to and including the LTD.

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Further, the table below sets out the discount represented by the Issue Price vis-à-vis the relevant last traded market price / VWAMP of HI Shares up to and including the LPD:

	Share Price	(Discount)	
	RM	RM	%
Closing price as at the LPD	2.57	(0.17)	(6.61)
5-day VWAMP up to and including the LPD	2.62	(0.22)	(8.40)
1-month VWAMP up to and including the LPD	2.66	(0.26)	(9.77)
3-month VWAMP up to and including the LPD	2.48	(0.08)	(3.23)
6-month VWAMP up to and including the LPD	2.41	(0.01)	(0.41)

(Source: Bloomberg L.P.)

Based on the above, the Issue Price represents:

- (i) a discount of RM0.17 or 6.61% over the last traded market price of HI Shares as at the LPD; and
- (ii) a discount ranging from RM0.01 or 0.41% to RM0.26 or 9.77% over the 5-day, 1-month, 3-month and 6-month VWAMPs of HI Shares up to and including the LPD.

Additionally, we have also assessed the difference in number of Consideration Shares to be issued pursuant to the Proposed Acquisitions based on the Issue Price as compared to the last transacted market price of HI Share as at the LPD of RM2.57 is as follows:

	Purchase Consideration RM'million	No. of Consideration Shares to be issued	
		Based on the Issue Price	Based on last transacted market price of HI Shares as at the LPD of RM2.57
		No. of Shares	No. of Shares
Proposed Acquisition of Acacia	29.63	12,344,248	11,527,704
Proposed Acquisition of HBCM	52.90	22,040,820	20,582,868
Total	82.53	34,385,068	32,110,572

We take note that the number of Consideration Shares to be issued based on the Issue Price is higher when compared to the number of Consideration Shares to be issued based on the last transacted market price of HI Share as at the LPD of RM2.57, which will result in a higher dilution impact. Notwithstanding, it may result in better liquidity of HI Shares due to the higher number of issued Shares to be traded in the open market if the Vendors decide to pare down their shareholdings in the Company, resulting in a greater number of HI Shares to be held by the public shareholders after the completion of the Proposed Acquisitions. In addition, the Proposed Acquisitions will also result in higher revenue and earnings for HI. Please refer to **Section 6.5 of this IAL** for our commentaries on the effects of the Proposed Acquisitions on the earnings of HI.

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Based on the above, we are of the opinion that the Issue Price is **fair** and **reasonable**, and it is **not detrimental** to the interests of the non-interested Shareholders of HI due to the following:

- (i) the Issue Price is equivalent to the closing price of RM2.40 as at the LTD; and
- (ii) the Issue Price represents a premium of RM0.05 or 2.13% over the 5-day VWAMP of HI Shares up to and including the LTD.

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6.4 Salient terms of the SSAs and the SPA JB Land

6.4.1 Salient terms of the Acacia SSA

The Proposed Acquisition of Acacia is subject to the terms and conditions of the Acacia SSA as set out in **Appendix I** of the Circular. We have evaluated the salient terms of the Acacia SSA in its entirety, summarised as follows:

No	Salient terms	Kenanga IB's comments
1.	Basis of Sale The Acacia Vendors agree to sell the Acacia Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto and HI, in reliance of the warranties, agrees to purchase the Acacia Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto on a willing buyer willing seller basis for the Acacia Purchase Consideration. For the avoidance of doubt, HI shall not be obliged to complete the sale and purchase of any of the Acacia Sale Shares unless the sale and purchase of all of the Acacia Sale Shares as well as the HBCM SSA are completed simultaneously.	Reasonable We noted that the Acacia Sale Shares will be transferred to HI free from all encumbrances and with all accrued rights and benefits attaching thereto, on a willing buyer willing seller basis, subject to the simultaneous completion of the Sale Shares and the HBCM SSA. These terms are common for transactions of this nature. ↓
2.	Conditions Precedent The Acacia SSA is conditional on the following being satisfied or obtained or waived (as the case may be) on or before the date falling no later than one hundred and fifty (150) days from the date of the Acacia SSA, or such other date as may be mutually agreed between the parties in writing to enable the fulfilment or waiver of all the conditions ("Acacia Cut-Off Date"); <u>By HI</u> (a) the receipt of approval from the Board and the shareholders of HI for the Proposed Acquisition of Acacia and the Proposed Diversification (including the allotment and issuance of the 12,344,248 HI Shares in favour of the Acacia Vendors) pursuant to the terms of the Acacia SSA; (b) the receipt of approval from Bursa Securities for the listing and quotation of the 12,344,248 new HI Shares to be issued for the Proposed Acquisition of Acacia on the Main Market of Bursa Securities; and	Reasonable We take note that these terms are included to ensure the necessary requisite approvals are obtained to give effect to the completion of the Proposed Acquisition of Acacia. These terms are common for transactions of this nature ↓

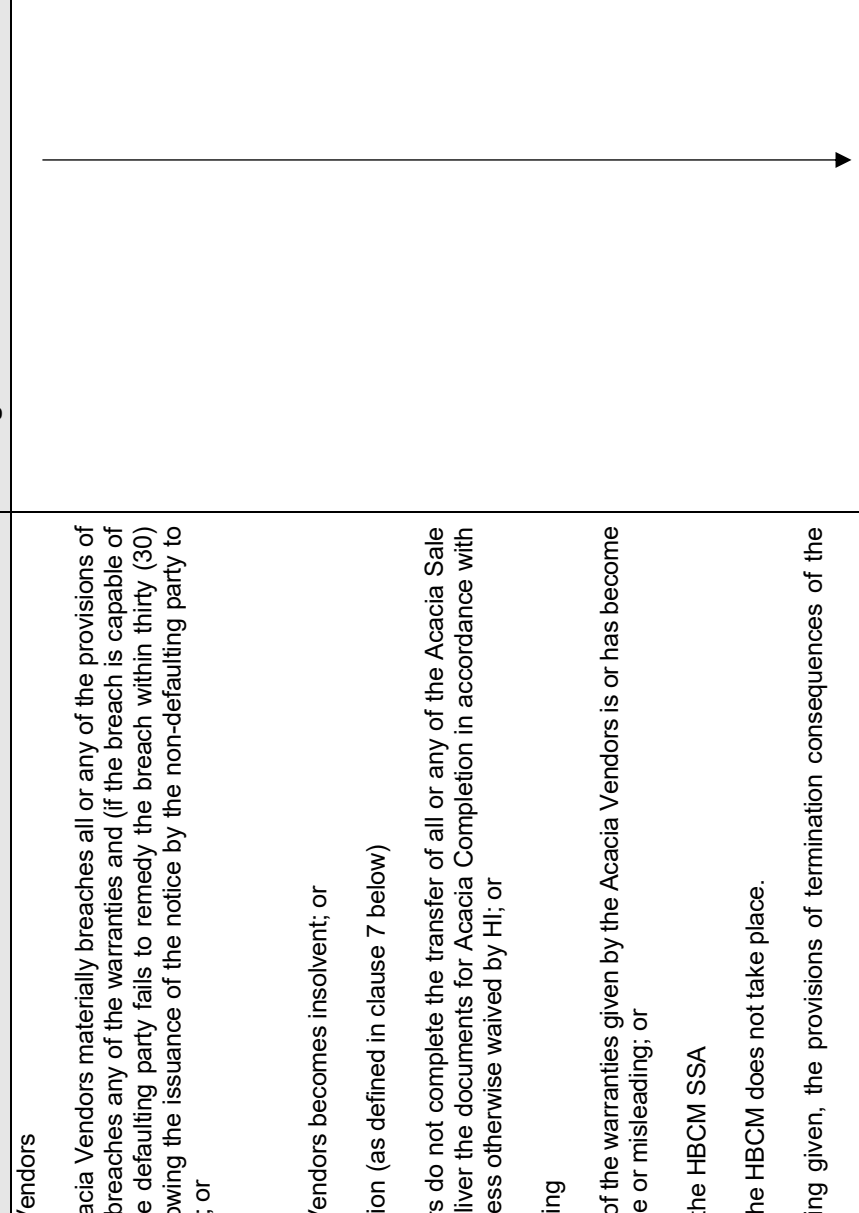
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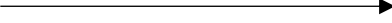
No	Salient terms	Kenanga IB's comments
	(c) the completion of the due diligence exercise on Acacia which is to be carried out by the relevant professional advisers appointed by HI to the satisfaction of HI. <u>By the Acacia Vendors</u> (a) undertake and complete on the rectification matters as may be highlighted and deemed necessary arising from the due diligence by HI from time to time, to the satisfaction of HI. In the event a waiver is provided to the Acacia Vendors by HI in writing on or before the Acacia Cut-Off Date, for avoidance of doubt, such waiver shall not be construed as satisfaction of this condition and shall only be satisfied by the Acacia Vendors pursuant to the terms of the Acacia SSA; and (b) Acacia and the Acacia Vendors having obtained the approvals, consents and / or waivers from the financiers, creditors, regulatory authorities or third parties, including but not limited to those highlighted during the due diligence, in respect of the Proposed Acquisition of Acacia. (Collectively, "Acacia Conditions Precedent") The Acacia SSA shall cease to be conditional upon the date in which all the Acacia Conditions Precedent have been satisfied or obtained or waived on or before the Acacia Cut-Off Date ("Acacia Unconditional Date"). The completion of the sale of the Acacia Sale Shares shall take place thirty (30) days after the Acacia Unconditional Date or by such extended period as the parties may mutually agree in writing ("Acacia Completion Date").	We take note that this condition is included to allow HI to complete its due diligence exercise on Acacia, with the outcome to be satisfactory to HI. This ensures HI has adequately assessed Acacia's financial, legal and operational standing prior to completion of the Proposed Acquisition of Acacia. We take note that this condition requires the rectification of matters identified during the due diligence exercise to HI's satisfaction. This serves to ensure that any material findings or compliance issues are appropriately addressed before the Proposed Acquisition of Acacia is completed. We take note that this condition is included to ensure that Acacia and the Acacia Vendors obtain all requisite consents, approvals and / or waivers from the relevant parties, including financiers and regulatory authorities, to give effect to and facilitate the completion of Proposed Acquisition of Acacia. This term is common for transactions of this nature. We noted that the Acacia Sale Shares will become unconditional once all the Acacia Conditions Precedent have been satisfied, obtained, or waived on or before the Acacia Cut-Off Date. This term is common for transactions of this nature. We noted that completion will take place within thirty (30) days after the Acacia Unconditional Date or within such extended period as may be mutually agreed in writing. This term is common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
3.	Obligation post completion The parties agree that the Acacia Vendors shall use all reasonable efforts to take or cause to be taken all actions for any other rectification matters which were highlighted by HI on or before the Acacia Cut-Off Date but were not rectified by the Acacia Vendors on or before the Acacia Cut-off Date, to the satisfaction of HI following the Acacia Completion Date.	Reasonable We take note that the Acacia Vendors are required to use all reasonable efforts to rectify matters which were highlighted by HI but were not rectified by the Acacia Vendors on or before the Acacia Cut-off Date, to the satisfaction of HI following the Acacia Completion Date. This serves to ensure that any material findings or compliance issues are appropriately addressed before the Proposed Acquisition of Acacia is completed.
4.	Consideration The Acacia Purchase Consideration is to be fully satisfied by way of the allotment and issuance of 12,344,248 new HI Shares. Subject to the Acacia Vendors having duly complied with all of their respective obligations under the provision of the Acacia SSA, HI shall procure the allotment and issuance of the following: a) 8,640,974 new HI Shares in the name of LHW or his nominee; and b) 3,703,274 new HI Shares in the name of BKL or her nominee.	Reasonable We noted that the Acacia Purchase Consideration will be fully satisfied via the issuance and allotment of new HI Shares. We also take note that this enables HI to conserve its cash resources for its operations and to minimise its external financing and the associated financing cost. The issuance and allotment of HI Shares will only take place upon the Acacia Vendors having duly fulfilled their respective obligations under the Acacia SSA.
5.	Termination Without prejudice to the parties' rights under the general or common law including (without limitation) the parties' rights of claim for any damages, costs, disbursements, stamp duties, interest and other charges and payments (whether actual contingent or otherwise) payable by the parties under or in connection with the Acacia SSA: <u>Events of termination by HI</u> HI may terminate the Acacia SSA if: a) Non-satisfaction of the Acacia Conditions Precedent All the Acacia Conditions Precedent (to the extent not waived) by the Acacia Cut-Off Date or any of them cease to be satisfied at any time before the Completion Date or any of the resolutions or approvals referred to in the Acacia SSA is rejected, refused or approved on terms not acceptable to HI; or	Reasonable We noted that these terms are to ensure that the non-defaulting party i.e. HI has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure by the Acacia Vendors to fulfil their respective obligations under the Acacia SSA. These terms are common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
	b) Breach by Acacia Vendors All or any of the Acacia Vendors materially breaches all or any of the provisions of the Acacia SSA or breaches any of the warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or c) Insolvency Any of the Acacia Vendors becomes insolvent; or d) No Acacia Completion (as defined in clause 7 below) The Acacia Vendors do not complete the transfer of all or any of the Acacia Sale Shares or fail to deliver the documents for Acacia Completion in accordance with the Acacia SSA unless otherwise waived by HI; or e) Warranties misleading It appears that any of the warranties given by the Acacia Vendors is or has become materially inaccurate or misleading; or f) Non-completion of the HBCM SSA The completion of the HBCM does not take place. and on such notice being given, the provisions of termination consequences of the Acacia SSA shall apply. <u>Events of termination by the Acacia Vendors</u> The Acacia Vendors may terminate the Acacia SSA if: a) Insolvency HI becomes Insolvent; or	 We noted that these terms are to ensure that the non-defaulting party i.e. the Acacia Vendors has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure by HI to fulfil its respective obligations under the Acacia SSA. These terms are common for transactions of this nature.

No	Salient terms	Kenanga IB's comments
	b) Breach by HI HI materially breaches all or any of the provisions of the Acacia SSA or breaches any of HI's warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or c) No Acacia Completion HI does not make payment of the Acacia Purchase Consideration by way of allotment and issuance of the Acacia Consideration Shares on the Acacia Completion Date, and on such notice being given, the provisions of termination consequences of the Acacia SSA shall apply.	
6.	Termination consequences: In the event the Acacia SSA is terminated by the parties in accordance with Section 5 above, all obligations and liabilities of the parties hereunder shall cease and determine and no party shall have any claim against the other save for any antecedent breaches of the Acacia SSA.	Reasonable We noted that in the event Acacia SSA is terminated in accordance with the relevant provisions, all obligations and liabilities of the parties shall cease, except for any claims arising from antecedent breaches. These terms are common for transactions of this nature whereby it clearly delineates the rights and obligations of the parties in the event of non-completion or termination.
7.	Acacia Completion Subject to the satisfaction of the Acacia Conditions Precedents or the waiver of any such Acacia Conditions Precedent, completion shall take place ("Acacia Completion") on the Acacia Completion Date or such earlier or later date as the parties may mutually agree upon which the Acacia Vendors shall deliver the documents as set out in the Acacia SSA to HI.	Reasonable We noted that completion of the Proposed Acquisition of Acacia is subject to the satisfaction or waiver of the Acacia Conditions Precedent as stipulated in the Acacia SSA. Upon fulfilment of these conditions, completion shall take place on the agreed Acacia Completion Date, during which the Acacia Vendors are required to deliver the relevant documents to HI in accordance with the terms of the Acacia SSA. These terms are common for transactions of this nature.

No	Salient terms	Kenanga IB's comments
8.	Indemnity compensation The Acacia Vendors shall, on Acacia Completion, jointly and severally indemnify HI fully at all times from and against all losses, damages, costs, claims, proceedings, demands and expenses which HI may suffer, incur or pay as a result of or by reason of any of their breach of any of the warranties or any of their undertakings, covenants or obligations under the Acacia SSA and the Acacia Vendors shall keep HI indemnified against: a) any diminution in value of the assets of, or shares in Acacia; or b) any breaches of any of the warranties; or c) any breaches of the undertakings, covenants or obligations under the contracts and / or arrangements entered into by Acacia prior to Acacia Completion; d) any breaches of the undertakings, covenants or obligations under the contracts and / or arrangements entered into by Acacia after Acacia Completion at the request of Acacia Vendors; e) any contravention or violation of laws, rules, regulations and requirements that may apply to and / or may have been imposed on Acacia prior to Acacia Completion; f) any payment made or required to be made by Acacia or HI; and g) any costs and expenses (including rectification expenses) incurred by Acacia or HI as a result of or in connection with those set out in the Acacia SSA and any tax claim pursuant to the tax indemnity.	Reasonable We noted that, pursuant to the terms of the Acacia SSA, the Acacia Vendors shall, on Acacia Completion, jointly and severally indemnify HI against all losses, damages, costs, claims and expenses that may arise as a result of any breach of the warranties, undertakings, covenants or obligations under the Acacia SSA. The indemnity also extends to cover, among others, any diminution in the value of Acacia's assets or shares, breaches of contractual obligations entered into prior to Acacia Completion, breaches of contractual obligations entered into at the request of the Acacia Vendors after Acacia Completion, contravention of applicable laws and regulations, and any tax-related claims or payments incurred by Acacia or HI prior to Acacia Completion. We are of the view that such indemnity provisions are common for transactions of this nature. 

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No	Salient terms	Kenanga IB's comments
9.	Others The Acacia Vendors represents, warrants and undertakes to HI that, among others, the amount of the unaudited PAT recorded by Acacia for the financial period ending 31 July 2025 is not less than RM2.1 million. The Acacia Vendors further agree that the said unaudited PAT shall be verified, approved and certified by an external auditor to be appointed by HI following the execution of the Acacia SSA.	Reasonable We noted that the Acacia Vendors have represented, warranted and undertaken to HI that the unaudited PAT of Acacia for the financial period ending 31 July 2025 shall not be less than RM2.1 million. The Acacia Vendors have further agreed that the said unaudited PAT will be verified, approved and certified by an external auditor to be appointed by HI. We are of the view that such profit undertaking and independent verification requirements are reasonable and provide additional assurance to HI on the financial performance of Acacia.

Based on our review of the Acacia SSA in its entirety, particularly the salient terms as set out above, we are of the view that the overall terms and conditions of the Acacia SSA are **reasonable** and **not detrimental** to the non-interested Shareholders of HI.

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6.4.2 Salient terms of the HBCM SSA

Proposed Acquisition of HBCM is subject to the terms and conditions of the HBCM SSA as set out in **Appendix II** of the Circular. We have evaluated the salient terms of the HBCM SSA in its entirety, summarised as follows:

No	Salient terms	Kenanga IB's comments
1.	Sale Shares The HBCM Vendors agree to sell the HBCM Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto and HI, in reliance of the warranties, agrees to purchase the HBCM Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto on a willing buyer willing seller basis for the HBCM Purchase Consideration. For the avoidance of doubt, HI shall not be obliged to complete the sale and purchase of any of the HBCM Sale Shares unless the sale and purchase of all of the HBCM Sale Shares as well as the Acacia SSA are completed simultaneously.	Reasonable We noted that the HBCM Sale Shares will be transferred to HI free from all encumbrances and with all accrued rights and benefits attaching thereto, on a willing buyer willing seller basis, subject to the simultaneous completion of the HBCM Sale Shares and the Acacia SSA. These terms are common for transactions of this nature.
2.	Conditions Precedent The HBCM SSA is conditional on the following being satisfied or obtained or waived (as the case may be) on or before the date falling no later than one hundred and fifty (150) days from the date of the HBCM SSA, or such other date as may be mutually agreed between the parties in writing to enable the fulfilment or waiver of all the conditions ("HBCM Cut-Off Date"): By HI: a) the receipt of approval from the Board and the shareholders of HI for the Proposed Acquisition of HBCM and the Proposed Diversification (including the allotment and issuance of the 22,040,820 HI Shares in favour of the HBCM Vendors) pursuant to the terms of the HBCM SSA; b) the receipt of approval from Bursa Securities for the listing and quotation of the 22,040,820 new HI Shares to be issued for the Proposed Acquisition of HBCM on the Main Market of Bursa Securities; and	Reasonable We take note that these terms are included to ensure the necessary requisite approvals are obtained to give effect to the completion of the Proposed Acquisition of HBCM. These terms are common for transactions of this nature.

