

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

Our Directors also confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each annual general meeting of our Company) to enter into such recurrent related party transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

**10.1.2 Transactions entered into that are unusual in their nature or conditions**

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the Financial Years/Period Under Review and up to the LPD.

**10.1.3 Material outstanding financial assistance (including guarantees of any kind)****(i) Material outstanding financial assistance (including guarantees of any kind) made to or for the benefit of related parties**

Save as disclosed below, there are no material outstanding financial assistance (including guarantees of any kind) made by our Group to or for the benefit of the related parties in respect of the Financial Years/Period Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				LPD (RM'000)
				31 January 2022 (RM'000)	31 January 2023 (RM'000)	31 January 2024 (RM'000)	31 October 2024 (RM'000)	
1.	Handal Indah and Manja Technologies Pte Ltd ("Manja Technologies SG")	<b>Interested Director</b> • Bah Kim Lian  <b>Interested shareholder:</b> • Lim Han Weng See Note (1) for further details of the relationship with our Director, major shareholder and/or persons connected to them	• Payment on behalf of and/or advances extended to the related party	556	2,184	-	-	-

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				LPD (RM'000)
				31 January 2022 (RM'000)	31 January 2023 (RM'000)	31 January 2024 (RM'000)	31 October 2024 (RM'000)	
2.	Handal Indah and Manja Technologies MY	<b>Interested Director</b> <ul style="list-style-type: none"> <li>Lim Chern Chuen</li> </ul> <p>See Note (2) for further details of the relationship with our Director and/or persons connected to him</p>	<ul style="list-style-type: none"> <li>Payment on behalf of and/or advances extended to the related party</li> <li>Interest charged by Handal Indah to the related party on advances provided</li> </ul> <p>See Note (6) for the details of the interest rate charged</p>	-	1,400	-	-	-
3.	Handal Indah and Hugo Mobility Pte Ltd ("Hugo Mobility SG")	<b>Interested Director</b> <ul style="list-style-type: none"> <li>Bah Kim Lian</li> </ul> <b>Interested major shareholder:</b> <ul style="list-style-type: none"> <li>Lim Han Weng</li> </ul> <p>See Note (3) for further details of the relationship with our Director, major shareholder and/or persons connected to them</p>	<ul style="list-style-type: none"> <li>Payment on behalf of and/or advances extended to the related party</li> </ul>	181	1,756	-	-	-
4.	Handal Indah and Handal Ceria	<b>Interested Director</b> <ul style="list-style-type: none"> <li>Bah Kim Lian</li> </ul> <b>Interested major shareholder:</b> <ul style="list-style-type: none"> <li>Lim Han Weng</li> </ul>	<ul style="list-style-type: none"> <li>Payment on behalf of and/or advances extended to the related party</li> <li>Interest charged by Handal Indah to the related party on advances provided</li> </ul>	107	5,012	13,344	-	-
				34	86	-	-	-

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

No.	Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				LPD (RM'000)
				31 January 2022 (RM'000)	31 January 2023 (RM'000)	31 January 2024 (RM'000)	31 October 2024 (RM'000)	
		<b>Interested past director and major shareholder:</b>	See Note (6) for the details of the interest rate charged					
		• Mat Sin Bin Bidin						
		See Note (4) for further details of the relationship with our Director, major shareholder and/or persons connected to them	• Corporate guarantee extended to the related party for its hire purchase facilities	11,166	8,552	1,336	-	-
5.	Handal Indah and Acacia Motor	<b>Interested Director</b>	• Payment on behalf of and/or advances extended to the related party	-	-	1,597	-	-
		• Bah Kim Lian						
		<b>Interested major shareholder:</b>						
		• Lim Han Weng						
		See Note (5) for further details of the relationship with our Director, major shareholder and/or persons connected to them						
6.	Handal Indah, Manja Technologies SG and Hugo Mobility SG	<b>Interested Director</b>	• Waiver of receivables due to impairment assessment	22,479	-	-	-	-
		• Bah Kim Lian						
		<b>Interested major shareholder:</b>						
		• Lim Han Weng						
		See Notes (1) and (3) for further details of the relationship with our Director, major shareholder and/or persons connected to them						

**10. RELATED PARTY TRANSACTIONS (Cont'd)****Notes:**

(1) *Manja Technologies SG*

*Bah Kim Lian is our Director, while Lim Han Weng is our major shareholder. Lim Han Weng and Bah Kim Lian are spouses to each other. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Manja Technologies SG, each holding 50.00% equity interest in Manja Technologies SG.*

(2) *Manja Technologies MY*

*Lim Chern Chuen is our Director. Lim Chern Chuen (the son of Lim Han Weng and Bah Kim Lian) is also the director and sole shareholder of Manja Technologies MY.*

(3) *Hugo Mobility SG*

*Bah Kim Lian is our Director, while Lim Han Weng is our major shareholder. Lim Han Weng and Bah Kim Lian are spouses to each other. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Hugo Mobility SG, each holding 50.00% equity interest in Hugo Mobility SG.*

(4) *Handal Ceria*

*Bah Kim Lian is our Director, while Lim Han Weng is our major shareholder. Lim Han Weng and Bah Kim Lian are spouses to each other. Mat Sin Bin Bidin was previously Handal Indah's director who had resigned on 10 October 2024 and was its major shareholder until he had disposed his entire shareholdings in Handal Indah to Bumi Mampan on 18 July 2024. Lim Han Weng, Bah Kim Lian and Mat Sin Bin Bidin are also the directors and shareholders of Handal Ceria. The equity interest in Handal Ceria is 50.00% held by Lim Han Weng, 47.00% held by Bah Kim Lian and 3.00% held by Mat Sin Bin Bidin.*

(5) *Acacia Motor*

*Bah Kim Lian is our Director, while Lim Han Weng is our major shareholder. Lim Han Weng and Bah Kim Lian are spouses to each other. Lim Han Weng and Bah Kim Lian are also the directors and shareholders of Acacia Motor, respectively holding 70.00% and 30.00% equity interest in Acacia Motor.*

(6) *In the FYE 2022 and FYE 2023, interest rates ranging from 3.4% to 4.1% (based on Bank Negara Malaysia's average lending rate) were charged on intragroup advances, excluding those extended to Manja Technologies SG and Hugo Mobility SG. The advances provided to Manja Technologies SG and Hugo Mobility SG were to fund the working capital incurred in relation to the development of our software applications, and hence it was decided that the financial assistance extended to them would be interest free. From the FYE 2024 onwards, we ceased to impose interest charges on all advances extended to the related parties.*

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

Save as disclosed in Note (6) above, the payment on behalf of and advances extended to the related parties are not on arm's length basis and are not on normal commercial terms as they were unsecured, interest free and repayable on demand. These payment on behalf of and advances were provided in relation to their engagement as our subcontractor (Handal Ceria), bus assembler (Acacia Motor) and IT service provider (Manja Technologies MY, Manja Technologies SG and Hugo Mobility SG) to facilitate the work performed for our Group. Since the services rendered by the related parties were to our benefit, it was then decided that the financial assistance extended to them would be interest free and, as such, not carried out on arm's length basis. Nevertheless, all payment on behalf of and advances extended to the related parties have been fully settled on 31 July 2024.

In the FYE 2022, an impairment loss was recorded on other receivables owing by Manja Technologies SG and Hugo Mobility SG to our Group amounting to RM22.5 million. Since 2016, our Group had advanced money to and made payments on behalf of Manja Technologies SG and Hugo Mobility SG for their working capital purposes, mainly comprising employee salaries, website subscription fees and administrative expenses. During the FYE2022, as the effects of COVID-19 lingered, our Group critically assessed the recoverability of all debts in accordance with the requirements of accounting standards. It was determined that the amounts owing by Manja Technologies SG and Hugo Mobility SG were non-recoverable, and a specific impairment loss has been made after taking into consideration the following:

- (1) the advances and payments made by our Group on their behalf had been accumulating and remained long outstanding; and
- (2) both companies were loss-making and were in net liabilities positions.

Both Manja Technologies SG and Hugo Mobility SG specialise in IT. The following software applications, which are owned and in use by our Group, were developed by Manja Technologies SG:

<b>Software application</b>	<b>Software descriptions</b>
• Hi Suite	• An enterprise resource planning (ERP) system for management of purchasing, sales, marketing, finance, human resources, and other administrative functions.
• Hi Store	• A system for management of workshop and inventory stocks.
• Hi Labour	• A system for tracking the repair status in the workshop.

On the other hand, notwithstanding that LUGO is owned by Hugo Mobility SG, we are the predominant user of this digital platform for our Group's operations:

<b>Software application</b>	<b>Software descriptions</b>
• LUGO	• A mobile application which allows passengers to plan their bus journey.

Over the years, these software applications have been customised to fit our operations and as such, it is more cost-effective and expedient for us to continue engaging the original developers for the upkeep and any upgrade of these software applications, as opposed to appointing a new service provider.

As at the LPD, our Group has ceased to provide financial assistance to all related parties. Our Group will not provide any financial assistance to any related parties in the future, including Manja Technologies SG and Hugo Mobility SG.

**10. RELATED PARTY TRANSACTIONS (Cont'd)****(ii) Material outstanding financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group**

Save as disclosed below, there are no material outstanding financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group in respect of the Financial Years/Period Under Review and up to the LPD:

Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount as at				LPD (RM'000)
			31 January 2022 (RM'000)	31 January 2023 (RM'000)	31 January 2024 (RM'000)	31 October 2024 (RM'000)	
Handal Indah and Lim Han Weng	<b>Interested major shareholder:</b> • Lim Han Weng  See Note (1) for further details of the relationship with our major shareholder and/or persons connected to them	Payment on behalf of and/or advances extended by Lim Han Weng	13,162	5,388	-	-	-

**Note:**1. *Lim Han Weng*

*Lim Han Weng is our major shareholder. He is the spouse of Bah Kim Lian.*

The payment on behalf of and advances extended by Lim Han Weng are not on arm's length basis and are not on normal commercial terms as they were unsecured, interest free and repayable on demand. Nevertheless, all payment on behalf of and advances extended to our Group have been fully settled as at the LPD.

In addition, personal guarantees have also been provided by Lim Han Weng and Bah Kim Lian for our Group's banking facilities, details of which are set out in Section 10.1.4 of this Prospectus.

## 10. RELATED PARTY TRANSACTIONS *(Cont'd)*

### 10.1.4 Upliftment of personal guarantees

Save as disclosed below, there are no other personal guarantees provided by the related parties to secure the banking facilities and hire purchase facilities extended by financial institutions to our Group:

<b>Financial institution</b>	<b>Guarantor / Security party</b>
Alliance Bank Malaysia Berhad	Lim Han Weng
Alliance Islamic Bank Berhad	Lim Han Weng and Bah Kim Lian
Bank Kerjasama Rakyat Malaysia Berhad	Lim Han Weng
Hap Seng Credit Sdn Bhd	Lim Han Weng and Bah Kim Lian
Hong Leong Bank Berhad	Lim Han Weng and Bah Kim Lian
Maybank Islamic Berhad	Lim Han Weng
OCBC Bank (Malaysia) Berhad	Lim Han Weng
ORIX Credit Malaysia Sdn Bhd	Lim Han Weng and Bah Kim Lian
United Overseas Bank (Malaysia) Bhd	Lim Han Weng

We have obtained the release and/or discharge of the guarantees extended by Lim Han Weng and in some cases, Bah Kim Lian from the financiers by substituting the same with a corporate guarantee from our Group.

## 10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

### 10.2.1 Audit Committee review

Our Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Group. Our Audit Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, among other things will be considered:

- (i) the rationale and the cost/benefit to our Group are first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit Committee are reported to our Board for its further action.

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

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**10.2.2 Our Group's policy on related party transactions**

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders.

In addition, we have adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCGG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (i) our Board shall ensure that half of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.



## 11. CONFLICTS OF INTEREST

### 11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE CUSTOMERS AND/OR SUPPLIERS OF OUR GROUP

#### 11.1.1 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group

As at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group.

#### 11.1.2 Involvement of our Directors and substantial shareholders in entities which are our customers and/or suppliers

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are our customers and/or suppliers:

Entity	Directors and/or substantial shareholders	Nature	Principal activity	Nature of interest
Liannex Corporation	<b>Director</b> <ul style="list-style-type: none"> <li>• Bah Kim Lian</li> </ul> <b>Substantial shareholders</b> <ul style="list-style-type: none"> <li>• Lim Han Weng</li> <li>• Bah Kim Lian</li> </ul>	Supplier of buses	Assembly, production, distribution and selling of motor vehicles	Lim Han Weng is a director and shareholder indirectly holding 100% equity interest in Liannex Corporation  Bah Kim Lian is a director and shareholder indirectly holding 100% equity interest in Liannex Corporation
Manja Technologies MY	<b>Director</b> <ul style="list-style-type: none"> <li>• Lim Chern Chuen</li> </ul>	Supplier of IT solutions, system integrations and ticketing machines	Provision of IT solutions, systems integration, hardware and software	Lim Chern Chuen is the director and sole shareholder of Manja Technologies MY
Acacia Motor	<b>Director</b> <ul style="list-style-type: none"> <li>• Bah Kim Lian</li> </ul> <b>Substantial shareholders</b> <ul style="list-style-type: none"> <li>• Lim Han Weng</li> <li>• Bah Kim Lian</li> </ul>	Bus and assembly services	Assembly, production, distribution and selling of motor vehicles	Lim Han Weng is a director and shareholder directly holding 70% equity interest in Acacia Motor  Bah Kim Lian is a director and shareholder directly holding 30% equity interest in Acacia Motor

**11. CONFLICTS OF INTEREST (Cont'd)**

<u>Entity</u>	<u>Directors and/or substantial shareholders</u>	<u>Nature</u>	<u>Principal activity</u>	<u>Nature of interest</u>
Mobiliti Mampan	<b>Substantial shareholder</b> <ul style="list-style-type: none"> <li>• Mohd Azmir Bin Rahmani</li> </ul>	Subcontracted bus services	Providing bus transportation services	Mohd Azmir Bin Rahmani is a director and shareholder directly holding 50% equity interest in Mobiliti Mampan
Handal BCM	<b>Directors</b> <ul style="list-style-type: none"> <li>• Bah Kim Lian</li> <li>• Lim Chern Chuen</li> </ul> <b>Substantial shareholders</b> <ul style="list-style-type: none"> <li>• Lim Han Weng</li> <li>• Bah Kim Lian</li> </ul>	Supplier of buses and vans	Production and selling of motor vehicles	Lim Chern Chuen is a director of Handal BCM  Lim Han Weng is a shareholder indirectly holding 55% equity interest in Handal BCM  Bah Kim Lian is a shareholder indirectly holding 55% equity interest in Handal BCM

(All the suppliers listed above are referred to as “**Related Suppliers**”)

Notwithstanding, our Board is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and substantial shareholders in the Related Suppliers is mitigated due to the following:

- (a) all purchases from the Related Suppliers are transacted on an arm’s length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties. This is based on the benchmark against pricing provided by the Related Suppliers to third parties as well as comparable rates against other suppliers for similar services and products;
- (b) our Group is not dependent on the Related Suppliers as we are able to source for vans, buses and bus assembly services (provided by Liannex Corporation, Acacia Motor and Handal BCM), IT solutions, system integrations and ticketing machines (provided by Manja Technologies MY) as well as subcontracted bus services (provided by Mobiliti Mampan) from alternative suppliers with similar price, quantity and quality; and
- (c) the interested Directors and substantial shareholders do not participate in the day-to-day operations of the Related Suppliers as the Related Suppliers have their own independent and standalone management.

**11. CONFLICTS OF INTEREST** *(Cont'd)*

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As set out in Section 10.2.1 of this Prospectus, our Audit Committee will review any conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions on management integrity. Our Audit Committee will also ensure that any such transactions are carried out on terms that are not detrimental to our Group and is in the best interest of our Group.

Notwithstanding, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as that of our Group or which are our customers and/or suppliers may give rise to a conflict of interest situation with our business. Although such interests may give rise to a conflict of interest situation, our Directors and substantial shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct and/or indirect interests. Such transactions will be carried out on arm's length basis and on normal commercial terms.

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## 11. CONFLICTS OF INTEREST (Cont'd)

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### 11.2 DECLARATION BY ADVISERS ON POTENTIAL CONFLICT OF INTEREST

#### 11.2.1 Declaration by Maybank IB

Maybank IB, being the Principal Adviser, Sole Placement Agent and Sole Underwriter for our IPO, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has, in its ordinary course of business, extended credit facilities to our Group amounting to RM122.4 million, of which about RM82.2 million is outstanding. Notwithstanding, Maybank IB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser, Sole Placement Agent and Sole Underwriter for our IPO due to the following reasons:

- (i) Malayan Banking Berhad and Maybank Islamic Berhad are a licensed commercial bank and Islamic bank respectively, and the extension of credit facilities to our Group arose in their ordinary course of business;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, the Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks; and
- (iii) the total aggregate outstanding amount owed by our Group to the Maybank Group of about RM82.2 million as at the LPD is not material when compared to the audited NA of the Maybank Group as at 31 December 2023 of approximately RM97.6 billion (representing approximately 0.08% only).

Maybank IB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser, Sole Placement Agent and Sole Underwriter for our IPO.

**11. CONFLICTS OF INTEREST (Cont'd)**

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**11.2.2 Declaration by BDO PLT**

BDO PLT confirms that there is no conflict of interest situation in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

**11.2.3 Declaration by Mah-Kamariyah & Philip Koh**

Mah-Kamariyah & Philip Koh confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to Malaysian law in relation to our IPO.

**11.2.4 Declaration by Harry Elias Partnership LLP**

Harry Elias Partnership LLP confirms that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to Singapore law in relation to our IPO.

**11.2.5 Declaration by Christopher & Lee Ong**

Christopher & Lee Ong confirms that there is no conflict of interest situation in its capacity as the legal adviser to the Sole Placement Agent and Sole Underwriter as to Malaysian law in relation to our IPO.

**11.2.6 Declaration by Vital Factor Consulting Sdn Bhd**

Vital Factor Consulting Sdn Bhd confirms that there is no conflict of interest situation in its capacity as the Independent Business and Market Research Consultants in relation to our IPO.

**11.2.7 Declaration by BDO Governance Advisory Sdn Bhd**

BDO Governance Advisory Sdn Bhd confirms that there is no conflict of interest situation in its capacity as the Internal Control Consultant to our Company in relation to our IPO.

## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL FINANCIAL INFORMATION

The historical combined financial information for the Financial Years/Period Under Review presented below have been extracted from the Accountants' Report included in Section 13 of this Prospectus (“**Combined Financial Statements**”). Our Combined Financial Statements are prepared in accordance with MFRS and IFRS.

The following historical combined financial information should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set out in Section 12.2 of this Prospectus together with the Accountants’ Report set out in Section 13 of this Prospectus.

#### Historical combined statements of profit or loss and other comprehensive income

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	31,468	119,632	207,713	147,680	204,267
Direct operating costs	(36,154)	(86,676)	(144,337)	(102,645)	(146,533)
<b>(GL)/GP</b>	<b>(4,686)</b>	<b>32,956</b>	<b>63,376</b>	<b>45,035</b>	<b>57,734</b>
Other operating income	3,376	3,224	5,157	4,078	2,341
Net loss on impairment of receivables	(22,619)	-	(751)	-	(488)
Distribution and other operating expenses	(569)	(1,421)	(3,699)	(2,446)	(1,737)
Administrative expenses	(8,619)	(9,414)	(14,205)	(9,081)	(15,066)
<b>Operating (loss)/profit</b>	<b>(33,117)</b>	<b>25,345</b>	<b>49,878</b>	<b>37,586</b>	<b>42,784</b>
Finance costs	(1,673)	(3,020)	(4,732)	(3,582)	(5,345)
<b>(LBT)/PBT</b>	<b>(34,790)</b>	<b>22,325</b>	<b>45,146</b>	<b>34,004</b>	<b>37,439</b>
Taxation	2,745	(2,811)	(11,974)	(9,799)	(3,746)
<b>(LAT)/PAT<sup>(1)</sup></b>	<b>(32,045)</b>	<b>19,514</b>	<b>33,172</b>	<b>24,205</b>	<b>33,693</b>
Foreign exchange translations	348	537	1,423	1,160	(2,459)
<b>Total comprehensive (loss)/income</b>	<b>(31,697)</b>	<b>20,051</b>	<b>34,595</b>	<b>25,365</b>	<b>31,234</b>

#### Other selected financial data

	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
(GL)/GP margin (%) <sup>(2)</sup>	(14.9)	27.5	30.5	30.5	28.3
(LBT)/PBT margin (%) <sup>(3)</sup>	(110.6)	18.7	21.7	23.0	18.3
(LAT)/PAT margin (%) <sup>(4)</sup>	(101.8)	16.3	16.0	16.4	16.5
EBITDA (RM'000) <sup>(5)</sup>	(21,444)	36,552	65,794	48,470	57,712
EBITDA margin (%) <sup>(6)</sup>	(68.1)	30.6	31.7	32.8	28.3
Basic and diluted EPS (sen) <sup>(7)</sup>	(6.41)	3.90	6.63	4.84	6.74

**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) All of our (LAT)/PAT is wholly attributable to the owners of our Company as we do not have any non-controlling interest.
- (2) Computed based on (GL)/GP over revenue.
- (3) Computed based on (LBT)/PBT over revenue.
- (4) Computed based on (LAT)/PAT over revenue.
- (5) EBITDA is calculated as (LAT)/PAT add (i) taxation; (ii) finance costs; and (iii) depreciation and amortisation, less (iv) interest income. The following table reconciles our (LAT)/PAT to EBITDA for the Financial Years Under Review, FPE 2024 and FPE 2025:

	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
(LAT)/PAT	(32,045)	19,514	33,172	24,205	33,693
Add/(Less):					
Taxation	(2,745)	2,811	11,974	9,799	3,746
Finance costs	1,673	3,020	4,732	3,582	5,345
Depreciation and amortisation	11,726	11,335	15,925	10,887	14,965
Interest income	(53)	(128)	(9)	(3)	(37)
<b>EBITDA</b>	<b>(21,444)</b>	<b>36,552</b>	<b>65,794</b>	<b>48,470</b>	<b>57,712</b>

- (6) Computed based on EBITDA over revenue.
- (7) Computed based on (LAT)/PAT attributable to equity holders of HI Mobility over our enlarged issued Shares of 500,000,000 upon our Listing.

**Selected historical combined statements of financial position**

	Audited			
	As at 31 January 2022	As at 31 January 2023	As at 31 January 2024	As at 31 October 2024
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	102,397	109,348	160,961	226,907
Total current assets	30,879	80,056	69,838	104,439
<b>Total assets</b>	<b>133,276</b>	<b>189,404</b>	<b>230,799</b>	<b>331,346</b>
Share capital / Invested equity <sup>(1)</sup>	5,000	52,000	52,000	100,000
Exchange translation reserve	(826)	(289)	1,133	(1,325)
Merger reserve	-	-	-	(27,999)
Retained earnings <sup>(2)</sup>	32,794	5,308	17,480	51,172
<b>Total equity / NA</b>	<b>36,968</b>	<b>57,019</b>	<b>70,613</b>	<b>121,848</b>
Total non-current liabilities	21,870	20,916	38,482	119,480
Total current liabilities	74,438	111,469	121,704	90,018
<b>Total liabilities</b>	<b>96,308</b>	<b>132,385</b>	<b>160,186</b>	<b>209,498</b>
<b>Total equity and liabilities</b>	<b>133,276</b>	<b>189,404</b>	<b>230,799</b>	<b>331,346</b>
Total borrowings (RM'000)	57,658	86,837	100,853	151,778
<b>Gearing ratio (times)<sup>(3)</sup></b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>1.2</b>

**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) *The increase in invested equity from RM5.0 million as at 31 January 2022 to RM52.0 million as at 31 January 2023 was attributed to the issuance of bonus shares, where Handal Indah (our wholly-owned subsidiary) increased the number of ordinary shares in issue from 5,000,000 to 52,000,000 by way of a bonus issue of 47,000,000 new ordinary shares during the FYE 2023.*

*During the FPE 2025, the issued and fully paid up share capital of our Company increased from RM1,000 (as at the date of incorporation) to RM100,000,000 pursuant to the completion of the Acquisition of Handal Indah and Subscription of New Shares. Please refer to Section 6.1.2 of this Prospectus for further information on our Preliminary Restructuring.*

- (2) *Retained earnings decreased from RM32.8 million as at 31 January 2022 to RM5.3 million as at 31 January 2023. While we recorded a PAT of RM19.5 million for the FYE 2023, the issuance of 47,000,000 shares by way of a bonus issue resulted in the decrease in retained earnings by RM47.0 million. Subsequently, for the FYE 2024, retained earnings increased to RM17.5 million as we recorded a PAT of RM33.2 million but was partially offset by dividends of RM21.0 million paid during the FYE 2024. For the FPE 2025, we recorded a PAT of RM33.7 million and our retained earnings increased further to RM51.2 million.*
- (3) *Computed based on total borrowings over total equity.*

**12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our financial condition and results of operations is based on our combined financial information with respect to the FYE 2022, FYE 2023, FYE 2024, and FPE 2024 and FPE 2025, which have been derived from the Accountants' Report as set out in Section 13 of this Prospectus.

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the material accounting policies of our Group, see Note 3 of the Accountants' Report as set out in Section 13 of this Prospectus.

**12.2.1 Overview of our business**

We operate within the mass transit sector providing both cross-border and local bus services. We provide accessibility and mobility to people and communities supported by our fleet of 683 buses and 4 depots as at the LPD. As part of our initiative to support green mobility for environmental sustainability, we gradually deployed electric buses for our operations since 2023 and as at the LPD, we have a fleet of 53 electric buses.

We operate scheduled bus services including cross-border, intracity and intercity bus services, as well as chartered bus services. We also provide other services which include the provision of repair and maintenance services and rental of advertising space on selected buses.

Please refer to Section 7 of this Prospectus for further information on our business operations.



## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.2 Significant factors affecting our financial condition and results of operations

Significant factors that had affected and are expected to continue to affect our financial condition and results of operations are as follows:

- (a) **Our revenue contribution and profitability performance would vary from year to year which is attributed to consumers' demand for bus services as well as our ability to secure new contracts and control continuing operating costs incurred to support and maintain the reliability and efficiency of our services**

Our revenue grew from RM31.5 million for the FYE 2022 to RM119.6 million in the FYE 2023 and RM207.7 million for the FYE 2024. Our profitability improved significantly from a LAT of RM32.0 million for the FYE 2022 to PAT of RM19.5 million for the FYE 2023 and RM33.2 million in the FYE 2024. Our high revenue and PAT growth were mainly attributed to our low financial performance for the FYE 2022 arising from the impact of the COVID-19 pandemic. There can be no assurance that we will be able to continue to sustain these growth trends.

Our revenue contribution and profitability performance could vary from year to year. As a provider of cross-border and local bus services, the demand for our services is subject to various factors, including internal and/or external factors such as any adverse changes in economic and social conditions and/or regulatory conditions and policies, competition as well as any delays or failures in executing our business strategies and plans effectively. In addition, we also provide contracted bus services to the general public based on contracts secured from the government bodies. As such, we are dependent on our ability to continually submit tender bids and quotation proposals, or to extend the contracts or secure new contracts to expand our order book.

For the government contracted bus services, we are required to ensure our services are able to meet the minimum service level requirements as stipulated in the contracts. There will be continuing operating costs incurred for the maintenance of the vehicle fleets to ensure availability and minimum downtime of the bus services. Hence, we are subject to penalty in the event we fail to meet the monthly minimum service level requirements for the contracted bus services or increases in operating cost for maintenance works, which would affect our profitability and financial performance.

- (b) **Delays in deployment or suspension or termination of contracts may affect our business and financial performance**

Our business and financial performance is subject to risks of delays in deployment of buses and people that may fail to fulfil the services based on the contracts. The availability and reliability of bus services is crucial for public bus service operations as we are committed to provide reliable services to the general public. The delays in deployment are dependent on various factors including the existing bus availability, new bus delivery delays, driver availability, obtaining necessary permits, maintenance schedules, route planning and unexpected events such as breakdowns as well as readiness of infrastructure such as charging stations for EV fleets where any one or a combination of these factors may interrupt the deployment of our bus service operations. For the Financial Years/Period Under Review and up to the LPD, we have not experienced material interruptions in relation to the deployment of our services or any penalty incurred due to the delay in deployment of our services.

Furthermore, our business may also face the risk of suspension or termination of subsisting contracts by our customers, which may adversely affect our profitability and financial performance.

**12. FINANCIAL INFORMATION (Cont'd)****(c) Reliance on contracts with government bodies and a major customer**

We secured contracts from the various government bodies to provide local intracity bus to the general public. Our revenue derived from contracted intracity bus services with the government bodies accounted for 57.5% (RM18.1 million), 29.6% (RM35.5 million), 27.7% (RM57.4 million) and 27.4% (RM56.0 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. In this respect, our business and financial performance is dependent on our ability to continually submit tender bids and quotation proposals, or to extend the contracts or secure new contract to expand our order book.

Furthermore, we are dependent on our major customer, APAD, by virtue of revenue contribution which accounted for RM6.3 million (20.1%), RM22.3 million (18.7%), RM43.1 million (20.8%) and RM42.1 million (20.6%) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. As at the LPD, we have two ongoing contracts with APAD for the provision of local intracity bus services to the general public in Johor and Melaka. In the event of a reduction, suspension or termination of contracts from the said customer, if the contract is not replaced in a timely manner, it would adversely affect our profitability and financial performance.

**(d) We incurred initial capital outlay in assets to facilitate our bus service operations which exposed us to high investment cost and continuing operating costs to maintain the reliability services**

Our business is exposed to high investment costs and continuing operating costs to maintain our fixed asset requirements such as bus fleets, depots and related facilities including digital infrastructure to provide the wide network of bus services as well as to fulfil the contracted services with the government bodies as stipulated in the contracts.

As at 31 October 2024, we have invested RM270.3 million in our operational facilities including bus fleets, depot facilities and digital infrastructure. Moving forward, part of our strategy to increase investment in our operational facilities includes expanding bus fleets and depot facilities, as well as expanding our digital infrastructure to also cater for our network expansion. In the event we fail to obtain the funding for capital expenditure and expenses to maintain the reliability and efficiency of our services, or if we face a limitation in funding to execute our strategies, this would adversely affect our profitability and financial performance.

**(e) Prolonged COVID-19 or any other contagious or virulent diseases**

The spread or outbreak of the COVID-19 or any other contagious or virulent diseases may potentially affect our business operations. Our business operations and financial performance were impacted due to various COVID-19 pandemic containment measures including the restrictive movement control and border closure between 2020 and 2021. This was reflected in the low revenue and GL position for the FYE 2022 and this also adversely affected our operating cashflow position where we recorded a negative operating cashflow of RM1.6 million in the FYE 2022.

Following the relaxation of containment measures, revenue contribution from our scheduled bus service operations improved. This was reflected in our revenue growth which increased by 280.2% to RM119.6 million for the FYE 2023 (FYE 2022: RM31.5 million), and continued to grow by 73.6% to RM207.7 million for the FYE 2024 (FYE 2023: RM119.6 million). Our operating cashflow position improved to RM35.7 million for the FYE 2023 and RM73.3 million for the FYE 2024. Please refer to Section 7.15 of this Prospectus for further details on the impact of the COVID-19 pandemic on our business.

**12. FINANCIAL INFORMATION (Cont'd)****(f) Impact of inflation**

Our cost of operations mainly consists of labour and fuel costs, which are subject to various operating environments and conditions such as inflation, changes in government policy relating to minimum wages and the removal or reduction of subsidies for fuel prices for public land transportation.

Our financial performance for the Financial Years/Period Under Review were not materially affected by the inflation. However, there can be no assurance that future inflation will not have an impact on our cost of operations, business and financial performance.

**(g) Government/economic/fiscal/monetary policies**

Our business is subject to risks relating to government, economic, fiscal or monetary policies in Malaysia and Singapore. Any unfavourable changes in government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia and Singapore. Please refer to Section 9.2.2 of this Prospectus for further details.

**12.2.3 Significant accounting estimates and judgements****(i) 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.

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

**(ii) Critical judgements made in applying accounting policies**

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

**(iii) 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 and contract assets**

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

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.4 Overview of our results of operations

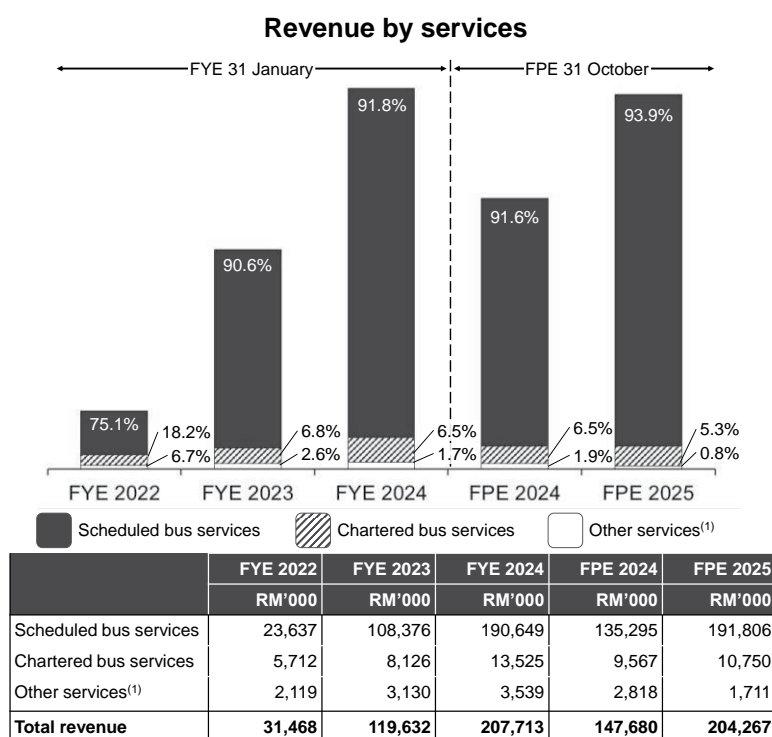
Our revenue for scheduled bus services segment is derived from customers comprising the general paying public passengers from Malaysia and Singapore, and government bodies in Malaysia. This mainly comprise the following:

- Ticket sales to general public passengers: This is for our cross-border bus services and intercity bus services where our revenue is derived from the sale of tickets to our customers who are general public passengers. Revenue from ticket sales is recognised upon the completion of services rendered to passengers. This is also applicable for certain intracity bus routes we operate under our brand name 'Causeway Link', which we provide to the general public in suburban areas within Johor as part of our initiatives.
- Contracted bus services for government bodies: We are contracted by various government bodies to provide intracity bus services. The revenue for the provision of contracted bus services is recognised based on the agreed fee charged for the services rendered on a monthly basis.

In addition, we provide chartered bus services and the revenue is recognised based on the agreed fee charged for services rendered on a monthly basis. As for the other services including provision of bus repair and maintenance services, and rental of advertising space on selected buses, the revenue is recognised upon completion of services rendered.

Our revenue increased by 280.2% to RM119.6 million for the FYE 2023 and 73.6% to RM207.7 million for the FYE 2024. Our business was affected by various containment measures that was implemented including restricted movements and border closures in Malaysia during the COVID-19 pandemic. This has resulted in our low revenue for the FYE 2022.

For the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025, revenue from scheduled bus services segment accounted for 75.1%, 90.6%, 91.8%, 91.6% and 93.9% of our total revenue respectively. Meanwhile, revenue from chartered bus services segment accounted for 18.2%, 6.8%, 6.5%, 6.5% and 5.3% of our total revenue for the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.



**Note:**

(1) Comprise mainly the provision of bus repair and maintenance services, and rental of advertising space on selected buses.

**12. FINANCIAL INFORMATION (Cont'd)**

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Other services segment mainly include the provision of bus repair and maintenance services, and rental of advertising space on selected buses which accounted for 6.7%, 2.6%, 1.7%, 1.9% and 0.8% of our total revenue for the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.

For the Financial Years Under Review, FPE 2024 and FPE 2025, our revenue is transacted in the following currencies:

- Revenue for scheduled bus services with tickets purchased in Malaysia, provision of chartered bus services and other services for customers located in Malaysia is in RM; and
- Revenue for cross-border bus services in Singapore with tickets purchased in Singapore and provision of chartered bus services for customers located in Singapore is in SGD.

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**12. FINANCIAL INFORMATION (Cont'd)****12.2.5 Revenue****(i) Revenue segmented by services**

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Scheduled bus services	23,637	75.1	108,376	90.6	190,649	91.8
- cross-border	4,036	12.8	63,601	53.2	122,352	58.9
- intracity	19,564	62.2	43,193	36.1	65,920	31.8
- intercity	37	0.1	1,582	1.3	2,377	1.1
Chartered bus services	5,712	18.2	8,126	6.8	13,525	6.5
Others <sup>(1)</sup>	2,119	6.7	3,130	2.6	3,539	1.7
<b>Total</b>	<b>31,468</b>	<b>100.0</b>	<b>119,632</b>	<b>100.0</b>	<b>207,713</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Scheduled bus services	135,295	91.6	191,806	93.9
- cross-border	85,169	57.7	122,351	59.9
- intracity	48,610	32.9	66,335	32.5
- intercity	1,516	1.0	3,120	1.5
Chartered bus services	9,567	6.5	10,750	5.3
Others <sup>(1)</sup>	2,818	1.9	1,711	0.8
<b>Total</b>	<b>147,680</b>	<b>100.0</b>	<b>204,267</b>	<b>100.0</b>

**Note:**

(1) Mainly comprise of the provision of bus repair and maintenance services and rental of advertising space on selected buses.

For the Financial Years Under Review, FPE 2024 and FPE 2025, the key operational metrics of our main operations, namely our cross-border and intracity bus services, are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
<b>Cross-border bus services</b>					
Ridership ('000 number of passengers)	71	5,892	15,672	10,921	15,921
<b>Intracity bus services (contracted)</b>					
Operated mileage ('000 km)	4,991	13,069	22,046	16,167	20,783

As at the LPD, we have a fleet of 683 buses comprising the following:

Type of service	Number of buses
Cross-border bus service <sup>(1)</sup>	155
Intracity bus service	400
Intercity bus service	11
Chartered bus service	109
Others <sup>(2)</sup>	8
<b>Total</b>	<b>683</b>

**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) *This refers to our 155 buses with approvals and omnibus licences including 150 buses for the operation of JB-SG cross-border bus services and 5 buses for intercity bus services between Kuala Lumpur/Melaka and Singapore.*
- (2) *This refers to buses that are on standby.*

**(a) FYE 2023 compared to FYE 2022**

Our revenue increased by RM88.2 million or 280.2% to RM119.6 million for the FYE 2023 (FYE 2022: RM31.5 million) which was attributed to the increase in revenue from our scheduled bus services segment following the relaxation of the COVID-19 containment measures. During the FYE 2022, our scheduled bus service operations was affected by the various containment measures due to COVID-19 pandemic.

Our revenue from scheduled bus services segment increased by RM84.7 million or 358.5% to RM108.4 million for the FYE 2023 (FYE 2022: RM23.6 million) and this was contributed by the following:

- increase in revenue from our cross-border bus services by RM59.6 million to RM63.6 million for the FYE 2023 (FYE 2022: RM4.0 million) as we gradually recommenced our JB-SG cross-border bus services after the reopening of borders in April 2022. The demand for our JB-SG bus services picked up and this was reflected in the increase in ridership from approximately 71,000 passengers for the FYE 2022 to approximately 5.9 million passengers for the FYE 2023.
- increase in revenue from our intracity bus services by RM23.6 million or 120.8% to RM43.2 million for the FYE 2023 (FYE 2022: RM19.6 million). This was mainly attributed to the commencement of the *myBas* services under the SBST programme which contributed RM22.3 million to our revenue for the FYE 2023. We secured a 3-year contract from APAD where we were appointed as the network operator for 19 intracity bus routes covering Kota Tinggi, Masai, Kulai, Gelang Patah and Pontian in Johor.
- increase in revenue from our intercity bus services by RM1.5 million to RM1.6 million for the FYE 2023 (FYE 2022: approximately RM37,000) as we gradually recommenced our intercity bus routes which were previously halted due to the containment measures implemented including interstate and inter-district travel restrictions during the various MCO periods. Our revenue from intercity bus services of RM1.6 million for the FYE 2023 was mainly contributed by the intercity bus services between Johor and Klang Valley, as well as the intercity bus services from JB Sentral to Senai Airport.

In addition, the increase in our revenue for the FYE 2023 was partly contributed by the increase in revenue from chartered bus services segment which increased by RM2.4 million or 42.3% to RM8.1 million (FYE 2022: RM5.7 million). This was mainly contributed by the recommencement of our chartered bus services for cross-border transportation to Singapore following the reopening of borders in the FYE 2023.

**12. FINANCIAL INFORMATION (Cont'd)**

Our revenue from other services segment increased by RM1.0 million or 47.7% to RM3.1 million for the FYE 2023 (FYE 2022: RM2.1 million) and this was primarily contributed by the increase in revenue from repair and maintenance services which were provided to third party customers and related parties.

**(b) FYE 2024 compared to FYE 2023**

Our revenue increased by RM88.1 million or 73.6% to RM207.7 million for the FYE 2024 (FYE 2023: RM119.6 million) which was mainly attributed to the increase in revenue from our scheduled bus services segment.

Our revenue from scheduled bus services segment increased by RM82.3 million or 75.9% to RM190.7 million for the FYE 2024 (FYE 2023: RM108.4 million) and this was contributed by the following:

- increase in revenue from our cross-border bus services by RM58.8 million or 92.4% to RM122.4 million for the FYE 2024 (FYE 2023: RM63.6 million). This was mainly attributed to the increase in demand for our JB-SG cross-border bus services as reflected in the increase in ridership of 166.0% from approximately 5.9 million passengers for the FYE 2023 to 15.7 million passengers for the FYE 2024.

In the FYE 2024, the ridership for our JB-SG cross-border bus services increased by 166.0% while the revenue growth was 92.4% for the FYE 2024. The lower growth in revenue compared to ridership growth was mainly attributed to the normalisation of ticket prices after the VTL scheme ended in April 2022. In the FYE 2023, the ticket price for the JB-SG cross-border bus services was higher as we operated the bus services under the land VTL scheme for 3 months during the FYE 2023. The average ticket price under the VTL scheme was RM45/SGD20 and the scheme ended in April 2022. Subsequently the ticket price normalised since May 2022 when the border fully reopened. The ticket price range between RM2.60 and RM8.00/SGD2.60 to SGD6.00 during the FYE 2023.

- increase in revenue from our intracity bus services by RM22.7 million or 52.6% to RM65.9 million for the FYE 2024 (FYE 2023: RM43.2 million). This was mainly attributed to higher revenue from the *myBas* services under the SBST programme in Johor Bahru and the surrounding areas which commenced in March 2022. Revenue derived from the operation of the *myBas* services increased by RM20.8 million or 93.1% to RM43.1 million for the FYE 2024. This was reflected in the increase of 97.2% in the operated mileage for the FYE 2024. Since the commencement in March 2022, we gradually deployed buses for the *myBas* services throughout the FYE 2023. On average, we operated 11 routes per month in the FYE 2023 compared to 17 routes per month in the FYE 2024.
- increase in revenue from our intercity bus services by RM0.8 million or 50.3% to RM2.4 million for the FYE 2024 (FYE 2023: RM1.6 million). This was mainly contributed by the increase in demand for our intercity bus services between Johor and Klang Valley, as well as the intercity bus services from JB Sentral to Senai Airport.



## 12. FINANCIAL INFORMATION (Cont'd)

Our revenue increase was partly due to the growth in revenue from chartered bus services segment, which increased by RM5.4 million, or 66.4%, reaching RM13.5 million for the FYE 2024 (FYE 2023: RM8.1 million). This growth was partly due to the provision of chartered bus services for cross-border transportation to Singapore, where we secured two new contracts from Customer A in Singapore. Additionally, the revenue growth for the FYE 2024 was contributed by increased revenue from the provision of chartered bus services in Malaysia.

Revenue from the other services segment increased by RM0.4 million or 13.1% to RM3.5 million for the FYE 2024 (FYE 2023: RM3.1 million), mainly contributed by the growth in revenue from the provision of repair and maintenance services in the FYE 2024. We provide repair and maintenance services to third party customers as well as related parties.

### (c) FPE 2025 compared to FPE 2024

Our revenue increased by RM56.6 million or 38.3% to RM204.3 million for the FPE 2025 (FPE 2024: RM147.7 million), mainly attributed to the increase in revenue from our scheduled bus services segment.

Our revenue from scheduled bus services segment increased by RM56.5 million or 41.8% to RM191.8 million for the FPE 2025 (FPE 2024: RM135.3 million) and this was mainly contributed by the following:

- increase in revenue from our cross-border bus services by RM37.2 million or 43.7% to RM122.4 million for the FPE 2025 (FPE 2024: RM85.2 million). This was mainly attributed to the increased demand for our JB-SG cross-border bus services as reflected in the rise in ridership from approximately 10.9 million passengers in the FPE 2024 to 15.9 million passengers in the FPE 2025.
- increase in revenue from our intracity bus services by RM17.7 million or 36.5% to RM66.3 million for the FPE 2025 (FPE 2024: RM48.6 million). This was mainly attributed to the commencement of the *BAS.MY* services in Melaka in May 2024 and the *Rapid KL* services in Klang Valley in June 2024 which collectively contributed revenue of RM9.5 million in the FPE 2025. The increase in revenue was also partly contributed by the increase in revenue by RM3.4 million from the *myBas* services in Johor Bahru and surrounding areas and this was reflected in the increase of 12.7% in the operated mileage in the FPE 2025. On average, we operated 18 routes per month in the FPE 2025 compared to 17 routes per month in the FPE 2024. Furthermore, the average operated mileage per route had increased by 5.1% in the FPE 2025.
- increase in revenue from our intercity bus services by RM1.6 million or 105.8% to RM3.1 million for the FPE 2025 (FPE 2024: RM1.5 million). The increase was mainly contributed by the rise in demand for our intercity bus services between Johor and Klang Valley.

In addition, the increase in our revenue was partly contributed by the growth in our revenue from chartered bus services segment by RM1.2 million or 12.4% to RM10.8 million in the FPE 2025 (FPE 2024: RM9.6 million). This was mainly attributed to the increased revenue for cross-border chartered bus services to Singapore for Customer A, as well as for domestic chartered bus services, mainly for a customer involved in the travel and transportation industry in Malaysia.

Our revenue from the other services segment decreased by RM1.1 million or 39.3% to RM1.7 million for the FPE 2025 (FPE 2024: RM2.8 million). This was mainly due to the decrease in revenue from repair and maintenance provided to related parties. Since May 2024, we have ceased the provision of repair and maintenance services to related parties.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.6 Direct operating costs

#### (i) Direct operating costs

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Direct labour costs	10,482	29.0	28,900	33.3	55,731	38.6
Fuel, spare parts and consumables	10,437	28.9	18,308	21.1	33,171	23.0
Subcontracted services	1,303	3.6	14,785	17.1	20,213	14.0
Depreciation	10,097	27.9	10,334	11.9	14,684	10.2
Others <sup>(1)</sup>	3,835	10.6	14,349	16.6	20,538	14.2
<b>Total</b>	<b>36,154</b>	<b>100.0</b>	<b>86,676</b>	<b>100.0</b>	<b>144,337</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Direct labour costs	38,902	37.9	62,157	42.4
Fuel, spare parts and consumables	22,690	22.1	32,554	22.2
Subcontracted services	14,909	14.5	13,914	9.5
Depreciation	9,965	9.7	13,969	9.5
Others <sup>(1)</sup>	16,180	15.8	23,939	16.4
<b>Total</b>	<b>102,646</b>	<b>100.0</b>	<b>146,533</b>	<b>100.0</b>

**Note:**

- (1) Comprise mainly rental of buses for our bus service operations, rental of kiosks and space for ticketing counters, insurance, utility costs including electricity, tolls, parking and related expenses, penalties arising from failure to meet specified service performance criteria and security expenses.

#### (ii) Direct operating costs segmented by services

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Scheduled bus services	27,807	76.9	76,483	88.3	128,665	89.1
- cross-border	6,914	19.1	38,973	45.0	68,446	47.4
- intracity	20,853	57.7	36,208	41.8	58,189	40.3
- intercity	40	0.1	1,302	1.5	2,030	1.4
Chartered bus services	6,088	16.8	6,686	7.7	11,741	8.2
Others <sup>(1)</sup>	2,259	6.3	3,507	4.0	3,931	2.7
<b>Total</b>	<b>36,154</b>	<b>100.0</b>	<b>86,676</b>	<b>100.0</b>	<b>144,337</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Scheduled bus services	91,318	89.0	135,529	92.5
- cross-border	47,449	46.3	70,843	48.4
- intracity	42,610	41.5	61,878	42.2
- intercity	1,259	1.2	2,808	1.9
Chartered bus services	8,122	7.9	9,834	6.7
Others <sup>(1)</sup>	3,206	3.1	1,170	0.8
<b>Total</b>	<b>102,646</b>	<b>100.0</b>	<b>146,533</b>	<b>100.0</b>

**12. FINANCIAL INFORMATION (Cont'd)****Note:**

- (1) *Comprise mainly the provision of bus repair and maintenance services and rental of advertising space on selected buses.*

**(a) Direct labour costs**

Direct labour costs consist of salaries, statutory contributions and other related expenses for employees involved in our bus operations including drivers and technicians for repair and maintenance. Direct labour costs constitute a major proportion of our cost of sales which accounted for 29.0%, 33.3%, 38.6%, 37.9% and 42.4% of our total cost of sales for the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.

For the FYE 2023, our direct labour costs increased by RM18.4 million or 175.7% to RM28.9 million (FYE 2022: RM10.5 million). This was mainly attributed to the increase in the number of drivers from 451 drivers as at 31 January 2022 to 618 drivers as at 31 January 2023. The increase in number of drivers was primarily to support our business operations, particularly for the deployment of buses required for the commencement of the *myBas* services in March 2022. The increase in direct labour costs was also partly attributed to the increase in other employees (including technicians) from 103 employees as at 31 January 2022 to 131 employees as at 31 January 2023 coupled with the increase in minimum wage from RM1,200 to RM1,500 which took effect on 1 May 2022.

For the FYE 2024, our direct labour costs increased by RM26.8 million or 92.8% to RM55.7 million (FYE 2023: RM28.9 million). This was mainly attributed to the increase in the number of drivers from 618 drivers as at 31 January 2023 to 825 drivers as at 31 January 2024 as we gradually deployed more buses for the *myBas* services which commenced in March 2022. The increase in direct labour costs was also contributed by the increase in other employees (including technicians) from 131 employees as at 31 January 2023 to 231 employees as at 31 January 2024. The increase in direct labour cost was also partly contributed by increment in salaries as well as bonus payment for the FYE 2024.

For the FPE 2025, our direct labour costs increased by RM23.3 million or 59.8% to RM62.2 million (FPE 2024: RM38.9 million). This was mainly due to the increase in the number of drivers from 794 drivers as at 31 October 2023 to 1,046 drivers as at 31 October 2024, as well as other employees (including technicians) which increased from 192 employees as at 31 October 2023 to 285 employees as at 31 October 2024. This was primarily attributed to the deployment of bus drivers following the commencement of the *BAS.MY* services in Melaka and the *Rapid KL* services in Klang Valley. The increase was also partly contributed by increment in salaries as well as bonus payment for the FPE 2025.

**(b) Fuel, spare parts and consumables**

Fuel, spare parts and consumables costs represent the second largest component of our cost of sales and this accounted for 28.9%, 21.1%, 23.0%, 22.1% and 22.2% of our total cost of sales for the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively. Fuel costs comprise diesel which is used for our ICE buses, while spare parts and consumables are mainly for repair and maintenance of our buses.

Our fuel, spare parts and consumables costs increased by RM7.9 million or 75.4% to RM18.3 million for the FYE 2023 (FYE 2022: RM10.4 million), mainly contributed by the increase in fuel costs. This was mainly due to the recommencement of our JB-SG cross-border bus services after the reopening of borders in April 2022 as well as the commencement of the *myBas* services under the SBST programme in March 2022.

## 12. FINANCIAL INFORMATION (Cont'd)

For the FYE 2024, our fuel, spare parts and consumables cost increased by RM14.9 million or 81.2% to RM33.2 million (FYE 2023: RM18.3 million). The increase was mainly attributed to the increase in fuel costs for our bus service operations on the back of increase in demand for our cross-border bus services as well as increase in the operated mileage for our intracity bus services under the *myBas* services. In addition, the increase was contributed by the increase in spare parts and consumable costs for repair and maintenance of our fleet of buses on the back of increased bus service operations, as well as increase in demand for repair and maintenance services by third party customers and related parties.

For the FPE 2025, our fuel, spare parts and consumables costs increased by RM9.9 million or 43.5% to RM32.6 million (FPE 2024: RM22.7 million). The increase was mainly attributed to the increase in fuel costs for our bus service operations on the back of increased demand for our cross-border bus services as well as increase in operated mileage for our intracity bus services following the commencement of the *BAS.MY* services in Melaka and the *Rapid KL* services in Klang Valley. The increase was also partly contributed by the increase in spare parts and consumable costs for the repair and maintenance of our fleet of buses on the back of increased bus service operations in the FPE 2025.

### (c) Subcontracted services

Our subcontracted services refer to the engagement of third party bus service operators for some of our intracity bus services routes under the SBST programme, as well as subcontracted repair and maintenance services. Notwithstanding our Group's future plans to expand our bus fleet, we intend to continue the engagement of third party bus service operators to run some of our bus routes.

For the FYE 2023, our subcontracted services increased by RM13.5 million to RM14.8 million (FYE 2022: RM1.3 million). This was mainly contributed by RM10.7 million for the subcontracted bus services for the operation of the *myBas* routes in Johor Bahru and surrounding areas which commenced in March 2022. The increase was also partly attributed to the increase of RM2.8 million for subcontracted repair and maintenance services.