No	Salient terms	Kenanga IB's comments
	c) the completion of the due diligence exercise on HBCM which is to be carried out by the relevant professional advisers appointed by HI to the satisfaction of HI. <u>By HBCM Vendors</u> a) undertake and complete on the rectification matters as may be highlighted and deemed necessary arising from the due diligence by HI from time to time, to the satisfaction of HI. In the event a waiver is provided to the HBCM Vendors by HI in writing on or before the HBCM Cut-Off Date, for avoidance of doubt, such waiver shall not be construed as satisfaction of this condition and shall only be satisfied by the HBCM Vendors pursuant to the terms of the HBCM SSA; b) HBCM and the HBCM Vendors having obtained the approvals, consents and / or waivers from the financiers, creditors, regulatory authorities or third parties, including but not limited to those highlighted during the due diligence, in respect of the Proposed Acquisition of HBCM; c) the termination of the shareholders' agreement dated 4 January 2022 between HBCM, HVSB and LOSB; and d) the receipt of approval from the board of directors and the shareholders of HBCM Vendors for the Proposed Acquisition pursuant to the terms of the HBCM SSA. (Collectively, "HBCM Conditions Precedent")	We take note that this condition is included to allow HI to complete its due diligence exercise on HBCM, with the outcome to be satisfactory to HI. This ensures HI has adequately assessed HBCM's financial, legal and operational standing prior to completion of the Proposed Acquisition of HBCM. We take note that this condition requires the rectification of matters identified during the due diligence exercise to HI's satisfaction. This serves to ensure that any material findings or compliance issues are appropriately addressed before the Proposed Acquisition of HBCM is completed. We take note that this condition is included to ensure that HBCM and the HBCM Vendors obtain all requisite consents, approvals and / or waivers from the relevant parties, including financiers and regulatory authorities, to give effect to and facilitate the completion of Proposed Acquisition of HBCM. This term is common for transactions of this nature. We take note that this condition is included to ensure the termination of the previous shareholders' agreement dated 4 January 2022 entered into among the existing shareholders HBCM, HVSB and LOSB. This is to ensure that all prior shareholder arrangements are duly terminated before completion, thereby allowing the new shareholding structure under the Proposed Acquisitions to take full effect without conflicting obligations. We take note that this condition is included to ensure that the HBCM obtain the necessary approvals from its respective boards of directors and shareholders to authorise and give effect to the Proposed Acquisition of HBCM pursuant to the terms of the HBCM SSA. This term is common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
	The HBCM SSA shall cease to be conditional upon the date in which all the HBCM Conditions Precedent have been satisfied or obtained or waived on or before the HBCM Cut-Off Date ("HBCM Unconditional Date"). The completion of the sale of the HBCM Sale Shares shall take place thirty (30) days after the HBCM Unconditional Date or by such extended period as the parties may mutually agree in writing ("HBCM Completion Date").	We noted that the HBCM Sale Shares will become unconditional once all the HBCM Conditions Precedent have been satisfied, obtained, or waived on or before the HBCM Cut-Off Date. This term is common for transactions of this nature. We noted that completion will take place within thirty (30) days after the HBCM Unconditional Date or within such extended period as may be mutually agreed in writing. This term is common for transactions of this nature.
3.	Obligation post completion The parties agree that the HBCM Vendors shall use all reasonable efforts to take or cause to be taken all actions for: a) the disposal of the vehicles as provided in accordance with the HBCM SSA which are to be carried out on arms' length basis and based on terms and conditions which are not unfavourable to HBCM within twelve (12) months from the HBCM Completion Date; and b) any other rectification matters which were highlighted by HI on or before the HBCM Cut-Off Date but were not rectified by the HBCM Vendors on or before the HBCM Cut-off Date, to the satisfaction of HI following the HBCM Completion Date.	Reasonable We take note that the HBCM Vendors are required to use all reasonable efforts to complete the disposal of the vehicles in accordance with the terms of the HBCM SSA within twelve (12) months from the HBCM Completion Date and rectify matters which were highlighted by HI but were not rectified by the HBCM Vendors on or before the Cut-off Date, to the satisfaction of HI following the HBCM Completion Date.
4.	Consideration The HBCM Purchase Consideration is to be fully satisfied by way of the allotment and issuance of 22,040,820 new HI Shares. Subject to HBCM Vendors having duly complied with all of their respective obligations under the provision of the HBCM SSA, HI shall procure the allotment and issuance of the following: a) 12,122,451 new HI Shares in the name of HVSB or its nominee; and b) 9,918,369 new HI Shares in the name of LOSB.	Reasonable We noted that the HBCM Purchase Consideration will be fully satisfied via the issuance and allotment of new HI Shares. We also take note that this enables HI to conserve its cash resources for its operations and to minimise its external financing and the associated financing cost. The issuance and allotment of HI Shares will only take place upon HBCM Vendors having duly fulfilled their respective obligations under the HBCM SSA.

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No	Salient terms	Kenanga IB's comments
5.	Termination Without prejudice to the parties' rights under the general or common law including (without limitation) the parties' rights of claim for any damages, costs, disbursements, stamp duties, interest and other charges and payments (whether actual contingent or otherwise) payable by the parties under or in connection with the HBCM SSA: <u>Events of termination by HI:</u> HI may terminate the HBCM SSA if: a) Non-satisfaction of the HBCM Conditions Precedent All the HBCM Conditions Precedent (to the extent not waived) by the HBCM Cut-Off Date or any of them cease to be satisfied at any time before the Completion Date or any of the resolutions or approvals referred to in the HBCM SSA is rejected, refused or approved on terms not acceptable to HI; or b) Breach by the HBCM Vendors All or any of the HBCM Vendors materially breaches all or any of the provisions of the HBCM SSA or breaches any of the warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or c) Insolvency Any of the HBCM Vendors becomes insolvent; or d) No HBCM Completion (as defined in clause 7 below) The HBCM Vendors do not complete the transfer of all or any of the HBCM Sale Shares or fail to deliver the documents for HBCM Completion in accordance with the HBCM SSA unless otherwise waived by HI; or	Reasonable We noted that these terms are to ensure that the non-defaulting party i.e. HI has the right to terminate the agreement should there be a breach of the terms of the agreement or any failure by HBCM Vendors to fulfil their respective obligations under the HBCM SSA. These terms are common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
	e) Warranties misleading It appears that any of the warranties given by the HBCM Vendors is or has become materially inaccurate or misleading; or f) Non-completion of the Acacia SSA The completion of the Acacia does not take place and on such notice being given, the provisions of termination consequences of the HBCM SSA shall apply. <u>Events of termination by the HBCM Vendors:</u> The HBCM Vendors may terminate the HBCM SSA if: a) Insolvency HI becomes Insolvent; or b) Breach by HI HI materially breaches all or any of the provisions of the HBCM SSA or breaches any of HI's warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or c) No HBCM Completion HI does not make payment of the HBCM Purchase Consideration by way of allotment and issuance of the HBCM Consideration Shares on the HBCM Completion Date, and on such notice being given, the provisions of termination consequences of the HBCM SSA shall apply.	→ We noted that these terms are to ensure that the non-defaulting party i.e. HBCM Vendors have the right to terminate the agreement should there be a breach of the terms of the agreement or any failure by HI to fulfil its respective obligations under the HBCM SSA. These terms are common for transactions of this nature. →

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No	Salient terms	Kenanga IB's comments
6.	Termination consequences In the event the HBCM SSA is terminated by the parties in accordance with Section 5 above, all obligations and liabilities of the parties hereunder shall cease and determine and no party shall have any claim against the other save for any antecedent breaches of the HBCM SSA.	Reasonable We noted that in the event the HBCM SSA is terminated in accordance with the relevant provisions, all obligations and liabilities of the parties shall cease, except for any claims arising from antecedent breaches. These terms are common for transactions of this nature whereby it clearly delineates the rights and obligations of the parties in the event of non-completion or termination.
7.	HBCM Completion Subject to the satisfaction of the HBCM Conditions Precedents or the waiver of any such Conditions Precedent under the HBCM SSA, the completion shall take place ("HBCM Completion") on the HBCM Completion Date or such earlier or later date as the parties may mutually agree upon which the HBCM Vendors shall deliver the documents as set out in the HBCM SSA to HI.	Reasonable We noted that completion of the Proposed Acquisition of HBCM is subject to the satisfaction or waiver of the Conditions Precedent as stipulated in the HBCM SSA. Upon fulfilment of these conditions, completion shall take place on the agreed HBCM Completion Date, during which the HBCM Vendors are required to deliver the relevant documents to HI in accordance with the terms of the HBCM SSA. These terms are common for transactions of this nature.
8.	Indemnity Compensation The HBCM Vendors shall, on HBCM Completion, jointly and severally indemnify HI fully at all times from and against all losses, damages, costs, claims, proceedings, demands and expenses which HI may suffer, incur or pay as a result of or by reason of any of their breach of any of the warranties or any of their undertakings, covenants or obligations under the HBCM SSA and the HBCM Vendors shall keep HI indemnified against: a) any diminution in value of the assets of, or shares in HBCM; or b) any breaches of any of the warranties; or c) any breaches of the undertakings, covenants or obligations under the contracts and / or arrangements entered into by HBCM prior to HBCM Completion;	Reasonable We noted that, pursuant to the terms of the HBCM SSA, the HBCM Vendors shall, on HBCM Completion, jointly and severally indemnify HI against all losses, damages, costs, claims and expenses that may arise as a result of any breach of the warranties, undertakings, covenants or obligations under the HBCM SSA. The indemnity also extends to cover, among others, any diminution in the value of HBCM's assets or shares, breaches of contractual obligations entered into prior to HBCM Completion, breaches of contractual obligations entered into at the request of the HBCM Vendors after HBCM Completion, contravention of applicable laws and regulations, and any tax-related claims or payments incurred by HBCM or HI prior to HBCM Completion. We are of the view that such indemnity provisions are common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
	d) any breaches of the undertakings, covenants or obligations under the contracts and / or arrangements entered into by HBCM after HBCM Completion at the request of HBCM Vendors; e) any contravention or violation of laws, rules, regulations and requirements that may apply to and / or may have been imposed on HBCM prior to HBCM Completion; f) any payment made or required to be made by HBCM or HI; g) any costs and expenses (including rectification expenses) incurred by HBCM or HI as a result of or in connection with those set out in the HBCM SSA and any tax claim pursuant to the tax indemnity.	
9.	Others The HBCM Vendors represents, warrants and undertakes to HI that, among others, the amount of the unaudited PAT recorded by HBCM for the financial period ending 30 September 2025 is not less than RM1.8 million. The HBCM Vendors further agree that the said unaudited PAT shall be verified, approved and certified by an external auditor to be appointed by HI following the execution of the HBCM SSA.	Reasonable We noted that the HBCM Vendors have represented, warranted and undertaken to HI that the unaudited PAT of HBCM for the financial period ending 30 September 2025 shall not be less than RM1.8 million. The HBCM Vendors have further agreed that the said unaudited PAT will be verified, approved and certified by an external auditor to be appointed by HI. We are of the view that such profit undertaking and independent verification requirements are reasonable and provide additional assurance to HI on the financial performance of HBCM.

Based on our review of the HBCM SSA in its entirety, particularly the salient terms as set out above, we are of the view that the overall terms and conditions of the HBCM SSA are **reasonable** and **not detrimental** to the non-interested Shareholders of HI.

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6.4.3 Salient terms of the SPA JB Land

Acacia's proposed acquisition of the JB Land is subject to the terms and conditions of the SPA JB Land as set out in **Appendix III** of the Circular. We have evaluated the salient terms of the SPA JB Land in its entirety, summarised as follows:

No	Salient terms	Kenanga IB's comments
1.	Sale and Purchase of the JB Land YCMS agrees to sell the JB Land, and Acacia agrees to purchase the JB Land from YCMS, amongst others: a) strictly on an 'as is where is' basis as at the Vacant Possession Date with YCMS making no representation or warranty of any kind either express or implied including without limitation as to description, quality, conditions, measurements, area, suitability, fitness for purpose of the JB Land; b) free from encumbrances; c) subject to all conditions and restrictions in interest endorsed on the issue document of title deed of the JB Land ("JB Land Title") and implied conditions affecting the JB Land; d) free from all restrictive or other covenants, easements, rights and interests created by YCMS; and e) subject to the existing category of land use affecting the JB Land.	Reasonable We noted that Acacia agrees to purchase the JB Land on an 'as is where is' basis as at the Vacant Possession Date and that the JB Land will be transferred free from encumbrances, any restrictive or other covenants, easements, rights or interests created by YCMS. These terms are common for transactions of this nature.
2.	Conditions Precedent a) The sale and purchase of JB Land shall be conditional upon the Acacia's solicitors' receipt of a certified true copy of Johor Corporation's ("Registered Proprietor") consent to the transfer of JB Land from YCMS to Acacia, at YCMS's own costs and expenses, if required. For avoidance of doubt, YCMS shall be responsible for filing the application for the consent to transfer the JB Land and shall use its best endeavours to obtain such consent, provided always that Acacia shall furnish all necessary documents and	Reasonable We noted that the sale and purchase of the JB Land is conditional upon Acacia's solicitor's receipt of the Registered Proprietor's consent to the transfer, with YCMS responsible for applying such consent and both parties are required to provide necessary documents and information. These terms are intended to ensure the transfer is legally valid and enforceable before the SPA JB Land becomes unconditional. Such provisions, including the automatic extension period and refund

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No	Salient terms	Kenanga IB's comments
	information to YCMS or YCMS's solicitors for the application. ("JB Land Condition Precedent"). b) The JB Land Condition Precedent shall be fulfilled within three (3) months from the date of the parties have furnished all the necessary documents and information as may be required by the Registered Proprietor ("JB Land Condition Precedent Period"). c) In the event that the JB Land Condition Precedent cannot be fulfilled or complied by the parties within the JB Land Condition Precedent Period, the parties shall mutually agree to extend the JB Land Condition Precedent Period automatically for a period of one (1) month from the expiry of the JB Land Condition Precedent Period, or any further extended period as mutually agreed by the parties ("Extended JB Land Condition Precedent Period"), free of interest. d) The date on which the JB Land Condition Precedent is fulfilled, as may be notified to Acacia's Solicitors, shall be the date that the SPA JB Land becomes unconditional ("SPA JB Land Unconditional Date"). e) In the event the JB Land Condition Precedent is not fulfilled within the Extended JB Land Condition Precedent Period, (a) not due to the default of YCMS and Acacia, or (b) at the sole discretion of the Registered Proprietor provided always that both YCMS and Acacia have provided the necessary documents and information, as may be required, in its possession and have taken all reasonable steps to procure the fulfilment of the JB Land Condition Precedent, the SPA JB Land shall lapse upon the expiry of the Extended JB Land Condition Precedent Period. YCMS shall forthwith refund to Acacia the Earnest Deposit (as defined below) and Balance Deposit (as defined below) received by YCMS, and the Acacia's solicitors shall refund the Retention Sum (as defined below), free of all interests thereon within fourteen (14) days from receiving the notice of lapse. The SPA JB Land thereafter shall become null and void and ceased to be of any further effect save and except for antecedent breaches. f) In the event the JB Land Condition Precedent is not fulfilled due to Acacia's default within the JB Land Condition Precedent Period, or the Extended JB Land Condition Precedent period, as the case may be:	or forfeiture arrangements, are common for transactions of this nature.

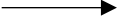
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No	Salient terms	Kenanga IB's comments
	- the Earnest Deposit (as defined below) shall be forfeited by YCMS; - YCMS shall refund the Balance Deposit (as defined below) received by YCMS, free of all interests within fourteen (14) days from receiving the notice of lapse; and - Acacia's solicitors shall refund the Retention Sum (as defined below), free of all interests. The SPA JB Land shall then become null and void and ceased to be of any further effect save and except for antecedent breaches.	
3.	Consideration and Payment a) The purchase price shall be the sum of RM16,500,000.00 ("JB Land Purchase Price"), which shall be paid or caused to be paid by Acacia in the following manner: - the sum of RM500,000.00 ("Earnest Deposit"), being the earnest deposit and part payment towards the JB Land Purchase Price, has been paid by Acacia to YCMS prior to the execution of the SPA JB Land, of which YCMS hereby acknowledges receipt; - the sum of RM160,000.00 ("Retention Sum"), being part payment towards the JB Land Purchase Price and for the purpose of complying with the real property gain tax in accordance with Section 21B of the RPT Act, shall be paid to the Acacia's solicitors upon execution of the SPA JB Land. Acacia shall procure its solicitors to provide a written confirmation to YCMS upon receipt of the Retention Sum from Acacia; - the sum of RM999,000.00 ("Balance Deposit"), being the balance deposit and part payment towards the JB Land Purchase Price, shall be paid by Acacia to YCMS upon the execution of the SPA JB Land; and - the sum of RM14,850,000.00 ("JB Land Balance Purchase Price"), being the balance of the JB Land Purchase Price, shall be paid to YCMS within 3 months from the SPA JB Land Unconditional Date ("JB Land Completion Period").	Reasonable We noted that the JB Land Purchase Price of RM16.50 million is payable through an Earnest Deposit, Retention Sum for real property gain tax purposes, balance deposit and the balance purchase price payable within three months from the SPA JB Land Unconditional Date, with a further automatic one-month extension subject to late payment interest at 8% calculated on a daily basis. We also noted that all payments, including the Retention Sum, form part of the total consideration and the completion date is defined upon full settlement of the JB Land Purchase Price and any late payment interest. These consideration structure, payment timeline and late payment provisions are common for transactions of this nature. 

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No	Salient terms	Kenanga IB's comments
	b) In the event Acacia shall fail to pay the JB Land Balance Purchase Price due to be paid by Acacia, within the JB Land Completion Period, YCMS agrees to grant to Acacia an automatic extension of 1 month from the expiry of the JB Land Completion Period ("Extended JB Land Completion Period") for Acacia to make payment of the JB Land Balance Purchase Price provided always that Acacia shall pay to YCMS an 8% interest on the JB Land Balance Purchase Price ("Late Payment Interest") calculated on a daily basis from the day immediately following the expiry of the JB Land Completion Period until the date of full payment of the JB Land Balance Purchase Price to YCMS together with the Late Payment Interest. c) All monies paid to YCMS and the Retention Sum paid to the Acacia's Solicitor by the Acacia shall be deemed payment paid to YCMS and are part of the JB Land Purchase Price. The date on which the JB Land Purchase Price and Late Payment Interest (if any) is paid to YCMS from Acacia and supported by a written notification in respect of such payment shall be referred to as the "JB Land Completion Date".	
4.	Vacant Possession Vacant possession of the JB Land shall be delivered by YCMS to Acacia within seven (7) Business Days from the JB Land Completion Date ("Vacant Possession Date").	Reasonable We noted that vacant possession of the JB Land shall be delivered to Acacia within seven Business Days from the JB Land Completion Date. These terms and timeline are common for transactions of this nature.
5.	Default by YCMS If: a) YCMS fails to perform or observe or otherwise be in breach of any of the terms, conditions, covenants, warranties and representations on the part of YCMS contained in SPA JB Land; b) an application or order is made for the winding up or dissolution or a resolution is passed, or any steps are taken to pass a resolution for the winding up or dissolution of YCMS otherwise than for the purpose of an amalgamation or reconstruction; or c) YCMS enters into any composition or arrangement with its creditors or enters into liquidation whether compulsory or voluntary,	Reasonable We noted that these terms are to ensure that the non-defaulting party i.e. Acacia is entitled to seek specific performance against YCMS, together with costs and expenses, in the event YCMS breaches its obligations under the JB Land SPA or becomes subject to winding up, liquidation or arrangements with creditors and fails to remedy such default within fourteen Business Days after receipt of notice. These terms are common for transactions of this nature. 