Our subcontracted services further increased by RM5.4 million or 36.7% to RM20.2 million for the FYE 2024 (FYE 2023: RM14.8 million). This was mainly attributed to the increase of RM4.6 million for subcontracted bus services for the *myBas* services due to the increase in subcontracted routes for our bus service operators, as well as increase of RM0.8 million for subcontracted repair and maintenance services.

For the FPE 2025, the subcontracted services decreased by RM1.0 million or 6.7% to RM13.9 million (FPE 2024: RM14.9 million). This was mainly attributed to the reduction in subcontracted routes for one of the bus service operators.

### (d) Depreciation

Depreciation costs mainly consist of depreciation of our buses. Our depreciation costs increased by RM0.2 million or 2.3% to RM10.3 million for the FYE 2023 (FYE 2022: RM10.1 million) due to the purchases of 34 units of new buses during the FYE 2023. Our depreciation costs further increased by RM4.4 million or 42.1% to RM14.7 million for the FYE 2024 due to the additional 102 units of new buses purchased during the FYE 2024.

For the FPE 2025, our depreciation costs increased by RM4.0 million or 40.2% to RM14.0 million (FPE 2024: RM10.0 million) which was contributed by the 197 units of new buses purchased during the FPE 2025.

**12. FINANCIAL INFORMATION (Cont'd)**

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**(e) Other costs**

Other costs mainly comprised rental of buses for our bus service operations, rental of kiosks and space for ticketing counters, insurance, utility costs including electricity, tolls, parking and related expenses, penalties arising from failure to meet specified service performance criteria and security expenses.

For the FYE 2023, our other costs increased by RM10.5 million to RM14.3 million (FYE 2022: RM3.8 million). This was mainly contributed by the increase of RM2.8 million in rental of buses, increase of RM1.8 million for tolls, parking and related expenses, and RM1.4 million of penalties arising mainly from failure to meet specified service performance criteria such as trip efficiency and punctuality mainly for the *myBas* services under the SBST programme. Save for the penalties imposed, there were no other implications to our Group.

For the FYE 2024, our other costs increased by RM6.2 million or 43.1% to RM20.5 million (FYE 2023: RM14.3 million). This was mainly contributed by the increase of RM2.2 million in rental of buses, increase of RM2.1 million for tolls, parking and related expenses, and increase of RM1.5 million in insurance expenses.

For the FPE 2025, our other costs increased by RM7.8 million or 48.0% to RM23.9 million (FPE 2024: RM16.2 million). This was mainly contributed by the increase of RM1.8 million in insurance expenses, increase of RM1.4 million in utility expenses, as well as increase of RM1.2 million for tolls, parking and related expenses on the back of increased bus service operations in the FPE 2025.

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**12. FINANCIAL INFORMATION (Cont'd)**
**12.2.7 (GL)/GP**
**(i) (GL)/GP segmented by services**

	FYE 2022			FYE 2023			FYE 2024		
	(GL) RM'000	%	(GL) margin %	GP/(GL) RM'000	%	GP/(GL) margin %	GP/(GL) RM'000	%	GP/(GL) margin %
Scheduled bus services	(4,170)	89.0	(17.6)	31,893	96.7	29.4	61,984	97.7	32.5
- cross-border	(2,878)	61.4	(71.3)	24,628	74.7	38.7	53,906	85.0	44.1
- intracity	(1,289)	27.5	(6.6)	6,985	21.2	16.2	7,731	12.2	11.7
- intercity	(3)	0.1	(8.1)	280	0.8	17.7	347	0.5	14.6
Chartered bus services	(376)	8.0	(6.6)	1,440	4.4	17.7	1,784	2.9	13.2
Others <sup>(1)</sup>	(140)	3.0	(6.6)	(377)	(1.1)	(12.0)	(392)	(0.6)	(11.1)
<b>Total / Group (GL)/GP margin</b>	<b>(4,686)</b>	<b>100.0</b>	<b>(14.9)</b>	<b>32,956</b>	<b>100.0</b>	<b>27.5</b>	<b>63,376</b>	<b>100.0</b>	<b>30.5</b>

	FPE 2024			FPE 2025		
	GP/(GL) RM'000	%	GP/(GL) margin %	GP RM'000	%	GP margin %
Scheduled bus services	43,977	97.7	32.5	56,277	97.5	29.3
- cross-border	37,720	83.8	44.3	51,508	89.2	42.1
- intracity	6,000	13.3	12.3	4,457	7.7	6.7
- intercity	257	0.6	17.0	312	0.6	10.0
Chartered bus services	1,445	3.2	15.1	916	1.6	8.5
Others <sup>(1)</sup>	(388)	(0.9)	(13.8)	541	0.9	31.6
<b>Total / Group GP margin</b>	<b>45,034</b>	<b>100.0</b>	<b>30.5</b>	<b>57,734</b>	<b>100.0</b>	<b>28.3</b>

**Note:**

(1) Comprise mainly the provision of bus repair and maintenance services and rental of advertising space on selected buses.

## 12. FINANCIAL INFORMATION (Cont'd)

Our GP and GP margin were primarily contributed by our cross-border bus services, where the revenue was mainly transacted in SGD, while our business operations are based in Malaysia, where the operating costs were mainly transacted in RM. For the Financial Years/Period Under Review, the revenue recorded in SGD constituted 9.0%, 41.0%, 49.0%, and 50.4% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Please refer to Section 9.1.9 of this Prospectus for further details on our exposure to foreign exchange risks.

Notwithstanding this, the year-over-year fluctuations in our GP and GP margin were mainly due to other factors as further discussed below:

### (a) FYE 2023 compared to FYE 2022

For the FYE 2023, we recorded a GP of RM33.0 million with a GP margin of 27.5%, as compared to a GL of RM4.7 million with a GL margin of 14.9% in the FYE 2022. We recorded an overall GL in the FYE 2022 as our operation was affected by the various COVID-19 containment measures including border closure between Malaysia and Singapore. During the FYE 2022, our cross-border bus services was suspended due to the border closure while our intracity and intercity bus services continued to operate at reduced frequencies with fewer routes. We continued to incur costs such as salaries for our employees including drivers as well as other fixed costs namely depreciation. This has consequently affected our financial performance and resulted in the GL for the FYE 2022.

The improvement in GP for the FYE 2023 was mainly contributed by the growth in GP from our scheduled bus services segment from a GL of RM4.2 million to a GP of RM31.9 million. Our GP margin from our scheduled bus services improved from a GL margin of 17.6% for the FYE 2022 to a GP margin of 29.4% for the FYE 2023. This was mainly contributed by the following:

- GP from cross-border bus services improved from a GL of RM2.9 million for the FYE 2022 to a GP of RM24.6 million for the FYE 2023 following the resumption of our cross-border bus services. This was reflected in the increase in revenue for this segment from RM4.0 million for the FYE 2022 to RM63.6 million for the FYE 2023, on the back of higher ridership. Our GP margin from the cross-border bus services improved from a GL margin of 71.3% for the FYE 2022 to 38.7% for the FYE 2023 following the resumption of cross-border bus services.
- GP from intracity bus services improved from a GL of RM1.3 million for the FYE 2022 to a GP of RM7.0 million for the FYE 2023. This was mainly contributed by the commencement of the *myBas* services under the SBST programme in the FYE 2023, as well as an increase in GP from our other intracity bus routes we provide in Johor which recorded a GL in the FYE 2022. Our GP margin from the intracity bus services improved from a GL margin of 6.6% for the FYE 2022 to 16.2% for the FYE 2023 following the commencement of the *myBas* services.
- GP from intercity bus services improved from a GL of approximately RM3,000 for the FYE 2022 to a GP of RM0.3 million for the FYE 2023 following the gradual recommencement of our intercity bus routes. This was reflected in the increase in revenue from intercity bus services from approximately RM37,000 for the FYE 2022 to RM1.6 million for the FYE 2023. Our GP margin from the intercity bus services improved from a GL margin of 8.1% for the FYE 2022 to 17.7% for the FYE 2023 following the gradual recommencement of our intercity bus routes.

**12. FINANCIAL INFORMATION (Cont'd)**

As for our chartered bus services segment, we recorded a GP of RM1.4 million for the FYE 2023 as compared to a GL of RM0.4 million for the FYE 2022 which was reflected in the increase in revenue from this segment from RM5.7 million in the FYE 2022 to RM8.1 million in the FYE 2023. Following the recommencement of chartered bus services for cross-border transportation as well as increase in revenue from the provision of chartered bus services in Malaysia, our GP margin from chartered bus services segment improved from a GL margin of 6.6% for the FYE 2022 to a GP margin of 17.7% for the FYE 2023. This was mainly attributed to an increase in chartering bus services provided, which drove improvements in operating efficiency. This was reflected in the lower proportion of operating costs over revenue for our chartered bus services which decreased by 24.3% for the FYE 2023.

As for our other services segment, we recorded a GL of RM0.1 million and RM0.4 million with a GL margin of 6.6% and 12.0% for the FYE 2022 and FYE 2023 respectively. The GL for the FYE 2022 was mainly attributed to the repair and maintenance services where fixed costs continued to be incurred as our maintenance services were affected by COVID-19 containment measures. Meanwhile, the GL for the FYE 2023 was mainly attributed to the provision of on-demand shuttle service due to revenue shortfall in covering the costs and we have ceased operations since 1 May 2024.

**(b) FYE 2024 compared to FYE 2023**

Our GP increased by RM30.4 million or 92.3% to RM63.4 million for the FYE 2024 (FYE 2023: RM33.0 million), while GP margin improved from 27.5% for the FYE 2023 to 30.5% for the FYE 2024. The improvement was mainly attributed to our scheduled bus services.

Our GP from scheduled bus services segment increased by RM30.1 million or 94.4% to RM62.0 million in the FYE 2024 (FYE 2023: RM31.9 million). This was mainly contributed by the following:

- an increase in GP from our cross-border bus services by RM29.3 million or 118.9% to RM53.9 million in the FYE 2024 (FYE 2023: RM24.6 million). This was also reflected in our revenue growth of 92.4% from the cross-border bus services for the FYE 2024. Our GP margin from the cross-border bus services increased from 38.7% for the FYE 2023 to 44.1% for the FYE 2024 on the back of an increase in ridership.
- an increase in GP from our intracity bus services by RM0.7 million or 10.7% to RM7.7 million for the FYE 2024 (FYE 2023: RM7.0 million), which was also reflected in the revenue growth of 52.6% from intracity bus services for the FYE 2024. The GP margin from the intracity bus services declined from 16.2% for the FYE 2023 to 11.7% for the FYE 2024. This was due to higher operating costs mainly attributed to increased driver expenses, resulting from the progressive deployment of new buses for the *myBas* new routes during the said financial year. This was reflected in the higher proportion of operating costs over revenue for our intracity bus services, which increased by 4.5% for the FYE 2024.



**12. FINANCIAL INFORMATION (Cont'd)**

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- increase in GP from our intercity bus services by approximately RM67,000 or 23.9% to approximately RM347,000 for the FYE 2024 (FYE 2023: approximately RM280,000), which was also reflected in the revenue growth of 50.3% from intercity bus services for the FYE 2024. Our GP margin from the intercity bus services declined from 17.7% for the FYE 2023 to 14.6% for the FYE 2024. This was due to higher operating costs arising mainly from increased driver expenses on the back of increase in salaries as well as bonus payment. This was reflected in the higher proportion of operating costs over revenue for our intercity bus services which increased by 3.1% for the FYE 2024.

The GP from chartered bus services segment increased by RM0.3 million or 23.9% to RM1.8 million for the FYE 2024 (FYE 2023: RM1.4 million). This was also reflected in the increase in our revenue growth of 66.4% from the intercity bus services for the FYE 2024. The GP margin from the chartered bus services declined from 17.7% for the FYE 2023 to 13.2% for the FYE 2024. This was due to higher operating costs as reflected in the higher proportion of operating costs over revenue for our chartered bus services which increased by 4.5% for the FYE 2024. The higher operating costs was mainly from increased driver expenses on the back of increase in salaries as well as bonus payment.

For our other services segment, we recorded a GL of approximately RM392,000 with a GL margin of 11.1% in the FYE 2024 (FYE 2023: GL of RM377,000 with GL margin of 12.0%). The GL for the FYE 2024 was mainly attributed to the provision of on-demand shuttle service due to revenue shortfall in covering the costs. Nonetheless, we have ceased the provision of on-demand shuttle services since 1 May 2024.

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## 12. FINANCIAL INFORMATION (Cont'd)

### (c) FPE 2025 compared to FPE 2024

Our GP increased by RM12.7 million or 28.2% to RM57.7 million for the FPE 2025 (FPE 2024: RM45.0 million), mainly contributed by our cross-border bus services. Our GP margin decreased from 30.5% for the FPE 2024 to 28.3% for the FPE 2025.

Our GP from scheduled bus services segment increased by RM12.3 million or 28.0% to RM56.3 million for the FPE 2025 (FPE 2024: RM44.0 million). The increase was contributed by the following:

- an increase in GP from our cross-border bus services by RM13.8 million or 36.6% to RM51.5 million for the FPE 2025 (FPE 2024: RM37.7 million). This was reflected in the increase in our revenue by 43.7% from cross-border bus services in the FPE 2025 on the back of higher ridership. The GP margin from this segment declined from 44.3% for the FPE 2024 to 42.1% for the FPE 2025. This was mainly due to higher operating costs including fuel costs and driver expenses. This was reflected in the higher proportion of operating costs over revenue for our cross-border bus services which increased by 2.2% for the FPE 2025.
- an increase in GP from our intercity bus services by approximately RM55,000 or 21.4% to approximately RM312,000 in the FPE 2025 (FPE 2024: approximately RM257,000), which was also reflected in our revenue growth of 105.8% from the intercity bus services for the FPE 2025. The GP margin from our intercity bus services declined from 17.0% for the FPE 2024 to 10.0% for the FPE 2025. This was mainly due to higher operating costs including fuel costs and driver expenses. This was reflected in the higher proportion of operating costs over revenue for our intercity bus services which increased by 7.0% for the FPE 2025.

The increase in GP from scheduled bus services segment was partially offset by a decrease in GP from our intracity bus services by RM1.5 million or 25.7% to RM4.5 million for the FPE 2025 (FPE 2024: RM6.0 million). This was due to higher operating costs, including increased depreciation costs from the newly purchased buses, as well as higher driver expenses and fuel costs associated with the commencement of the *BAS.MY* services in Melaka and the *Rapid KL* services in Klang Valley. The *BAS.MY* services in Melaka and the *Rapid KL* services in Klang Valley commenced in May 2024 and June 2024 respectively. The GP margin from our intracity bus services declined from 12.3% for the FPE 2024 to 6.7% for the FPE 2025. The decrease in GP margin was mainly primarily due to higher operating costs including depreciation, fuel costs and driver expenses, during the initial stages for the deployment of these new bus services. This was reflected in the higher proportion of operating costs over revenue for our intracity bus services which increased by 5.6% for the FPE 2025.

The GP from chartered bus services segment decreased by RM0.5 million or 36.6% to RM0.9 million for the FPE 2025 (FPE 2024: RM1.4 million), while GP margin declined from 15.1% in the FPE 2024 to 8.5% in the FPE 2025. This was mainly due to the increase in operating costs including fuel costs and salaries as reflected in the higher proportion of operating costs over revenue for our chartered bus services which increased by 6.6% for the FPE 2025.

For our other services segment, we recorded a GP of RM0.5 million with a GP margin of 31.6% for the FPE 2025 as compared to a GL of RM0.4 million with a GL margin of 13.8% for the FPE 2024. The turnaround in the GP and GP margin was mainly following the cessation of the provision of on-demand shuttle services which previously recorded a GL for the FPE 2024.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.8 Other operating income**

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Rental income <sup>(1)</sup>	1,276	37.8	1,163	36.1	1,214	23.5
Gain on foreign exchange	-	-	-	-	1,587	30.8
Sales of scrap <sup>(2)</sup>	38	1.1	794	24.6	994	19.3
Deposits written back <sup>(3)</sup> and other compensation <sup>(4)</sup>	944	28.0	32	1.0	114	2.2
Implementation of contactless payment system <sup>(5)</sup>	377	11.2	-	-	-	-
Training services <sup>(6)</sup>	358	10.6	490	15.2	460	8.9
Initial set-up fee <sup>(7)</sup>	-	-	-	-	123	2.4
Others <sup>(8)</sup>	383	11.3	745	23.1	666	12.9
<b>Total</b>	<b>3,376</b>	<b>100.0</b>	<b>3,224</b>	<b>100.0</b>	<b>5,158</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Rental income <sup>(1)</sup>	918	22.5	372	15.9
Gain on foreign exchange	1,324	32.5	910	38.9
Sales of scrap <sup>(2)</sup>	959	23.5	121	5.2
Deposits written back <sup>(3)</sup> and other compensation <sup>(4)</sup>	50	1.2	117	5.0
Training services <sup>(6)</sup>	319	7.8	-	-
Initial set-up fee <sup>(7)</sup>	-	-	303	12.9
Others <sup>(8)</sup>	508	12.5	518	22.1
<b>Total</b>	<b>4,078</b>	<b>100.0</b>	<b>2,341</b>	<b>100.0</b>

**Notes:**

- (1) Refers to income received from the rental of office space to related parties as well as rental of depot, counters and commercial space at Taman Ungku Tun Aminah (TUTA) Bus Terminal.
- (2) Mainly old buses and spare parts.
- (3) For the FYE 2022, the deposits written back of RM0.9 million mainly include deposits collected from bus drivers pertaining to the maximum indemnity from bus drivers to our Group amounting to RM1,000 per driver and recovery of bus drivers' training cost prepaid by us.
- (4) Other compensation received in the FYE 2023, FYE 2024, FPE 2024 and FPE 2025 were mainly pertaining to compensation from our drivers for the damages arising from accidents.
- (5) Refers to the income received from Visa Worldwide Pte Ltd for the implementation and deployment of contactless payment systems on our buses as well as the related marketing and promotional materials.
- (6) Refers to incentives received under the National Dual Training System programme by Department of Skills Development, an agency under the Ministry of Human Resources Malaysia.
- (7) Refers to the initial set-up fee charged to our customers for the printing of decals for the rental of advertising space on selected buses.

**12. FINANCIAL INFORMATION (Cont'd)**

(8) *Mainly include income pertaining to administrative fees charged to our related parties for the shared services provided, provision of IT support services to our related parties and interest income mainly from the interest charged to our related parties on advances extended for the Financial Years Under Review, FPE 2024 and FPE 2025. Others also comprised insurance claim from an insurance company arising from accidents involving our drivers and buses for the FYE 2024 and FPE 2025, as well as recovery of impairment of receivables, as well as gain on lease termination for the FPE 2025.*

**(a) FYE 2023 compared to FYE 2022**

Our other operating income decreased by RM0.2 million or 4.5% to RM3.2 million for the FYE 2023 (FYE 2022: RM3.4 million) primarily attributed to the decrease in deposits written back and other compensation to approximately RM32,000 in the FYE 2023 (FYE 2022: RM0.9 million). The amount written back of RM0.9 million in the FYE 2022 mainly include deposits collected from bus drivers pertaining to the maximum indemnity of RM1,000 per driver to our Group, and the recovery of bus drivers' training cost prepaid by us. Pursuant to the employment letter, we are entitled to claim these expenses from the respective drivers, but had not done so in the past. The nature of these write-backs is considered in the ordinary and usual course of business and is expected to recur. However, in the FYE 2022, balances that were previously not recognized were regularised.

The decrease in other income was partly offset by an increase of RM0.8 million in sales of scrap mainly comprising old buses sold as scrap as these buses were fully depreciated and no longer viable for continued operations.

**(b) FYE 2024 compared to FYE 2023**

Our other operating income increased by RM1.9 million or 60.0% to RM5.2 million for the FYE 2024 (FYE 2023: RM3.2 million) and this was mainly attributed to the realised gain on foreign exchange of RM1.6 million due to the movement in foreign exchange arising from transactions related to our Singapore operations which were transacted in SGD, as well as an increase of RM0.2 million in sales of scrap comprising mainly old buses and spare parts.

**(c) FPE 2025 compared to FPE 2024**

Our other operating income decreased by RM1.7 million or 42.6% to RM2.3 million for the FPE 2025 (FPE 2024: RM4.1 million), primarily attributed to the decrease of RM0.8 million in sales of scrap, decrease of RM0.5 million in rental income and decrease of RM0.4 million in gain on foreign exchange.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.9 Distribution and other operating expenses**

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Subscription fees <sup>(1)</sup>	438	77.0	909	64.0	1,235	33.4
Upkeep and maintenance <sup>(2)</sup>	63	11.1	179	12.6	1,055	28.5
Processing fees <sup>(3)</sup>	2	0.3	403	28.3	596	16.1
Travelling and transportation	19	3.3	33	2.3	277	7.5
Others	47 <sup>(4)</sup>	8.3	(103) <sup>(5)</sup>	(7.2)	536 <sup>(6)</sup>	14.5
<b>Total</b>	<b>569</b>	<b>100.0</b>	<b>1,421</b>	<b>100.0</b>	<b>3,699</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Subscription fees <sup>(1)</sup>	964	39.4	520	29.9
Upkeep and maintenance <sup>(2)</sup>	761	31.1	224	12.9
Processing fees <sup>(3)</sup>	425	17.4	526	30.3
Travelling and transportation	101	4.1	326	18.8
Others	195 <sup>(7)</sup>	8.0	141 <sup>(8)</sup>	8.1
<b>Total</b>	<b>2,446</b>	<b>100.0</b>	<b>1,737</b>	<b>100.0</b>

**Notes:**

- (1) Including mainly the subscription fees for online platforms and application software for our bus operations.
- (2) Including upkeep and maintenance of depots, offices, hostel as well as motor vehicles.
- (3) Refers to payment processing fees for the use of contactless payments by passengers.
- (4) Mainly include donations and sponsorships and depreciation of investment property.
- (5) Mainly include the gain on foreign exchange and gain on disposal of a passenger car.
- (6) Mainly include donations and sponsorships, and loss on foreign exchange.
- (7) Mainly include donations and sponsorships, advertisement expenses, and loss on foreign exchange.
- (8) Mainly include donations and sponsorships, entertainment and annual dinner expenses.

**12. FINANCIAL INFORMATION (Cont'd)**

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**(a) FYE 2023 compared to FYE 2022**

The distribution and other operating expenses increased by RM0.9 million or 149.7% to RM1.4 million for the FYE 2023 (FYE 2022: RM0.6 million). This was mainly attributed to the increase of RM0.5 million in the subscription fees for online platforms and application software for our bus operations. The increase in our distribution and other operating expenses was partly contributed by the increase of RM0.4 million in processing fees for the use of contactless payments by passengers.

**(b) FYE 2024 compared to FYE 2023**

The distribution and other operating expenses increased by RM2.3 million or 160.3% to RM3.7 million for the FYE 2024 (FYE 2023: RM1.4 million). This was mainly attributed to the following:

- increase of RM0.9 million in upkeep and maintenance mainly for our depot and head office;
- increase of RM0.3 million in subscription fees for online platforms and application software for our bus operations;
- increase of RM0.2 million in travelling and transportation expenses; and
- increase of RM0.6 million in other expenses, mainly due to RM0.2 million of realised loss in foreign exchange, and an increase of RM0.2 million for donations.

**(c) FPE 2025 compared to FPE 2024**

The distribution and other operating expenses decreased by RM0.7 million or 29.0% to RM1.7 million for the FPE 2025 (FPE 2024: RM2.4 million). This was mainly attributed to the decrease of approximately RM0.5 million in upkeep and maintenance mainly for depot and head office, as well as decrease of RM0.4 million in subscription fees for online platforms and application software for our bus operations. The decrease was partially offset by an increase of RM0.2 million in travelling and transportation expenses.



**12. FINANCIAL INFORMATION (Cont'd)**

- (3) *Includes legal fee, audit fee, tax agent fee, architect fee, recruitment fee and professional fee for system implementation.*
- (4) *Includes stamp duty, foreign worker levy, quit rent and assessment fees, as well as licence fees.*
- (5) *Mainly comprise office related expenses, utilities, bank charges, tender expenses, insurance, upkeep and maintenance expenses.*
- (6) *For the Financial Years/Period Under Review, the net impairment loss of trade and other receivables were:*
- *FYE 2022: RM22.6 million mainly comprise the impairment of other receivables which were amount owing by related parties.*
  - *FYE 2024: RM0.8 million mainly comprise the impairment of amount owing by a customer as well as impairment loss of trade receivables recognised based on expected credit losses computed in accordance with MFRS 9.*
  - *FPE 2025: RM0.5 million mainly comprise the impairment of amount owing by a customer as well as impairment loss of trade receivables recognised based on expected credit losses computed in accordance with MFRS 9.*

**(a) FYE 2023 compared to FYE 2022**

Our administrative expenses increased by RM0.8 million or 9.2% to RM9.4 million for the FYE 2023 (FYE 2022: RM8.6 million). This was mainly attributed to the following:

- increase in staff costs of RM0.8 million due to the increase in the number of employees from 245 employees as at 31 January 2022 to 285 employees as at 31 January 2023;
- increase in authority fees of RM0.4 million arising from an increase in stamp duty pertaining to the revolving credit facilities secured and used for the purchase of buses; and
- increase in professional fees of RM0.3 million mainly architect fee for the expansion of our depot facilities, legal fees for the preparation of banking facility agreements, tax agent fee for transfer pricing documents and professional fee for system implementation.

The increase in administrative expenses was partially moderated by the decrease of RM0.6 million in depreciation and amortisation in the FYE 2023 due to office equipment and motor vehicles that are fully depreciated as well as waiver of rental for the TUTA Bus Terminal between January 2022 and December 2022.

There was a net loss on impairment of trade and other receivables of RM22.6 million for the FYE 2022 mainly from other receivables which were amount owing by related parties. The amount owing by related parties, namely Manja Technologies SG and Hugo Mobility SG were pertaining to the advances extended to them and/or payments made on behalf of Manja Technologies SG and Hugo Mobility SG for their employee salaries, where in return Manja Technologies SG and Hugo Mobility SG assisted in developing the software applications that we use.



**12. FINANCIAL INFORMATION (Cont'd)**

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**(b) FYE 2024 compared to FYE 2023**

Our administrative expenses increased by RM4.8 million or 50.9% to RM14.2 million for the FYE 2024 (FYE 2023: RM9.4 million). This was mainly attributed to the following:

- increase in staff costs of RM1.8 million due to increments and bonus payments coupled with the increase in the number of employees from 285 employees as at 31 January 2023 to 365 employees as at 31 January 2024.
- increase in PPE written-off of RM0.6 million mainly due to the impairment of leasehold land as the recoverable amount of the land was lower than its carrying amount;
- increase in professional fees of RM0.5 million mainly professional fee for system implementation, recruitment fee, legal fee for the preparation of banking facility agreements as well as architect fee for the expansion of our depot facilities; and
- increase in other expenses by RM1.2 million, primarily due to the increase of RM0.4 million in tender expenses for a contracted intracity bus service with the government bodies as well as an increase of RM0.4 million in bank charges pertaining to fees charged by payment gateway for the processing of online payments for the reload of *ManjaLink* card.

There was a net loss on impairment of trade and other receivables of RM0.8 million for the FYE 2024 mainly comprised amount owing by a customer for intracity bus services that was past due for more than 12 months, as well as impairment loss of trade receivables recognised based on expected credit losses computed in accordance with MFRS 9.