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No	Salient terms	Kenanga IB's comments
	and YCMS fails within fourteen (14) Business Days of receipt of a notice from Acacia to remedy the failure or default or breach or the matter, Acacia shall be entitled to, at any time thereafter, seek specific performance of the provisions of the SPA JB Land against YCMS together with costs and expenses.	
6.	Default by Acacia If: a) Acacia fails, refuses and / or neglects to pay the JB Land Purchase Price or any part thereof or any monies payable under the SPA JB Land; b) Acacia commits a breach of any of the terms and conditions of the SPA JB Land; c) Acacia fails to perform or observe all or any of the Acacia's covenants, warranties or representations under the SPA JB Land; d) an application or order is made for the winding up or dissolution or a resolution is passed, or any steps are taken to pass a resolution for the winding up or dissolution of Acacia otherwise than for the purpose of an amalgamation or reconstruction; or e) Acacia enters into any composition or arrangement with its creditors or enters into liquidation whether compulsory or voluntary, and Acacia fails within fourteen (14) Business Days of receipt of a notice from YCMS to remedy the breach or the matter, YCMS shall be entitled at YCMS's sole discretion, to at any time after the expiry of YCMS's notice of remedy, serve a written notice to Acacia of its intention to terminate the sale and purchase under the SPA JB Land ("YCMS Termination Notice"). Upon the date of the issuance of YCMS's Termination Notice: a) all Deposit paid by Acacia shall be forfeited absolutely. For the avoidance of doubt, if the Retention Sum has been paid to the Director-General in compliance with the RPGT Act, Acacia shall pay a sum equivalent to the Retention Sum to YCMS within seven (7) Business Days from the date of YCMS's Termination Notice, and Acacia shall be entitled to seek the refund of the Retention Sum and/or other monies paid	Reasonable We noted that these terms are to ensure that the non-defaulting party i.e. YCMS has the right to terminate the agreement, forfeit the deposits paid and require the restoration of the JB Land, as well as to seek specific performance together with costs and expenses should Acacia defaults on its payment obligations, breaches the terms of the SPA or becomes subject to winding up, liquidation or arrangements with creditors and fails to remedy such default within fourteen Business Days after notice. These terms are common for transactions of this nature. 

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No	Salient terms	Kenanga IB's comments
	to the Director-General in accordance with the clause of the SPA JB Land. Acacia shall: - return or cause to be returned to YCMS, the original JB Land Title, the memorandum of transfer (as defined in the National Land Code 2020) and all documents delivered to Acacia, Acacia's solicitors or any of the commercial bank's/ financial institution's (Acacia's Financier) solicitors, with the interests of the Registered Proprietor and YCMS intact, subject always to the YCMS's compliance with the SPA JB Land; - if applicable, at its own cost and expense, reinstate and re-deliver to YCMS vacant possession of the JB Land in the same state and condition when it was then delivered to Acacia. The reinstatement of the JB Land shall be to the satisfaction of Acacia and to be commenced within fourteen (14) days from the date of YCMS's Termination Notice; - at its own cost and expense, withdraw and cause and procure Acacia' Solicitors, the Acacia's Financier and/or the Acacia's Financier's solicitors to withdraw any private caveat entered by Acacia, Acacia's solicitors, Acacia's Financier or Acacia's Financier's solicitors over the JB Land or remove any encumbrance created by Acacia or the Acacia's Financier over the JB Land, and provides documentary proof of the said withdrawal and/or removal within seven (7) days from the date of the YCMS's Termination Notice; and thereafter, neither party shall have any further claim against the other for costs, damages compensation or otherwise save and except for: - any antecedent breach of the provisions of the SPA JB Land; and - YCMS shall be entitled to deal with or otherwise dispose of the JB Land in such manner as YCMS shall see fit as if the SPA JB Land had not been entered into. b) YCMS shall be entitled to, at any time thereafter, seek specific performance of the provisions of SPA JB Land against Acacia together with costs and expenses.	

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No	Salient terms	Kenanga IB's comments
7.	Non-registration of Transfer a) In the event that the transfer of the JB Land in favour of Acacia is rendered not transferable by reason of any unforeseeable circumstance or any encumbrance not existing at the date of execution of the SPA JB Land, not owing to the fault, default, wilful neglect, omission or blameworthy conduct on the part of YCMS and Acacia, each party will use its best endeavours: - to ascertain the cause or reason for such non-acceptance or rejection or non-registration of the transfer of the JB Land; - to rectify, remedy and / or overcome such cause or reason; and - to cause the transfer of the JB Land in favour of Acacia to be accepted for registration and / or registered, and in the event that such cause or reason cannot be or is not rectified, remedied and/or overcome within a period of thirty (30) days from the date such non-registration of the transfer of the JB Land is made known to Acacia or such other extended period as may be agreed by both parties herein, a termination event will occur where either party may elect ("Electing Party") to terminate the sale and purchase under the SPA JB Land in accordance with the SPA JB Land. b) The Electing Party may elect to terminate the transaction by written notice to the other party and upon expiry of fourteen (14) days from the date of the Electing Party's notice, the SPA JB Land shall terminate, and Acacia shall: - return or cause to be returned to the Registered Proprietor or YCMS's solicitor all relevant documents, including but not limited to the original JB Land Title and the transfer of the JB Land if the same shall have been delivered by the Registered Proprietor or the YCMS's solicitor to Acacia or Acacia's Solicitors with the interests of the Registered Proprietor and YCMS intact; - if applicable, re-deliver to YCMS vacant possession of the JB Land in the same state and condition when they were then delivered to Acacia at the cost and expense of Acacia; and	Reasonable We noted that where the transfer of the JB Land cannot be registered due to unforeseeable circumstances or encumbrances not attributable to either party's fault, both parties are required to use their best endeavours to identify and remedy the cause, failing which either party may elect to terminate the SPA if the matter is not resolved within thirty days or such extended period as may be agreed. These provisions are intended to provide a fair mechanism to address events beyond the parties' control and to protect the interests of the non-affected party. These provisions are common for transactions of this nature. → We noted that upon the occurrence of a termination event and following written notice by the electing party, the SPA will be terminated after fourteen days, with Acacia required to return all relevant documents, withdraw any caveats or encumbrances and, where applicable, re-deliver vacant possession of the JB Land, in exchange for a refund by YCMS of all the monies paid towards the purchase price without interest. These provisions are intended to ensure that, in the event of a termination, both parties are restored to their pre-transaction positions and no party is unfairly disadvantaged. These provisions are common for transactions of this nature.

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No	Salient terms	Kenanga IB's comments
	at its own cost and expense, cause Acacia's solicitors, Acacia's Financier and/or the Acacia's Financier's solicitors to forthwith withdraw any private caveat entered by Acacia or Acacia's Financier over the JB Land or to remove any encumbrance created by Acacia or Acacia's Financier over the JB Land if the same has been lodged against the JB Land and Acacia shall produce documentary proof of the said withdrawal or removal, in exchange for the refund by YCMS to Acacia of all monies paid towards account of the JB Land Purchase Price including the Deposit without interest whereupon the SPA JB Land shall be terminated and cease to be of any further effect and thereafter neither party shall have any further claim against the other for costs, damages, compensation or otherwise except for any antecedent breach of the provisions of the SPA JB Land and YCMS shall be entitled to deal with or otherwise dispose of the JB Land in such manner as YCMS shall see fit as if the SPA JB land had not been entered into.	

Based on our review of the SPA JB Land in its entirety, particularly the salient terms as set out above, we are of the view that the overall terms and conditions of the SPA JB Land are reasonable and not detrimental to the non-interested Shareholders of HI.

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6.5 Effects of the Proposals

We take cognisance that the Proposed Diversification will not have any effect on the issued share capital, substantial shareholders' shareholdings, NA per HI Share and gearing, earnings and EPS, as it will not involve any issuance of new HI Shares. Notwithstanding this, we take note of the effects of the Proposed Acquisitions as stipulated in **Section 6 of Part A** of the Circular. Our commentaries on the effects are summarised as follows:

Effects	Kenanga IB's comments
Issued share capital	The Proposed Acquisitions will result in an increase to HI's share capital from 500,000,000 Shares to 534,385,068 Shares following the issuance of the Consideration Shares upon the completion of the Proposed Acquisitions which will be dilutive to the non-interested Shareholders of HI. This will result in a reduction of the public shareholding spread from 32.0% as at the LPD to 31.8% after the Proposed Acquisitions, which remains in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements. Notwithstanding the dilutive effect, the issuance of Consideration Shares allows HI to avoid using internal cash resources or incurring additional borrowings to satisfy the Purchase Consideration.
Substantial shareholder's shareholdings	Upon the completion of the Proposed Acquisitions and issuance of the Consideration Shares, the total shareholding of LHW (both direct and indirect) will increase from 60.23% to 60.93%.
NA, NA per Share and gearing	The Proposed Acquisitions will result in an increase in the equity attributable to the owners of HI from RM239.98 million upon listing on the Main Market of Bursa Securities to RM321.96 million. The equity attributable to the owners per HI Share will also increase from RM0.48 upon listing on the Main Market of Bursa Securities to RM0.60 pursuant to the completion of the Proposed Acquisitions. However, upon completion of the Proposed Acquisitions, the gearing level of HI is expected to increase marginally from 0.71 times upon listing on the Main Market of Bursa Securities to 0.73 times pursuant to the completion of the Proposed Acquisitions, mainly due to the consolidation of borrowings from Acacia and HBCM.
Earnings and EPS	The Proposed Acquisitions are expected to improve HI's earnings, with the pro forma consolidated PAT attributable to the owners of HI increasing from RM43.76 million for the FYE 31 January 2025 to RM55.00 million assuming the Proposed Acquisitions were affected on 1 February 2024. We also noted that there is a slight increase in EPS from 8.75 sen upon listing on the Main Market of Bursa Securities to 10.29 sen.

Premised on the above, we are of the opinion that the pro forma effects of the Proposed Acquisitions are **reasonable** and **not detrimental** to the interests of the non-interested Shareholders of HI on an overall basis.

6.6 Industry overview, outlook and prospects

We take cognisance of the industry overview and outlook, and prospects of the industry in relation to the Proposals as set out in **Section 4 of Part A** of the Circular and our commentaries are as set out below:

(i) Overview and outlook of the Malaysian economy

We take note of the overview and outlook of the Malaysian economy as detailed in **Section 4.1 of Part A** of the Circular.

Malaysia's economy is projected to record steady growth of between 4.0% and 4.8% in 2025, supported primarily by firm domestic demand. Private consumption is expected to remain resilient, underpinned by favourable labour market conditions, higher disposable income, targeted government assistance, and strong tourism activity. Investment momentum will be sustained through the implementation of multi-year development projects and increased inflows into high-growth sectors such as semiconductors and data centres. From the supply perspective, growth will continue to be led by the services and manufacturing sectors, buoyed by robust tourism, retail trade, and the ongoing expansion of the digital economy.

In 2026, the economy is anticipated to maintain stable growth in the range of 4.0% to 4.5%, supported by resilient domestic demand and a steady external environment. Private consumption will benefit from the implementation of Phase 2 of the Public Service Remuneration System, continued targeted government assistance, and strong tourism activities under Visit Malaysia 2026. Investment activity is expected to remain firm, with capital expenditure focused on high-impact and strategic sectors. The services and manufacturing sectors will remain the primary drivers of growth, complemented by steady expansion in the construction and agriculture sectors.

Over the medium term, Malaysia's economic outlook remains positive, supported by sound fiscal management, continued structural reforms, and ongoing efforts to enhance productivity, innovation, and digitalisation. The Government remains committed to maintaining fiscal sustainability while promoting inclusive growth, strengthening social protection, and enhancing national competitiveness.

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

(ii) Overview and outlook of the automotive industry in Malaysia

We noted the overview and outlook of the automotive industry in Malaysia as detailed in **Section 4.2 of Part A** of the Circular.

According to PwC's Overview of the ASEAN-6 Automotive Market (February 2025), Malaysia's automotive industry is expected to sustain steady growth from 2025 onwards, supported by a stable economy, resilient consumer demand, and continued policy support. In 2024, light vehicle sales rose 2% to about 817,000 units, making Malaysia the second-largest automotive market in ASEAN. Passenger vehicle sales increased modestly, while commercial vehicle demand declined following the diesel subsidy removal. Strong GDP growth above 4.5% and healthy consumer spending are expected to support continued demand.

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Malaysia's electrification efforts are progressing under the National Energy Transition Roadmap (NETR) and Low Carbon Mobility Blueprint (LCMB), which target EVs to represent 15% of total vehicle sales by 2030. Although EV adoption remains low at around 2.6%, growth is supported by local assembly of EVs from Proton, Perodua, and Volvo, as well as expanded charging infrastructure led by Gentari. National brands Perodua and Proton maintain a combined market share of roughly 60%, while Chinese entrants such as Chery and BYD continue to strengthen their presence. Overall, the sector's medium-term outlook remains positive, underpinned by stable demand and increasing momentum toward electrification.

Under the New Industrial Master Plan 2030, the automotive industry is identified as a key enabler of Malaysia's industrial transformation, with strong potential to move up the global value chain and contribute to higher economic complexity. Growth within the sector is expected to be driven by the transition towards electric vehicles and other high value-added segments, supported by the development of an integrated ecosystem comprising EV chips, superchargers, and smart sensors. The adoption of automation, robotics, and digital technologies is also emphasised to enhance productivity, innovation, and competitiveness.

In line with Malaysia's commitment to achieve net zero emissions, the automotive industry is expected to play a pivotal role in promoting green mobility and sustainable manufacturing practices. NIMP 2030 also underscores the need to strengthen local supply chain resilience, increase SME participation, and encourage balanced growth across all states. These initiatives are expected to position Malaysia as a competitive, sustainable, and innovation-driven automotive hub within the region.

(Sources: Overview of the Asean-6 Automotive Market, PwC Automotive ASEAN Centre of Excellence and New Industrial Master Plan 2030 Sectoral Plan – Automotive Industry, Ministry of Investment, Trade and Industry)

We are of the view that Malaysia's positive economic outlook provides a supportive environment for growth in the automotive sector. The continued expansion of the transportation subsector, coupled with increasing adoption of electric vehicles and the government's push for sustainable mobility under NIMP 2030, indicates strong long-term prospects for the industry. In this context, the Proposals are well positioned to capitalise on rising demand for efficient and environmentally friendly transportation solutions.

Based on the above, we believe that moving forward, barring any unforeseen circumstances, the prospects of the Target Companies should be **generally positive** as the integration is expected to strengthen HI's value chain and scale up its fleet and operational capacity to meet the integrated supply, operation and maintenance requirements under future government-related projects.

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Nonetheless, we wish to highlight that the Proposals, is subject to risks and uncertainties which are not within HI's control such as, but not limited to, regulatory risks and adverse changes in economic conditions, details of which are set out in Section 5 of Part A of the Circular. The occurrence of any of such events may impact HI's revenue and earnings to be derived from the Proposals. There shall also be no guarantee that the anticipated benefits from the Proposals will be realised by HI in the foreseeable future.

6.7 Risk factors in relation to the Proposals

In considering the Proposals, the non-interested Shareholders of HI are advised to give careful consideration to the risks of the Proposals as set out in **Section 5 of Part A** of the Circular and as summarised as follows:

(i) Non-completion risk

We are of the view that the non-completion risk is a common aspect of similar acquisition proposals or arrangements.

We take note that HI will take all reasonable steps to ensure that all conditions precedent set out in the SSAs, which are within the control of HI, will be fulfilled within the stipulated timeframe as well as mitigate the occurrence of any of the termination events that are within HI's control in order to complete the Proposals in a timely manner.

(ii) Integration and business diversification risk

We noted that the key integration and business diversification risk arising from the Proposals includes potential challenges in aligning operations, management teams and business processes between HI and the Target Companies, which may affect the realisation of the anticipated synergies and benefits. We further noted that there can be no assurance that the anticipated benefits of the Proposed Acquisition of Acacia will be realised or the expected financial performance of Acacia will be achieved post-completion of the Proposed Acquisition of Acacia due to its limited operational and financial track record, and given the highly competitive nature of the automotive industry.

Nevertheless, we take note that HI intends to mitigate these risks by implementing the necessary integration process, including establishing an appropriate management framework and implementation plan to facilitate a smooth and effective post-acquisition integration process.

(iii) Dependency on key management personnel risk

We noted that the loss of key management personnel of Acacia and HBCM, without suitable and timely replacements, could disrupt the operations, delay project delivery, and adversely affect the financial performance of the enlarged Group.

Nevertheless, we take note that HI intends to adopt appropriate measures to retain Acacia's and HBCM's key management personnel and attract qualified personnel, including providing competitive remuneration packages, requisite training and other employment benefits. We also noted the HI will seek to develop a broader pool of experienced personnel, both through recruitment and by fostering internal talent development, to reduce reliance on any single individual.

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(iv) Non-renewal of existing contracts with principals

We noted that the Target Companies' business operations are dependent on contracts entered into with their respective brand principals for the assembly, distribution and sale of commercial vehicles in Malaysia. We further noted that, in the event the relevant brand principals elect not to renew or extend the contracts, or materially vary the terms of engagement, the Target Companies may encounter challenges in securing alternative brand principals on commercially acceptable terms, which could adversely affect the Target Companies' business operations.

Nevertheless, we take note that the Target Companies have historically maintained long-standing relationships with their brand principals, with their contracts having been renewed upon expiry in the past. We also noted that the enlarged Group intends to mitigate this risk by continuing to strengthen its relationships with existing brand principals and explore opportunities to broaden its portfolio of vehicle brands as well as pursue new assembly and distribution arrangements with other manufacturers to reduce reliance on any particular brand principal.

(v) Supply and operational risks

We noted that the Target Companies' business operations are exposed to various supply risks which may affect production continuity and delivery performance. In addition, we also noted that the Target Companies are exposed to operational risks from potential machinery and equipment failures, which may result in production disruption or delays.

Notwithstanding this, we noted that the Group intends to mitigate these risks through the adoption of inventory management, preventive maintenance and business continuity measures. In addition, we also noted that based on the historical track record of the Target Companies, there have been no incidents that have led to major disruptions of their respective business operations.

(vi) Product segment risks

We noted that HBCM's principal business of distributing commercial vans and trucks differs from the commercial bus assembly and operating activities undertaken by Acacia and the Group, which may introduce additional operational complexity to the enlarged Group.

Notwithstanding this, we noted that the Group's existing involvement in the automotive industry may mitigate certain risks arising from such differences, as the underlying industry practices, standards and risk management frameworks remain broadly comparable.

(vii) Political, economic and regulatory risks

We noted that the financial and business prospects of the Target Companies may be subject to risks arising from changes in Malaysia's political, economic and regulatory environment, which could impact their operations and performance.

Nevertheless, we take note that HI intends to mitigate these risks by proactively monitoring key developments and reviewing the Target Companies' business strategies to ensure timely and effective responses to any changes in external conditions.

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While we take note that measures will be taken by the Management to mitigate such risks associated with the Proposals, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and operation of HI, its financial performance or prospects thereon.