**(c) FPE 2025 compared to FPE 2024**

Our administrative expenses increased by RM6.0 million or 65.9% to RM15.1 million for the FPE 2025 (FPE 2024: RM9.1 million). This was mainly attributed to the increase of RM2.4 million in PPE written-off which mainly comprised old buses and ticketing machines as the cost of restoring or maintaining these assets being more costly than acquiring new ones, as well as increase of RM1.8 million in staff costs due to the increase in the number of employees from 309 employees as at 31 October 2023 to 407 employees as at 31 October 2024.

There was a net loss on impairment of trade receivables of RM0.5 million for the FPE 2025 mainly comprised amount owing by a customer for intracity bus services that was past due for more than 12 months, as well as impairment loss of trade receivables recognised based on expected credit losses computed in accordance with MFRS 9.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.11 Finance costs**

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
- lease liabilities	705	42.1	1,543	51.1	2,219	46.9
- revolving credit	899	53.8	1,303	43.1	2,217	46.8
- term loans	-	-	-	-	245	5.2
- bank overdrafts	69	4.1	174	5.8	51	1.1
<b>Total</b>	<b>1,673</b>	<b>100.0</b>	<b>3,020</b>	<b>100.0</b>	<b>4,732</b>	<b>100.0</b>

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Interest expense on:				
- lease liabilities	1,642	45.8	2,383	44.6
- revolving credit	1,775	49.6	1,245	23.3
- term loans	57	1.6	1,639	30.6
- bank overdrafts	108	3.0	78	1.5
<b>Total</b>	<b>3,582</b>	<b>100.0</b>	<b>5,345</b>	<b>100.0</b>

**(a) FYE 2023 compared to FYE 2022**

Our finance costs increased by RM1.3 million or 80.5% for the FYE 2023. This was mainly attributed to the increase in lease interest by RM0.8 million contributed by the higher interest expense on hire purchases of additional PPE including buses and related facilities during the FYE 2023.

The increase was also partly attributed to the increase in interest expense on revolving credit by RM0.4 million arising from the higher utilisation of banking facilities which were mainly utilised for the purchase of buses as well as working capital purposes.

**(b) FYE 2024 compared to FYE 2023**

Our finance costs increased by RM1.7 million or 56.7% for the FYE 2024. This was mainly attributed to the increase in interest expense on revolving credit by RM0.9 million arising from the higher utilisation of banking facilities which were mainly utilised for the purchase of buses as well as working capital purposes.

The increase also partly attributed to the increase in lease liabilities interest by RM0.7 million contributed by the higher interest expense on hire purchases arising from the purchase of new buses during the FYE 2024.

**(c) FPE 2025 compared to FPE 2024**

Our finance costs increased by RM1.8 million or 49.2% for the FPE 2025, mainly attributed to RM1.6 million of interest expense on term loans. This was mainly attributed to the new term loans which were utilised for the purchase of new buses and to refinance the short-term borrowings (i.e. revolving credits).

**12. FINANCIAL INFORMATION (Cont'd)****12.2.12 (LBT)/PBT, (LAT)/PAT and effective tax rate**

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2024</b>	<b>FPE 2025</b>
(LBT)/PBT (RM'000)	(34,790)	22,325	45,146	34,004	37,439
(LBT)/PBT margin	(110.6%)	18.7%	21.7%	23.0%	18.3%
Tax income/(expenses) (RM'000)	2,745	(2,811)	(11,974)	(9,799)	(3,746)
Effective tax rate	-	12.6%	26.5%	28.8%	10.0%
(LAT)/PAT (RM'000)	(32,045)	19,514	33,172	24,205	33,693
(LAT)/PAT margin	(101.8%)	16.3%	16.0%	16.4%	16.5%

**(a) FYE 2023 compared to FYE 2022**

For the FYE 2023, we recorded a PBT of RM22.3 million with a PBT margin of 18.7%. Our profitability improved from the LBT of RM34.8 million with a LBT margin of 110.6% for the FYE 2022 as the revenue from our scheduled bus service operations improved following the relaxation of COVID-19 containment measures. Similarly, our PAT also improved to RM19.5 million with a PAT margin of 16.3% following the increase of our PBT for the FYE 2023 (FYE 2022: LAT of RM32.0 million and LAT margin of 101.8%).

Our effective tax rate for the FYE 2023 was 12.6%, which was lower than the statutory tax rate of 24.0%, mainly due to the effect of lower tax rate of 17.0% in Singapore, and utilisation of deferred tax assets previously not recognised (using the unutilised tax losses from prior year to offset tax liabilities for the FYE 2023).

**(b) FYE 2024 compared to FYE 2023**

Our PBT increased by RM22.8 million or 102.2% to RM45.1 million for the FYE 2024 (FYE 2023: RM22.3 million), while PBT margin improved from 18.7% for the FYE 2023 to 21.7% for the FYE 2024. Similarly, our PAT increased by RM13.7 million or 70.0% to RM33.2 million for the FYE 2024 (FYE 2023: RM19.5 million). This was mainly attributed to the increase in our revenue and GP for the FYE 2023. Please refer to Sections 12.2.5 and 12.2.7 of this Prospectus for further details.

For the FYE 2024, our effective tax rate was 26.5%, which was higher than the statutory tax rate of 24.0%. This was mainly due to the under provision of income tax in the prior years in the FYE 2020 and the FYE 2021. As a result of the higher taxation, our PAT margin decreased from 16.3% for the FYE 2023 to 16.0% for the FYE 2024.

**(c) FPE 2025 compared to FPE 2024**

Our PBT increased by RM3.4 million or 10.1% to RM37.4 million for the FPE 2025 (FPE 2024: RM34.0 million) and this was mainly contributed by the increase in our revenue and GP in the FPE 2025. Our PBT margin declined from 23.0% for the FPE 2024 to 18.3% for the FPE 2025. This was mainly due to higher administrative expenses as well as finance costs, coupled with lower other operating income for the FPE 2025.

For the FPE 2025, our effective tax rate was 10.0% which was lower than the statutory tax rate of 24.0%. This was mainly due to the effect of lower tax rate of 17.0% in Singapore, and the over provision of income tax in prior years. Our PAT increased by RM9.5 million or 39.2% to RM33.7 million for the FPE 2025 (FPE 2024: RM24.2 million), while PAT margin increased from 16.4% for the FPE 2024 to 16.5% for the FPE 2025.

## 12. FINANCIAL INFORMATION (Cont'd)

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### 12.2.13 Liquidity and capital resources

#### (i) Working capital

Our business has been financed by a combination of internal and external sources of funds. Internal sources comprised shareholders' equity and cash generated from our operations while external source was mainly banking facilities from financial institutions. The utilisation of these funds was for our business operations and growth.

For the FYE 2022, FYE 2023 and FYE 2024, we experienced net current liabilities position at RM43.6 million (as at 31 January 2022), RM31.4 million (as at 31 January 2023) and RM51.9 million (as at 31 January 2024). This was mainly attributed to the expansion of our fleet of buses during the FYE 2022, FYE 2023 and FYE 2024 where we have been using bank borrowings mainly short-term borrowings to fund our expansion as mentioned above.

In addition, this was also partly attributed to low trade receivables as at 31 January 2022 as our business was affected by the COVID-19 condition that affected our cross-border bus services. Subsequent to the FYE 2024, this has been rectified as we have drawn down a new long-term facility to refinance the existing revolving credit facilities, and followed by a capital injection pursuant to the Subscription of New Shares completed on 23 July 2024. For the FYE 2024, our net current liabilities position has taken into effect the payment of dividends amounting to RM21.0 million during the financial year. We have also declared a dividend of RM9.0 million on 21 February 2025 for the FYE 2025, which was paid on 5 March 2025 ("**Dividend Payout for the FYE 2025**") and funded via internally generated funds. Please refer to Section 12.5 of this Prospectus for further details on our Dividend Policy.

Based on our audited combined statements of financial position as at 31 October 2024, we have:

- (i) cash and bank balances and deposits with licensed banks of RM44.5 million; and
- (ii) available banking facilities, consisting of term loans for the purchase of buses, as well as revolving credits and bank overdrafts for working capital purposes, with a total credit limit of RM249.6 million, of which RM129.4 million has yet to be utilised as at the LPD.

After taking into consideration the funding requirements for our upcoming capital expenditures and our future plans as set out in Section 7.5 of this Prospectus, existing level of cash and bank balances and deposits with licensed banks, credit facilities available, expected cash flows to be generated from our operations and the estimated net proceeds from the Public Issue, our Board is of the view that we will have sufficient working capital for 12 months from the date of this Prospectus.

**12. FINANCIAL INFORMATION (Cont'd)****(ii) Cash flow**

The following is our cash flow for the Financial Years/Period Under Review based on our audited Combined Financial Statements which should be read in conjunction with the Accountants' Report included in Section 13 of this Prospectus:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net cash (used in)/from operating activities	(1,657)	35,742	73,308	41,063
Net cash used in investing activities	(2,221)	(46,085)	(37,505)	(66,975)
Net cash from/(used in) financing activities	3,983	19,613	(28,329)	45,480
Net increase /(decrease) in cash and cash equivalents	105	9,270	7,474	19,568
Effects of exchange rate changes on cash and cash equivalents	(33)	(332)	850	(1,321)
Cash and cash equivalents at the beginning of the financial year/period	8,447	8,518	17,456	25,780
<b>Cash and cash equivalent at end of the financial year/period</b>	<u><b>8,518</b></u>	<u><b>17,456</b></u>	<u><b>25,780</b></u>	<u><b>44,027</b></u>

All of our cash and cash equivalents are held in RM and SGD. Save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no legal, financial or economic restrictions on our subsidiary's ability to transfer funds to our Company in the form of cash dividends, loans or advances.

**(a) Net cash used in/from operating activities****FYE 2022**

For the FYE 2022, our net cash used in operating activities was RM1.6 million. This was based on the LBT of RM34.8 million, after adjusting for non-cash and non-operating items of RM37.1 million as well as working capital changes, which mainly comprised the following:

- increase in trade and other receivables by RM3.6 million, mainly due to higher outstanding trade receivables including past due outstanding receivables for our intracity bus services and chartered bus services; and
- increase in trade and other payables by RM1.8 million, mainly due to higher outstanding trade payables as at 31 January 2022 arising from amount owing to our suppliers for the purchases of spare parts, consumables, fuel and subcontractors for the repair and maintenance services.

In addition, we paid RM2.1 million in income tax in the FYE 2022.

**12. FINANCIAL INFORMATION (Cont'd)**

Our business operations were affected due to various COVID-19 containment measures which has impacted on our financial performance as reflected in the low revenue contribution and GL condition in the FYE 2022. Our operation of cross-border and intracity bus services were affected by the border closure between Malaysia and Singapore as well as low ridership for the intracity bus services due to the COVID-19 containment measures implemented during the period. Our negative operating cash flow was also impacted by the slow payments from our customers for the intracity bus services and chartered bus services.

**FYE 2023**

For the FYE 2023, our net cash from operating activities was RM35.7 million. This was based on the PBT of RM22.3 million, after adjusting for non-cash and non-operating items of RM15.0 million as well as working capital changes, which mainly comprised the following:

- increase in trade and other receivables by RM10.0 million, mainly due to increase in contract assets arising from billings which have yet to be issued to our customers for intracity bus services and higher outstanding trade receivables from our customers for intracity bus services and chartered bus services; and
- increase in trade and other payables by RM9.2 million, arising from higher accruals mainly pertaining to subcontracted bus services provided and higher outstanding trade payables as at 31 January 2023.

In addition, we paid RM0.9 million in income tax in the FYE 2023.

**FYE 2024**

For the FYE 2024, our net cash from operating activities was RM73.3 million. This was based on the PBT of RM45.1 million, after adjusting for non-cash and non-operating items of RM22.9 million as well as working capital changes which mainly comprised the following:

- increase in trade and other payables by RM2.8 million, arising from higher accruals mainly pertaining to subcontracted bus services provided; and
- decrease in trade and other receivables by RM2.5 million mainly due to decrease in contract assets as the billings have subsequently been issued to our customers for intracity bus services, and decrease in outstanding trade receivables from improved collections.

**FPE 2025**

For the FPE 2025, our net cash from operating activities was RM41.1 million. This was based on the PBT of RM37.4 million, after adjusting for non-cash and non-operating items of RM22.5 million as well as working capital changes, which mainly comprised the following:

- increase in trade and other receivables by RM16.0 million mainly attributed to the advance payments to suppliers for the purchase of buses as well as increase in contract assets arising from billings which have yet to be issued to our customers for intracity bus services. Contract assets as at 31 October 2024 was RM10.0 million, and RM7.7 million have been subsequently billed as at the LPD; and
- increase in trade and other payables by RM4.1 million arising from higher outstanding trade payables as at 31 October 2024.

**12. FINANCIAL INFORMATION (Cont'd)**

In addition, we paid RM6.9 million in income tax in the FPE 2025.

**(b) Net cash used in investing activities****FYE 2022**

For the FYE 2022, our net cash used in investing activities was RM2.2 million. This was mainly attributed to RM3.2 million used for the repayments to the director of Handal Indah for payment on behalf of and/or advances extended by Lim Han Weng for working capital purposes. The net cash used in investing activities was partially offset by RM1.0 million of repayments from our related parties for the payments on behalf of and/or advances extended to the related parties for working capital purposes.

**FYE 2023**

For the FYE 2023, our net cash used in investing activities was RM46.1 million and this was mainly attributed to the following:

- RM18.8 million of cash used for the upfront payments for the purchase of buses.
- RM8.5 million of cash used to partially fund purchases of PPE in the FYE 2023 amounting to RM18.2 million. The PPE purchased mainly comprised buses, bus accessories and ticketing machines. Please refer to Note 9A of the Accountants' Report set out in Section 13 of this Prospectus for further details on the financing for the total purchases of PPE in the FYE 2023.
- RM8.4 million used for the advances to related parties for working capital purposes.
- RM7.8 million used for the repayments to the director of Handal Indah for payment on behalf of and/or advances extended by Lim Han Weng for working capital purposes.
- RM2.8 million used for the purchase of unquoted shares including 99.9% of equity interest in PT Handal Bus Listrik and 30.0% of equity interest in Jaguh Bayu Sdn Bhd. Subsequently in the FYE 2024, our Group disposed its entire equity interest in these companies.

The net cash used in investing activities was partially offset by the interest received mainly from advances to related parties amounting to RM0.1 million and by the proceeds from disposal of PPE amounting to RM0.1 million.

**FYE 2024**

For the FYE 2024, our net cash used in investing activities was RM37.5 million and this was mainly attributed to the following:

- RM22.2 million of cash used to partially fund purchases of PPE in the FYE 2024 amounting to RM64.0 million. The PPE purchased mainly comprised buses, machineries and ticketing machines as well as expansion of EV Bus Depot. Please refer to Note 9A of the Accountants' Report set out in Section 13 of this Prospectus for further details on the financing for the total purchases of PPE in the FYE 2024.
- RM2.4 million of cash used for the upfront payments for the purchase of buses.

**12. FINANCIAL INFORMATION (Cont'd)**

- RM9.1 million used for the repayments to the directors of Handal Indah comprising RM5.4 million for the payment on behalf of and/or advances extended by Lim Han Weng for working capital purposes. The advances have been fully settled as at the LPD. The remaining RM3.7 million was in relation to payments to Mat Sin Bin Bidin and Bah Kim Lian for the dividends declared in the prior years.
- RM7.0 million used for the payments to our related parties for the purchase of buses, settlement of amount owing to a related party, as well as net advances to related parties for working capital purposes.

The net cash used in investing activities was partially moderated by RM2.8 million received from the disposals of quoted shares in PT Handal Bus Listrik as mentioned above as well as proceeds from the disposal of PPE amounting to RM0.4 million.

**FPE 2025**

For the FPE 2025, our net cash used in investing activities was RM67.0 million and this was mainly attributed to RM75.7 million of cash used to partially fund purchases of PPE in the FPE 2025 amounting to RM79.0 million. The PPE purchased mainly comprised the purchase of buses, bus accessories and ticketing machines as well as expansion of EV Bus Depot. Please refer to Note 9A of the Accountants' Report set out in Section 13 of this Prospectus for further details on the financing for the total purchases of PPE in the FPE 2025.

The net cash used in investing activities was partially offset by the RM8.3 million received from the settlement of amount owing by related parties.

**(c) Net cash from/used in financing activities****FYE 2022**

For the FYE 2022, our net cash from financing activities was RM4.0 million and this was mainly attributed to RM8.5 million from the drawdown of revolving credits used for working capital purposes and purchase of buses. The net cash from financing activities was partially offset by RM3.6 million used for the repayment of lease liabilities including rental of buildings, bus terminal, ticketing counters as well as equipment and machines as well as hire purchase, and RM1.0 million for interest expenses.

**FYE 2023**

For the FYE 2023, our net cash from financing activities was RM19.6 million and this was mainly attributed to RM28.5 million from the drawdown of revolving credits used for working capital purposes and purchase of buses. The net cash from financing activities was partially offset by RM7.4 million used for the repayment of lease liabilities and RM1.5 million for interest expenses.

**FYE 2024**

For the FYE 2024, our net cash used in financing activities was RM28.3 million and this was mainly attributed to the following:

- dividend payment of RM21.0 million including RM5.0 million for the dividends declared for the FYE 2023 and RM16.0 million for the dividends declared for the FYE 2024;



**12. FINANCIAL INFORMATION (Cont'd)**

- RM12.8 million used for the repayment of lease liabilities including rental of buildings, bus terminal, ticketing counters as well as equipment and machines as well as hire purchase;
- RM10.0 million used for the repayment of revolving credits; and
- RM2.5 million for interest expenses.

The net cash used in financing activities was partially moderated by RM18.0 million of cash received from the drawdown of term loans used for the purchases of buses.

**FPE 2025**

For the FPE 2025, our net cash from financing activities was RM45.5 million and this was mainly attributed to the following:

- RM76.9 million of cash received from the drawdown of term loans mainly used for the purchase of new buses and to refinance existing borrowings (i.e. revolving credits);
- RM20.0 million of proceeds from the increase in share capital pursuant to the Subscription of New Shares; and
- RM14.5 million of cash received from the drawdown of trade financing used for the upfront payment for the purchase of buses.

The net cash from financing activities was partially offset by the following:

- RM48.5 million used for the repayment of revolving credits;
- RM14.4 million used for the repayment of lease liabilities; and
- RM3.0 million for interest expenses.

**(iii) Borrowings**

As at 31 October 2024, our Group's total borrowings was RM151.8 million, as follows:

<b>Type of borrowings</b>	<b>Payable within 12 months RM'000</b>	<b>Payable after 12 months RM'000</b>	<b>Total RM'000</b>
Term loans <sup>(1)</sup>	10,685	84,150	94,835
Trade financing <sup>(2)</sup>	14,489	-	14,489
Hire purchase liabilities	11,537	30,917	42,454
<b>Total</b>	<b>36,711</b>	<b>115,067</b>	<b>151,778</b>

**Gearing ratio<sup>(3)</sup>** **1.2**

**Notes:**

- (1) *Term loans were mainly utilised for the purchase of buses during the Financial Years/Period Under Review.*
- (2) *Trade financing were mainly used for the purchases of buses.*
- (3) *Calculated based on total borrowings divided by total equity.*

**12. FINANCIAL INFORMATION (Cont'd)**

As at 31 October 2024, our Group's floating and fixed rate borrowings are set out below:

	<b>RM'000</b>
Floating rate borrowings <sup>(1)</sup>	109,324
Fixed rate borrowings <sup>(2)</sup>	42,454
<b>Total</b>	<b>151,778</b>

**Notes:**

(1) Comprised term loans and trade financing.

(2) Comprised hire purchase liabilities.

The maturity profile and interest rates of our borrowings as at 31 October 2024 are set out below:

	<b>Term loan</b>	<b>Trade financing</b>	<b>Hire purchase liabilities</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Under 1 year	10,685	14,489	11,537	<b>36,711</b>
1 - 2 years	20,185	-	8,480	<b>28,665</b>
2 - 5 years	47,035	-	15,334	<b>62,369</b>
More than 5 years	16,930	-	7,103	<b>24,033</b>
<b>Total</b>	<b>94,835</b>	<b>14,489</b>	<b>42,454</b>	<b>151,778</b>
<b>Weighted average effective interest rates</b>	<b>4.91%</b>	<b>6.15%</b>	<b>3.34%</b>	

We have obtained the release and/or discharge of the guarantees extended by Lim Han Weng and in some cases, Bah Kim Lian from the financiers by substituting the same with a corporate guarantee from our Group.

We also do not encounter any seasonality in our borrowings trend and there is no material restriction on our committed borrowing facilities. As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. As at the LPD, all of our Group's borrowings were interest bearing borrowings.

For the Financial Years/Period Review and up to the LPD, we have not defaulted on any payments of either principal sums and/or interests in relation to our borrowings.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations or investments in our Shares.

## 12. FINANCIAL INFORMATION (Cont'd)

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### 12.2.14 Financial instrument, treasury policies and objectives

As at the LPD, save as disclosed in Section 12.2.13(iii) above, our Group does not use any other financial instruments.

Our Group's operations have been funded through shareholders' equity, cash generated from our operations and external sources of funds. The external source of funds consists of banking facilities from financial institutions. The normal credit term granted by our suppliers ranges from 30 days to 60 days for the FPE 2025.

As at the LPD, our Group's banking facilities from financial institutions mainly consist of the following:

- term loans mainly for capital expenditure to purchase buses;
- trade financing mainly for capital expenditure to purchase buses; and
- lease liabilities used for the purchase of buses and motor vehicles under hire purchase contracts.

The interest rates for our bank borrowings are based on the market rates prevailing at the dates of the respective transactions. As at the LPD, our Group has available banking facilities of RM249.6 million including term loans for the purchase of buses, as well as revolving credits and bank overdrafts for working capital purposes, of which RM129.4 million has yet to be utilised.

The main objective of our capital management is to ensure sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

### 12.2.15 Material litigation and contingent liabilities

#### (i) Material litigation

Neither we nor our subsidiary are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

#### (ii) Contingent liabilities

As at the LPD, we do not have any other material contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.16 Key financial ratios**

Our key financial ratios for the Financial Years/Period Under Review are as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
Trade receivable turnover period (days) <sup>(1)</sup>	180	118	78	60
Trade payable turnover period (days) <sup>(2)</sup>	131	79	44	47
Inventory turnover period (days) <sup>(3)</sup>	94	35	32	32
Current ratio (times) <sup>(4)</sup>	0.4	0.7	0.6	1.2
Gearing ratio (times) <sup>(5)</sup>	1.6	1.5	1.4	1.2

**Notes:**

- (1) Computed based on trade receivables (excluding contract assets) and net of allowances for impairment loss over revenue (excluding revenue from the general public) for the respective years/period, multiplied by 365 days/273 days for each financial year/period.
- (2) Computed based on trade payables over total purchases of materials and services for the respective years/period, multiplied by 365 days/273 days for each financial year/period.
- (3) Computed based on inventory over total purchases of spare parts and consumables for the respective years/period, multiplied by 365 days/273 days for each financial year/period.
- (4) Computed based on current assets over current liabilities.
- (5) Computed based on total borrowings over total equity. Total borrowings comprise the following:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Bank overdraft	1,538	-	788	-
Revolving credits	30,027	58,482	48,498	-
Term loans	-	-	17,997	94,835
Trade financing	-	-	-	14,489
Hire purchases owing to financial institutions	26,093	28,355	33,570	42,454

Our trade payables turnover period was lower than our trade receivables turnover period during the Financial Years/Period under Review. Our cashflow management takes into account the cash generated from our operations, including cash received from ticket sales under our cross-border bus service operations and also collections from customers on credit terms. In addition, we also utilise banking facilities such as revolving credits and bank overdrafts for our working capital.

**(i) Trade receivables**

We deal with our customers on credit terms. The credit terms that we generally grant to our customers are as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
Normal credit terms (days)	30 - 60	30 - 60	30 - 60	30 - 60

Save for the FPE 2025, our trade receivables turnover period ranged between 78 days to 180 days, which exceeded the normal credit terms. This was mainly due to slow payments from our customers for intracity and chartered bus services.

**12. FINANCIAL INFORMATION (Cont'd)**

Our trade receivables turnover period improved from 180 days as at 31 January 2022 to 118 days as at 31 January 2023 and further improved to 78 days as at 31 January 2024. This was mainly attributed to the improvement in collections from our customers as reflected in the lower proportion of outstanding trade receivables (excluding contract assets) over revenue (excluding revenue from the general public) which decreased from 49.3% for the FYE 2022 to 32.2% for the FYE 2023 and further decreased to 21.4% in the FYE 2024.

For the FYE 2022, the trade receivables turnover period of 180 days was mainly attributed to the past due trade receivables which accounted for 67.9% (RM9.0 million) of the total trade receivables (excluding contract assets) as at 31 January 2022, and these were mainly past due trade receivables from a customer for contracted intracity bus services. As at the LPD, all of these outstanding trade receivables have been settled and/or impaired.

For the FYE 2023, the trade receivables turnover period of 118 days was mainly attributed to the past due trade receivables which accounted for 82.6% (RM12.4 million) of the total trade receivables (excluding contract assets) as at 31 January 2023, and these were mainly past due trade receivables from our customers for intracity and chartered bus services. As at the LPD, all of these outstanding trade receivables have been settled and/or impaired.

For the FYE 2024, the trade receivables turnover period of 78 days was mainly attributed to the past due trade receivables which accounted for 72.9% (RM11.6 million) of the total trade receivables (excluding contract assets) as at 31 January 2024 and these were mainly past due trade receivables from our customers for intracity and chartered bus services. As at the LPD, RM11.0 million of these outstanding trade receivables have been settled and/or impaired. The remaining RM0.6 million were outstanding since December 2023 up to January 2024, which are pending further discussion with our customer pertaining to service performance or pending verification of invoices by our customer.

Notwithstanding the above, our trade receivables turnover period improved from 78 days as at 31 January 2024 to 60 days as at 31 October 2024, which was within the normal credit terms granted to our customers. This was mainly attributed to better collections from our customers on the back of higher revenue for the FPE 2025.

The ageing analysis of our Group's trade receivables as at 31 October 2024 is as follows:

	<b>Trade receivables<sup>(1)</sup> as at 31 October 2024</b>	<b>Subsequent collections as at the LPD</b>	<b>Net trade receivables after subsequent collections as at the LPD</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Not past due	2,882	1,107	1,775
1 - 30 days	2,302	1,819	483
31 - 120 days	4,704	3,064	1,640
More than 120 days	5,120	4,321	799
<b>Total</b>	<b>15,008</b>	<b>10,311</b>	<b>4,697</b>

**Note:**

(1) Excluding contract assets and net of allowances for impairment loss.

**12. FINANCIAL INFORMATION (Cont'd)**

As at the LPD, RM10.3 million or 68.7% of our trade receivables as at 31 October 2024 has been subsequently collected. The remaining outstanding trade receivables of RM4.7 million was mainly past due amount from customers for intracity and chartered bus services. We do not have any payment arrangement with our customers but we make constant efforts to collect the outstanding amounts, including follow-up calls and meetings.