In evaluating the Proposals, non-interested Shareholders should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolutions pertaining to the Proposals at the forthcoming EGM. Non-interested Shareholders should also note that the risk factors mentioned in Section 5 of Part A of the Circular and this IAL are not meant to be exhaustive.

7. CONCLUSION AND RECOMMENDATION

The non-interested Shareholders of HI should carefully consider the justifications for the Proposals based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A** of the Circular together with the accompanying appendices before voting on the resolutions pertaining to the Proposals at the forthcoming EGM.

Premised on our evaluation of the Proposals in **Section 6 of this IAL**, we are of the opinion that the Proposals are fair and reasonable and not detrimental to the interests of non-interested Shareholders of HI.

Accordingly, we recommend that the non-interested Shareholders of HI to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

Yours faithfully,
For and on behalf of
KENANGA INVESTMENT BANK BERHAD

DATUK ROSLAN HJ TIK
Executive Director, Head
Group Investment Banking & Islamic Banking

ALVIN OOI YET MING
Head,
Corporate Finance

PART C

**LETTER TO THE SHAREHOLDERS OF HI IN RELATION TO THE PROPOSED
SHAREHOLDERS' RATIFICATION AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING
NATURE**

DEFINITIONS FOR PART C OF THIS CIRCULAR

In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:-

Acacia	:	Acacia Motor Services Sdn. Bhd. (Registration No. 199501025773 (354978-K))
Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board or Directors	:	Board of Directors of HI
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Code	:	Malaysian Code on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time and any re-enactment thereof
CLHPL	:	Causeway Link Holidays Pte. Ltd. (UEN No. 199706566C)
CLHSB	:	Causeway Link Holidays Sdn. Bhd. (Registration No. 200301007956 (610376-V))
CMSA	:	Capital Market and Services Act 2007
Director(s)	:	(a) A director of HI Group, and shall have the same meaning as given in Section 2(1) of the CMSA; and (b) For purposes of the Proposed Shareholders' Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:- (i) a Director of the Company, its subsidiary or holding company; or (ii) a Chief Executive of the Company, its subsidiary or holding company.
EGM	:	Extraordinary General Meeting
eMooVit	:	eMooVit Technology Sdn. Bhd. (Registration No. 201601030400 (1201341-A))
EPS	:	Earnings Per Share
Handal Ceria	:	Handal Ceria Sdn. Bhd. (Registration No. 200401035161 (673670-K))
Handal BCM	:	Handal BCM Sdn. Bhd. (Registration No. 199701039925 (455425-V))
HI Group or the Group	:	HI and its subsidiary companies
HI or the Company	:	HI Mobility Berhad (Registration No. 202401023591 (1569440-A))

DEFINITIONS FOR PART C OF THIS CIRCULAR (Cont'd)

Hipgraphy	:	Hipgraphy Advertising Sdn. Bhd. (Registration No. 201401022020 (1098106-X))
HI Ride	:	HI Ride Pte. Ltd. (UEN No. 202520083W)
HISB	:	Handal Indah Sdn. Bhd. (Registration No. 199401001789 (287467-M))
HI Share(s)	:	Ordinary shares in HI
Hugo	:	Hugo Mobility Pte. Ltd. (UEN No. 201615566Z)
Kumpool	:	Kumpool Sdn. Bhd. (Registration No. 202201048025 (1493722-P))
Liannex Ecotech	:	Liannex Ecotech Pte. Ltd. (UEN No. 202128079G)
Listing Date	:	28 March 2025, the date HI was admitted to the Official List of Bursa Securities
Listing Requirements	:	Bursa Securities' Main Market Listing Requirements including any amendments, modifications and additions that may be made from time to time and any Practice Notes issued in relation thereto.
LPD	:	23 January 2026, being the latest practicable date prior to the date of this Circular
Major Shareholder(s)	:	A person who has (which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- a) 10% or more of the total number of voting shares in the Company; or b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For this purpose, the definition of "interest in shares" shall have the meaning given in Section 8 of the Act.
Manja Link	:	Manja Link Pte. Ltd. (UEN No. 201134172M)
Manja Tech	:	Manja Technologies Sdn. Bhd. (Registration No. 201301036187 (1066015-W))
Market Day	:	Means a day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday
Matteo	:	Matteo (Malaysia) Sdn. Bhd. (Registration No. 200201020534 (588197U))
Navipulse	:	Navipulse Sdn. Bhd. (Registration No. 202001031894 (1388214-H))

DEFINITIONS FOR PART C OF THIS CIRCULAR (Cont'd)

- Persons Connected** : In relation to a Director or a Major Shareholder (collectively referred to as the "said Person"), means such a person who falls under any one of the following categories:-
- (a) A family member of the said Person, which means such person who falls within any one of the following categories:-
 - (i) spouse;
 - (ii) parent;
 - (iii) child including an adopted child and step-child;
 - (iv) brother or sister; and
 - (v) spouse of the person referred to in items (iii) and (iv) above;
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;
 - (c) A partner of the said Person, which means such person who falls within any one of the following categories:-
 - (i) a person with whom the said Person, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be;
 - or
 - (ii) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not;
 - (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) A person, or whether the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under obligation, whether formal or informal, to act;
 - (f) A body corporate in which the said Person or person connected with the said Person is entitled to exercise or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) A body corporate which is a related corporation of the said Person.
- Proposals** : Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate collectively
- Proposed New Shareholders' Mandate** : Proposed new shareholders' mandate for RRPT to be entered into from the date of the forthcoming EGM until the next AGM

DEFINITIONS FOR PART C OF THIS CIRCULAR *(Cont'd)*

Proposed Shareholders' Ratification	:	Proposed shareholders' ratification for RRPT entered/to be entered into from the Date of Listing up to the date of the forthcoming EGM
Recurrent Related Party Transactions or RRPT	:	Recurrent related party transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group
Related Party(ies)	:	Directors or Major Shareholders of HI or persons connected with such Director or Major Shareholder as defined under Chapters 1 and 10 of the Listing Requirements
RPT	:	Related party transaction entered into by the Group which involves the interest, direct or indirect, of a related party
Shares	:	Ordinary shares in the Company
Substantial Shareholders	:	Shall have the meaning as given in Section 136 of the Act
Surprise Holiday	:	Means a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
YHB	:	Yinson Holdings Berhad (Registration No. 199301004410 (259147-A))
Y Mobility	:	Yinson Mobility Sdn. Bhd. (Registration No. 202201009399 (1455096-A))
Y Transport	:	Yinson Transport (M) Sdn. Bhd. (Registration No. 198401005061 (117579-X))
Zhengzhou	:	Zhengzhou Ecolife Technology Co., Ltd. (91410105MA9GMHQ69U)
RM and sen	:	Ringgit Malaysia and sen respectively

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.



HI MOBILITY BERHAD
Registration No. 202401023591 (1569440-A)
(Incorporated in Malaysia)

Registered Office
Level 7, Mercu 3
No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur,
Wilayah Persekutuan

11 February 2026

Board of Directors

Raja Datuk Zaharaton Binti Raja Zainal Abidin	<i>(Independent Non-Executive Chairperson)</i>
Bah Kim Lian	<i>(Non-Independent Non-Executive Director)</i>
Datuk Wira Azhar Bin Abdul Hamid	<i>(Senior Independent Non-Executive Director)</i>
Lim Chern Chuen	<i>(Executive Director cum Chief Executive Officer)</i>
Ahmed Fairuz Bin Abdul Aziz	<i>(Independent Non-Executive Director)</i>
Faridah Bt Iskandar	<i>(Independent Non-Executive Director)</i>
Lim Chern Fang	<i>(Alternate Director to Bah Kim Lian)</i>

To: The Shareholders of HI

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE

1. INTRODUCTION

Bursa Securities had vide its letter dated 20 March 2025, granted the Company an extension of time to obtain shareholders' ratification/mandate for RRPTs entered into by the HI Group from the listing date on 28 March 2025 up to the forthcoming AGM or EGM, whichever is earlier. The Company had on 17 December 2025, announced its intention to seek shareholders' approval for the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate under Paragraph 10.09 and Practice Note 12 of the Listing Requirements at the EGM of the Company.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND PROXY FORM ARE DESPATCHED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Provisions under the Listing Requirements

2.1.1 Pursuant to Paragraph 10.09(1)(a) of the Listing Requirements, HI must immediately announce a Recurrent Related Party Transaction where:-

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the higher.

In addition, Paragraph 10.08(2) of the Listing Requirements states that where any one of the percentage ratios of a related party transaction is 5% or more, HI must issue a circular to its shareholders, obtain specific shareholder's approval of the transaction and appoint an independent adviser. Further, Paragraph 10.08(4) of the Listing Requirements states that where any one of the percentage ratios is 25% or more, in addition to the foregoing, HI must appoint a main adviser.

2.1.2 Pursuant to Paragraph 10.09(2) of the Listing Requirements, HI may seek a shareholders' mandate in respect of Recurrent Related Party Transactions subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the HI's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular together with a checklist showing compliance with such information must be submitted to Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the RRPT; and
- (v) HI immediately announces to Bursa Securities when the actual value of a RRPT entered into by the HI Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where HI has procured a shareholders' mandate pursuant to the above, the provisions of the Listing Requirements as set out in Section 2.1.1 of this Circular shall not apply.

Transactions entered into between HI (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries are excluded from the requirements of Part E of Chapter 10 of the Listing Requirements.

2.2 Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate

The Board proposes to seek shareholders' ratification for the RRPTs entered into by HI Group from the date of listing on 28 March 2025 up to the date of the EGM and new shareholders' mandate for the RRPTs to be entered into by HI Group from the date of the EGM until the forthcoming AGM of the Company. Such RRPTs have been/will be conducted in the ordinary course of business with the Related Parties and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

The Proposed New Shareholders' Mandate, if approved, will take effect from the date of passing of the ordinary resolution at the EGM and shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the forthcoming EGM at which such ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal and/or new shareholders' mandate at each subsequent AGM of the Company.

2.3 Principal Business Activities of HI Group

The principal activity of HI is investment holding. As at the LPD, the principal activities of the subsidiaries are as follows:-

Name of subsidiaries	Effective equity interest (%)	Principal activities
HISB	100	Provision of bus transportation services.
HI Ride	100	Provision of chartered bus services (including school buses).

2.4 Classes and Nature of RRPT

The details of the RRPTs entered and/or to be entered into by HI Group with the Related Parties under the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate are tabulated as follows: -

Transacting parties	Nature of transaction	Nature of relationship/ Interested Major Shareholder and/or Director	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Actual aggregate value transacted from the Listing Date up to the LPD RM'000	Estimated aggregate value from the LPD up to the date of the forthcoming EGM RM'000	Estimated aggregate value from the date of forthcoming EGM to the next AGM RM'000
Acacia	Provision of bus assembly services to HISB by Acacia	Lim Han Weng ⁽¹⁾ Bah Kim Lian ⁽¹⁾	3,645	180	180
	Purchase of buses by HISB from Acacia		14,955	9,000	36,000
Handal BCM	Provision of incidental maintenance services to HISB by Handal BCM	Lim Han Weng ⁽²⁾ Bah Kim Lian ⁽²⁾ Lim Chern Chuen ⁽²⁾	19	10	100
Manja Tech	Purchase of ticketing machine by HISB from Manja Tech	Lim Chern Chuen ⁽³⁾	1,276	350	1,390
	Provision of IT supports services and AI Integration with technology advancement to HISB by Manja Tech		-	500	3,500
Handal Ceria	Purchase of used buses by HISB from Handal Ceria	Lim Han Weng ⁽⁴⁾ Bah Kim Lian ⁽⁴⁾	309	-	-
	Provision of IT supports services to HISB by Handal Ceria		-	-	1,000

2.4 Classes and Nature of RRPT (Cont'd)

The details of the RRPTs entered and/or to be entered into by HI Group with the Related Parties under the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate are tabulated as follows (Cont'd):-

Transacting parties	Nature of transaction	Nature of relationship/ Interested Major Shareholder and/or Director	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Actual aggregate value transacted from the Listing Date up to the LPD	Estimated aggregate value from the LPD up to the date of the forthcoming EGM	Estimated aggregate value from the date of forthcoming EGM to the next AGM
CLHSB	Provision of chartered bus service, printing services and rental of bus counter by HISB to CLHSB	Lim Han Weng ⁽⁵⁾ Bah Kim Lian ⁽⁵⁾ Lim Chern Chuen ⁽⁵⁾	128	45	RM'000
	Rental of chartered buses to HISB by CLHSB		92	20	100
Hipgraphy	Provision of advertisement printing services to HISB by Hipgraphy	Lim Han Weng ⁽⁶⁾ Bah Kim Lian ⁽⁶⁾	286	-	-
1. Hugo 2. Manja Link	Payment of commission for top up of closed loop card by HISB to Hugo and Manja Link	Lim Han Weng ⁽⁷⁾ Bah Kim Lian ⁽⁷⁾	575	150	500
Kumpool	Rental of buses by HISB to Kumpool	Lim Han Weng ⁽⁸⁾ Bah Kim Lian ⁽⁸⁾	21	-	-

2.4 Classes and Nature of RRPT (Cont'd)

The details of the RRPTs entered and/or to be entered into by HI Group with the Related Parties under the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate are tabulated as follows (Cont'd):-

Transacting parties	Nature of transaction	Nature of relationship/ Interested Major Shareholder and/or Director	Proposed Shareholders' Ratification			Proposed New Shareholders' Mandate
			Actual aggregate value transacted from the Listing Date up to the LPD	Estimated aggregate value from the LPD up to the date of the forthcoming EGM	Estimated aggregate value from the date of forthcoming EGM to the next AGM	
			RM'000	RM'000	RM'000	
Matteo	Purchase of tyres by HISB from Matteo	Lim Han Weng ⁽⁹⁾ Bah Kim Lian ⁽⁹⁾	620	120	450	
Navipulse	Provision of subscription service of software to HISB by Navipulse	Lim Han Weng ⁽¹⁰⁾ Bah Kim Lian ⁽¹⁰⁾ Lim Chern Chuen ⁽¹⁰⁾	511	450	1,350	
YHB	Provision of management services to HI Group by YHB	Lim Han Weng ⁽¹¹⁾ Bah Kim Lian ⁽¹¹⁾	391	-	360	
Y Mobility	Rental of motor vehicles to HISB by Y Mobility	Lim Han Weng ⁽¹²⁾ Bah Kim Lian ⁽¹²⁾	30	10	70	
Y Transport	Rental of training space and provision of transport services to HISB by Y Transport	Lim Han Weng ⁽¹³⁾ Bah Kim Lian ⁽¹³⁾	33	10	70	
Zhengzhou	Purchase of spare parts by HISB from Zhengzhou	Lim Chern Chuen ⁽¹⁴⁾	695	500	2,500	

2.4 Classes and Nature of RRPT (Cont'd)

The details of the RRPTs entered and/or to be entered into by HI Group with the Related Parties under the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate are tabulated as follows (Cont'd):-

Transacting parties	Nature of transaction	Nature of relationship/ Interested Major Shareholder and/or Director	Proposed Shareholders' Ratification		Proposed New Shareholders' Mandate
			Actual aggregate value transacted from the Listing Date up to the LPD	Estimated aggregate value from the LPD up to the date of the forthcoming EGM	Estimated aggregate value from the date of forthcoming EGM to the next AGM
Liannex Ecotech	Provision of electric vehicle charging services to HISB by Liannex Ecotech	Lim Han Weng ⁽¹⁵⁾ Bah Kim Lian ⁽¹⁵⁾	RM'000 127	RM'000 30	RM'000 150
CLHPL	Rental of motor vehicles to HI Ride by CLHPL	Lim Han Weng ⁽¹⁶⁾ Bah Kim Lian ⁽¹⁶⁾ Lim Chern Chuen ⁽¹⁶⁾ Lim Chern Fang ⁽¹⁶⁾	272	100	500
Bah Kim Lian	Rental of residential units to HISB by Bah Kim Lian ⁽¹⁷⁾	Bah Kim Lian ⁽¹⁷⁾	45	10	70
eMooVit	Rental of electric bus from HISB to eMooVit	Lim Han Weng ⁽¹⁸⁾ Bah Kim Lian ⁽¹⁸⁾	84	70	350

Notes:

- (1) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Acacia.
- (2) Bah Kim Lian is a director and substantial shareholder of HI. Lim Han Weng is the major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB and are spouses. They are also parents of Lim Chern Chuen, who is the director of HI and Handal BCM. Lim Han Weng and Bah Kim Lian are deemed interested in Handal BCM by virtue of their shareholdings in Handal Ventures Sdn. Bhd. pursuant to Section 8 of the Act.
- (3) Lim Chern Chuen is a director of HI. He is also the sole director and sole shareholder of Manja Tech.
- (4) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Handal Ceria.
- (5) Bah Kim Lian is a director and substantial shareholder of HI. Lim Han Weng is the major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB, shareholders of CLHSB and are spouses. Lim Han Weng and Bah Kim Lian are parents of Lim Chern Chuen, who is the director of CLHSB.
- (6) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Hipgraphy.
- (7) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Hugo and Manja Link.
- (8) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Kumpool.
- (9) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders in Matteo.
- (10) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB and are spouses. They are also parents of Lim Chern Chuen, who is also the director of HI.

Lim Han Weng, Bah Kim Lian and Lim Chern Chuen are also the directors of Navipulse. Both Lim Han Weng and Bah Kim Lian are deemed interested in Navipulse by virtue of their shareholdings in Genesis Legacy Pte. Ltd., the ultimate holding company of Navipulse pursuant to Section 8 of the Act.

Lim Han Weng, Bah Kim Lian and Lim Chern Chuen have resigned as directors in Navipulse on 15 October 2025. Both Lim Han Weng and Bah Kim Lian are not deemed interested in Navipulse with effect from 23 October 2025 due to the change in corporate ownership. Notwithstanding the resignation and change in corporate ownership of Navipulse, Lim Han Weng, Bah Kim Lian and Lim Chern Chuen are considered as related parties pursuant to Chapter 10 of the Bursa Securities's Listing Requirements.
- (11) Bah Kim Lian is a director of HI and substantial shareholder of HI and YHB, while Lim Han Weng is a major shareholder of HI and YHB. Both Lim Han Weng and Bah Kim Lian are also the directors in YHB and are spouses.

- (12) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are deemed interested in Y Mobility by virtue of their shareholdings in YHB, the ultimate holding company of Y Mobility pursuant to Section 8 of the Act.
- (13) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors of Y Transport. Lim Han Weng is deemed interested in Y Transport by virtue of his shareholding in Liannex Corporation (S) Pte. Ltd., the ultimate holding company of Y Transport pursuant to Section 8 of the Act.
- (14) Lim Chern Chuen is a director of HI. He is also the director and shareholder of Zhengzhou.
- (15) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors in HISB and are spouses. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Liannex Ecotech.
- (16) Bah Kim Lian and Lim Chern Chuen are directors of HI. Lim Chern Fang is the alternate director to Bah Kim Lian in HI. Lim Han Weng is the major shareholder and Bah Kim Lian is the substantial shareholder of HI, and they are spouses. Lim Han Weng and Bah Kim Lian are parents of Lim Chern Chuen and Lim Chern Fang. Lim Han Weng, Bah Kim Lian, Lim Chern Chuen and Lim Chern Fang are directors in HI Ride. Both Lim Han Weng and Bah Kim Lian are also the directors and shareholders of CLHPL.
- (17) Bah Kim Lian is a director and substantial shareholder of HI. She is also a director in HISB. Rental of the residential units to HISB by Bah Kim Lian is payable on a monthly basis. The details of the residential units are set out below:

Residential Unit	Location	Size (Square feet)
Residential Unit 1	Casa Tebrau @ Seri Palma, Jalan Delima 3/1, 81100 Johor Bahru, Johor	1,981
Residential Unit 2	Casa Tebrau @ Seri Palma, Jalan Delima 3/1, 81100 Johor Bahru, Johor	2,013

- (18) Bah Kim Lian is a director and substantial shareholder of HI, while Lim Han Weng is a major shareholder of HI. Both Lim Han Weng and Bah Kim Lian are the directors of HISB and are spouses. Lim Han Weng and Bah Kim Lian are deemed interested in eMooVit by virtue of their shareholdings in YHB, the ultimate holding company of eMooVit pursuant to Section 8 of the Act.