The slow collections from our customers are not expected to have any material impact on our Group's operating cash flows, as the operations of our cross-border bus service are based on cash received upon ticket sales to the general public. For the FPE 2025, we have a net cash from operating activities of RM41.1 million.

**(ii) Trade payables**

We deal with our suppliers comprising suppliers and subcontractors on credit terms. Our suppliers including suppliers and subcontractors generally grant us credit terms as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
Normal credit terms (days)	30 to 60	30 to 60	30 to 60	30 to 60

Our Group's trade payables turnover period was 131 days as at 31 January 2022 and 79 days as at 31 January 2023, which exceeded the normal credit terms. This was due to slow payments to suppliers mainly for the purchases of spare parts, consumables, fuel and subcontractors for the repair and maintenance services. The slow payments to our suppliers were mainly due to working capital management to manage and reserve cash flow as a result of the COVID-19 pandemic. The trade payables turnover period improved to 44 days as at 31 January 2024 mainly due to timely payments to our suppliers.

The trade payables turnover period increased from 44 days as at 31 January 2024 to 47 days as at 31 October 2024, mainly due to outstanding trade payables to our subcontracted bus service operators, as well as suppliers for the purchases of fuel, spare parts and consumables. This was mainly attributable to time required to verify documentation before processing payments. This was reflected in the higher proportion of trade payables over total purchases of materials and services of 17.2% as at 31 October 2024 as compared to 12.1% as at 31 January 2024.

The ageing analysis of our Group's trade payables as at 31 October 2024 is as follows:

	<u>Trade payables as at 31 October 2024</u>	<u>Subsequent payments as at the LPD</u>	<u>Net trade payables after subsequent payments as at the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Not past due	4,848	4,459	389
1 - 30 days	3,271	2,787	484
31 - 120 days	1,119	987	132
More than 120 days	729	185	544
<b>Total</b>	<b>9,967</b>	<b>8,418</b>	<b>1,549</b>

**12. FINANCIAL INFORMATION (Cont'd)**

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As at the LPD, RM8.4 million or 84.5% of the trade payables as at 31 October 2024 has been subsequently paid. The remaining outstanding trade payables of RM1.5 million mainly comprised amount due to our suppliers for spare parts, repair and maintenance services as well as subcontracted bus services. We continued to make payments to our suppliers upon verification of documentation for payment processing and there has been no adverse effects arising from the late payment to suppliers.

**(iii) Inventory**

Our inventories mainly comprise spare parts and consumables for the repair and maintenance of our buses. Our inventory turnover period was 94 days as at 31 January 2022 and subsequently improved to 35 days, 32 days and 32 days as at 31 January 2023, 31 January 2024 and 31 October 2024, respectively. The inventory turnover period was higher at 94 days as at 31 January 2022 due to the higher inventories of spare parts and consumables where there were lower bus services during FYE 2022, as business operations were affected due to the COVID-19 containment measures.

**(iv) Current ratio**

Our current ratio increased from 0.4 times as at 31 January 2022 to 0.7 times as at 31 January 2023. This was mainly attributed to the increase in other receivables arising from RM18.8 million of advance payments to third party suppliers which were upfront payments for the purchase of buses. The increase in other receivables was partly due to increase of RM12.1 million in amount owing by related parties pertaining to advances extended for working capital purposes. The increase in current ratio was partially offset by higher current liabilities due to higher borrowings as at 31 January 2023 which were primarily used for purchase of buses.

Our current ratio decreased to 0.6 times as at 31 January 2024 due to the increase in current liabilities arising from higher current tax liabilities coupled with lower current assets as there was lower advance payments to third party suppliers.

Our current ratio increased from 0.6 times as at 31 January 2024 to 1.2 times as at 31 October 2024. This was attributed to higher current assets as well as the decrease in current liabilities. The increase in current assets was mainly attributed to the increase in cash and bank balances from RM27.0 million as at 31 January 2024 to RM44.5 million as at 31 October 2024. The decrease in current liabilities was mainly due to decrease in short-term borrowings (i.e. revolving credits) as a new term loan was drawn down to refinance these revolving credits.

**(v) Gearing ratio**

Our gearing ratio was 1.6 times, 1.5 times, 1.4 times and 1.2 times as at 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 respectively. Our gearing ratio was above 1.0 times during the Financial Years/Period Under Review, mainly due to the outstanding bank borrowings which were primarily used for the expansion of our fleet of buses for the newly contracted intracity bus services in Johor Bahru and Malacca.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.17 Trend analysis

Save as disclosed in this section and in Sections 7, 8 and 9 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events and factors that are reasonably likely to have a material effect on our business, financial condition and results of operations or that would make our Group's historical financial statements not indicative of future financial performance. Accordingly, taking into consideration of our Group's future business strategies and plans and the expected increase in depreciation in line with the increase in our capital expenditure, we do not expect any material adverse impact to our revenue recognition and operating expenses moving forward.

### 12.2.18 Significant changes/events

- (a) During the FYE 2024, we entered into an arrangement with a related party, Handal Ceria, for the purchase of 81 buses and 42 ticketing machines with a total consideration amounting to RM18,551,000.
- (b) On 18 July 2024, we secured a new term loan amounting to RM63,100,000 for the purpose of refinancing certain short-term borrowings.
- (c) On 23 July 2024, our Company acquired the entire issued share capital of Handal Indah for a total consideration of RM79,999,000 and became the investment holding company of Handal Indah. Subsequently on 24 July 2024, Handal Indah increased its paid-up capital by an additional 18,000,000 ordinary shares which were fully subscribed by our Company for a total consideration of RM18,000,000.
- (d) On 27 September 2024, we entered into a sale and purchase agreement with a third party for the acquisition of the Tebrau Property, for a total purchase consideration of RM24,000,000. We have paid a deposit of RM2,400,000 for the acquisition. As at the LPD, the SPA is yet to be completed.
- (e) On 21 February 2025, we declared dividends of RM9.0 million for the FYE 2025 to our existing shareholders, which were paid on 5 March 2025.

### 12.2.19 Order book

As at the LPD, we have 18 subsisting contracts with total unbilled order book of RM174.6 million, the details of which are set out below:

	Unbilled order book as at the LPD RM million	Expected timeline to be recognised		
		FYE 2026 RM million	FYE 2027 RM million	FYE 2028- 2031 RM million
Scheduled bus services	158.3	68.7	51.9	37.7
Chartered bus services	16.3	7.6	4.8	3.9
<b>Total</b>	<b>174.6</b>	<b>76.3</b>	<b>56.7</b>	<b>41.6</b>



**12. FINANCIAL INFORMATION (Cont'd)****12.2.20 Capital expenditures and divestures****Capital expenditures**

Our capital expenditures for the Financial Years/Period Under Review and up to the LPD are set out below:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>	<b>From 1 November 2024 up to the LPD</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Buildings	-	1,604	183	591	-
Buses	-	12,926	54,112	68,863	24,787
Bus accessories	-	1,067	691	176	150
Motor vehicles	-	-	524	1,145	134
Office equipment	53	213	396	865	332
Electrical installation	-	562	60	7	-
Furniture and fittings	47	32	183	38	22
Machinery	-	76	2,300	2,482	11
Renovation	-	95	2	108	-
Ticketing machines	-	993	1,609	2,039	35
Other assets	92	69	185	626	-
Buses work-in-progress	-	526	-	1,965	-
Capital work-in-progress	-	-	3,777	120	-
<b>Total</b>	<b>192</b>	<b>18,163</b>	<b>64,022</b>	<b>79,025</b>	<b>25,470</b>

Our capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

**FYE 2022**

For the FYE 2022, our capital expenditure was RM0.2 million which mainly comprised air conditioners, office equipment and furniture and fittings.

**FYE 2023**

For the FYE 2023, our capital expenditure was RM18.2 million, which mainly comprised the following:

- RM12.9 million for the purchase of 29 units of ICE buses and 5 units of electric buses;
- RM1.6 million for the expansion of our Mutiara ICE Bus Depot as well as our HQ;
- RM1.1 million for the purchase of bus accessories such as LED destination displays, routers, CCTV and fare collection coinbox;
- RM1.0 million for the purchase of 177 units of ticketing machines;
- RM0.6 million for the installation of an electric substation for the operational facilities and charging stations at our EV Bus Depot; and
- RM0.5 million of capital work-in-progress mainly capitalisable deposits paid for the purchase of buses as well as the finance costs for the letter of credit for the purchase of these buses.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2024**

For the FYE 2024, our capital expenditure was RM64.0 million, which mainly comprised the following:

- RM54.1 million for the purchase of 69 units of ICE buses and 33 units of electric buses;
- RM3.8 million for the expansion of EV Bus Depot;
- RM2.3 million for the purchase of machineries including DC chargers for our EV Bus Depot, overhead grinders and workshop equipment; and
- RM1.6 million for the purchase of 325 units of ticketing machines.

**FPE 2025**

For the FPE 2025, our capital expenditure was RM79.0 million, which mainly comprised the following:

- RM68.9 million for the purchase of 182 units of ICE buses and 15 units of electric buses;
- RM2.5 million for the purchase of machineries mainly for the expansion of EV Bus Depot;
- RM2.0 million for the purchase of 379 units of ticketing machines; and
- RM2.0 million for the purchase of bus accessories such as LED destination displays, routers, CCTV and fare collection coin boxes.

**1 November 2024 up to the LPD**

From 1 November 2024 and up to the LPD, our capital expenditure was RM25.5 million, which mainly comprised RM24.8 million for the purchase of 67 units of ICE buses.

**Capital divestitures**

Our capital divestitures for the Financial Years/Period Under Review and up to the LPD are set out below:

	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>	<u>From 1 November 2024 up to the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Buses	-	-	379	40	-
Machinery	-	-	-	317	-
Motor vehicles	115	1	*	90	-
Other assets	1	-	-	27	-
<b>Total</b>	<b>116</b>	<b>1</b>	<b>379</b>	<b>474</b>	<b>-</b>

\* Less than RM1,000.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2022**

For the FYE 2022, our capital divestiture was RM0.1 million which mainly comprised the disposal of 1 unit of van.

**FYE 2023**

For the FYE 2023, our capital divestiture was approximately RM1,000 which was for the disposal of 1 unit of passenger car.

**FYE 2024**

For the FYE 2024, our capital divestiture was RM0.4 million which mainly comprised the disposal of 8 units of buses.

**FPE 2025**

For the FPE 2025, our capital divestiture was RM0.5 million and this was mainly attributed to the disposal of machinery amounting to RM0.3 million.

**1 November 2024 up to the LPD**

From 1 November 2024 and up to the LPD, we do not have any capital divestitures.

**12.2.21 Material commitment for capital expenditures**

As at the LPD, our Group's material commitments for capital expenditure are set out below:

	<b>RM'000</b>
<b>Approved and contracted for:</b>	<b>28,547</b>
Purchase of buses <sup>(1)</sup>	6,947
Acquisition of the Tebrau Property <sup>(2)</sup>	21,600
<b>Approved but not contracted for<sup>(3)</sup>:</b>	<b>90,000</b>
Expand vehicle fleet	70,000
Setting up additional charging stations	15,000
Expand digital infrastructure	5,000
<b>Total</b>	<b>118,547</b>

**Notes:**

- (1) As at the LPD, we have confirmed orders for the purchase of 55 buses which include 10 electric buses and 45 ICE buses. The purchase of these 55 buses is approximately RM32.9 million, of which RM26.0 million has been paid and the remaining RM6.9 million will be funded via internally generated funds and/or bank borrowings.
- (2) The total purchase consideration for the Tebrau Property is RM24.00 million. As at the LPD, we have paid a deposit of RM2.40 million for the acquisition and the remaining balance will be funded via internally generated funds and/or bank borrowings. Please refer to Section 12.2.18(d) of this Prospectus for further details on the status of the SPA.
- (3) The capital commitments above will be funded by the proceeds from the Public Issue. Please refer to Section 4.6 of this Prospectus for further details.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.2.22 Financial risk management

We are exposed to market risks arising from our operations and use of financial instruments. Our key market risk exposures are interest rate risk and foreign currency risk.

#### Interest rate risk

All of our borrowings are interest-bearing obligations. Any hike in interest rates would affect our financial performance. Our finance cost mainly comprises interest charges on banking facilities, mainly term loans, revolving credits, bank overdrafts, and hire purchase facilities that are granted by bank and financial institutions.

As at 31 October 2024, our total bank borrowings owing to financial institutions was RM151.8 million, of which all were interest bearing, comprising RM109.3 million based on floating interest rates and the remaining RM42.5 million based on fixed rates. Our finance costs increased by 80.5% to RM3.0 million in the FYE 2023 (FYE 2022: RM1.7 million), and further increased by 56.7% to RM4.7 million in the FYE 2024 due to the higher utilisation of bank borrowings for capital expenditure and working capital. In this respect, any increase in drawdown of borrowings and/or interest rates may impact on our financial performance.

#### Foreign currency risk

Our business is exposed to the risk of foreign exchange fluctuations where 9.0%, 41.0%, 49.0%, and 50.4% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively, were transacted in SGD. Our purchases of materials and services that were transacted in foreign currencies, which was mainly SGD, accounted for 0.2%, 0.9%, 1.1% and 1.0% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Any adverse changes in exchange rates between RM and SGD would have an adverse effect on our financial performance.

Details of our foreign currency exchange gains and losses during the Financial Years/Period Under Review are as follows:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Realised gain/(loss) on foreign exchange	(3)	101	1,410	(9)
Unrealised gain/(loss) on foreign exchange	(1)	*	-	910
<b>Net gain/(loss)</b>	<b>(4)</b>	<b>100</b>	<b>1,410</b>	<b>901</b>

\* Less than RM1,000.

Our business is subject to risk relating to any unfavourable foreign currency exchange rate fluctuations which could materially affect our financial performance. As at the LPD, we have foreign currency forward hedging facility amounting to RM17.0 million which have yet to be utilised. Please refer to Section 9.1.9 of this Prospectus for further details.

**12. FINANCIAL INFORMATION (Cont'd)****12.3 CAPITALISATION AND INDEBTEDNESS**

The table below sets out our Group's capitalisation and indebtedness based on our unaudited management accounts as at 31 January 2025 and pro forma after taking into account the Share Split, Public Issue and Dividend Payout for the FYE 2025, and the utilisation of proceeds from the Public Issue. The pro forma financial information below does not represent our capitalisation and indebtedness as at 31 January 2025 and is provided for illustrative purpose only.

	<u>Unaudited</u>	<u>I</u>	<u>II</u>
	<u>As at 31 January 2025</u>	<u>After the Share Split, Public Issue and Dividend Payout for the FYE 2025</u>	<u>After I and use of proceeds</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Indebtedness</b>			
<b>Current</b>			
<i>Secured and guaranteed:</i>			
- Term loans	14,722	14,722	14,722
- Lease liabilities owing to financial institutions	7,868	7,868	7,868
<i>Unsecured and unguaranteed:</i>			
- Lease liabilities owing to non-financial institutions	2,235	2,235	2,235
<b>Non-current</b>			
<i>Secured and guaranteed:</i>			
- Term loans	105,473	105,473	105,473
- Lease liabilities owing to financial institutions	41,440	41,440	41,440
<i>Unsecured and unguaranteed:</i>			
- Lease liabilities owing to non-financial institutions	4,612	4,612	4,612
<b>Total indebtedness</b>	<b>176,350</b>	<b>176,350</b>	<b>176,350</b>
<b>Capitalisation</b>			
- Share capital	100,000	215,900	213,700
- Reserves	30,603	21,603	15,803
<b>Total capitalisation</b>	<b>130,603</b>	<b>237,503</b>	<b>229,503<sup>(1)</sup></b>
<b>Total capitalisation and indebtedness</b>	<b>306,953</b>	<b>413,853</b>	<b>405,853</b>
<b>Gearing ratio (times)<sup>(2)</sup></b>	<b>1.35</b>	<b>0.74</b>	<b>0.77</b>

**Notes:**

(1) Calculated after taking into account, among others, the Dividend Payout for the FYE 2025, the gross proceeds raised from the Public Issue based on the IPO Price and the estimated listing expenses.

(2) Computed as total indebtedness divided by total capitalisation.

**12. FINANCIAL INFORMATION (Cont'd)****12.4 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION**

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Suite 18-04 Level 18 Menara Zurich  
 15 Jalan Dato' Abdullah Tahir  
 80300 Johor Bahru  
 Johor Darul Ta'zim  
 Malaysia

**The Board of Directors**  
**HI Mobility Berhad**  
 Level 16, Menara South Point,  
 Mid Valley City,  
 Medan Syed Putra Selatan,  
 59200, Kuala Lumpur,  
 Malaysia.

Date: 24 February 2025

Our Ref: BDO/JS/TTXW/ljh

Dear Sir/Madam,

**HI Mobility Berhad (“HIMB” or the “Company”) and its subsidiary (“Group”)  
 Report on Compilation of the Pro Forma Consolidated Statements of Financial Position as  
 at 31 October 2024**

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of the Group as at 31 October 2024 (“Pro Forma Consolidated Statements of Financial Position”). The Pro Forma Consolidated Statements of Financial Position together with the accompanying notes thereon, for which we have stamped for purpose of identification, have been compiled by the Board of Directors of the Company (“Board of Directors”) for inclusion in the prospectus of the Company (“the Prospectus”) in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (“Listing”).

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and are in accordance with the Prospectus Guidelines issued by Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors to illustrate the impact of the events or transactions as set out in the Notes to the Pro Forma Consolidated Statements of Financial Position on the financial position of the Group as at 31 October 2024 had the Listing been affected as at 31 October 2024. As part of this process, information about the financial position of the Group has been extracted by the Board of Directors from the Group’s audited consolidated statements of financial position as at 31 October 2024.

**Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position**

The Board of Directors is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**12. FINANCIAL INFORMATION (Cont'd)**

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*Our Independence and Quality Management*

We are independent of the Group 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.

The firm applies Malaysian Approved International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibility**

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in Notes to the Pro Forma Consolidated Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinion were addressed by us at the dates of their issue.

The purpose for inclusion of the Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at that date would have been as presented.

## 12. FINANCIAL INFORMATION (Cont'd)

**Reporting Accountants' Responsibility (continued)**

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted statements of financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Pro Forma Consolidated Statements of Financial Position of the Group have been compiled, in all material respects, on the basis set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**Other Matters**

This report has been prepared solely for the purpose stated above, in connection with the Listing. As such, this Report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

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

**Sia Yeak Hong**  
03413/02/2027 J  
Chartered Accountant



**12. FINANCIAL INFORMATION (Cont'd)****HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position****1. INTRODUCTION AND BASIS OF PREPARATION****1.1 Introduction**

The Pro Forma Consolidated Statements of Financial Position of HI Mobility Berhad (“Company”) and its subsidiary (collectively referred to as the “Group”) as at 31 October 2024 (“Pro Forma Consolidated SOFP”) together with the notes thereon, for which the Directors of the Company are solely responsible, has been prepared for illustrative purposes only for the purpose of inclusion in the prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (“Listing”).

**1.2 Basis of preparation**

The Pro Forma Consolidated SOFP have been prepared based on audited consolidated statement of financial position of the Group as at 31 October 2024, which were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), IFRS Accounting Standards, and in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma Consolidated SOFP have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 on the audited consolidated statements of financial position of the Group as at 31 October 2024 had the transactions been effected on 31 October 2024, and should be read in conjunction with the notes thereon. Due to its nature, the Pro Forma Consolidated SOFP is not necessarily indicative of the financial position of the Group that would have been attained had the effects of the transactions as set out in Note 2 actually occurred at the respective dates. Further, such information does not purport to predict the future financial position of the Group.

The audited consolidated statements of financial position of the Group for the financial period ended 31 October 2024 used in the preparation of the Pro Forma Consolidated SOFP was not subject to any audit qualification.

**2. LISTING SCHEME**

The Listing exercise as defined in Note 2.1 and Other Material Transaction as defined in Note 2.2 are included in the Pro Forma Consolidated SOFP to show the effects of the transactions on the audited consolidated statements of financial position of the Group as at 31 October 2024 had the transactions been effected on 31 October 2024 in accordance with the Prospectus Guidelines.

**2.1 Listing exercise**

In conjunction with and as integral part of the Listing, the Company had proposed to undertake the following transactions:

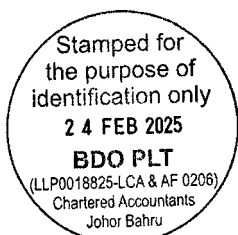
**2.1.1 Share Split**

The Company will undertake the subdivision of 1 ordinary share into 4.05 new Shares (“Share Split”). Upon completion of the Share Split, the total number of Shares will increase from 100,000,000 Shares to 405,000,000 Shares.

**2.1.2 Public Issue**

The Company will undertake an Initial Public Offering (“IPO”) comprising of a public issue of 95,000,000 new Shares (“Public Issue”) and offer for sale of existing 35,000,000 Shares at an issue/offer price of RM1.22 per Share.

Upon completion of the Listing, the enlarged issued share capital of RM215,900,000 comprising 500,000,000 Shares will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.



**12. FINANCIAL INFORMATION (Cont'd)****HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position****2. LISTING SCHEME (continued)****2.1 Listing exercise (continued)****2.1.3 Utilisation of proceeds**

The proceeds from the Public Issue of RM115.90 million are expected to be utilised as follows:

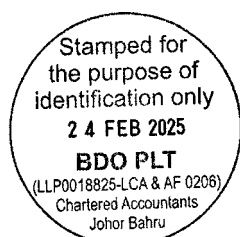
Details of utilisation	Estimated timeframe for utilisation upon Listing	RM	Percentage of gross proceeds %
(i) Bus fleet expansion and electrification*	Within 24 months	70,000,000	60.4
(ii) Expansion of electric vehicle ("EV") charging infrastructure*	Within 24 months	15,000,000	12.9
(iii) Technological enhancement*	Within 24 months	5,000,000	4.4
(iv) Working capital*	Within 24 months	17,900,000	15.4
(v) Defraying fees and expenses in relation to the Listing exercise^	Within 6 months	8,000,000	6.9
		<u>115,900,000</u>	<u>100.0</u>

\* These utilisation of proceeds are not adjusted in the Pro Forma II to the Pro Forma Consolidated SOFP as at 31 October 2024, as the Group has yet to enter into any agreement or issue any purchase order in relation to the proceeds earmarked for bus fleet expansion and electrification, expansion of EV charging infrastructure, technological enhancement as well as working capital.

^ The estimated listing expenses totaling RM8,000,000 to be borne by the Company comprise amongst others, underwriting fees, placement fees, brokerage fees, professional fees and miscellaneous expenses, of which RM2,100,000 had been paid and capitalised in prepayment of the Group up to 31 October 2024. Upon completion of the Listing, a total of RM2,200,000 is assumed to be directly attributable to the IPO and as such, will be debited against the share capital of the Company and the remaining expenses of RM5,800,000 will be expensed off to the statement of profit or loss and other comprehensive income.

The utilisation of proceeds will have the following impact on the Pro Forma Consolidated SOFP as at 31 October 2024:

	Effects on Total Assets RM	Decrease Effects on Total Equity RM
Cash and bank balances	(5,900,000)	-
Prepayment	(2,100,000)	-
Share capital	-	(2,200,000)
Reserves	-	(5,800,000)
	<u>(8,000,000)</u>	<u>(8,000,000)</u>



**12. FINANCIAL INFORMATION (Cont'd)**

*H1 Mobility Berhad (202401023591(1569440-A))*  
*Pro Forma Consolidated Statements of Financial Position*

**2. LISTING SCHEME (continued)****2.1 Listing exercise (continued)****2.1.4 Employee Share Option Scheme (“ESOS”)**

In conjunction with the Listing, HIMB proposes to establish the ESOS which entails the granting of ESOS Options to the eligible directors and eligible employees of the Group.

The ESOS will be administered by the Nomination and Remuneration Committee and governed by the By-Laws. The total number of Shares which may be made available under the ESOS shall not exceed in aggregate 10.00% (“Maximum Limit”) of HIMB’s total number of issued Shares at any one time during the duration of the ESOS.

The ESOS is not illustrated in the Pro Forma Consolidated SOFP as the ESOS options under the ESOS have yet to be granted as of the date of this report.

**2.2 Other Material Transaction**

On 21 February 2025, the Company declared dividend of RM9,000,000 in respect of the financial year ended 31 January 2025 to be paid out to its existing shareholders prior to the completion of the Listing.



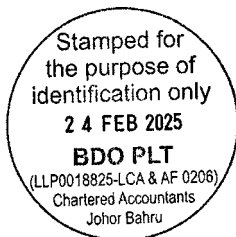
12. FINANCIAL INFORMATION (Cont'd)

HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2024

The Pro Forma Consolidated SOFP of the Group as at 31 October 2024 have been prepared for illustrative purposes only to show the effects on the audited consolidated statements of financial position of the Group as at 31 October 2024 based on the assumptions that transactions set out in Note 2 had been effected on 31 October 2024, and should be read in conjunction with notes accompanying to the Pro Forma Consolidated SOFP.

	Note	As at 31 October 2024 RM	Adjustments for Share Split, Public Issue and Other Material Transaction RM	Pro Forma I After Share Split and Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma II After Pro Forma I and Utilisation of Proceeds RM
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment		214,111,117	-	214,111,117	-	214,111,117
Right-of-use assets		6,299,141	-	6,299,141	-	6,299,141
Intangible assets		5,700	-	5,700	-	5,700
Investment property		550,636	-	550,636	-	550,636
Deferred tax assets		5,940,663	-	5,940,663	-	5,940,663
		226,907,257	-	226,907,257	-	226,907,257
<b>Current assets</b>						
Inventories		771,356	-	771,356	-	771,356
Trade and other receivables	3.2.1	59,150,457	-	59,150,457	(2,100,000)	57,050,457
Current tax assets		49,189	-	49,189	-	49,189
Cash and bank balances	3.2.2	44,467,765	106,900,000	151,367,765	(5,900,000)	145,467,765
		104,438,767	106,900,000	211,338,767	(8,000,000)	203,338,767
<b>TOTAL ASSETS</b>		<b>331,346,024</b>	<b>106,900,000</b>	<b>438,246,024</b>	<b>(8,000,000)</b>	<b>430,246,024</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to owners the Company</b>						
Share capital	3.2.3	100,000,000	115,900,000	215,900,000	(2,200,000)	213,700,000
Reserves	3.2.3	21,848,256	(9,000,000)	12,848,256	(5,800,000)	7,048,256
<b>TOTAL EQUITY</b>		<b>121,848,256</b>	<b>106,900,000</b>	<b>228,748,256</b>	<b>(8,000,000)</b>	<b>220,748,256</b>

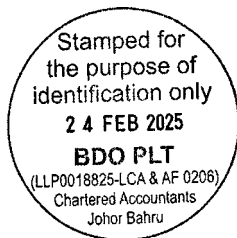


12. FINANCIAL INFORMATION (Cont'd)

HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2024 (continued)

Note	As at 31 October 2024 RM	Adjustments for Share Split, Public Issue and Other Material Transaction RM	Pro Forma I After Share Split and Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma II After Pro Forma I and Utilisation of Proceeds RM
<b>EQUITY AND LIABILITIES (continued)</b>					
<b>Non-current liabilities</b>					
Borrowings	84,150,514	-	84,150,514	-	84,150,514
Lease liabilities	35,329,855	-	35,329,855	-	35,329,855
	119,480,369	-	119,480,369	-	119,480,369
<b>Current liabilities</b>					
Trade and other payables	34,853,502	-	34,853,502	-	34,853,502
Borrowings	25,173,686	-	25,173,686	-	25,173,686
Lease liabilities	13,432,168	-	13,432,168	-	13,432,168
Current tax liabilities	16,558,043	-	16,558,043	-	16,558,043
	90,017,399	-	90,017,399	-	90,017,399
<b>TOTAL LIABILITIES</b>	<b>209,497,768</b>	<b>-</b>	<b>209,497,768</b>	<b>-</b>	<b>209,497,768</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>331,346,024</b>	<b>106,900,000</b>	<b>438,246,024</b>	<b>(8,000,000)</b>	<b>430,246,024</b>
Net assets (RM)	121,848,256		228,748,256		220,748,256
Number of ordinary shares assumed in issue	100,000,000		500,000,000		500,000,000
Net assets attributable to equity holders per ordinary shares	1.22		0.46		0.44



**12. FINANCIAL INFORMATION (Cont'd)****HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2024 (continued)****3.1 Pro Forma adjustments to the Pro Forma Consolidated Statements of Financial Position****3.1.1 Pro Forma I**

Pro Forma I incorporates the effects of the Share Split, Public Issue and Other Material Transaction as set out in Note 2.1.1, Note 2.1.2 and Note 2.2.