If the proposed acquisition of Acacia and HBCM are approved by HI shareholder at the EGM, the target completion date is in first quarter of 2026. Upon which, Acacia and HBCM will become the wholly-owned subsidiaries of HI and hence, the transactions with Acacia and HBCM will not be regarded as RRPTs anymore.

@ The estimated aggregate value for the transaction with Navipulse is until 22 April 2026.

2.5 Review Procedures for the RRPT

The Directors of HI has established policies/procedures/measures to ensure that the RRPT are undertaken on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and that they are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to shareholders. The Board will ensure that all transactions with Related Parties will only be entered into after taking into consideration the business strategic planning, pricing, level and quality of products or services.

The pricing of products or services shall be determined based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration.

The Group shall review the RRPTs based on the following parameters/procedures:-

- (i) The definition of a related party, the list of related parties and the review procedures will be circulated and/or updated within the Group.
- (ii) The duties and roles of the Audit Committee include the review of RRPTs.
- (iii) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and Audit Committee, on a quarterly basis. Any member of the Audit Committee may as he/she deems fit, request additional information pertaining to the RRPTs from independent sources or advisers. The Audit Committee shall also review the adequacy of the processes and procedures to track and monitor these RPTs and RRPTs in a timely and orderly manner to ensure accuracy.
- (iv) The RRPTs will only be entered into after taking into account the pricing, business strategy, availability of vehicles/products, order size, delivery time and level of service.
- (v) The pricing, terms and conditions of the RRPTs shall be consistent with the Group's usual business practice and determined with due consideration to, among others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as a comparison, wherever available or possible, to determine whether the price and terms offered to and/or by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products and/or services and/or quantities.
- (vi) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPTs, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPTs are not detrimental to the Company and/or the Group.
- (vii) The Audit Committee shall review procedures, and shall continue to review the established guidelines and procedures, as and when required, on an annual basis with the authority to subdelegate to individuals or committees within the Company as they deem appropriate.
- (viii) Where any Director or Person Connected to him or the Audit Committee has an interest (direct or indirect) in any RRPTs, he will abstain from voting on any matter relating to any decision making by the Board or the Audit Committee in respect of such transactions.

- (ix) The said interested Director shall undertake that he/she will ensure that Persons Connected with him/her abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting.

The Group's RPT policy allows transaction below RM500,000/- to be approved by Management, and on quarterly basis, all RRPTs will be reviewed and considered by the Audit Committee and approved by the Board.

2.6 Statement by Audit Committee

The Audit Committee of HI has seen and reviewed the procedures mentioned in Section 2.5 above and is of the opinion that the abovementioned procedures are sufficient to ensure that the RRPTs are carried out on terms not more favourable to the Related Parties than those generally available to the public, at arm's length basis and on the Group's normal commercial terms and are not detrimental to the interests of the minority shareholders.

HI Group has in place adequate procedures and processes to identify, monitor, track and disclose RRPTs in a timely and orderly manner. The Audit Committee of HI conducts the review of these procedures and processes on an annual basis and review the RRPTs on a quarterly basis.

2.7 Amount Due and Owing by Related Parties Pursuant to the RRPTs

As at LPD, there is no outstanding amount due and owing to the HI Group by its Related Parties under the RRPTs which exceeded the credit term. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of Practice Note 12 of the Listing Requirements are not applicable.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSALS

The RRPTs pursuant to the Proposals are all in the ordinary course of business and intended to meet the strategic business needs of the Group.

The Group and the Related Parties are familiar with each other and have a good understanding of each other's business needs, thus providing a platform where informed commercial decisions can be made so that all parties can benefit from the RRPTs.

The Proposed New Shareholders' Mandate is intended to facilitate transactions entered into in the ordinary course of business of the Group with the Related Parties at arm's length and based on the Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The Proposed New Shareholders' Mandate will eliminate the necessity of the Company to make frequent announcements to Bursa Securities and to convene separate general meetings on an ad-hoc basis to seek shareholders' approval as and when RRPTs with the specified classes of Related Parties arise. This will substantially reduce administrative time and expenses associated with the making of announcements or the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

4. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on the issued share capital and shareholdings of the Substantial Shareholders of the Company, and is not expected to have a material effect on the earnings per share and net assets of the Group.

5. APPROVAL REQUIRED

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming EGM. Save for the approval of the shareholders, there are no other approvals required for the Proposals.

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

The direct and indirect interests of the interested Directors, interested Major Shareholders and Persons Connected to the Directors of the Company as at the LPD are as follows:-

Shareholdings as at LPD				
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Bah Kim Lian ^(a)	32,400,000	6.48	*268,750,000	53.75
Lim Chern Chuen ^(b)	-	-	-	-
Lim Chern Fang ^(b)	-	-	-	-
<u>Interested Major Shareholder</u>				
Lim Han Weng ^(a)	268,750,000	53.75	*32,400,000	6.48

Notes:

(a) Bah Kim Lian and Lim Han Weng are the parents of Lim Chern Chuen and Lim Chern Fang.

(b) Lim Chern Chuen and Lim Chern Fang are siblings and they are the children of Bah Kim Lian and Lim Han Weng.

* Deemed interested by virtue of his/her spouse's direct shareholding in the Company pursuant to Section 8 of the Act.

The interested Directors have abstained and will continue to abstain from the Board's deliberations and voting on the relevant resolutions. They will also abstain from voting in respect of their direct shareholdings and indirect shareholdings (if any) in HI, on the resolutions approving the Proposals at the forthcoming EGM.

Mr. Lim Han Weng, the major shareholder of the Company will abstain from voting in respect of its direct shareholdings and indirect shareholdings (if any) in HI on the resolutions approving the Proposals at the forthcoming EGM.

The aforementioned interested Directors and interested Major Shareholders of the Company have also undertaken to ensure that the Persons Connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions, deliberating or approving the Proposals at the forthcoming EGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected to them has any interest, direct or indirect, in the Proposals.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors as set out in Section 6 of this Circular), having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Group.

Accordingly, the Board (save for the Interested Directors as set out in Section 6 of this Circular) recommends that you vote in favour of the ordinary resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

8. EGM

The forthcoming EGM will be held at Westside 1 & 2, Level 8, St. Giles Boulevard, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 26 February 2026 at 10.00 a.m. or at any adjournment thereof.

The Notice of the EGM together with the Form of Proxy, Administrative Guide and this Circular are available at the Company's website at <https://himobilitygroup.com/investor-resources/> or Bursa Securities' website at <https://www.bursamalaysia.com/>.

The voting of the EGM will be conducted by poll. If you are unable to attend and vote at our EGM, you may appoint up to two (2) proxies to attend and vote for him/her or on his/her behalf by completing, signing, and returning the enclosed Form of Proxy and depositing it at the Company's share registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, submitting via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof.

Shareholders are advised to refer to the Administrative Guide for the EGM for details on the registration and voting process.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached **Appendix VII** of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
HI MOBILITY BERHAD

AHMED FAIRUZ BIN ABDUL AZIZ
Independent Non-Executive Director

SALIENT TERMS OF THE ACACIA SSA

1. SALE SHARES

The Acacia Vendors agree to sell the Acacia Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto and HI, in reliance of the warranties, agrees to purchase the Acacia Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto on a willing buyer willing seller basis for the Acacia Purchase Consideration.

For the avoidance of doubt, HI shall not be obliged to complete the sale and purchase of any of the Acacia Sale Shares unless the sale and purchase of all of the Acacia Sale Shares as well as the HBCM SSA are completed simultaneously.

2. CONDITIONS PRECEDENT

The Acacia SSA is conditional on the following being satisfied or obtained or waived (as the case may be) on or before the date falling no later than one hundred and fifty (150) days from the date of the Acacia SSA, or such other date as may be mutually agreed between the parties in writing to enable the fulfilment or waiver of all the conditions ("**Acacia Cut-Off Date**"):

(1) By HI

- (a) the receipt of approval from the Board and the shareholders of HI for the Proposed Acquisition of Acacia and the Proposed Diversification (including the allotment and issuance of the 12,344,248 HI Shares in favour of the Acacia Vendors) pursuant to the terms of the Acacia SSA;
- (b) the receipt of approval from Bursa Securities for the listing and quotation of the 12,344,248 new HI Shares to be issued for the Proposed Acquisition of Acacia on the Main Market of Bursa Securities; and
- (c) the completion of the due diligence exercise on Acacia which is to be carried out by the relevant professional advisers appointed by HI to the satisfaction of HI.

(2) By the Acacia Vendors

- (a) undertake and complete on the rectification matters as may be highlighted and deemed necessary arising from the due diligence by HI from time to time, to the satisfaction of HI. In the event a waiver is provided to the Acacia Vendors by HI in writing on or before the Acacia Cut-Off Date, for avoidance of doubt, such waiver shall not be construed as satisfaction of this condition and shall only be satisfied by the Acacia Vendors pursuant to the terms of the Acacia SSA; and
- (b) Acacia and the Acacia Vendors having obtained the approvals, consents and/or waivers from the financiers, creditors, regulatory authorities or third parties, including but not limited to those highlighted during the due diligence, in respect of the Proposed Acquisition of Acacia.

(collectively, "**Acacia Conditions Precedent**")

The Acacia SSA shall cease to be conditional upon the date in which all the Acacia Conditions Precedent have been satisfied or obtained or waived on or before the Acacia Cut-Off Date ("**Acacia Unconditional Date**").

The completion of the sale of the Acacia Sale Shares shall take place thirty (30) days after the Acacia Unconditional Date or by such extended period as the parties may mutually agree in writing ("**Acacia Completion Date**").

SALIENT TERMS OF THE ACACIA SSA (Cont'd)

3. OBLIGATION POST COMPLETION

The parties agree that the Acacia Vendors shall use all reasonable efforts to take or cause to be taken all actions for any other rectification matters which were highlighted by HI on or before the Acacia Cut-Off Date but were not rectified by the Acacia Vendors on or before the Acacia Cut-off Date, to the satisfaction of HI following the Acacia Completion Date.

4. CONSIDERATION

The Acacia Purchase Consideration is to be fully satisfied by way of the allotment and issuance of 12,344,248 new HI Shares. Subject to the Acacia Vendors having duly complied with all of their respective obligations under the provision of the Acacia SSA, HI shall procure the allotment and issuance of the following:

- (a) 8,640,974 new HI Shares in the name of LHW or his nominee⁽¹⁾; and
- (b) 3,703,274 new HI Shares in the name of BKL or her nominee⁽²⁾.

Notes:

- (1) *LHW may nominate YLSB as his nominee; and*
- (2) *BKL may nominate YLSB as her nominee.*

5. TERMINATION

Without prejudice to the parties' rights under the general or common law including (without limitation) the parties' rights of claim for any damages, costs, disbursements, stamp duties, interest and other charges and payments (whether actual contingent or otherwise) payable by the parties under or in connection with the Acacia SSA:

Events of termination by HI

HI may terminate the Acacia SSA if:

- (a) Non-satisfaction of the Acacia Conditions Precedent

All the Acacia Conditions Precedent (to the extent not waived) by the Acacia Cut-Off Date or any of them cease to be satisfied at any time before the Completion Date or any of the resolutions or approvals referred to in the Acacia SSA is rejected, refused or approved on terms not acceptable to HI; or

- (b) Breach by the Acacia Vendors

All or any of the Acacia Vendors materially breaches all or any of the provisions of the Acacia SSA or breaches any of the warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or

- (c) Insolvency

Any of the Acacia Vendors becomes insolvent; or

- (d) No Acacia Completion (as defined in clause 7 in this Appendix)

The Acacia Vendors do not complete the transfer of all or any of the Acacia Sale Shares or fail to deliver the documents for Acacia Completion in accordance with the Acacia SSA unless otherwise waived by HI; or

SALIENT TERMS OF THE ACACIA SSA (Cont'd)

(e) Warranties misleading

It appears that any of the warranties given by the Acacia Vendors is or has become materially inaccurate or misleading; or

(f) Non-completion of the HBCM SSA

The completion of the HBCM does not take place

and on such notice being given, the provisions of termination consequences of the Acacia SSA shall apply.

Events of termination by the Acacia Vendors

The Acacia Vendors may terminate the Acacia SSA if:

(a) Insolvency

HI becomes insolvent; or

(b) Breach by HI

HI materially breaches all or any of the provisions of the Acacia SSA or breaches any of HI's warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or

(c) No Acacia Completion

HI does not make payment of the Acacia Purchase Consideration by way of allotment and issuance of the Acacia Consideration Shares on the Acacia Completion Date,

and on such notice being given, the provisions of termination consequences of the Acacia SSA shall apply.

6. TERMINATION CONSEQUENCES

In the event the Acacia SSA is terminated by the parties in accordance with Section 5 above, all obligations and liabilities of the parties hereunder shall cease and determine and no party shall have any claim against the other save for any antecedent breaches of the Acacia SSA.

7. ACACIA COMPLETION

Subject to the satisfaction of the Acacia Conditions Precedents or the waiver of any such Acacia Conditions Precedent, completion shall take place ("**Acacia Completion**") on the Acacia Completion Date or such earlier or later date as the parties may mutually agree upon which the Acacia Vendors shall deliver the documents as set out in the Acacia SSA to HI.

8. INDEMNITY COMPENSATION

The Acacia Vendors shall, on Acacia Completion, jointly and severally indemnify HI fully at all times from and against all losses, damages, costs, claims, proceedings, demands and expenses which HI may suffer, incur or pay as a result of or by reason of any of their breach of any of the warranties or any of their undertakings, covenants or obligations under the Acacia SSA and the Acacia Vendors shall keep HI indemnified against:

(a) any diminution in value of the assets of, or shares in Acacia; or

SALIENT TERMS OF THE ACACIA SSA (Cont'd)

- (b) any breaches of any of the warranties; or
- (c) any breaches of the undertakings, covenants or obligations under the contracts and/or arrangements entered into by Acacia prior to Acacia Completion;
- (d) any breaches of the undertakings, covenants or obligations under the contracts and/or arrangements entered into by Acacia after Acacia Completion at the request of Acacia Vendors;
- (e) any contravention or violation of laws, rules, regulations and requirements that may apply to and/or may have been imposed on Acacia prior to Acacia Completion;
- (f) any payment made or required to be made by Acacia or HI;
- (g) any costs and expenses (including rectification expenses) incurred by Acacia or HI as a result of or in connection with those set out in the Acacia SSA and any tax claim pursuant to the tax indemnity.

9. OTHERS

The Acacia Vendors represents, warrants and undertakes to HI that, among others, the amount of the unaudited PAT recorded by Acacia for the FPE 31 July 2025 is not less than RM2.1 million. The Acacia Vendors further agree that the said unaudited PAT shall be verified, approved and certified by an external auditor to be appointed by HI following the execution of the Acacia SSA.

“Insolvency” shall mean the following:

If in respect of a company:

- (a) is deemed unable to pay its debts under Section 466(1) of the Act;
- (b) is the subject of any action taken for or with a view to its winding up (whether compulsory or voluntary) other than a winding up approved by HI which is for the sole purpose of reorganisation, amalgamation or reconstruction of a solvent company;
- (c) has a receiver appointed over or an encumbrancer takes possession of or enforces its rights over any of its assets;
- (d) enters into dealings with any of its creditors with a view to avoiding or in expectation of insolvency;
- (e) proposes a scheme of compromise or arrangement with all or any of its creditors under Section 366 of the Act; or
- (f) applies for or obtains a restraining order on any term under Section 368(1) of the Act.

If in respect of an individual:

- (a) commits an act of bankruptcy (as defined by Section 3 of the Bankruptcy Act, 1967);
- (b) is the subject of any action taken for or with a view to adjudicating him bankrupt;
- (c) has a receiver appointed over or an encumbrancer takes possession of or enforces its rights on any of his assets;
- (d) enters into dealings with any of his creditors with a view to avoiding or in expectation of insolvency; or
- (e) is insolvent or bankrupt.

SALIENT TERMS OF THE HBCM SSA

1. SALE SHARES

The HBCM Vendors agree to sell the HBCM Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto and HI, in reliance of the warranties, agrees to purchase the HBCM Sale Shares free from all encumbrances together with all accrued rights and benefits attaching thereto on a willing buyer willing seller basis for the HBCM Purchase Consideration.

For the avoidance of doubt, HI shall not be obliged to complete the sale and purchase of any of the HBCM Sale Shares unless the sale and purchase of all of the HBCM Sale Shares as well as the Acacia SSA are completed simultaneously.

2. CONDITIONS PRECEDENT

The HBCM SSA is conditional on the following being satisfied or obtained or waived (as the case may be) on or before the date falling no later than one hundred and fifty (150) days from the date of HBCM SSA, or such other date as may be mutually agreed between the parties in writing to enable the fulfilment or waiver of all the conditions ("**HBCM Cut-Off Date**"):

(1) By HI

- (a) the receipt of approval from the Board and the shareholders of HI for the Proposed Acquisition of HBCM and the Proposed Diversification (including the allotment and issuance of the 22,040,820 HI Shares in favour of the HBCM Vendors) pursuant to the terms of the HBCM SSA;
- (b) the receipt of approval from Bursa Securities for the listing and quotation of the 22,040,820 new HI Shares to be issued for the Proposed Acquisition of HBCM on the Main Market of Bursa Securities; and
- (c) the completion of the due diligence exercise on HBCM which is to be carried out by the relevant professional advisers appointed by HI to the satisfaction of HI.

(2) By the HBCM Vendors

- (a) undertake and complete on the rectification matters as may be highlighted and deemed necessary arising from the due diligence by HI from time to time, to the satisfaction of HI. In the event a waiver is provided to the HBCM Vendors by HI in writing on or before the HBCM Cut-Off Date, for avoidance of doubt, such waiver shall not be construed as satisfaction of this condition and shall only be satisfied by the HBCM Vendors pursuant to the terms of the HBCM SSA;
- (b) HBCM and the HBCM Vendors having obtained the approvals, consents and/or waivers from the financiers, creditors, regulatory authorities or third parties, including but not limited to those highlighted during the due diligence, in respect of the Proposed Acquisition of HBCM;
- (c) the termination of the shareholders' agreement dated 4 January 2022 between HBCM, HVSB and LOSB; and
- (d) the receipt of approval from the board of directors and the shareholders of HBCM Vendors for the Proposed Acquisition pursuant to the terms of the HBCM SSA.

(collectively, "**HBCM Conditions Precedent**")

The HBCM SSA shall cease to be conditional upon the date in which all the HBCM Conditions Precedent have been satisfied or obtained or waived on or before the HBCM Cut-Off Date ("**HBCM Unconditional Date**").

SALIENT TERMS OF THE HBCM SSA (Cont'd)

The completion of the sale of the HBCM Sale Shares shall take place thirty (30) days after the HBCM Unconditional Date or by such extended period as the parties may mutually agree in writing ("**HBCM Completion Date**").

3. OBLIGATION POST COMPLETION

The parties agree that the HBCM Vendors shall use all reasonable efforts to take or cause to be taken all actions for:

- (a) the disposal of the eighty five (85) completely knocked down ("**CKD**") vehicles as provided in accordance with the HBCM SSA which are to be carried out on arms' length basis and based on terms and conditions which are not unfavourable to HBCM within twelve (12) months from the HBCM Completion Date; and
- (b) any other rectification matters which were highlighted by HI on or before the HBCM Cut-Off Date but were not rectified by the HBCM Vendors on or before the HBCM Cut-off Date, to the satisfaction of HI following the HBCM Completion Date.

4. CONSIDERATION

The HBCM Purchase Consideration is to be fully satisfied by way of the allotment and issuance of 22,040,820 new HI Shares. Subject to HBCM Vendors having duly complied with all of their respective obligations under the provision of the HBCM SSA, HI shall procure the allotment and issuance of the following:

- (a) 12,122,451 new HI Shares in the name of HVSB or its nominee⁽¹⁾; and
- (b) 9,918,369 new HI Shares in the name of LOSB.

Note:

(1) *HVSB may nominate YLSB as its nominee.*

5. TERMINATION

Without prejudice to the parties' rights under the general or common law including (without limitation) the parties' rights of claim for any damages, costs, disbursements, stamp duties, interest and other charges and payments (whether actual contingent or otherwise) payable by the parties under or in connection with the HBCM SSA:

Events of termination by HI

HI may terminate the HBCM SSA if:

- (a) Non-satisfaction of the HBCM Conditions Precedent

All the HBCM Conditions Precedent (to the extent not waived) by the HBCM Cut-Off Date or any of them cease to be satisfied at any time before the Completion Date or any of the resolutions or approvals referred to in the HBCM SSA is rejected, refused or approved on terms not acceptable to HI; or

- (b) Breach by the HBCM Vendors

All or any of the HBCM Vendors materially breaches all or any of the provisions of the HBCM SSA or breaches any of the warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or

SALIENT TERMS OF THE HBCM SSA (Cont'd)

(c) Insolvency

Any of the HBCM Vendors becomes insolvent; or

(d) No HBCM Completion (as defined in clause 7 below)

The HBCM Vendors do not complete the transfer of all or any of the HBCM Sale Shares or fail to deliver the documents for HBCM Completion in accordance with the HBCM SSA unless otherwise waived by HI; or

(e) Warranties misleading

It appears that any of the warranties given by the HBCM Vendors is or has become materially inaccurate or misleading; or

(f) Non-completion of the Acacia SSA

The completion of the Acacia does not take place

and on such notice being given, the provisions of termination consequences of the HBCM SSA shall apply.

Events of termination by the HBCM Vendors

The HBCM Vendors may terminate the HBCM SSA if:

(a) Insolvency

HI becomes insolvent; or

(b) Breach by HI

HI materially breaches all or any of the provisions of the HBCM SSA or breaches any of HI's warranties and (if the breach is capable of being remedied) the defaulting party fails to remedy the breach within thirty (30) business days, following the issuance of the notice by the non-defaulting party to the defaulting party; or

(c) No HBCM Completion

HI does not make payment of the HBCM Purchase Consideration by way of allotment and issuance of the HBCM Consideration Shares on the HBCM Completion Date,

and on such notice being given, the provisions of termination consequences of the HBCM SSA shall apply.

6. TERMINATION CONSEQUENCES

In the event the HBCM SSA is terminated by the parties in accordance with Section 5 above, all obligations and liabilities of the parties hereunder shall cease and determine and no party shall have any claim against the other save for any antecedent breaches of the HBCM SSA.

SALIENT TERMS OF THE HBCM SSA (Cont'd)

7. HBCM COMPLETION

Subject to the satisfaction of the HBCM Conditions Precedents or the waiver of any such Conditions Precedent under the HBCM SSA, the completion shall take place ("**HBCM Completion**") on the HBCM Completion Date or such earlier or later date as the parties may mutually agree upon which the HBCM Vendors shall deliver the documents as set out in the HBCM SSA to HI.

8. INDEMNITY COMPENSATION

The HBCM Vendors shall, on HBCM Completion, jointly and severally indemnify HI fully at all times from and against all losses, damages, costs, claims, proceedings, demands and expenses which HI may suffer, incur or pay as a result of or by reason of any of their breach of any of the warranties or any of their undertakings, covenants or obligations under the HBCM SSA and the HBCM Vendors shall keep HI indemnified against:

- (a) any diminution in value of the assets of, or shares in HBCM; or
- (b) any breaches of any of the warranties; or
- (c) any breaches of the undertakings, covenants or obligations under the contracts and/or arrangements entered into by HBCM prior to HBCM Completion;
- (d) any breaches of the undertakings, covenants or obligations under the contracts and/or arrangements entered into by HBCM after HBCM Completion at the request of HBCM Vendors;
- (e) any contravention or violation of laws, rules, regulations and requirements that may apply to and/or may have been imposed on HBCM prior to HBCM Completion;
- (f) any payment made or required to be made by HBCM or HI;
- (g) any costs and expenses (including rectification expenses) incurred by HBCM or HI as a result of or in connection with those set out in the HBCM SSA and any tax claim pursuant to the tax indemnity.

9. OTHERS

The HBCM Vendors represents, warrants and undertakes to HI that, among others, the amount of the unaudited PAT recorded by HBCM for the FPE 30 September 2025 is not less than RM1.8 million. The HBCM Vendors further agree that the said unaudited PAT shall be verified, approved and certified by an external auditor to be appointed by HI following the execution of the HBCM SSA.

"Insolvency" shall mean the following:

If in respect of a company:

- (a) is deemed unable to pay its debts under Section 466(1) of the Act;
- (b) is the subject of any action taken for or with a view to its winding up (whether compulsory or voluntary) other than a winding up approved by HI which is for the sole purpose of reorganisation, amalgamation or reconstruction of a solvent company;
- (c) has a receiver appointed over or an encumbrancer takes possession of or enforces its rights over any of its assets;

SALIENT TERMS OF THE HBCM SSA (Cont'd)

- (d) enters into dealings with any of its creditors with a view to avoiding or in expectation of insolvency;
- (e) proposes a scheme of compromise or arrangement with all or any of its creditors under Section 366 of the Act; or
- (f) applies for or obtains a restraining order on any term under Section 368(1) of the Act.

If in respect of an individual:

- (a) commits an act of bankruptcy (as defined by Section 3 of the Bankruptcy Act, 1967);
- (b) is the subject of any action taken for or with a view to adjudicating him bankrupt;
- (c) has a receiver appointed over or an encumbrancer takes possession of or enforces its rights on any of his assets;
- (d) enters into dealings with any of his creditors with a view to avoiding or in expectation of insolvency;
or
- (e) is insolvent or bankrupt.

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INFORMATION ON ACACIA

1. HISTORY AND BUSINESS

Acacia was incorporated in Malaysia under the Companies Act 1965 as a private limited company under the name of Bukit Mahsuri Sdn Bhd and is deemed registered under the Act. On 3 November 2022, Bukit Mahsuri Sdn Bhd changed its name to Acacia.

Acacia commenced its business operations on 1 February 2023 and is principally involved in the manufacturing, assembly production of heavyweight commercial vehicles as well as CKD kits such as chassis, distribution, selling, maintenance and repair of electric and internal combustion engine motor vehicles. Acacia's assembly operations involves the assembly of CKD kits and assembly of heavyweight and lightweight commercial vehicles, undertaken in partnership with international brand principals such as Yutong Hongkong Limited ("**Yutong**") and Xiamen Golden Dragon Bus Co. Ltd ("**Golden Dragon**"), with whom Acacia has maintained commercial relationships since February 2023 and July 2025 respectively. Acacia's assembly operations encompass chassis integration, body construction, welding, painting, electrical and mechanical installation and quality assurance. This integrated production workflow process allows Acacia to deliver commercial vehicles that can be customised to a wide range of operational requirements and regulatory specifications to cater for various customer needs.

Acacia is also involved in the distribution and sale of various types of commercial vehicles such as ICE coaches and city buses, EV coaches and city buses as well as chassis for ICE buses to public transport operators, fleet owners and private sector customers, complementing their assembly operations. Additionally, to support customers throughout the entire vehicle lifecycle, Acacia is also involved in the sale and distribution of parts and components for ICE and EV commercial vehicles and the provision of repair and maintenance and services as an after-sales service for its customers. As at the LPD, the commercial vehicles and chassis distributed by Acacia are as follows:

Diesel coach buses



Yutong 12.0M Diesel Coach



Yutong 11.3M Diesel Coach



Yutong 9.0M Diesel Coach

Diesel stage buses



Yutong 8.9M Diesel Stage Bus



Yutong 12.0M Diesel Stage Bus



Golden Dragon 8.9M Diesel Stage Bus

INFORMATION ON ACACIA (Cont'd)

EV stage bus



Yutong 12.0M EV Stage Bus

Diesel chassis



**Yutong 11.7M Diesel Coach
Chassis (AT)**



**Yutong 11.7M Diesel Coach
Chassis (MT)**

As at the LPD, Acacia is operating at the factory bearing the following details:

Business address	: Block A, Block B and the warehouse of PLO 466, Jalan Gangsa, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor (“ Pasir Gudang Facility ”)
Lot no. / Title description	: PTD 110759, HSD 212976, Mukim Plentong, Daerah Johor Bahru
Purpose of factory	: Assembly production
Audited net book value as at 31 January 2025	: RM1,936,926
Tenure of tenancy	: 1 February 2025 to 31 January 2026 ⁽¹⁾ (in respect of Block A) 1 June 2025 to 31 May 2026 (in respect of Block B and warehouse)
Built-up area	: 280,976 square feet

Note:

- (1) As at the LPD, Acacia is in the midst of procuring the novation of the said tenancy from the landlord and the tenant. Acacia anticipates that the novation for the said the tenancy is to be completed by latest end of February 2026. Acacia does not and has not encountered any difficulties in the procurement of the novation of the tenancy for the said premise in the past.

The principal market of Acacia’s products and services is in Malaysia and sources its materials and supplies locally and from China. In addition, Acacia’s revenue was entirely generated from Malaysia, being its sole principal market. There are no contracts entered with customers as sales are conducted on a purchase order basis.

INFORMATION ON ACACIA (Cont'd)

The annual production capacity and output for the assembly production of CKD kits and commercial vehicles for the FYE 31 January 2023, FYE 31 January 2024 and FYE 31 January 2025 are as follows:

	FYE 31 January		
	2023	2024	2025
Annual capacity (units)	-(1)	-(2)	240
Annual output (units)	-(1)	-(2)	116
Utilisation rate (%) ⁽³⁾	-(1)	-(2)	48

Notes:

- (1) Not applicable as Acacia established its operations on 1 February 2023.
- (2) Not applicable as Acacia commenced its assembly operations at its Pasir Gudang Facility in February 2024. For the FYE 31 January 2024, Acacia did not operate its own assembly plant and fulfilled its order book by subcontracting the assembly work to third party subcontractors. As such, Acacia did not have its own production output or annual installed capacity during the FYE 31 January 2024.
- (3) Computed by dividing output over annual capacity.

2. SHARE CAPITAL

As at the LPD, Acacia has an issued share capital of RM2,500,000 comprising 2,500,000 ordinary shares ("Acacia Shares").

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of Acacia and their respective shareholding in Acacia are as follows:

Name	Country of incorporation / Nationality	Direct		Indirect	
		No. of Acacia Shares	%	No. of Acacia Shares	%
LHW	Malaysian	1,750,000	70.0	⁽¹⁾ 750,000	30.0
BKL	Malaysian	750,000	30.0	⁽²⁾ 1,750,000	70.0

Notes:

- (1) Deemed interested by virtue of his wife's, BKL, direct shareholding in Acacia pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of her husband's, LHW, direct shareholding in Acacia pursuant to Section 8 of the Act.

4. DIRECTORS

As at the LPD, the directors of Acacia and their respective shareholding in Acacia are as follows:

Name	Country of incorporation / Nationality	Designation	Direct		Indirect	
			No. of Acacia Shares	%	No. of Acacia Shares	%
LHW	Malaysian	Director	1,750,000	70.0	⁽¹⁾ 750,000	30.0
BKL	Malaysian	Director	750,000	30.0	⁽²⁾ 1,750,000	70.0

INFORMATION ON ACACIA (Cont'd)

Notes:

- (1) *Deemed interested by virtue of his wife's, BKL, direct shareholding in Acacia pursuant to Section 8 of the Act.*
- (2) *Deemed interested by virtue of her husband's, LHW, direct shareholding in Acacia pursuant to Section 8 of the Act.*

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

Acacia does not have any subsidiaries and associated companies as at the LPD.

6. KEY MANAGEMENT

The key management of Acacia and their respective profile are as follows:

(i) Tan Len Lee, Chief Executive Officer

Tan Len Lee, a Malaysian, age 47, joined Acacia in April 2025 as the Head of Technical & Production. She was promoted to Chief Executive Officer in August 2025. She is responsible for the overall business direction of Acacia encompassing the strategic leadership, operational oversight, financial management and stakeholder engagement of Acacia. Her previous experiences in managing broad operational functions including planning and coordination, resource management, quality assurance, supply chain oversight, vendor management, logistics and regulatory liaison, provides her with the organisational and managerial capabilities relevant to her role as the Chief Executive Officer of Acacia.

(ii) Ng Koon Kien, Sales and Marketing Director

Ng Koon Kien, a Malaysian, age 68, joined Acacia in December 2022. He is currently the Director of Sales and Marketing. He is responsible for overseeing all commercial, sales and marketing functions of Acacia which includes developing and executing sales strategies, managing customer relationships with fleet operators and private sector customers and identifying new market opportunities. His role also involves working closely with the production and technical teams to align sales commitments with manufacturing capacity and delivery schedules and ensures that Acacia's market outreach, customer service and commercial performance are in line with Acacia's objectives. Prior to joining Acacia, he was the Sales and Marketing Director at Truck & Bus Marketing Sdn Bhd.

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INFORMATION ON ACACIA (Cont'd)

7. ASSETS OWNED

Based on Acacia's latest audited financial statements for the FPE 31 July 2025, its total assets stood at RM52,137,101, which comprises the following:

Types of assets	RM
Non-current assets	
Plant and equipment	2,193,221
Right-of-use assets	6,374,842
Subtotal	8,568,063
Current assets	
Inventories	7,643,274
Trade and other receivables	29,850,969
Cash and bank balances	6,074,795
Subtotal	43,569,038
Total assets	52,137,101

8. FINANCIAL INFORMATION

A summary of the financial information of Acacia based on its audited financial statements for the FYEs 31 January 2023 to 31 January 2025 and the latest audited financial statements for the FPE 31 July 2025 is as follows:

	Audited			FPE 31 July
	FYE 31 January			2025
	2023	2024	[^] 2025	
	RM	RM	RM	RM
Revenue	-	1,281,994	20,018,500	21,728,594
(Loss) / Profit before tax	(4,400)	(3,153,154)	4,352,401	4,257,405
(LAT) / PAT	(4,400)	(3,153,154)	⁽⁶⁾ 4,232,314	3,201,493
(Loss)/ Earnings per Acacia Share ⁽¹⁾ (RM)	(0.04)	(1.58)	1.69	1.28
No. of Acacia Shares in issue	100,000	2,000,000	2,500,000	2,500,000
Share capital	100,000	2,000,000	2,500,000	2,500,000
Total equity / NA (RM)	49,012	(1,204,142)	4,918,377	8,119,870
NA per Acacia Share ⁽²⁾	0.49	(0.60)	1.97	3.25
Total borrowings	-	19,818,242	17,798,162	32,822,106
Current ratio (times) ⁽³⁾	1.32	0.96	1.05	1.13
Gearing (times) ⁽⁴⁾	-	⁻⁽⁵⁾	3.62	4.04

Notes:

[^] Restatement due to a financial review conducted as part of the interim audit for the FPE 31 July 2025.

(1) Computed based on (LAT) / PAT divided by the number of Acacia Shares in issue.

(2) Computed based on NA divided by the number of Acacia Shares in issue.

(3) Computed based on total current assets divided by total current liabilities.

(4) Computed based on total borrowings divided by total equity.

INFORMATION ON ACACIA (Cont'd)

(5) *Not meaningful due to net liabilities position.*

(6) *The audited PAT for the FYE 31 January 2025 was subsequently revised downward from RM5.14 million to RM4.23 million following a financial review conducted as part of the interim audit. The adjustment was mainly due to the application of revenue cut-off procedures, where certain revenues initially recorded during the period were reassessed.*

Accounting policies and audit qualification

Based on Acacia's audited financial statements for the FYE 31 January 2023, FYE 31 January 2024, FYE 31 January 2025 and FPE 31 July 2025:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by Acacia which are peculiar to Acacia due to the nature of its business or the industry it operates in; and
- (iii) there were no audit qualifications for the financial statements of Acacia.

Commentary on financial performance**FYE 31 January 2023 vs FYE 31 January 2024**

Acacia recorded a revenue of RM1.28 million in the FYE 31 January 2024 during its first year of operations.

Acacia recorded a higher loss before tax of RM3.15 million during the FYE 31 January 2024 as compared to the loss before tax of RM4,400 during the FYE 31 January 2023. This was mainly due to commencement of production activities, which resulted in costs incurred for purchases and assembly work, while only 2 units of chassis were completed and billed to customers during the FYE 31 January 2024.

FYE 31 January 2024 vs FYE 31 January 2025

Acacia's revenue increased by RM18.74 million or 1461.51% from RM1.28 million in the FYE 31 January 2024 to RM20.02 million in the FYE 31 January 2025. This was mainly driven by an increase in sales volume following the ramp-up of production activities, as the number of chassis sold increased from 2 units in the preceding year to 38 units in the FYE 31 January 2025.

Acacia recorded a profit before tax of RM4.23 million during the FYE 31 January 2025, as compared to a LBT of RM3.15 million in the FYE 31 January 2024, mainly due to higher sales volume and better utilisation of production capacity as production activities scaled up during the financial year.

FPE 31 July 2025

Acacia recorded a revenue of RM21.73 million for the FPE 31 July 2025 which was mainly attributable to higher chassis sales, partially offset by a decrease in revenue from assembly services.

Acacia recorded a profit before tax of RM4.26 million for the FPE 31 July 2025 mainly attributable to higher sales volume.

Acacia's total borrowings increased by RM15.02 million or 84.41% from RM17.80 million in the FYE 31 January 2025 to RM32.82 million in the FPE 31 July 2025 mainly due to borrowings incurred for the purchase of chassis.

INFORMATION ON ACACIA (Cont'd)

9. MATERIAL CONTRACTS

Save for the SPA JB Land, Acacia has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the date of this Circular.

10. INFORMATION ON THE JB LAND

The purchase consideration of RM16.5 million, representing RM126.3 psf was arrived at on “willing-buyer willing seller” basis, after taking into consideration the recently completed comparable transactions obtained from Jabatan Penilaian Dan Perkhidmatan Harta as set out below:

Transaction date	Location	Building Type	Land area (acre)	Transaction price (RM'psf)
14 January 2025	PLO 37, Jalan Keluli	Detached factory	2	92
30 December 2024	PLO 544, Jalan Keluli 3	Detached factory	2	142
18 October 2024	PLO 678, Jalan Keluli 7	Detached factory	2	178
16 July 2024	PLO 688, Jalan Keluli 8	Detached factory	2	132
15 March 2024	PLO 494, Jalan Keluli 7	Detached factory	4	(1)20
Average				(1)136

Note:

(1) Excluding RM20 psf which Acacia considered an outlier as it pertains to a larger 4-acre land area.

The rationale for the proposed acquisition of the lease of the JB Land is to facilitate the expansion of its assembly capacity from 20 to 50 units per month, to capitalise on the growing demand for locally assembled buses. Furthermore, the JB Land is located in close proximity to Acacia's existing operations, being approximately 1.5 kilometres from its existing plant, which will enhance operational efficiency and coordination of the enlarged assembly operations. In this regard, Acacia agreed to acquire at RM126.3 psf since it falls within the range of the past transacted prices of the comparable transactions and also below the average of the past transacted prices of the comparable transactions.