**3.1.2 Pro Forma II**

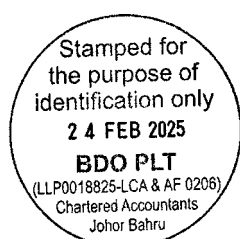
Pro Forma II incorporates the effects of Pro Forma I and the utilisation of proceeds as set out in Note 2.1.3.

**3.2 Notes to the Pro Forma Consolidated Statements of Financial Position****3.2.1 Trade and other receivables**

	<b>RM</b>
<b>As at 31 October 2024/Pro Forma I</b>	59,150,457
Adjustments for utilisation of proceeds	<u>(2,100,000)</u>
<b>Pro Forma II</b>	<u><u>57,050,457</u></u>

**3.2.2 Cash and bank balances**

	<b>RM</b>
<b>As at 31 October 2024</b>	44,467,765
Adjustments for Share Split and Public Issue	115,900,000
Adjustments for distribution of dividend	<u>(9,000,000)</u>
<b>Pro Forma I</b>	151,367,765
Adjustments for utilisation of proceeds	<u>(5,900,000)</u>
<b>Pro Forma II</b>	<u><u>145,467,765</u></u>



12. FINANCIAL INFORMATION (Cont'd)

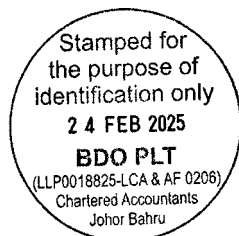
HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2024 (continued)

3.2 Notes to the Pro Forma Consolidated Statements of Financial Position (continued)

3.2.3 Share capital and reserves

	Share capital RM	Exchange translation reserve RM	Merger reserve RM	Distributable Retained earnings RM	Total equity RM
<b>Balance as at 31 October 2024</b>	100,000,000	(1,325,046)	(27,999,000)	51,172,302	121,848,256
Proceeds from the Share Split, Public Issue and Other Material Transaction	115,900,000	-	-	(9,000,000)	106,900,000
<b>Pro Forma I</b>	215,900,000	(1,325,046)	(27,999,000)	42,172,302	228,748,256
Estimated listing expenses attributable to IPO	(2,200,000)	-	-	-	(2,200,000)
Estimated other listing expenses	-	-	-	(5,800,000)	(5,800,000)
	(2,200,000)	-	-	(5,800,000)	(8,000,000)
<b>Pro Forma II</b>	213,700,000	(1,325,046)	(27,999,000)	36,372,302	220,748,256



**12. FINANCIAL INFORMATION (Cont'd)**

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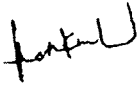
*HI Mobility Berhad (202401023591(1569440-A))  
Pro Forma Consolidated Statements of Financial Position*

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**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of HI Mobility Berhad in accordance with a resolution dated 24 February 2025.

Signed on behalf of the Board of Directors.



.....  
Bah Kim Lian  
Director

Kuala Lumpur  
24 February 2025



.....  
Lim Chern Chuen  
Director



## 12. FINANCIAL INFORMATION (Cont'd)

### 12.5 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Group does not have any formal dividend policy.

The dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) our level of cash, gearing and return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) our working capital requirements; and
- (v) any contractual restrictions and/or commitments.

The payment and amount of any dividends and distributions to our shareholders will be at the discretion of our Board and will depend on the factors mentioned above (which may not be exhaustive).

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. Please refer to Section 9 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our subsidiary.

The following table sets out the dividends declared and/or paid by our Group for the Financial Years/Period Under Review, and the corresponding dividend payout ratio:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividends declared	-	5,000	16,000	-
Dividends paid <sup>(1)</sup>	-	-	21,000	-
(LAT)/PAT	(32,045)	19,514	33,172	33,693
Dividend payout ratio <sup>(2)</sup> (%)	-	25.6	48.2	-

**Notes:**

(1) *The dividends were funded entirely from internally generated funds and paid out of the retained earnings of our Company.*

(2) *Computed based on dividends declared divided by PAT.*

Subsequent to the Financial Years/Period Under Review, we have declared a dividend of RM9.0 million on 21 February 2025 to our existing shareholders for the FYE 2025, which was paid on 5 March 2025 and funded via internally generated funds.

**13. ACCOUNTANTS' REPORT**

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 15 Jalan Dato' Abdullah Tahir  
 80300 Johor Bahru  
 Johor Darul Ta'zim  
 Malaysia

**The Board of Directors**  
**HI Mobility Berhad**  
 Level 16, Menara South Point,  
 Mid Valley City,  
 Medan Syed Putra Selatan,  
 59200, Kuala Lumpur,  
 Malaysia.

**Date: 24 February 2025**

**Our ref: BDO/JS/TTXW/ljh**

**Dear Sir/Madam,**

**Reporting Accountants' Opinion on the Combined Financial Statements contained in the Accountants' Report of HI Mobility Berhad ("HIMB" or "the Company")**

*Opinion*

We have audited the Combined Financial Statements of HI Mobility Berhad and its combining entity (collectively known as the "Group"), which comprise the combined statements of financial position as at 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 of the Group, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years/period ended 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 and notes to the Combined Financial Statements, including material accounting policy information as set out in this report.

The Combined Financial Statements have been prepared for inclusion in the prospectus of the Company (the "Prospectus") in connection with the listing of and quotation of the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). This report is given for the purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the Combined Financial Statements give a true and fair view of the financial position of the Group as at 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 and of their financial performance and their cash flows for each of the financial years/period ended 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 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. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined 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.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**Basis for Opinion (continued)***Independence and Other Ethical Responsibilities*

We are independent of the Group 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.

**Directors’ Responsibility for the Combined Financial Statements**

The Directors of the Company (“Directors”) are responsible for the preparation of the Combined Financial Statements of the Group so as to 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 the Combined Financial Statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements of the Group, the Directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

**Reporting Accountants’ Responsibility for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 Combined Financial Statements.

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

- (a) Identify and assess the risks of material misstatement of the Combined Financial Statements of the Group, 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.

**13. ACCOUNTANTS' REPORT (Cont'd)**

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**Reporting Accountants' Responsibility for the Audit of the Combined Financial Statements (continued)**

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

- (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 internal control of the Group.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Combined Financial Statements of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Combined Financial Statements of the Group, including the disclosures, and whether the Combined Financial Statements of the Group represents the underlying transactions and events in a manner that achieve fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Combined Financial Statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 comparative information in respect of the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity, combined statements of cash flows and related notes to the Combined Financial Statements for the financial period ended 31 October 2023 has not been audited.

13. ACCOUNTANTS' REPORT (Cont'd)

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**Restriction on Distribution and Use**

This report has been prepared solely to comply with Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the Prospectus in connection with the Listing and for no other purposes. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'Ranf'.

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

A handwritten signature in black ink, appearing to be 'Sia Yeak Hong'.

**Sia Yeak Hong**  
03413/02/2027 J  
Chartered Accountant

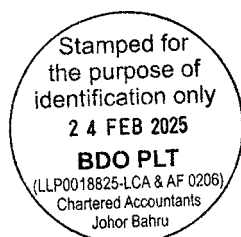
**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP**

	Note	31.1.2022 Audited RM	31.1.2023 Audited RM	31.1.2024 Audited RM	31.10.2024 Audited RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	96,131,142	104,239,622	153,795,435	214,111,117
Right-of-use assets	10	1,447,445	1,835,747	2,802,078	6,299,141
Intangible assets	11	11,411	19,106	7,050	5,700
Investment property	12	588,366	574,217	561,248	550,636
Deferred tax assets	13	4,219,171	2,679,555	3,795,272	5,940,663
		102,397,535	109,348,247	160,961,083	226,907,257
<b>Current assets</b>					
Inventories	14	577,830	483,650	560,022	771,356
Trade and other receivables	15	19,804,010	58,829,083	42,241,634	59,150,457
Current tax assets		25,703	36,303	45,303	49,189
Other investments	16	-	2,826,851	-	-
Cash and bank balances	17	10,471,222	17,879,502	26,991,256	44,467,765
		30,878,765	80,055,389	69,838,215	104,438,767
<b>TOTAL ASSETS</b>		<b>133,276,300</b>	<b>189,403,636</b>	<b>230,799,298</b>	<b>331,346,024</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to common controlling shareholders/ owners of parent of the combining entity</b>					
Share capital/Invested equity *	18	5,000,000	52,000,000	52,000,000	100,000,000
Reserves	19	31,967,952	5,018,526	18,613,135	21,848,256
<b>TOTAL EQUITY</b>		<b>36,967,952</b>	<b>57,018,526</b>	<b>70,613,135</b>	<b>121,848,256</b>

\* Number of ordinary shares on combined basis

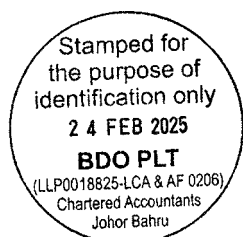


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (continued)**

	Note	31.1.2022 Audited RM	31.1.2023 Audited RM	31.1.2024 Audited RM	31.10.2024 Audited RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	21	-	-	14,729,275	84,150,514
Lease liabilities	10	21,870,444	20,915,709	23,752,599	35,329,855
		<u>21,870,444</u>	<u>20,915,709</u>	<u>38,481,874</u>	<u>119,480,369</u>
<b>Current liabilities</b>					
Trade and other payables	20	33,117,892	38,876,619	37,596,059	34,853,502
Borrowings	21	31,565,214	58,482,376	52,554,128	25,173,686
Lease liabilities	10	5,658,889	9,328,745	12,686,548	13,432,168
Current tax liabilities		4,095,909	4,781,661	18,867,554	16,558,043
		<u>74,437,904</u>	<u>111,469,401</u>	<u>121,704,289</u>	<u>90,017,399</u>
<b>TOTAL LIABILITIES</b>		<u>96,308,348</u>	<u>132,385,110</u>	<u>160,186,163</u>	<u>209,497,768</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>133,276,300</u>	<u>189,403,636</u>	<u>230,799,298</u>	<u>331,346,024</u>

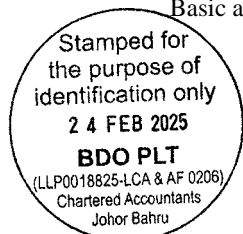


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
OF THE GROUP**

		1.2.2021 to 31.1.2022 Audited	1.2.2022 to 31.1.2023 Audited	1.2.2023 to 31.1.2024 Audited	1.2.2024 to 31.10.2024 Audited	1.2.2023 to 31.10.2023 Unaudited
	Note	RM	RM	RM	RM	RM
Revenue	22	31,468,026	119,631,762	207,712,638	204,266,901	147,680,138
Direct operating costs		<u>(36,154,384)</u>	<u>(86,675,574)</u>	<u>(144,336,968)</u>	<u>(146,532,586)</u>	<u>(102,645,634)</u>
Gross (loss)/profit		(4,686,358)	32,956,188	63,375,670	57,734,315	45,034,504
Other operating income		3,376,270	3,223,794	5,157,515	2,340,605	4,077,987
Net loss on impairment of receivables	15(j)	(22,618,710)	-	(750,853)	(488,551)	-
Distribution and other operating expenses		(569,230)	(1,420,841)	(3,698,773)	(1,737,041)	(2,445,602)
Administrative expenses		(8,619,364)	(9,414,056)	(14,205,113)	(15,065,688)	(9,080,867)
Finance costs	23	<u>(1,673,133)</u>	<u>(3,020,137)</u>	<u>(4,732,297)</u>	<u>(5,344,560)</u>	<u>(3,581,711)</u>
(Loss)/Profit before taxation	24	(34,790,525)	22,324,948	45,146,149	37,439,080	34,004,311
Taxation	25	<u>2,745,168</u>	<u>(2,811,057)</u>	<u>(11,974,287)</u>	<u>(3,746,353)</u>	<u>(9,798,815)</u>
(Loss)/Profit for the financial year/period		(32,045,357)	19,513,891	33,171,862	33,692,727	24,205,496
<b>Other comprehensive income, net of tax</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign exchange translations	25(d)	<u>347,864</u>	<u>536,683</u>	<u>1,422,747</u>	<u>(2,458,606)</u>	<u>1,159,599</u>
Total comprehensive (loss)/income		<u>(31,697,493)</u>	<u>20,050,574</u>	<u>34,594,609</u>	<u>31,234,121</u>	<u>25,365,095</u>
Earnings per share attributable to common controlling shareholders/owners of parent of the combining entity						
Basic and diluted (sen)	29	<u>(6.41)</u>	<u>3.90</u>	<u>6.63</u>	<u>6.74</u>	<u>4.84</u>



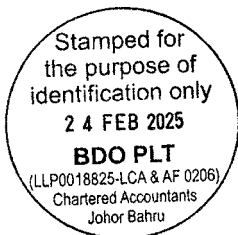


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF CHANGES IN EQUITY OF THE GROUP**

<b>Audited</b>	<b>Note</b>	<b>Invested equity RM</b>	<b>Exchange translation reserve RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
Balance as at 1 February 2021		5,000,000	(1,173,734)	64,839,179	68,665,445
Loss for the financial year		-	-	(32,045,357)	(32,045,357)
Other comprehensive income, net of tax		-	347,864	-	347,864
Total comprehensive income/(loss)		-	347,864	(32,045,357)	(31,697,493)
Balance as at 31 January 2022/1 February 2022		5,000,000	(825,870)	32,793,822	36,967,952
Profit for the financial year		-	-	19,513,891	19,513,891
Other comprehensive income, net of tax		-	536,683	-	536,683
Total comprehensive income		-	536,683	19,513,891	20,050,574
<b>Transaction with owners</b>					
Issuance of bonus shares		47,000,000	-	(47,000,000)	-
Balance as at 31 January 2023/1 February 2023		52,000,000	(289,187)	5,307,713	57,018,526
Profit for the financial year		-	-	33,171,862	33,171,862
Other comprehensive income, net of tax		-	1,422,747	-	1,422,747
Total comprehensive income		-	1,422,747	33,171,862	34,594,609
<b>Transaction with owners</b>					
Dividends paid	28	-	-	(21,000,000)	(21,000,000)
Balance as at 31 January 2024/1 February 2024		52,000,000	1,133,560	17,479,575	70,613,135

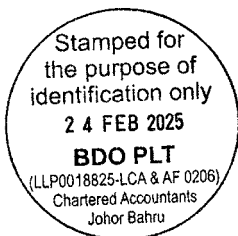


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION**  
**COMBINED STATEMENTS OF CHANGES IN EQUITY OF THE GROUP (continued)**

<b>Audited</b>	<b>Note</b>	<b>Share capital RM</b>	<b>Invested equity RM</b>	<b>Exchange translation reserve RM</b>	<b>Merger reserve RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
Balance as at 1 February 2024		-	52,000,000	1,133,560	-	17,479,575	70,613,135
Profit for the financial period		-	-	-	-	33,692,727	33,692,727
Other comprehensive income, net of tax		-	-	(2,458,606)	-	-	(2,458,606)
Total comprehensive (loss)/income		-	-	(2,458,606)	-	33,692,727	31,234,121
<b>Transaction with owners</b>							
Incorporate of the Company	18	1,000	-	-	-	-	1,000
Acquisition of subsidiary in business combination under common control	18	79,999,000	(52,000,000)	-	(27,999,000)	-	-
Issuance of ordinary shares	18	20,000,000	-	-	-	-	20,000,000
Total transaction with owners		100,000,000	(52,000,000)	-	(27,999,000)	-	20,001,000
Balance as at 31 October 2024		100,000,000	-	(1,325,046)	(27,999,000)	51,172,302	121,848,256
<b>Unaudited</b>							
Balance as at 1 February 2023		-	52,000,000	(289,187)	-	5,307,713	57,018,526
Profit for the financial period		-	-	-	-	24,205,496	24,205,496
Other comprehensive income, net of tax		-	-	1,159,599	-	-	1,159,599
Total comprehensive income		-	-	1,159,599	-	24,205,496	25,365,095
Balance as at 31 October 2023		-	52,000,000	870,412	-	29,513,209	82,383,621

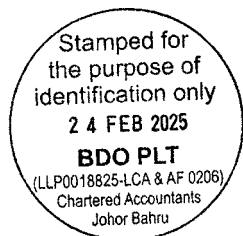


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF CASH FLOWS OF THE GROUP**

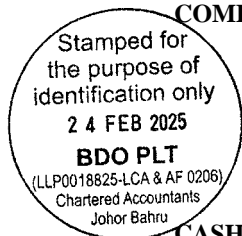
Note	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation	(34,790,525)	22,324,948	45,146,149	37,439,080	34,004,311
Adjustments for:					
Depreciation:					
- right-of-use assets	10 1,088,442	773,348	1,498,629	1,462,546	1,077,518
- investment property	12 14,149	14,149	12,969	10,612	9,432
(Gain)/loss on lease termination	(246,462)	17,152	-	(27,992)	-
Intangible assets:					
- amortisation	11 6,619	5,805	9,056	1,350	8,156
- written off	11 7	-	7,499	-	7,499
Interest expense	23 1,673,133	3,020,137	4,732,297	5,344,560	3,581,711
Interest income	24 (52,852)	(128,122)	(8,850)	(36,707)	(3,238)
Inventories written off	14 302	509	-	-	-
Net loss on impairment of receivables	15(j) 22,618,710	-	750,853	488,551	-
Property, plant and equipment:					
- depreciation	9 10,616,317	10,542,105	14,404,281	13,490,594	9,791,737
- (gain)/loss on disposal	24 (16,297)	(100,164)	(10,327)	9,575	9,404
- impairment loss	9 -	-	1,137,500	-	-
- written off	9 1,393,077	895,788	334,474	2,708,737	334,462
Unrealised loss/(gain) on foreign exchange	24 943	338	-	(910,303)	-
Operating profit before changes in working capital	2,305,563	37,365,993	68,014,530	59,980,603	48,820,992
Inventories	15,032	93,671	(76,372)	(211,334)	(119,968)
Trade and other receivables	(3,633,696)	(9,957,234)	2,538,508	(15,984,576)	(27,835,295)
Trade and other payables	1,765,221	9,188,679	2,839,759	4,148,654	15,118,272
Net cash generated from operations	452,120	36,691,109	73,316,425	47,933,347	35,984,001
Tax paid	(2,108,652)	(949,615)	(9,000)	(6,870,790)	(2,349)
Net cash (used in)/from operating activities	(1,656,532)	35,741,494	73,307,425	41,062,557	35,981,652



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION**  
**COMBINED STATEMENTS OF CASH FLOWS OF THE GROUP (continued)**



Note	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Advances from/(Repayments to) related parties	983,878	(8,417,773)	(7,014,152)	8,282,008	(15,133,542)
(Purchases)/Disposals of other investments	-	(2,826,851)	2,826,851	-	2,826,851
Repayments to directors	(3,231,628)	(7,773,278)	(9,115,177)	-	-
Interest received	52,852	128,122	8,850	36,707	3,238
Placement of deposits with licensed bank	(5,313)	(8,503)	-	(18,044)	-
Proceeds from disposal of property, plant and equipment	132,230	101,552	388,867	463,743	269,950
Purchase of:					
- intangible assets	11	-	(13,500)	(4,499)	-
- property, plant and equipment	9(a)	(153,220)	(27,274,626)	(24,595,690)	(75,739,510)
		(4,864,412)			
Net cash used in investing activities	<u>(2,221,201)</u>	<u>(46,084,857)</u>	<u>(37,504,950)</u>	<u>(66,975,096)</u>	<u>(16,902,414)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	28	-	-	(21,000,000)	-
Interest expenses		(967,693)	(1,477,351)	(2,513,600)	(2,961,941)
Drawdown/(repayment) of:					
- revolving credits		8,504,716	28,455,324	(9,983,827)	(48,498,549)
- term loans		-	-	17,996,591	76,838,502
- trade financing		-	-	14,489,107	-
- lease liabilities	10	(3,554,486)	(7,364,812)	(12,828,033)	(14,388,260)
Proceeds from issuance of shares	18	-	-	20,001,000	-
Net cash generated from/(used in) financing activity		<u>3,982,537</u>	<u>19,613,161</u>	<u>(28,328,869)</u>	<u>45,479,859</u>
Net increase in cash and cash equivalents		104,804	9,269,798	7,473,606	19,567,320
Effects of exchange rate changes on cash and cash equivalents		(33,041)	(331,859)	849,885	(1,320,592)
Cash and cash equivalents at beginning of financial year/period		<u>8,446,719</u>	<u>8,518,482</u>	<u>17,456,421</u>	<u>25,779,912</u>
Cash and cash equivalents at end of financial year/period	17	<u>8,518,482</u>	<u>17,456,421</u>	<u>25,779,912</u>	<u>44,026,640</u>
		<u>33,846,680</u>			

**13. ACCOUNTANTS' REPORT (Cont'd)**

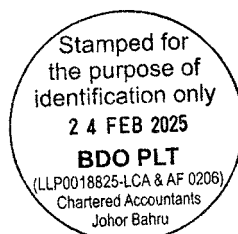
HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HISTORICAL FINANCIAL INFORMATION  
COMBINED STATEMENTS OF CASH FLOWS OF THE GROUP (continued)**

**RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	<b>Lease liabilities (Note 10) RM</b>	<b>Borrowing* (Note 21) RM</b>
<b>Audited</b>		
At 1 February 2021	31,069,122	21,522,336
Cash flows	(3,554,486)	8,504,716
Non-cash flows:		
- Lease termination	(692,649)	-
- Unwinding of interest	705,440	-
- Translation differences	1,906	-
At 31 January 2022/1 February 2022	27,529,333	30,027,052
Cash flows	(7,364,812)	28,455,324
Non-cash flows:		
- Additions of lease liabilities	8,796,651	-
- Lease termination	(267,697)	-
- Unwinding of interest	1,542,786	-
- Translation differences	8,193	-
At 31 January 2023/1 February 2023	30,244,454	58,482,376
Cash flows	(12,828,033)	8,012,764
Non-cash flows:		
- Additions of lease liabilities	16,804,029	-
- Unwinding of interest	2,218,697	-
At 31 January 2024/1 February 2024	36,439,147	66,495,140
Cash flows	(14,388,260)	42,829,060
Non-cash flows:		
- Additions of lease liabilities	24,542,361	-
- Lease termination	(213,844)	-
- Unwinding of interest	2,382,619	-
At 31 October 2024	<u>48,762,023</u>	<u>109,324,200</u>
<b>Unaudited</b>		
At 1 February 2023	30,244,454	58,482,376
Cash flows	(9,455,774)	7,882,727
Non-cash flows:		
- Additions of lease liabilities	5,915,198	-
- Unwinding of interest	1,642,086	-
At 31 October 2023	<u>28,345,964</u>	<u>66,365,103</u>

\* Borrowings exclude bank overdraft.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**HI MOBILITY BERHAD [202401023591] (1569440 - A)**

(Incorporated in Malaysia)

**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

The Company was incorporated in Malaysia under the Companies Act 2016 on 12 June 2024 as a private limited liability company under the name of HI Mobility Sdn. Bhd.. On 24 October 2024, the Company changed its name to HI Mobility Berhad ("HIMB" or the "Company") and converted to a public limited company.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur W.P. Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No. 23, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor.

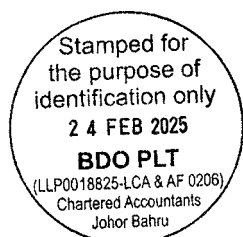
The Company was incorporated for the purpose of undertaking, among others, a restructuring and acquisition exercise that resulted in it becoming the holding company of Handal Indah Sdn. Bhd. ("HISB" or "other combining entity"). Note 2 to the Combined Financial Statements explains further the basis of preparation of the Combined Financial Statements.

The principal activity of the Company is investment holding. The principal activity of the other combining entity is as disclosed in Note 7 to the Combined Financial Statements.

These Combined Financial Statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

**2. BASIS OF PREPARATION**

The Accountants' Report comprises the Combined Financial Statements of the Company and the other combining entity (collectively referred to as the "Group") for the financial years ended ("FYE(s)") 31 January 2022, 31 January 2023, 31 January 2024 and financial period ended ("FPE") 31 October 2024. The Combined Financial Statements of the Group consist of the audited financial statements of the other combining entity and are prepared solely for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of HIMB on the Main Market of Bursa Malaysia Securities Berhad (the "Listing").



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**2. BASIS OF PREPARATION (continued)**

The Combined Financial Statements of the Group are prepared using the audited financial statements of the other combining entity for the relevant financial years/period and its statutory auditors are as follows:

Company	Relevant Financial Years/Period	Auditors
HI Mobility Berhad	FPE 31 October 2024 (Incorporated on 12 June 2024)	BDO PLT
Handal Indah Sdn. Bhd.	FYE 31 January 2022	BDO PLT
	FYE 31 January 2023	BDO PLT
	FYE 31 January 2024	BDO PLT
	FPE 31 October 2024	BDO PLT

The audited financial statements of the other combining entity for the relevant financial years/period reported above were not subject to any qualification or modification.

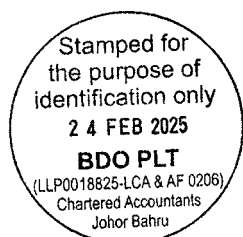
The Combined Financial Statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards, Guidance Note on Combined Financial Statements issued by the Malaysian Institute of Accountants and on the assumption that the Group has been operating as a single economic entity throughout the financial years/period presented in these Combined Financial Statements.

The Combined Financial Statements of the Group consist of the combined financial statements of the Company and its combining entity as disclosed in Note 7 to the Combined Financial Statements, which were under common control throughout the reporting periods. The common control of the combining entity has been established by virtue of Lim Han Weng, being the promoter and substantial shareholder of the Company.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Common control exists when the same parties have ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the Combined Financial Statements from the day that common control commences until the date that control ceases.