The purchase consideration is to be satisfied via Acacia's internally generated funds and bank borrowings. The proposed acquisition of the lease of the JB Land is expected to be completed by the third quarter of 2026.

The details of the JB Land is set out below:

Description	: Piece of 60-year leasehold land together with the detached factory and office erected thereon
Lot no.	: PTD 109031
Title no.	: H.S.(D) 212963
Mukim	: Plentong
District	: Johor Bahru
State	: Johor
Land area	: 1.214 hectares
Tenure	: 60 years leasehold expiring on 10 August 2053
Leasing period	: Leasing period expiring on 7 October 2051
Category of land use	: Commercial / Industrial
Existing use	: Vacant
Proposed use	: Assembly activities

INFORMATION ON ACACIA (Cont'd)

Number of storeys	:	1 storey detached factory and 2 storeys office
Gross built-up area	:	Approximately 60,900 sq.ft.
Net useable area	:	Approximately 60,900 sq.ft.
Percentage of occupancy	:	100% of the area is to be self-occupied by Acacia
Audited net book value as at 31 December 2024	:	RM1.2 million ⁽¹⁾
Encumbrances	:	Nil
Expressed condition	:	1. This land shall be used as a medium industrial area and other uses related to it, built in accordance with a plan approved by the relevant local authority. 2. All waste products and pollution resulted from the activity must be disposed to places determined by the relevant authority. 3. All policies and conditions established and enforced by the relevant authority from time to time must be complied with.
Restriction in interest	:	The registered proprietor after Johor Corporation shall not transfer, mortgage, lease or release in any way whatsoever, including by using any agreement to release/sell this land without the permission of the state authorities.

Note:

- (1) *For the avoidance of doubt, the audited net book value of the JB Land was recorded at its cost as at 1993, which was more than 30 years ago.*

As at the LPD, there is no market value ascribed to the JB Land as a valuation exercise was not undertaken by a registered valuer. Furthermore, there is no gross development value ascribed to the JB Land as the proposed use is for Acacia's assembly activities.

The salient terms of the SPA JB Land are as follows:

(a) SALE AND PURCHASE OF THE JB LAND

YCMS agrees to sell the JB Land, and Acacia agrees to purchase the JB Land from YCMS, amongst others:

- strictly on an 'as is where is' basis as at the Vacant Possession Date with YCMS making no representation or warranty of any kind either express or implied including without limitation as to description, quality, conditions, measurements, area, suitability, fitness for purpose of the JB Land;
- free from encumbrances;
- subject to all conditions and restrictions in interest endorsed on the issue document of title deed of the JB Land ("**JB Land Title**") and implied conditions affecting the JB Land;
- free from all restrictive or other covenants, easements, rights and interests created by YCMS; and
- subject to the existing category of land use affecting the JB Land.

INFORMATION ON ACACIA (Cont'd)

(b) CONDITIONS PRECEDENT

- (i) The sale and purchase of JB Land shall be conditional upon the Acacia's solicitors' receipt of a certified true copy of Johor Corporation's ("**Registered Proprietor**") consent to the transfer of JB Land from YCMS to Acacia, at YCMS's own costs and expenses, if required.

For avoidance of doubt, YCMS shall be responsible for filing the application for the consent to transfer the JB Land and shall use its best endeavours to obtain such consent, provided always that Acacia shall furnish all necessary documents and information to YCMS or YCMS's solicitors for the application. ("**JB Land Condition Precedent**").

- (ii) The JB Land Condition Precedent shall be fulfilled within three (3) months from the date of the parties have furnished all the necessary documents and information as may be required by the Registered Proprietor ("**JB Land Condition Precedent Period**").
- (iii) In the event that the JB Land Condition Precedent cannot be fulfilled or complied by the parties within the JB Land Condition Precedent Period, the parties shall mutually agree to extend the JB Land Condition Precedent Period automatically for a period of one (1) month from the expiry of the JB Land Condition Precedent Period, or any further extended period as mutually agreed by the parties ("**Extended JB Land Condition Precedent Period**"), free of interest.
- (iv) The date on which the JB Land Condition Precedent is fulfilled, as may be notified to Acacia's Solicitors, shall be the date that the SPA JB Land becomes unconditional ("**SPA JB Land Unconditional Date**").
- (v) In the event the JB Land Condition Precedent is not fulfilled within the Extended JB Land Condition Precedent Period, (a) not due to the default of YCMS and Acacia, or (b) at the sole discretion of the Registered Proprietor provided always that both YCMS and Acacia have provided the necessary documents and information, as may be required, in its possession and have taken all reasonable steps to procure the fulfilment of the JB Land Condition Precedent, the SPA JB Land shall lapse upon the expiry of the Extended JB Land Condition Precedent Period.

YCMS shall forthwith refund to Acacia the Earnest Deposit (as defined below) and Balance Deposit (as defined below) received by YCMS, and the Acacia's solicitors shall refund the Retention Sum (as defined below), free of all interests thereon within fourteen (14) days from receiving the notice of lapse. The SPA JB Land thereafter shall become null and void and ceased to be of any further effect save and except for antecedent breaches.

- (vi) In the event the JB Land Condition Precedent is not fulfilled due to Acacia's default within the JB Land Condition Precedent Period, or the Extended JB Land Condition Precedent period, as the case may be:
- the Earnest Deposit (as defined below) shall be forfeited by YCMS;
 - YCMS shall refund the Balance Deposit (as defined below) received by YCMS, free of all interests within fourteen (14) days from receiving the notice of lapse; and
 - Acacia's solicitors shall refund the Retention Sum (as defined below), free of all interests.

The SPA JB Land shall then become null and void and ceased to be of any further effect save and except for antecedent breaches.

INFORMATION ON ACACIA (Cont'd)

(c) CONSIDERATION AND PAYMENT

- (i) The purchase price shall be the sum of RM16,500,000.00 ("**JB Land Purchase Price**"), which shall be paid or caused to be paid by Acacia in the following manner:
- the sum of RM500,000.00 ("**Earnest Deposit**"), being the earnest deposit and part payment towards the JB Land Purchase Price, has been paid by Acacia to YCMS prior to the execution of the SPA JB Land, of which YCMS hereby acknowledges receipt;
 - the sum of RM160,000.00 ("**Retention Sum**"), being part payment towards the JB Land Purchase Price and for the purpose of complying with the real property gain tax in accordance with Section 21B of the RPGT Act, shall be paid to the Acacia's solicitors upon execution of the SPA JB Land. Acacia shall procure its solicitors to provide a written confirmation to YCMS upon receipt of the Retention Sum from Acacia;
 - the sum of RM999,000.00 ("**Balance Deposit**"), being the balance deposit and part payment towards the JB Land Purchase Price, shall be paid by Acacia to YCMS upon the execution of the SPA JB Land; and
 - the sum of RM14,850,000.00 ("**JB Land Balance Purchase Price**"), being the balance of the JB Land Purchase Price, shall be paid to YCMS within 3 months from the SPA JB Land Unconditional Date ("**JB Land Completion Period**").
- (ii) In the event Acacia shall fail to pay the JB Land Balance Purchase Price due to be paid by Acacia, within the JB Land Completion Period, YCMS agrees to grant to Acacia an automatic extension of 1 month from the expiry of the JB Land Completion Period ("**Extended JB Land Completion Period**") for Acacia to make payment of the JB Land Balance Purchase Price provided always that Acacia shall pay to YCMS an 8% interest on the JB Land Balance Purchase Price ("**Late Payment Interest**") calculated on a daily basis from the day immediately following the expiry of the JB Land Completion Period until the date of full payment of the JB Land Balance Purchase Price to YCMS together with the Late Payment Interest.
- (iii) All monies paid to YCMS and the Retention Sum paid to the Acacia's Solicitor by the Acacia shall be deemed payment paid to YCMS and are part of the JB Land Purchase Price. The date on which the JB Land Purchase Price and Late Payment Interest (if any) is paid to YCMS from Acacia and supported by a written notification in respect of such payment shall be referred to as the ("**JB Land Completion Date**").

(d) VACANT POSSESSION

Vacant possession of the JB Land shall be delivered by YCMS to Acacia within seven (7) Business Days from the JB Land Completion Date ("**Vacant Possession Date**").

(e) DEFAULT BY YCMS

If:

- (i) YCMS fails to perform or observe or otherwise be in breach of any of the terms, conditions, covenants, warranties and representations on the part of YCMS contained in SPA JB Land;
- (ii) an application or order is made for the winding up or dissolution or a resolution is passed, or any steps are taken to pass a resolution for the winding up or dissolution of YCMS otherwise than for the purpose of an amalgamation or reconstruction; or

INFORMATION ON ACACIA (Cont'd)

- (iii) YCMS enters into any composition or arrangement with its creditors or enters into liquidation whether compulsory or voluntary,

and YCMS fails within fourteen (14) Business Days of receipt of a notice from Acacia to remedy the failure or default or breach of the matter, Acacia shall be entitled to, at any time thereafter, seek specific performance of the provisions of the SPA JB Land against YCMS together with costs and expenses.

(f) DEFAULT BY ACACIA

If:

- (i) Acacia fails, refuses and/or neglects to pay the JB Land Purchase Price or any part thereof or any monies payable under the SPA JB Land;
- (ii) Acacia commits a breach of any of the terms and conditions of the SPA JB Land;
- (iii) Acacia fails to perform or observe all or any of the Acacia's covenants, warranties or representations under the SPA JB Land;
- (iv) an application or order is made for the winding up or dissolution or a resolution is passed, or any steps are taken to pass a resolution for the winding up or dissolution of Acacia otherwise than for the purpose of an amalgamation or reconstruction; or
- (v) Acacia enters into any composition or arrangement with its creditors or enters into liquidation whether compulsory or voluntary,

and Acacia fails within fourteen (14) Business Days of receipt of a notice from YCMS to remedy the breach or the matter, YCMS shall be entitled at YCMS's sole discretion, to at any time after the expiry of YCMS's notice of remedy, serve a written notice to Acacia of its intention to terminate the sale and purchase under the SPA JB Land ("**YCMS Termination Notice**").

Upon the date of the issuance of YCMS's Termination Notice:

- (i) all Deposit paid by Acacia shall be forfeited absolutely. For the avoidance of doubt, if the Retention Sum has been paid to the Director-General in compliance with the RPGT Act, Acacia shall pay a sum equivalent to the Retention Sum to YCMS within seven (7) Business Days from the date of YCMS's Termination Notice, and Acacia shall be entitled to seek the refund of the Retention Sum and/or other monies paid to the Director-General in accordance with the clause of the SPA JB Land. Acacia shall:
 - return or cause to be returned to YCMS, the original JB Land Title, the memorandum of transfer (as defined in the National Land Code 2020) and all documents delivered to Acacia, Acacia's solicitors or any of the commercial bank's/ financial institution's (**Acacia's Financier**) solicitors, with the interests of the Registered Proprietor and YCMS intact, subject always to the YCMS's compliance with the SPA JB Land;
 - if applicable, at its own cost and expense, reinstate and re-deliver to YCMS vacant possession of the JB Land in the same state and condition when it was then delivered to Acacia. The reinstatement of the JB Land shall be to the satisfaction of Acacia and to be commenced within fourteen (14) days from the date of YCMS's Termination Notice;

INFORMATION ON ACACIA (Cont'd)

- at its own cost and expense, withdraw and cause and procure Acacia' Solicitors, the Acacia's Financier and/or the Acacia's Financier's solicitors to withdraw any private caveat entered by Acacia, Acacia's solicitors, Acacia's Financier or Acacia's Financier's solicitors over the JB Land or remove any encumbrance created by Acacia or the Acacia's Financier over the JB Land, and provides documentary proof of the said withdrawal and/or removal within seven (7) days from the date of the YCMS's Termination Notice;

and thereafter, neither party shall have any further claim against the other for costs, damages compensation or otherwise save and except for:

- any antecedent breach of the provisions of the SPA JB Land; and
 - YCMS shall be entitled to deal with or otherwise dispose of the JB Land in such manner as YCMS shall see fit as if the SPA JB Land had not been entered into.
- (ii) YCMS shall be entitled to, at any time thereafter, seek specific performance of the provisions of SPA JB Land against Acacia together with costs and expenses.

(g) NON-REGISTRATION OF TRANSFER

- (i) In the event that the transfer of the JB Land in favour of Acacia is rendered not transferable by reason of any unforeseeable circumstance or any encumbrance not existing at the date of execution of the SPA JB Land, not owing to the fault, default, wilful neglect, omission or blameworthy conduct on the part of YCMS and Acacia, each party will use its best endeavours:
- to ascertain the cause or reason for such non-acceptance or rejection or non-registration of the transfer of the JB Land;
 - to rectify, remedy and/or overcome such cause or reason; and
 - to cause the transfer of the JB Land in favour of Acacia to be accepted for registration and/or registered,

and in the event that such cause or reason cannot be or is not rectified, remedied and/or overcome within a period of thirty (30) days from the date such non-registration of the transfer of the JB Land is made known to Acacia or such other extended period as may be agreed by both parties herein, a termination event will occur where either party may elect ("**Electing Party**") to terminate the sale and purchase under the SPA JB Land in accordance with the SPA JB Land.

- (ii) The Electing Party may elect to terminate the transaction by written notice to the other party and upon expiry of fourteen (14) days from the date of the Electing Party's notice, the SPA JB Land shall terminate, and Acacia shall:
- return or cause to be returned to the Registered Proprietor or YCMS's solicitor all relevant documents, including but not limited to the original JB Land Title and the transfer of the JB Land if the same shall have been delivered by the Registered Proprietor or the YCMS's solicitor to Acacia or Acacia's Solicitors with the interests of the Registered Proprietor and YCMS intact;
 - if applicable, re-deliver to YCMS vacant possession of the JB Land in the same state and condition when they were then delivered to Acacia at the cost and expense of Acacia; and

INFORMATION ON ACACIA (Cont'd)

- at its own cost and expense, cause Acacia's solicitors, Acacia's Financier and/or the Acacia's Financier's solicitors to forthwith withdraw any private caveat entered by Acacia or Acacia's Financier over the JB Land or to remove any encumbrance created by Acacia or Acacia's Financier over the JB Land if the same has been lodged against the JB Land and Acacia shall produce documentary proof of the said withdrawal or removal,

in exchange for the refund by YCMS to Acacia of all monies paid towards account of the JB Land Purchase Price including the Deposit without interest whereupon the SPA JB Land shall be terminated and cease to be of any further effect and thereafter neither party shall have any further claim against the other for costs, damages, compensation or otherwise except for any antecedent breach of the provisions of the SPA JB Land and YCMS shall be entitled to deal with or otherwise dispose of the JB Land in such manner as YCMS shall see fit as if the SPA JB land had not been entered into.

11. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there are no material commitments incurred or known to be incurred by Acacia which may have a material impact on the profits or NA of Acacia:

Capital expenditure	RM'000
Property, plant and equipment	
- Approved but not contracted for	14,850
Total	14,850

12. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Acacia is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the financial results or position of Acacia.

13. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, Acacia is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant and the board of directors of Acacia is not aware of any proceedings pending or threatened against Acacia or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of Acacia.

INFORMATION ON HBCM

1. HISTORY AND BUSINESS

HBCM was incorporated in Malaysia on 18 December 1997 under the Companies Act 1965 as a private limited company under the name of Berjaya Retail Sdn Bhd and is deemed registered under the Act as a private limited company. On 25 May 2009, Berjaya Retail Sdn Bhd changed its name to Berjaya Merchandise Sdn Bhd. On 5 August 2014, Berjaya Merchandise Sdn Bhd changed its name to Berjaya China Motor Sdn Bhd. On 21 November 2023, Berjaya China Motor Sdn Bhd changed its name to Handal BCM Sdn Bhd.

HBCM commenced its business operations on 1 June 2015 and is principally involved in importing, distribution and selling of motor vehicles in Malaysia. HBCM has established partnerships with international brand principals, including Golden Dragon, with whom it has maintained commercial relationship since December 2018. In addition, HBCM has also maintained commercial relationships with Beiqi Foton Motor Co. Ltd ("**Foton**") and Changsha Forland Motor Technology Co. Ltd since January 2016 and June 2025, respectively. HBCM distributes various commercial vehicles including but not limited to, passenger window vans, cargo panel vans, semi-panel vans, electric vans and cargo trucks. These commercial vehicles are distributed and sold to various customers including but not limited to, fleet operators, logistic companies and other private sector customers depending on operational requirements of HBCM's respective customers.

In addition to commercial vehicle distribution and sales, HBCM also provides after-sales support which includes the retailing of spare parts and the provision of maintenance services at its authorised service centres. As at the LPD, HBCM has 40 authorised sales and 56 service dealers across Malaysia.

As at the LPD, HBCM distributes and sells the following commercial vehicles:



Foton View C2 Window Van



Foton View CS2 Window Van



Foton View CS2L Window Van



Foton View C2 Panel Van



Golden Dragon X5 Window Van

The principal market of HBCM's products and services is in Malaysia and sources its materials and supplies locally and from China. In addition, HBCM's revenue was entirely generated from Malaysia, being its sole principal market.

For information, the number of commercial vehicles sold for the FYE 30 June 2023, FYE 30 June 2024 and FYE 30 June 2025 were 915, 974 and 1,118 units, respectively. There are no contract entered with customers as sales are conducted on a purchase order basis.

INFORMATION ON HBCM (Cont'd)
2. SHARE CAPITAL

As at the LPD, HBCM has an issued share capital of RM13,000,000 comprising 13,000,000 ordinary shares ("**HBCM Shares**"). HBCM is a 55.0%-owned subsidiary of HVSB.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of HBCM and their respective shareholding in HBCM are as follows:

Name	Country of incorporation / Nationality	Direct		Indirect	
		No. of HBCM Shares	%	No. of HBCM Shares	%
HVSB	Malaysia	7,150,000	55.0	-	-
LOSB	Malaysia	5,850,000	45.0	-	-
Datuk Choo Keng Kit	Malaysian			⁽¹⁾ 5,850,000	45.0
Tan Say Tuan	Malaysian			⁽¹⁾ 5,850,000	45.0
LHW	Malaysian			⁽²⁾ 7,150,000	55.0
BKL	Malaysian			⁽²⁾ 7,150,000	55.0

Notes:

(1) Deemed interested by virtue of their direct shareholdings in LOSB pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of their direct shareholdings in HVSB pursuant to Section 8 of the Act.

4. DIRECTORS

As at the LPD, the directors of HBCM and their respective shareholding in HBCM are as follows:

Name	Country of incorporation / Nationality	Designation	Direct		Indirect	
			No. of HBCM Shares	%	No. of HBCM Shares	%
Datuk Choo Keng Kit	Malaysian	Director	-	-	⁽¹⁾ 5,850,000	45.0
Lim Chern Chuen	Malaysian	Director	-	-	-	-

Note:

(1) Deemed interested by virtue of his direct shareholding in LOSB pursuant to Section 8 of the Act.

INFORMATION ON HBCM (Cont'd)
5. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, the associated company of HBCM is as follows:

Company	Date of incorporation	Place of incorporation	Effective equity interest (%)	Issued and paid-up share capital (RM)	Principal activities
Mega Galeri Motor Sdn Bhd	24 January 2024	Malaysia	20.0	1,000,000	Maintenance and repair of motor vehicles, wholesale and retail of new motor vehicles, all kinds of parts, components, supplies, tools and accessories for motor vehicles

As at the LPD, HBCM does not have any subsidiaries.