The Combined Financial Statements of the Group for the relevant period are prepared under historical cost convention except as otherwise stated in the Combined Financial Statements.

The Combined Financial Statements have been prepared using financial information obtained from the records of the combining entity during the financial years/period. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period before presented in the Financial Statements.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**2. BASIS OF PREPARATION (continued)**

The financial information as presented in the Combined Financial Statements may not correspond with the consolidated financial statements of the Group has the relevant acquisitions to legally constitute the Group been incorporated for the respective financial years and period. Consequently, such financial information in the Combined Financial Statements does not purport to predict the financial positions, results of operations and cash flows of the Group for the financial years/period.

The preparation of these Combined 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 Combined 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.

**3. MATERIAL ACCOUNTING POLICIES****3.1 Common control business combinations****3.1.1 Basis of consolidation**

The consolidated financial statements of the Group incorporate the financial statements of the Company and its combined entity. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

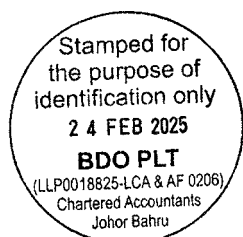
- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

**3.1.2 Business combinations under common control**

Business combination involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the merger entities are reflected at their carrying amounts reported in the individual financial information.

In a business combination under common control, any differences between the cost of the merger and the share capital of the 'acquired' entity are reflected within equity as merger reserve.

The combined statements of profit or loss and other comprehensive income reflect the results of the combining entities for the full financial years and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.





**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**3. MATERIAL ACCOUNTING POLICIES (continued)****3.2 Property, plant and equipment and depreciation**

All items of property, 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.

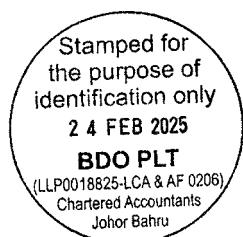
Each part of an item of property, plant and equipment (excluding right-of-use asset) with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

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:

Leasehold lands	48 to 60 years
Buildings	50 years
Bus accessories	3 to 10 years
Diesel buses	15 years
Electric buses	
- battery system components	8 years
- other components	15 years
Electrical installation	10 years
Furniture and fittings	4 to 10 years
Machinery	
- electric vehicle charging station network and equipment	10 years
- others	10 years
Motor vehicles	5 years
Office equipment	3 to 10 years
Renovation	10 years
Ticketing machines	10 years
Other assets	3 to 10 years

Buses work-in-progress and capital work-in-progress are not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, 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.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**3. MATERIAL ACCOUNTING POLICIES (continued)****3.3 Leases****The Group as a lessee*****Right-of-use asset***

The right-of-use asset is 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	2 to 7.5 years
Bus terminals	2 to 5 years
Ticketing counters	2 to 6 years
Equipment and machines	3 to 5 years

The depreciation term of leasehold lands, diesel buses, electric buses and motor vehicles are disclosed in Note 3.2 to the Combined Financial Statements.

***Lease liability***

The lease liability is 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 Group. Subsequent to the initial recognition, the Group 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.

**The Group as a lessor**

Leases in which the Group do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and are recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**3.4 Contract assets**

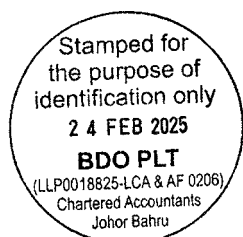
Contract asset is the right to consideration for goods or services transferred to the customers. Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer.

**3.5 Financial instruments****(a) Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group 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.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**3. MATERIAL ACCOUNTING POLICIES (continued)****3.5 Financial instruments (continued)****(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 statement of financial position when, and only when, the Group 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.

**3.6 Impairment of financial assets**

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

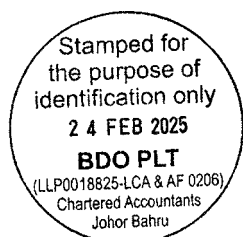
Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements 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 Group considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of the Group'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.

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 Group 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.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**3. MATERIAL ACCOUNTING POLICIES (continued)****3.6 Impairment of financial assets (continued)**

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.

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

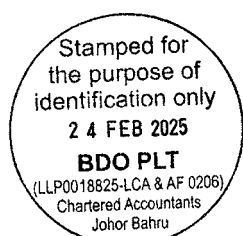
Items included in the Combined Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Combined Financial Statements are presented in Ringgit Malaysia ("RM"), which is the functional and presentation currency of the Company.

**(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.

**(c) Foreign operations**

Combined Financial Statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to items reflected in profit or loss and comprehensive income. All resulting translation differences are recognised as a separate component of equity.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**3. MATERIAL ACCOUNTING POLICIES (continued)****3.8 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

**(a) Scheduled bus services**

The Group provides stage bus and express bus services through selling bus tickets. Revenue is recognised at a point in time upon the completion of services rendered to passengers.

**(b) Chartered bus services**

The Group provides chartered bus services. Revenue recognition is based on monthly fee receivable for services rendered. Revenue is recognised at a point in time upon the completion of services rendered.

**(c) Other services**

The Group provides a range of repair and maintenance bus services and rental of advertising spaces on buses to customers. Revenue is recognised at a point in time upon the completion of services rendered.

Revenue recognition not in relation to performance obligations is described below:

**(a) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

**(b) Rental income**

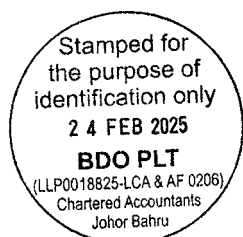
Rental income is recognised on the straight-line basis over the lease term of the relevant tenancy agreement.

**3.9 Operating segments**

Operating segments are defined as components of the Group that:

- (a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Group particularly in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs****4.1 New MFRSs adopted during the financial period**

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial period ended 31 October 2024:

<b>Title</b>	<b>Effective Date</b>
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

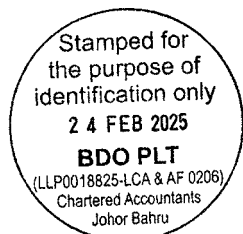
Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group.

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

The following are standards of the MFRS framework that have been issued by the MASB but have not been early adopted by the Group:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 121 <i>Lack of interchangeability</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
Annual Improvements to MFRS Accounting Standards	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 Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**5. FINANCIAL INFORMATION AND LIMITATIONS**

The financial information in this Report is based on the respective audited results of the other combining entity with applicable appropriate adjustments and reclassifications made for the purpose of this Report.

**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 each reporting period.

**6.2 Critical judgements made in applying accounting policies**

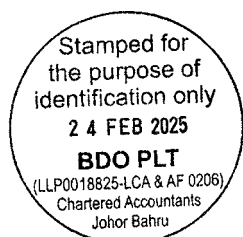
There are no critical judgements made by management in the process of applying the accounting policies of the Group that have a significant effect on the amounts recognised in the Combined Financial Statements.

**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 and contract assets**

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



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**7. COMBINING ENTITY**

Details of the combining entity are as follows:

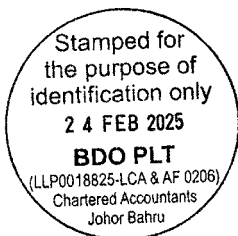
Name of combining entity	Effective interest in equity held				Date of incorporation	Country of incorporation	Principal activity
	31.1.2022	31.1.2023	31.1.2024	31.10.2024			
Handal Indah Sdn. Bhd.	100%	100%	100%	100%	19 January 1994	Malaysia	Provides bus transportation services.

**8. OPERATING SEGMENTS**

(a) Business segments

The primary activity of the Group is providing bus transportation services. Other services segment is not of a sufficient size to be reported separately.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has only one (1) reportable segment.





13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

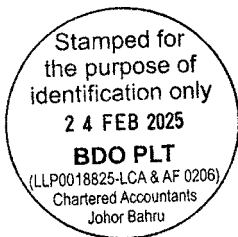
8. OPERATING SEGMENTS (continued)

(b) Geographical information

The business activities of the Group are predominantly located in Malaysia and Singapore.

In presenting information on the basis of geographical areas, segment revenue is based on the region and country of operations. Segment assets are based on the geographical location of the assets of the Group. Segment assets do not include deferred tax assets and current tax assets.

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>Revenue from external customers</b>					
Malaysia	28,621,447	71,865,614	109,647,545	104,645,801	79,483,715
Singapore	2,846,579	47,766,148	98,065,093	99,621,100	68,196,423
	<u>31,468,026</u>	<u>119,631,762</u>	<u>207,712,638</u>	<u>204,266,901</u>	<u>147,680,138</u>
<b>Locations of the assets</b>					
Malaysia					
- Non-current assets	78,898,252	88,620,889	126,570,066	188,253,233	104,735,750
- Current assets	26,480,326	65,663,526	52,358,344	81,133,923	102,983,596
	105,378,578	154,284,415	178,928,410	269,387,156	207,719,346
Singapore					
- Non-current assets	19,280,112	18,047,803	30,595,745	32,713,361	25,682,473
- Current assets	4,372,736	14,355,560	17,434,568	23,255,655	25,847,280
	<u>23,652,848</u>	<u>32,403,363</u>	<u>48,030,313</u>	<u>55,969,016</u>	<u>51,529,753</u>
	<u>129,031,426</u>	<u>186,687,778</u>	<u>226,958,723</u>	<u>325,356,172</u>	<u>259,249,099</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

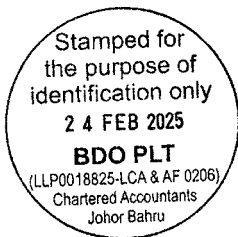
HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**8. OPERATING SEGMENTS (continued)**

(c) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
Agensi Pengangkutan Awam Darat	6,331,792	22,330,365	43,111,229	42,126,661	31,968,120
Perbadanan Pengangkutan Awam Johor Sdn Bhd	9,568,832	10,560,722	10,697,720	8,192,038	7,947,108
	<u>15,900,624</u>	<u>32,891,087</u>	<u>53,808,949</u>	<u>50,318,699</u>	<u>39,915,228</u>

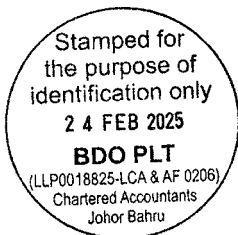


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**9. PROPERTY, PLANT AND EQUIPMENT**

31.1.2022	Balance as at 1.2.2021 RM	Additions RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Translation differences RM	Balance as at 31.1.2022 RM
<b>Carrying amount</b>							
Leasehold lands							
- right-of-use assets	13,295,019	-	-	-	(300,830)	-	12,994,189
Buildings	6,763,438	-	-	-	(160,283)	-	6,603,155
Diesel buses							
- owned	30,173,146	-	(252,772)	-	(4,478,930)	18,364	25,459,808
- right-of-use assets	52,345,684	-	-	-	(4,356,339)	33,485	48,022,830
Electrical installation	123,910	-	(106,489)	-	(17,421)	-	-
Furniture and fittings	292,169	47,249	(159,311)	-	(89,360)	(450)	90,297
Machinery	159,915	-	(23)	-	(39,541)	-	120,351
Motor vehicles							
- owned	204,133	-	-	-	(128,510)	1,379	77,002
- right-of-use assets	176,407	-	-	(114,724)	(32,180)	-	29,503
Office equipment	1,863,817	52,254	(804,987)	-	(466,953)	2,050	646,181
Renovation	2,186,819	-	(1)	-	(402,221)	274	1,784,871
Other assets	425,371	92,036	(69,494)	(1,209)	(143,749)	-	302,955
	<u>108,009,828</u>	<u>191,539</u>	<u>(1,393,077)</u>	<u>(115,933)</u>	<u>(10,616,317)</u>	<u>55,102</u>	<u>96,131,142</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**9. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<----- As at 31.1.2022 ----->		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Leasehold lands			
- right-of-use assets	15,100,000	(2,105,811)	12,994,189
Buildings	7,976,026	(1,372,871)	6,603,155
Diesel buses			
- owned	71,600,319	(46,140,511)	25,459,808
- right-of-use assets	66,983,515	(18,960,685)	48,022,830
Furniture and fittings	200,282	(109,985)	90,297
Machinery	390,212	(269,861)	120,351
Motor vehicles			
- owned	1,613,420	(1,536,418)	77,002
- right-of-use assets	186,882	(157,379)	29,503
Office equipment	1,185,030	(538,849)	646,181
Renovation	4,131,974	(2,347,103)	1,784,871
Other assets	801,733	(498,778)	302,955
	170,169,393	(74,038,251)	96,131,142

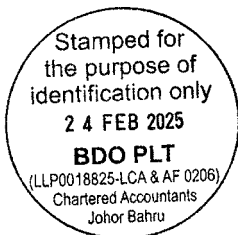


13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

9. PROPERTY, PLANT AND EQUIPMENT (continued)

31.1.2023	Balance as at 1.2.2022 RM	Additions RM	Reclassification RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Translation differences RM	Balance as at 31.1.2023 RM
<b>Carrying amount</b>								
Leasehold lands								
- right-of-use assets	12,994,189	-	-	-	-	(300,830)	-	12,693,359
Buildings	6,603,155	1,604,080	-	-	-	(168,886)	-	8,038,349
Diesel buses								
- owned	25,459,808	4,929,202	11,337,929	(881,644)	-	(5,562,655)	395,645	35,678,285
- right-of-use assets	48,022,830	4,895,000	(11,337,929)	-	-	(3,468,583)	939,750	39,051,068
Electric buses								
- right-of-use assets	-	3,101,905	-	-	-	(48,762)	-	3,053,143
Bus accessories	-	1,067,078	-	-	-	(32,774)	-	1,034,304
Electrical installation	-	562,412	-	-	-	(28,988)	-	533,424
Furniture and fittings	90,297	31,711	-	-	-	(20,020)	6,523	108,511
Machinery	120,351	76,237	-	-	-	(35,171)	-	161,417
Motor vehicles								
- owned	77,002	-	(8,512)	-	(1,388)	(50,974)	986	17,114
- right-of-use assets	29,503	-	8,512	-	-	(16,292)	-	21,723
Office equipment	646,181	212,945	-	-	-	(192,303)	38,833	705,656
Renovation	1,784,871	94,833	-	(14,144)	-	(399,705)	3,088	1,468,943
Ticketing machines	-	992,773	-	-	-	(108,070)	-	884,703
Other assets	302,955	68,788	-	-	-	(108,092)	-	263,651
Buses work-in-progress	-	525,972	-	-	-	-	-	525,972
	96,131,142	18,162,936	-	(895,788)	(1,388)	(10,542,105)	1,384,825	104,239,622

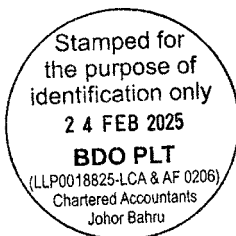


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**9. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<----- As at 31.1.2023 ----->		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Leasehold lands			
- right-of-use assets	15,100,000	(2,406,641)	12,693,359
Buildings	9,580,106	(1,541,757)	8,038,349
Diesel buses			
- owned	91,465,066	(55,786,781)	35,678,285
- right-of-use assets	55,171,073	(16,120,005)	39,051,068
Electric buses			
- right-of-use assets	3,101,905	(48,762)	3,053,143
Bus accessories	1,067,078	(32,774)	1,034,304
Electrical installation	562,412	(28,988)	533,424
Furniture and fittings	244,352	(135,841)	108,511
Machinery	466,449	(305,032)	161,417
Motor vehicles			
- owned	1,411,892	(1,394,778)	17,114
- right-of-use assets	81,460	(59,737)	21,723
Office equipment	1,467,546	(761,890)	705,656
Renovation	4,160,334	(2,691,391)	1,468,943
Ticketing machines	992,773	(108,070)	884,703
Other assets	870,521	(606,870)	263,651
Buses work-in-progress	525,972	-	525,972
	186,268,939	(82,029,317)	104,239,622

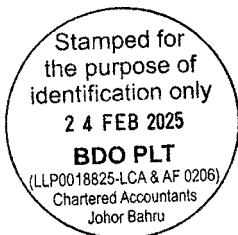


13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

9. PROPERTY, PLANT AND EQUIPMENT (continued)

31.1.2024	Balance as at 1.2.2023 RM	Additions RM	Reclassification RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Impairment RM	Translation differences RM	Balance as at 31.1.2024 RM
<b>Carrying amount</b>									
Leasehold lands									
- right-of-use assets	12,693,359	-	-	-	-	(306,187)	(1,137,500)	-	11,249,672
Buildings	8,038,349	182,555	-	-	-	(195,054)	-	-	8,025,850
Diesel buses									
- owned	35,678,285	23,774,645	2,413,417	(334,245)	(378,539)	(7,270,502)	-	583,149	54,466,210
- right-of-use assets	39,051,068	4,011,600	(1,917,445)	-	-	(3,711,399)	-	806,625	38,240,449
Electric buses									
- owned	-	16,106,137	-	-	-	(340,034)	-	185,578	15,951,681
- right-of-use assets	3,053,143	10,220,181	-	-	-	(597,091)	-	149,913	12,826,146
Bus accessories	1,034,304	690,766	-	-	-	(549,081)	-	-	1,175,989
Electrical installation	533,424	59,600	-	-	-	(59,000)	-	-	534,024
Furniture and fittings	108,511	183,299	-	-	-	(37,611)	-	7,128	261,327
Machinery	161,417	2,300,173	-	-	-	(149,910)	-	-	2,311,680
Motor vehicles									
- owned	17,114	382,704	(28,968)	-	(1)	(11,357)	-	18,063	377,555
- right-of-use assets	21,723	141,348	-	-	-	(49,025)	-	-	114,046
Office equipment	705,656	396,002	(1,200)	(229)	-	(244,510)	-	36,061	891,780
Renovation	1,468,943	2,300	-	-	-	(343,535)	-	1,645	1,129,353
Ticketing machines	884,703	1,608,624	28,968	-	-	(414,909)	-	-	2,107,386
Other assets	263,651	185,548	1,200	-	-	(125,076)	-	-	325,323
Buses work-in-progress	525,972	-	(495,972)	-	-	-	-	-	30,000
Capital work-in-progress	-	3,776,964	-	-	-	-	-	-	3,776,964
	104,239,622	64,022,446	-	(334,474)	(378,540)	(14,404,281)	(1,137,500)	1,788,162	153,795,435

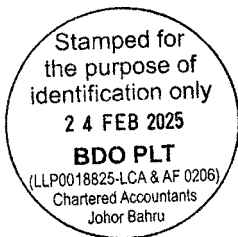


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**9. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<----- As at 31.1.2024 ----->			
	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Leasehold lands				
- right-of-use assets	15,100,000	(2,712,828)	(1,137,500)	11,249,672
Buildings	9,762,661	(1,736,811)	-	8,025,850
Diesel buses				
- owned	114,467,714	(60,001,504)	-	54,466,210
- right-of-use assets	57,517,134	(19,276,685)	-	38,240,449
Electric buses				
- owned	16,293,004	(341,323)	-	15,951,681
- right-of-use assets	13,475,406	(649,260)	-	12,826,146
Bus accessories	1,757,844	(581,855)	-	1,175,989
Electrical installation	622,012	(87,988)	-	534,024
Furniture and fittings	442,637	(181,310)	-	261,327
Machinery	2,766,622	(454,942)	-	2,311,680
Motor vehicles				
- owned	1,809,473	(1,431,918)	-	377,555
- right-of-use assets	222,808	(108,762)	-	114,046
Office equipment	1,787,287	(895,507)	-	891,780
Renovation	4,171,087	(3,041,734)	-	1,129,353
Ticketing machines	2,630,365	(522,979)	-	2,107,386
Other assets	1,057,270	(731,947)	-	325,323
Buses work-in-progress	30,000	-	-	30,000
Capital work-in-progress	3,776,964	-	-	3,776,964
	247,690,288	(92,757,353)	(1,137,500)	153,795,435



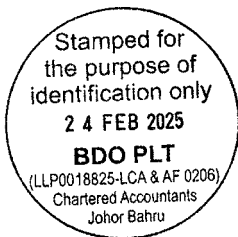


13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

9. PROPERTY, PLANT AND EQUIPMENT (continued)

31.10.2024	Balance as at 1.2.2024 RM	Additions RM	Reclassification RM	Written off RM	Disposals RM	Depreciation charge for the financial period RM	Translation differences RM	Balance as at 31.10.2024 RM
<b>Carrying amount</b>								
Leasehold lands								
- right-of-use assets	11,249,672	-	-	-	-	(204,194)	-	11,045,478
Buildings	8,025,850	590,934	497,821	(4,834)	-	(202,998)	-	8,906,773
Diesel buses								
- owned	54,466,210	46,157,168	7,748,300	(803,692)	(39,221)	(5,777,160)	(787,082)	100,964,523
- right-of-use assets	38,240,449	9,544,407	(10,335,227)	(50,179)	-	(2,250,479)	(449,346)	34,699,625
Electric buses								
- owned	15,951,681	8,432,371	(4,096,088)	-	-	(1,331,742)	(359,825)	18,596,397
- right-of-use assets	12,826,146	4,730,053	6,683,015	-	-	(1,740,519)	(401,476)	22,097,219
Bus accessories	1,175,989	175,500	(113,931)	(2,609)	-	(390,526)	-	844,423
Electrical installation	534,024	6,500	(147,075)	(35,355)	-	(31,495)	-	326,599
Furniture and fittings	261,327	37,800	-	(33,583)	-	(47,392)	(5,277)	212,875
Machinery								
- electric vehicle charging station network and equipment	-	2,258,821	4,729,903	-	-	(204,583)	-	6,784,141
- others	2,311,680	223,260	(1,398,518)	(12,956)	(316,615)	(113,440)	-	693,411
Motor vehicles								
- owned	377,555	579,978	-	-	(90,270)	(79,428)	(5,763)	782,072
- right-of-use assets	114,046	564,826	-	-	-	(61,309)	-	617,563
Office equipment	891,780	864,567	-	(39,709)	-	(270,222)	(26,914)	1,419,502
Renovation	1,129,353	107,977	208,764	(21,066)	-	(304,587)	(1,230)	1,119,211
Ticketing machines	2,107,386	2,039,507	-	(1,610,123)	-	(367,882)	-	2,168,888
Other assets	325,323	626,217	-	(94,631)	(27,212)	(112,638)	-	717,059
Buses work-in-progress	30,000	1,964,972	-	-	-	-	-	1,994,972
Capital work-in-progress	3,776,964	120,386	(3,776,964)	-	-	-	-	120,386
	153,795,435	79,025,244	-	(2,708,737)	(473,318)	(13,490,594)	(2,036,913)	214,111,117

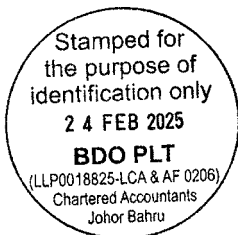


13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	<----- As at 31.10.2024 ----->			
	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Leasehold lands				
- right-of-use assets	15,100,000	(2,917,022)	(1,137,500)	11,045,478
Buildings	10,846,515	(1,939,742)	-	8,906,773
Diesel buses				
- owned	161,864,821	(60,900,298)	-	100,964,523
- right-of-use assets	50,419,490	(15,719,865)	-	34,699,625
Electric buses				
- owned	20,186,356	(1,589,959)	-	18,596,397
- right-of-use assets	24,633,742	(2,536,523)	-	22,097,219
Bus accessories	1,713,997	(869,574)	-	844,423
Electrical installation	421,722	(95,123)	-	326,599
Furniture and fittings	403,754	(190,879)	-	212,875
Machinery				
- electric vehicle charging station network and equipment	7,196,721	(412,580)	-	6,784,141
- others	1,151,678	(458,267)	-	693,411
Motor vehicles				
- owned	2,275,915	(1,493,843)	-	782,072
- right-of-use assets	761,967	(144,404)	-	617,563
Office equipment	2,435,372	(1,015,870)	-	1,419,502
Renovation	4,253,997	(3,134,786)	-	1,119,211
Ticketing machines	2,703,934	(535,046)	-	2,168,888
Other assets	1,299,380	(582,321)	-	717,059
Buses work-in-progress	1,994,972	-	-	1,994,972
Capital work-in-progress	120,386	-	-	120,386
	309,784,719	(94,536,102)	(1,137,500)	214,111,117



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**9. PROPERTY, PLANT AND EQUIPMENT (continued)**

(a) During the financial year/period, the Group made the following cash payments to purchase property, plant and equipment:

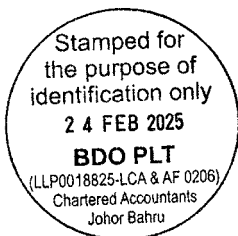
	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
Purchase of property, plant and equipment	191,539	18,162,936	64,022,446	79,025,244	26,964,319
Advance payment to suppliers in:					
- current year (Note 15)	-	18,759,940	2,371,865	19,023,292	11,366,602
- prior year	-	-	(18,759,940)	(2,371,865)	(18,759,940)
Amount owing to vendor (Note 20)	(38,319)	(2,288,899)	(8,699,612)	(540,261)	(10,703,699)
Financed by lease arrangement	-	(7,359,351)	(14,339,069)	(19,396,900)	(4,002,870)
	<u>153,220</u>	<u>27,274,626</u>	<u>24,595,690</u>	<u>75,739,510</u>	<u>4,864,412</u>

(b) As at the end of the reporting year/period, certain assets have been charged to financial institutions for credit facilities granted to the Group:

	<b>31.1.2022 RM</b>	<b>31.1.2023 RM</b>	<b>31.1.2024 RM</b>	<b>31.10.2024 RM</b>
<b>Secured against term loans (Note 21)</b>				
Diesel buses	-	-	16,433,284	20,492,134
Electric buses	-	-	3,947,433	16,726,835
	<u>-</u>	<u>-</u>	<u>20,380,717</u>	<u>37,218,969</u>
<b>Secured against lease liabilities (Note 10)</b>				
Diesel buses	48,022,830	39,051,068	38,240,449	34,699,625
Electric buses	-	3,053,143	12,826,146	22,097,219
	<u>48,022,830</u>	<u>42,104,211</u>	<u>51,066,595</u>	<u>56,796,844</u>

(c) Certain diesel buses with carrying value of RM13,809,865 (31.1.2024: RM4,352,920) (31.1.2023: Nil) (31.1.2022: Nil) were received physically, with registration of ownership yet to be completed as at reporting year/period end.

(d) During the financial year ended 31 January 2024, the Group recognised RM1,137,500 of impairment losses in the profit or loss as the recoverable amounts of certain leasehold land was lower than its carrying amounts.