6. KEY MANAGEMENT

The key management of HBCM and their respective profiles are as follows:

(i) Datuk Choo Keng Kit, Chief Executive Officer

Datuk Choo Keng Kit, a Malaysian, age 76, was appointed as the Chief Executive Officer of HBCM in May 2015. In his current role, he oversees the overall management of HBCM's operations, strategic planning, commercial development and stakeholder engagement. He has vast experience in the automotive industry, including the Malaysian and Chinese automotive markets. Prior to this, he served Perusahaan Otomobil Nasional Sdn Bhd (Proton) as the President, China Project based at the Proton Hangzhou Representative Office.

(ii) Tan Say Tuan, Chief Operating Officer

Tan Say Tuan, a Malaysian, age 47, was appointed as the Chief Operating Officer of HBCM in November 2021. He oversees HBCM's day-to-day operations, including operational planning, sales and distribution management, inventory and logistics coordination and process optimisation. He brings broad functional experience from his prior roles in environmental and engineering consulting, as well as the automotive industry.

(iii) Eng Tyeng Tyeng, Finance Senior Manager

Eng Tyeng Tyeng, a Malaysian, age 60, serves as the Finance Senior Manager since November 2021 and currently oversees the financial planning, reporting and analysis of HBCM. She brings extensive experience in accounting and finance, having worked in a few commercial organisations.

(iv) Azinuddin Badarudin, Human Resources and Administration Manager

Azinuddin Badarudin, a Malaysian, age 33, is an executive in the Human Resources and Administration function of HBCM. He was promoted to Manager in November 2021 and is currently responsible for managing the recruitment process, employee relations, performance management and supporting staff development initiatives.

INFORMATION ON HBCM (Cont'd)**(v) Razman Elmi Bin Zulkefli, Senior Manager Technical**

Razman Elmi Bin Zulkefli, a Malaysian, age 39, currently serves as the Senior Manager Technical of HBCM since November 2021. He is responsible for overseeing the vehicle importation processes and the operations of the vehicle assembly plant, and is also actively involved in government liaison for regulatory approvals and compliance matters.

7. ASSETS OWNED

Based on HBCM's latest audited financial statements for the FPE 30 September 2025, its total assets stood at RM106,464,586, which comprise the following:

Types of assets	RM
Non-current assets	
Plant and equipment	37,070,104
Right-of-use assets	231,225
Investment in associated company	200,000
Subtotal	37,501,329
Current assets	
Inventories	37,163,969
Trade and other receivables	8,107,038
Cash and bank balances	23,692,250
Subtotal	68,963,257
Total assets	106,464,586

8. FINANCIAL INFORMATION

A summary of the financial information of HBCM based on its audited financial statements for the FYEs 30 June 2023 to 30 June 2025 and the audited financial statements for the FPE 30 September 2025 is as follows:

	Audited			
	FYE 30 June			FPE 30 September
	2023	2024	2025	2025
	RM	RM	RM	RM
Revenue	87,331,745	110,121,458	131,694,693	26,391,334
Profit before tax	7,885,569	11,082,466	10,792,070	2,628,651
PAT	5,214,250	7,807,429	7,556,853	1,889,094
Earnings per HBCM Share ⁽¹⁾	0.40	0.60	0.58	0.15
No. of HBCM Shares in issue	13,000,000	13,000,000	13,000,000	13,000,000
Share capital	13,000,000	13,000,000	13,000,000	13,000,000
Total equity / NA ⁽²⁾	27,358,005	34,165,434	40,722,287	42,611,381
NA per HBCM Share	2.10	2.63	3.13	3.28

INFORMATION ON HBCM (Cont'd)

	Audited			FPE 30 September
	FYE 30 June			2025
	2023	2024	2025	
	RM	RM	RM	RM
Total borrowings	22,147,737	36,336,517	55,377,585	46,314,310
Current ratio (times) ⁽³⁾	1.93	1.70	1.97	2.22
Gearing (times) ⁽⁴⁾	0.81	1.06	1.36	1.09

Notes:

(1) Computed based on PAT divided by the number of HBCM Shares in issue.

(2) Computed based on NA divided by the number of HBCM Shares in issue.

(3) Computed based on total current assets divided by total current liabilities.

(4) Computed based on total borrowings divided by total equity.

Accounting policies and audit qualification

Based on HBCM's audited financial statements for the FYE 30 June 2023, FYE 30 June 2024, FYE 30 June 2025 and FPE 30 September 2025:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by HBCM which are peculiar to HBCM due to the nature of its business or the industry it operates in; and
- (iii) there were no audit qualifications for the financial statements of HBCM.

Commentary on financial performance**FYE 30 June 2023 vs FYE 30 June 2024**

HBCM's revenue increased by RM22.79 million or 26.1% from RM87.33 million in the FYE 30 June 2023 to RM110.12 million in the FYE 30 June 2024. This was mainly driven by higher sales of Chinese branded commercial vehicles, especially passenger van models.

HBCM's profit before tax increased by RM3.20 million or 40.5% from RM7.89 million in the FYE 30 June 2023 to RM11.08 million in the FYE 30 June 2024. This was mainly driven by higher gross profit as a result of increase in revenue as mentioned above.

FYE 30 June 2024 vs FYE 30 June 2025

HBCM's revenue increased by RM21.57 million or 19.6% from RM110.12 million in the FYE 30 June 2024 to RM131.69 million in the FYE 30 June 2025. This was mainly driven by higher sales of vehicles, supported by the introduction of new passenger van and cargo van models.

HBCM's profit before tax decreased by RM0.29 million or 2.6% from RM11.08 million in the FYE 30 June 2024 to RM10.79 million in the FYE 30 June 2025. This was due to higher general and administrative expenses incurred in connection with the relocation of the business premises, as well as an increase in finance costs arising from the property loan for the new premises.

INFORMATION ON HBCM (Cont'd)

FPE 30 September 2025

HBCM has recorded revenue of RM26.39 million for the FPE 30 September 2025, representing 20% of the total revenue of RM131.69 million in the FYE 30 June 2025. This was mainly contributed by the sales of vehicles, spare parts and related maintenance as well as the fittings of motor vehicles accessories.

HBCM has recorded profit before tax of RM2.63 million for the FPE 30 September 2025 mainly due to lower selling and distribution expenses as no major marketing, exhibitions and sponsorships were incurred and lower dealer incentive during the period.

9. MATERIAL CONTRACTS

HBCM has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the date of this Circular.

10. MATERIAL COMMITMENTS

As at the LPD, the board of directors of HBCM is not aware of any material commitments incurred or known to be incurred by HBCM which may have a material impact on the profits or NA of HBCM.

11. CONTINGENT LIABILITIES

As at the LPD, the board of directors of HBCM is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the financial results or position of HBCM.

12. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, HBCM is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant and the board of directors of HBCM is not aware of any proceedings pending or threatened against HBCM or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of HBCM.

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AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025

Company No:
199501025773 (354978-K)

ACACIA MOTOR SERVICES SDN. BHD.
199501025773 (354978-K)
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2025 TO 31 JULY 2025

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

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AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

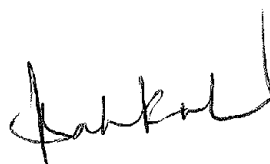
In the opinion of the Directors, the interim financial statements set out on pages 5 to 36 have been drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Company as at 31 July 2025 and of the financial performance and cash flows of the Company for the financial period from 1 February 2025 to 31 July 2025.

By the Board,



.....
Lim Han Weng
Director

Johor Bahru, Malaysia
15 December 2025



.....
Bah Kim Lian
Director

Johor Bahru, Malaysia

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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Johor Darul Ta'zim
Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACACIA MOTOR SERVICES SDN. BHD.
(Incorporated in Malaysia)**

Report on Audit of the Interim Financial Statements

Opinion

We have audited the interim financial statements of Acacia Motor Services Sdn. Bhd., which comprise the interim statement of financial position as at 31 July 2025 of the Company, and the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows of the Company for the financial period from 1 February 2025 to 31 July 2025, and notes to the interim financial statements, including material accounting policy information, as set out on pages 5 to 36.

In our opinion, the accompanying interim financial statements give a true and fair view of the financial position of the Company as at 31 July 2025, and of its financial performance and its cash flows for the financial period from 1 February 2025 to 31 July 2025 in accordance with Malaysian Financial Reporting Standards ('MFRSs') and IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISA'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Interim Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACACIA MOTOR SERVICES SDN. BHD. (continued)
(Incorporated in Malaysia)**

Responsibilities of the Directors for the Interim Financial Statements

The Directors of the Company are responsible for the preparation of the interim financial statements of the Company that give a true and fair view in accordance with MFRSs and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of interim financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the interim financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACACIA MOTOR SERVICES SDN. BHD. (continued)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Interim Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the interim financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the interim financial statements of the Company, including the disclosures, and whether the interim financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The financial statements of the Company for the financial year ended 31 January 2025 were audited by another firm of Chartered Accountants whose report dated 21 July 2025 expressed an unqualified opinion on those statements.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Johor Bahru
15 December 2025

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025

	Note	31.7.2025 RM	31.1.2025 RM (Restated)	1.2.2024 RM (Restated)
ASSETS				
Non-current assets				
Plant and equipment	7	2,193,221	2,239,155	343,919
Right-of-use assets	8	6,374,842	7,330,442	495,497
		8,568,063	9,569,597	839,416
Current assets				
Inventories	9	7,643,274	17,107,312	11,081,107
Trade and other receivables	10	29,850,969	7,267,958	34,345,034
Cash and bank balances	11	6,074,795	3,628,004	184,311
Current tax assets		-	114,001	-
		43,569,038	28,117,275	45,610,452
TOTAL ASSETS		52,137,101	37,686,872	46,449,868
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	12	2,500,000	2,500,000	2,000,000
Retained earnings		5,619,870	2,418,377	(1,813,937)
TOTAL EQUITY		8,119,870	4,918,377	186,063
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	13	-	34,088	-
Lease liabilities	8	5,555,405	5,912,733	312,908
		5,555,405	5,946,821	312,908
Current liabilities				
Trade and other payables	14	10,560,790	14,936,245	26,204,929
Borrowings	15	25,023,824	10,120,678	19,528,373
Lease liabilities	8	2,242,877	1,764,751	217,595
Current tax liabilities		634,335	-	-
		38,461,826	26,821,674	45,950,897
TOTAL LIABILITIES		44,017,231	32,768,495	46,263,805
TOTAL EQUITY AND LIABILITIES		52,137,101	37,686,872	46,449,868

The accompanying notes form an integral part of the interim financial statements.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2025 TO 31 JULY 2025**

	Note	1.2.2025 to 31.7.2025 RM	1.2.2024 to 31.1.2025 RM (Restated)
Revenue	16	21,728,594	20,018,500
Cost of sales		<u>(14,589,423)</u>	<u>(13,300,592)</u>
Gross profit		7,139,171	6,717,908
Other operating income		30,076	1,503,736
Distribution and other operating expenses		(1,576,374)	(2,924,675)
Administrative expenses		(569,229)	(321,089)
Finance costs	17	<u>(766,239)</u>	<u>(623,479)</u>
Profit before taxation	18	4,257,405	4,352,401
Taxation	19	<u>(1,055,912)</u>	<u>(120,087)</u>
Profit for the financial period/year		3,201,493	4,232,314
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income		<u>3,201,493</u>	<u>4,232,314</u>

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2025 TO 31 JULY 2025**

	Share capital RM	Retained earnings RM (Restated)	Total equity RM (Restated)
Balance as at 1 February 2024	2,000,000	(1,813,937)	186,063
Profit for the financial year	-	4,232,314	4,232,314
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	4,232,314	4,232,314
Transaction with owner			
Issuance of ordinary shares	12 500,000	-	500,000
Balance as at 31 January 2025/1 February 2025	2,500,000	2,418,377	4,918,377
Profit for the financial period	-	3,201,493	3,201,493
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	3,201,493	3,201,493
Balance as at 31 July 2025	2,500,000	5,619,870	8,119,870

The accompanying notes form an integral part of the interim financial statements.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

INTERIM STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2025 TO 31 JULY 2025

	Note	1.2.2025 to 31.7.2025 RM	1.2.2024 to 31.1.2025 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,257,405	4,352,401
Adjustments for:			
Depreciation:			
- plant and equipment	7	318,575	291,570
- right-of-use assets	8	955,600	938,916
Interest expense	17	766,239	623,479
Interest income	18	-	(820)
Impairment loss on trade receivables	10(g)	-	7,715
Unrealised loss/(gain) on foreign exchange	18	1,418	(1,288,883)
Operating profit before changes in working capital		6,299,237	4,924,378
Inventories		9,464,038	(6,026,205)
Trade and other receivables		(22,580,201)	5,585
Trade and other payables		682,848	(370,539)
Net cash used in operations		(6,134,078)	(1,466,781)
Tax paid		(341,665)	(200,000)
Net cash used in operating activities		(6,475,743)	(1,666,781)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		-	820
(Repayments)/Advances from related parties		(5,272,212)	17,591,793
Repayments to a director		(2,810)	(500,000)
Purchase of plant and equipment	7	(272,641)	(2,186,806)
Net cash (used in)/from investing activities		(5,547,663)	14,905,807
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest expenses		(357,947)	(81,638)
Proceed from issuance of shares	12	-	500,000
(Repayment)/Drawdown of:			
- revolving credits		(139)	1,503,904
- trade financing		14,903,285	(10,911,599)
- lease liabilities		(75,002)	(806,000)
Net cash from/(used in) financing activity		14,470,197	(9,795,333)
Net increase in cash and cash equivalents		2,446,791	3,443,693
Cash and cash equivalents at beginning of financial period/year		3,628,004	184,311
Cash and cash equivalents at end of financial period/year	11	6,074,795	3,628,004

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

INTERIM STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2025 TO 31 JULY 2025 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 8) RM	Borrowings (Note 15) RM
At 1 February 2024	530,503	19,528,373
Cash flows	(806,000)	(9,407,695)
Non-cash flows		
- Additions of lease liabilities	7,773,861	-
- Unwinding of interest	179,120	-
At 31 January 2025/At 1 February 2025	7,677,484	10,120,678
Cash flows	(75,002)	14,903,146
Non-cash flows:		
- Unwinding of interest	195,800	-
At 31 July 2025	7,798,282	25,023,824

The accompanying notes form an integral part of the interim financial statements.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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ACACIA MOTOR SERVICES SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2025**1. CORPORATE INFORMATION**

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 55-A, Jalan Perang, Taman Pelangi, 80400 Johor Bahru, Johor.

The principal place of business is located at Lot PT 70791, Jalan Perindustrian BJ2T 1/1, Kawasan Perindustrian Balakong Jaya 2, 43300 Seri Kembangan, Selangor.

The interim financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors.

2. PRINCIPAL ACTIVITY

The Company is principally engaged in manufacturing, assembly, production, distribution, selling, maintenance and repair of electric and internal combustion engine motor vehicles. There has been change in the nature of this activity of the Company during the financial period.

3. BASIS OF PREPARATION

The interim financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial period. The new MFRSs and Amendments to MFRSs adopted during the financial period are disclosed in Note 5 to the interim financial statements.

4. MATERIAL ACCOUNTING POLICIES**4.1 Basis of accounting**

The interim financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the interim financial statements.

The preparation of interim financial statements in conformity with MFRSs and IFRS Accounting Standards requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the interim financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

AUDITED FINANCIAL STATEMENTS OF ACACIA FOR THE FPE 31 JULY 2025 (Cont'd)

Company No:
199501025773 (354978-K)

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4. MATERIAL ACCOUNTING POLICIES (continued)**4.2 Plant and equipment and depreciation**

All items of plant and equipment (excluding right-of-use asset) are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Each part of an item of plant and equipment (excluding right-of-use asset) with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation years are as follows:

Air conditioners	5 years
Furniture and fittings	3 years
Office equipment	3 years
Plant and machinery	5 years
Renovation	3 years
Signboard	3 years
Tools and equipment	5 years

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

4.3 Leases**The Company as a lessee*****Right-of-use assets***

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Buildings	3 to 5 years
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Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Company. Subsequent to the initial recognition, the Company measures the lease liability by increasing the carrying amount to reflect interest in the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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4. MATERIAL ACCOUNTING POLICIES (continued)**4.4 Financial instruments****(a) Financial assets**

Financial assets are recognised in the interim statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and met the definition of a financial liability.

Financial liabilities are recognised in the interim statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

4.5 Impairment of financial assets

The Company applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

The Company considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of the Company's industry to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

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4. MATERIAL ACCOUNTING POLICIES (continued)**4.5 Impairment of financial assets (continued)**

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Credit impaired refers to any individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

The probability of non-payment other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

4.6 Foreign currencies**(a) Functional and presentation currency**

Items included in the interim financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The interim financial statements are presented in Ringgit Malaysia ('RM'), which is the Company's functional and presentation currency.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

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5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**5.1 New MFRSs adopted during the financial period**

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial period ended 31 July 2025:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Company.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company is in the process of assessing the impact of implementing these Amendments, since the effects would only be observable for the future financial years.

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**6.1 Changes in estimates**

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the interim financial statements.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables and appropriate forward looking information.

7. PLANT AND EQUIPMENT

	Balance as at 1.2.2025 RM	Additions RM	Reclassi- fication RM	Depreciation charge for the financial period RM	Balance as at 31.7.2025 RM
31.7.2025					
Carrying amount					
Air conditioners	4,167	-	-	(641)	3,526
Furniture and fittings	16,669	-	-	(6,666)	10,003
Office equipment	219,739	14,351	-	(51,528)	182,562
Plant and machinery					
- owned	975,922	-	(759,976)	(23,598)	192,348
- right-of-use assets	-	-	759,976	(80,676)	679,300
Renovation	91,118	-	-	(26,664)	64,454
Signboard	8,011	-	-	(1,766)	6,245
Tools and equipment					
- owned	923,529	258,290	(450,708)	(79,593)	651,518
- right-of-use assets	-	-	450,708	(47,443)	403,265
	2,239,155	272,641	-	(318,575)	2,193,221

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7. PLANT AND EQUIPMENT (continued)

	<----- As at 31.7.2025 ----->		
31.7.2025	Cost RM	Accumulated depreciation RM	Carrying amount RM
Carrying amount			
Air conditioners	6,410	(2,884)	3,526
Furniture and fittings	40,000	(29,997)	10,003
Office equipment	310,272	(127,710)	182,562
Plant and machinery			
- owned	243,760	(51,412)	192,348
- right-of-use assets	806,755	(127,455)	679,300
Renovation	160,000	(95,546)	64,454
Signboard	10,600	(4,355)	6,245
Tools and equipment			
- owned	857,562	(206,044)	651,518
- right-of-use assets	474,429	(71,164)	403,265
	2,909,788	(716,567)	2,193,221

	Balance as at 1.2.2024 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.1.2025 RM
31.1.2025				
Carrying amount				
Air conditioners	5,449	-	(1,282)	4,167
Furniture and fittings	30,001	-	(13,332)	16,669
Office equipment	86,181	178,098	(44,540)	219,739
Plant and machinery	21,494	1,025,655	(71,227)	975,922
Renovation	69,448	60,000	(38,330)	91,118
Signboard	2,600	7,000	(1,589)	8,011
Tools and equipment	128,746	916,053	(121,270)	923,529
	343,919	2,186,806	(291,570)	2,239,155

	<----- As at 31.1.2025 ----->		
31.1.2025	Cost RM	Accumulated depreciation RM	Carrying amount RM
Carrying amount			
Air conditioners	6,410	(2,243)	4,167
Furniture and fittings	40,000	(23,331)	16,669
Office equipment	295,921	(76,182)	219,739
Plant and machinery	1,050,515	(74,593)	975,922
Renovation	160,000	(68,882)	91,118
Signboard	10,600	(2,589)	8,011
Tools and equipment	1,073,701	(150,172)	923,529
	2,637,147	(397,992)	2,239,155