**13. ACCOUNTANTS' REPORT (Cont'd)**

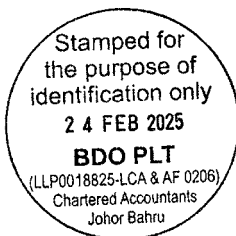
HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**The Group as lessee**

**(I) Right-of-use assets**

	<b>Balance as at 1.2.2021 RM</b>	<b>Disposals RM</b>	<b>Termination RM</b>	<b>Depreciation charge for the financial year RM</b>	<b>Translation differences RM</b>	<b>Balance as at 31.1.2022 RM</b>
<b>Carrying amount</b>						
Buildings - rented	2,085,673	-	(170,707)	(790,658)	1,654	1,125,962
Bus terminal - rented	66,100	-	(2,834)	(40,689)	-	22,577
Ticketing counters - rented	609,424	-	(272,646)	(184,021)	-	152,757
Equipment and machines - rented	219,223	-	-	(73,074)	-	146,149
As disclosure in combined statement of financial position	2,980,420	-	(446,187)	(1,088,442)	1,654	1,447,445
Leasehold lands (Note 9)	13,295,019	-	-	(300,830)	-	12,994,189
Diesel buses (Note 9)	52,345,684	-	-	(4,356,339)	33,485	48,022,830
Motor vehicles (Note 9)	176,407	(114,724)	-	(32,180)	-	29,503
<b>Total right-of-use assets</b>	<b>68,797,530</b>	<b>(114,724)</b>	<b>(446,187)</b>	<b>(5,777,791)</b>	<b>35,139</b>	<b>62,493,967</b>



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**The Group as lessee (continued)**

**(I) Right-of-use assets (continued)**

	Balance as at 1.2.2022 RM	Additions RM	Reclassification RM	Termination RM	Depreciation charge for the financial year RM	Translation differences RM	Balance as at 31.1.2023 RM
<b>Carrying amount</b>							
Buildings - rented	1,125,962	342,013	-	(151,299)	(498,553)	9,199	827,322
Bus terminal - rented	22,577	202,542	-	1	(63,493)	-	161,627
Ticketing counters - rented	152,757	378,787	-	(133,551)	(104,996)	-	292,997
Equipment and machines - rented	146,149	513,958	-	-	(106,306)	-	553,801
As disclosure in combined statement of financial position	1,447,445	1,437,300	-	(284,849)	(773,348)	9,199	1,835,747
Leasehold lands (Note 9)	12,994,189	-	-	-	(300,830)	-	12,693,359
Diesel buses (Note 9)	48,022,830	4,895,000	(11,337,929)	-	(3,468,583)	939,750	39,051,068
Electric buses (Note 9)	-	3,101,905	-	-	(48,762)	-	3,053,143
Motor vehicles (Note 9)	29,503	-	8,512	-	(16,292)	-	21,723
Total right-of-use assets	62,493,967	9,434,205	(11,329,417)	(284,849)	(4,607,815)	948,949	56,655,040

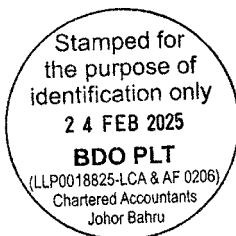


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)****(I) Right-of-use assets (continued)**

	Balance as at 1.2.2023 RM	Additions RM	Reclassification RM	Depreciation charge for the financial year RM	Impairment RM	Translation differences RM	Balance as at 31.1.2024 RM
<b>Carrying amount</b>							
Buildings - rented	827,322	2,236,895	-	(1,015,784)	-	-	2,048,433
Bus terminal - rented	161,627	200,284	-	(102,886)	-	-	259,025
Ticketing counters - rented	292,997	27,781	-	(173,644)	-	-	147,134
Equipment and machines - rented	553,801	-	-	(206,315)	-	-	347,486
As disclosure in combined statement of financial position	1,835,747	2,464,960	-	(1,498,629)	-	-	2,802,078
Leasehold lands (Note 9)	12,693,359	-	-	(306,187)	(1,137,500)	-	11,249,672
Diesel buses (Note 9)	39,051,068	4,011,600	(1,917,445)	(3,711,399)	-	806,625	38,240,449
Electric buses (Note 9)	3,053,143	10,220,181	-	(597,091)	-	149,913	12,826,146
Motor vehicles (Note 9)	21,723	141,348	-	(49,025)	-	-	114,046
<b>Total right-of-use assets</b>	<b>56,655,040</b>	<b>16,838,089</b>	<b>(1,917,445)</b>	<b>(6,162,331)</b>	<b>(1,137,500)</b>	<b>956,538</b>	<b>65,232,391</b>

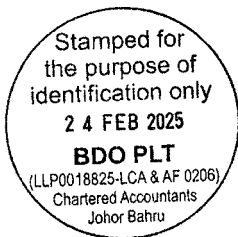


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)****(I) Right-of-use assets (continued)**

	Balance as at 1.2.2024 RM	Additions RM	Reclassification RM	Termination RM	Written off RM	Depreciation charge for the financial period RM	Translation differences RM	Balance as at 31.10.2024 RM
<b>Carrying amount</b>								
Buildings - rented	2,048,433	4,329,405	-	(2,258)	-	(1,113,951)	-	5,261,629
Bus terminal - rented	259,025	163,685	-	(183,594)	-	(62,171)	-	176,945
Ticketing counters - rented	147,134	235,762	-	-	-	(130,220)	-	252,676
Equipment and machines - rented	347,486	416,609	-	-	-	(156,204)	-	607,891
As disclosure in combined statement of financial position	2,802,078	5,145,461	-	(185,852)	-	(1,462,546)	-	6,299,141
Leasehold lands (Note 9)	11,249,672	-	-	-	-	(204,194)	-	11,045,478
Diesel buses (Note 9)	38,240,449	9,544,407	(10,335,227)	-	(50,179)	(2,250,479)	(449,346)	34,699,625
Electric buses (Note 9)	12,826,146	4,730,053	6,683,015	-	-	(1,740,519)	(401,476)	22,097,219
Motor vehicles (Note 9)	114,046	564,826	-	-	-	(61,309)	-	617,563
<b>Total right-of-use assets</b>	<b>65,232,391</b>	<b>19,984,747</b>	<b>(3,652,212)</b>	<b>(185,852)</b>	<b>(50,179)</b>	<b>(5,719,047)</b>	<b>(850,822)</b>	<b>74,759,026</b>

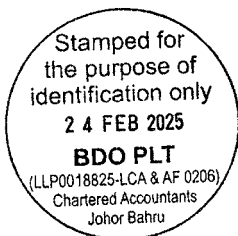


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)****(II) Lease liabilities**

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
Balance at beginning of financial year/period	31,069,122	27,529,333	30,244,454	36,439,147
Additions	-	8,796,651	16,804,029	24,542,361
Lease payments	(3,554,486)	(7,364,812)	(12,828,033)	(14,388,260)
Interest expenses	705,440	1,542,786	2,218,697	2,382,619
Termination of lease	(692,649)	(267,697)	-	(213,844)
Translation differences	1,906	8,193	-	-
Balance at end of financial year/period	<u>27,529,333</u>	<u>30,244,454</u>	<u>36,439,147</u>	<u>48,762,023</u>
Represented by:				
Current liabilities	5,658,889	9,328,745	12,686,548	13,432,168
Non-current liabilities	21,870,444	20,915,709	23,752,599	35,329,855
	<u>27,529,333</u>	<u>30,244,454</u>	<u>36,439,147</u>	<u>48,762,023</u>
Lease liabilities owing to financial institutions	26,092,414	28,354,624	33,569,787	42,453,734
Lease liabilities owing to non-financial institutions	1,436,919	1,889,830	2,869,360	6,308,289
	<u>27,529,333</u>	<u>30,244,454</u>	<u>36,439,147</u>	<u>48,762,023</u>





**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)****(II) Lease liabilities (continued)**

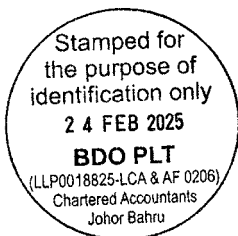
- (a) The Group has entered certain leases of equipment during the financial year/period with lease term of 12 months or less. The Group applies the "short-term lease" exemption for these leases.
- (b) The following are the amounts recognised in profit or loss:

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	1,088,442	773,348	1,498,629	1,462,546	1,077,518
Interest expense on lease liabilities (included in costs of sales and finance costs)	705,440	1,542,786	2,218,697	2,382,619	1,642,086
Expense relating to short-term leases (included in cost of sales and administrative expenses)	902,741	3,706,745	6,035,676	4,410,848	4,486,516
Rental reduction arising from COVID-19 related rent concessions (included in cost of sales)	(437,924)	(102,110)	-	-	-

- (c) The Group lease contract that includes extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no undiscounted potential future rental payments that are not included in the lease term as at the end of each reporting period.

- (d) Weighted average incremental borrowing rate of the lease liabilities of the Group as at the end of the reporting period 31.10.2024 is 3.53% (31.1.2024: 3.52%) (31.1.2023: 3.51%) (31.1.2022: 3.69%) per annum.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessor**

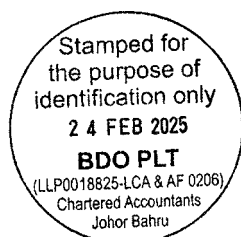
The Group had entered into non-cancellable lease agreements on certain premises mainly for ticketing counters with third parties. The monthly rental consists of a fixed base rent.

The Group has aggregated future minimum lease receivable under the above non-cancellable operating leases as at the end of each reporting period as follows:

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
Less than one (1) year	228,107	113,254	121,237	175,006
One (1) to two (2) years	52,738	84,000	48,890	98,000
More than two (2) years	-	224,000	-	-
	<u>280,845</u>	<u>421,254</u>	<u>170,127</u>	<u>273,006</u>

**11. INTANGIBLE ASSETS**

<b>Website operating system and software</b>	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
<b>At cost</b>				
At beginning of financial year/period	101,935	27,900	41,400	36,900
Additions	-	13,500	4,499	-
Written off	<u>(74,035)</u>	<u>-</u>	<u>(8,999)</u>	<u>-</u>
At end of financial year/period	<u>27,900</u>	<u>41,400</u>	<u>36,900</u>	<u>36,900</u>
<b>Accumulated amortisation</b>				
At beginning of financial year/period	(83,898)	(16,489)	(22,294)	(29,850)
Charge	(6,619)	(5,805)	(9,056)	(1,350)
Written off	<u>74,028</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
At end of financial year/period	<u>(16,489)</u>	<u>(22,294)</u>	<u>(29,850)</u>	<u>(31,200)</u>
<b>Net carrying amount</b>	<u>11,411</u>	<u>19,106</u>	<u>7,050</u>	<u>5,700</u>

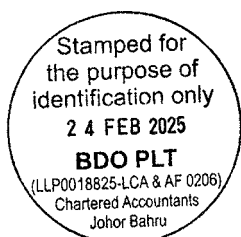


**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**12. INVESTMENT PROPERTY**

	Balance as at 1.2.2021 RM	Depreciation charge for the financial year RM	Balance as at 31.1.2022 RM
<b>31.1.2022</b>			
<b>Carrying amount</b>			
Freehold building - Apartment	602,515	(14,149)	588,366
	[----- As at 31.1.2022 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold building - Apartment	707,455	(119,089)	588,366
<b>31.1.2023</b>			
<b>Carrying amount</b>			
Freehold building - Apartment	588,366	(14,149)	574,217
	[----- As at 31.1.2023 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold building - Apartment	707,455	(133,238)	574,217
<b>31.1.2024</b>			
<b>Carrying amount</b>			
Freehold building - Apartment	574,217	(12,969)	561,248
	[----- As at 31.1.2024 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold building - Apartment	707,455	(146,207)	561,248



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**12. INVESTMENT PROPERTY (continued)**

	Balance as at 1.2.2024 RM	Depreciation charge for the financial period RM	Balance as at 31.10.2024 RM
<b>31.10.2024</b>			
<b>Carrying amount</b>			
Freehold building - Apartment	561,248	(10,612)	550,636
	[----- As at 31.10.2024 -----]		
	<b>Cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
Freehold building - Apartment	707,455	(156,819)	550,636

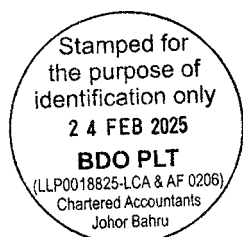
- (a) Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investments property is as follows:

Freehold building - Apartment 50 years

- (b) The following are recognised in profit or loss:

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>Rental income</b>	-	17,600	28,800	24,500	21,300
<b>Direct operating expenses</b>					
- income generating investment property	2,724	2,465	2,465	1,718	2,465

- (c) The fair value of the investment property of approximately RM648,000 (31.1.2024: RM648,000) (31.1.2023: RM648,000) (31.1.2022: RM605,000) at Level 3 was recommended by the Directors as at the end of reporting year/period based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis. Any changes in the price per square feet will result in a reasonable change in the fair value of the investment property.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**12. INVESTMENT PROPERTY (continued)****The Group as lessor**

The Group had entered into non-cancellable lease agreements on a premise with third party. The monthly rental consists of a fixed base rent.

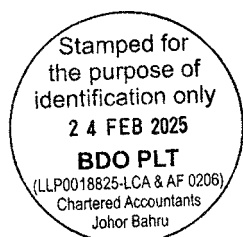
The Group has aggregated future minimum lease receivable under the above non-cancellable operating leases as at the end of each reporting period as follows:

	<b>31.1.2022</b> <b>RM</b>	<b>31.1.2023</b> <b>RM</b>	<b>31.1.2024</b> <b>RM</b>	<b>31.10.2024</b> <b>RM</b>
Less than one (1) year	17,600	28,800	34,000	36,000
One (1) to two (2) years	-	-	12,000	21,000
	<u>17,600</u>	<u>28,800</u>	<u>46,000</u>	<u>57,000</u>

**13. DEFERRED TAX (ASSETS)/LIABILITIES**

(a) The deferred tax (assets)/liabilities are made up of the following:

	<b>31.1.2022</b> <b>RM</b>	<b>31.1.2023</b> <b>RM</b>	<b>31.1.2024</b> <b>RM</b>	<b>31.10.2024</b> <b>RM</b>
Balance at beginning of the financial year/period	1,223,795	(4,219,171)	(2,679,555)	(3,795,272)
Recognised in profit or loss (Note 25)	(5,430,574)	1,502,640	(1,298,832)	(1,932,919)
Exchange translation difference	(12,392)	36,976	183,115	(212,472)
Balance at end of the financial year/period	<u>(4,219,171)</u>	<u>(2,679,555)</u>	<u>(3,795,272)</u>	<u>(5,940,663)</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**13. DEFERRED TAX (ASSETS)/LIABILITIES (continued)**

- (b) The components and movements of deferred tax (assets)/liabilities during the financial year/period are as follows:

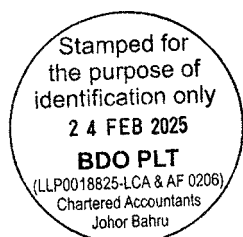
	<b>Property, plant and equipment RM</b>	<b>Utilised tax losses and unabsorbed capital allowances RM</b>	<b>Total RM</b>
As at 1 February 2021	10,707,172	(9,483,377)	1,223,795
Recognised in profit or loss	(2,165,532)	(3,265,042)	(5,430,574)
Exchange translation difference	(12,392)	-	(12,392)
As at 1 February 2022	8,529,248	(12,748,419)	(4,219,171)
Recognised in profit or loss	3,499,507	(1,996,867)	1,502,640
Exchange translation difference	36,976	-	36,976
As at 1 February 2023	12,065,731	(14,745,286)	(2,679,555)
Recognised in profit or loss	2,307,179	(3,606,011)	(1,298,832)
Exchange translation difference	183,115	-	183,115
As at 1 February 2024	14,556,025	(18,351,297)	(3,795,272)
Recognised in profit or loss	3,194,939	(5,127,858)	(1,932,919)
Exchange translation difference	(212,472)	-	(212,472)
As at 31 October 2024	<u>17,538,492</u>	<u>(23,479,155)</u>	<u>(5,940,663)</u>

Deferred tax assets are recognised for unabsorbed capital allowances and unused tax losses to the extent that it is probable that future taxable profit would be available against which the unused tax losses and the capital allowances could be utilised.

**14. INVENTORIES**

	<b>31.1.2022 RM</b>	<b>31.1.2023 RM</b>	<b>31.1.2024 RM</b>	<b>31.10.2024 RM</b>
<b>At cost</b>				
Consumables	<u>577,830</u>	<u>483,650</u>	<u>560,022</u>	<u>771,356</u>

- (a) Cost is determined using the first-in, first-out formula. The cost of inventories comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.
- (b) During the financial year ended 31 January 2023, the Group had written off inventories of RM509 (31.1.2022: RM302).



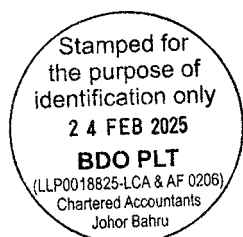
**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**15. TRADE AND OTHER RECEIVABLES**

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade receivables</b>				
Third parties	13,305,990	14,986,703	17,029,229	16,577,147
Contract assets	397,600	7,850,928	2,289,795	9,976,692
Related parties	298,459	441,737	-	-
	14,002,049	23,279,368	19,319,024	26,553,839
Less: Impairment losses				
- third parties	(366,579)	(366,579)	(1,060,961)	(1,568,827)
	<u>13,635,470</u>	<u>22,912,789</u>	<u>18,258,063</u>	<u>24,985,012</u>
<b>Other receivables</b>				
Third parties	1,166,308	1,460,029	1,137,198	1,070,665
Deposits	1,906,548	1,330,499	2,385,105	5,156,902
Advance payments to suppliers:				
- third parties	-	18,759,940	2,371,865	1,445,148
- related parties	-	-	-	17,578,144
Amounts owing by related parties	24,482,328	36,622,551	40,643,440	-
	27,555,184	58,173,019	46,537,608	25,250,859
Less: Impairment losses				
- third parties	(911,276)	(911,276)	(967,747)	(948,432)
- related parties	(22,164,728)	(23,833,089)	(25,700,894)	-
	<u>(23,076,004)</u>	<u>(24,744,365)</u>	<u>(26,668,641)</u>	<u>(948,432)</u>
	<u>4,479,180</u>	<u>33,428,654</u>	<u>19,868,967</u>	<u>24,302,427</u>
<b>Total trade and other receivables</b>	18,114,650	56,341,443	38,127,030	49,287,439
Prepayments	<u>1,689,360</u>	<u>2,487,640</u>	<u>4,114,604</u>	<u>9,863,018</u>
<b>Grand Total</b>	<u>19,804,010</u>	<u>58,829,083</u>	<u>42,241,634</u>	<u>59,150,457</u>

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 60 days (31.1.2024: 30 days to 60 days) (31.1.2023: 30 days to 60 days) (31.1.2022: 30 days to 60 days). They are recognised at their original invoice amounts, which represent their fair value on initial recognition.
- (b) Trade receivables included amount owing from a government linked agency amounting to RM7,932,682 (31.1.2024: RM7,446,951) (31.1.2023: RM9,844,575) (31.1.2022: RM8,840,666) which granted credit terms of 30 days (31.1.2024: 30 days) (31.1.2023: 30 days) (31.1.2022: 30 days).
- (c) Contract assets represent the Group's right to consideration for bus service rendered but not yet bill to customers as at financial year/period end which included government linked agency amounting to RM9,416,460 (31.1.2024: RM2,289,795) (31.1.2023: RM7,803,759) (31.01.2022: Nil). Typically, the amount will be billed within 30 to 180 days (31.1.2024: 30 to 180 days) (31.1.2023: 30 to 180 days) (31.1.2022: 30 to 60 days).
- (d) Advance payments to third party and related party suppliers related to deposit or part payment to purchase buses.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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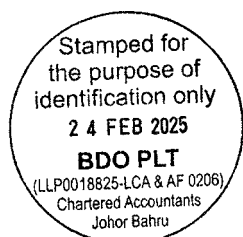
**15. TRADE AND OTHER RECEIVABLES (continued)**

- (e) In FYE 2022 and FYE 2023, non-trade amounts owing by related parties are unsecured and bear interest ranging from 3.4% to 4.1% per annum. In FYE 2024 and FPE 31 October 2024, non-trade amounts owing by related parties are unsecured and interest-free.
- (f) The currency exposure profile of trade and other receivables (excluding prepayments) is as follows:

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
Ringgit Malaysia	16,440,435	50,382,395	38,078,086	48,142,309
Singapore Dollar	1,674,215	5,959,048	48,944	1,145,130
	<u>18,114,650</u>	<u>56,341,443</u>	<u>38,127,030</u>	<u>49,287,439</u>

- (g) Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM	Lifetime ECL allowance RM	Carrying amount RM
<b>As at 31 January 2022</b>			
Not past due	4,641,653	-	4,641,653
Past due:			
1 to 30 days	1,311,100	-	1,311,100
31 to 120 days	3,040,265	-	3,040,265
More than 120 days	4,642,452	-	4,642,452
	8,993,817	-	8,993,817
Individual assessment	366,579	(366,579)	-
	<u>14,002,049</u>	<u>(366,579)</u>	<u>13,635,470</u>
<b>As at 31 January 2023</b>			
Not past due	10,470,922	-	10,470,922
Past due:			
1 to 30 days	1,627,538	-	1,627,538
31 to 120 days	3,831,646	-	3,831,646
More than 120 days	6,982,683	-	6,982,683
	12,441,867	-	12,441,867
Individual assessment	366,579	(366,579)	-
	<u>23,279,368</u>	<u>(366,579)</u>	<u>22,912,789</u>





**13. ACCOUNTANTS' REPORT (Cont'd)**

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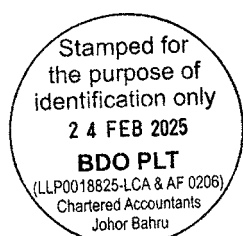
**15. TRADE AND OTHER RECEIVABLES (continued)**

(g) Lifetime expected loss provision for trade receivables of the Group are as follows: (continued)

	<b>Gross carrying amount RM</b>	<b>Lifetime ECL allowance RM</b>	<b>Carrying amount RM</b>
<b>As at 31 January 2024</b>			
Not past due	6,874,901	(151,000)	6,723,901
Past due:			
1 to 30 days	2,028,416	(45,000)	1,983,416
31 to 120 days	6,094,515	(134,000)	5,960,515
More than 120 days	3,669,927	(79,696)	3,590,231
	11,792,858	(258,696)	11,534,162
Individual assessment	651,265	(651,265)	-
	<u>19,319,024</u>	<u>(1,060,961)</u>	<u>18,258,063</u>
<b>As at 31 October 2024</b>			
Not past due	13,153,151	(294,000)	12,859,151
Past due:			
1 to 30 days	2,355,375	(53,000)	2,302,375
31 to 120 days	4,811,729	(108,000)	4,703,729
More than 120 days	5,236,985	(117,228)	5,119,757
	12,404,089	(278,228)	12,125,861
Individual assessment	996,599	(996,599)	-
	<u>26,553,839</u>	<u>(1,568,827)</u>	<u>24,985,012</u>

(h) During the financial year/period, the Group did not renegotiate the terms of any trade receivables. These receivables are not secured by any collateral.

(i) The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.



**13. ACCOUNTANTS' REPORT (Cont'd)**

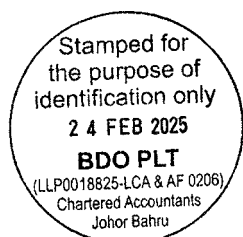
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**15. TRADE AND OTHER RECEIVABLES (continued)**

- (j) Trade and other receivables that are past due and impaired at the end of the reporting period and the reconciliation of movements in allowance for impairment loss accounts is as follows:

	<b>Trade receivables RM</b>	<b>Other receivables RM</b>	<b>Total RM</b>
<b>As at 31 January 2022</b>			
At beginning of financial year	365,530	772,798	1,138,328
Net charge	1,049	22,617,661	22,618,710
Translation differences	-	(314,455)	(314,455)
At end of financial year	<u>366,579</u>	<u>23,076,004</u>	<u>23,442,583</u>
<b>As at 31 January 2023</b>			
At beginning of financial year	366,579	23,076,004	23,442,583
Translation differences	-	1,668,361	1,668,361
At end of financial year	<u>366,579</u>	<u>24,744,365</u>	<u>25,110,944</u>
<b>As at 31 January 2024</b>			
At beginning of financial year	366,579	24,744,365	25,110,944
Net charge	694,382	56,471	750,853
Translation differences	-	1,867,805	1,867,805
At end of financial year	<u>1,060,961</u>	<u>26,668,641</u>	<u>27,729,602</u>
<b>As at 31 October 2024</b>			
At beginning of financial period	1,060,961	26,668,641	27,729,602
Net charge/(reversals)	507,866	(19,315)	488,551
Written off	-	(25,700,894)	(25,700,894)
At end of financial period	<u>1,568,827</u>	<u>948,432</u>	<u>2,517,259</u>

- (k) Information on financial risks of trade and other receivables is disclosed in Note 32 to the Combined Financial Statements.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**16. OTHER INVESTMENTS**

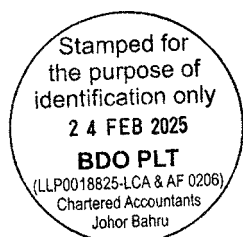
	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
<b>At cost</b>				
Unquoted shares	-	2,826,851	-	-

Other investments comprised of unquoted shares representing 99.9%, and 30% equity interest in dormant entities, namely PT Handal Bus Listrik ("PTH") and Jaguh Bayu Sdn. Bhd. respectively which were acquired for a total cash consideration of RM2,826,851.

The financial position, profit or loss and other comprehensive income and cash flows of the abovementioned companies had been carved out from the Combined Financial Statements because by 31 January 2024, the Group had disposed of its entire equity interest of these companies for the purposes of the Proposed Listing analysed as follows:

- (a) During the financial year ended 31 January 2024, the Group had disposed 99.9% equity interest in PT Handal Bus Listrik ("PTH") at cost amounting to RM2,817,180, representing 99,900 ordinary shares. Upon the completion, PTH is no longer a subsidiary of the Group.
- (b) During the financial year ended 31 January 2024, the Group had disposed whole of its 30% equity interests in Jaguh Bayu Sdn. Bhd. at cost amounting to RM9,671. Upon the completion of disposal, Jaguh Bayu Sdn. Bhd. is no longer as an associate of the Group.

All these transactions do not have any material impact to the Group.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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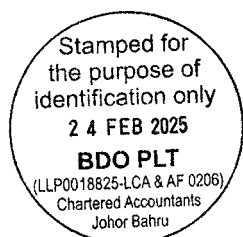
**17. CASH AND BANK BALANCES**

	<b>31.1.2022</b> <b>RM</b>	<b>31.1.2023</b> <b>RM</b>	<b>31.1.2024</b> <b>RM</b>	<b>31.10.2024</b> <b>RM</b>
Cash and bank balances	10,056,644	17,456,421	26,568,175	44,026,640
Deposits with licensed banks	<u>414,578</u>	<u>423,081</u>	<u>423,081</u>	<u>441,125</u>
As reported in the combined statements of financial position	10,471,222	17,879,502	26,991,256	44,467,765
Less: Deposits pledged to licensed banks	(414,578)	(423,081)	(423,081)	(441,125)
Less: Bank overdraft included in borrowings (Note 21)	<u>(1,538,162)</u>	<u>-</u>	<u>(788,263)</u>	<u>-</u>
As per combined statements of cash flows	<u>8,518,482</u>	<u>17,456,421</u>	<u>25,779,912</u>	<u>44,026,640</u>

(a) The currency exposure profile of cash and bank balances is as follows:

	<b>31.1.2022</b> <b>RM</b>	<b>31.1.2023</b> <b>RM</b>	<b>31.1.2024</b> <b>RM</b>	<b>31.10.2024</b> <b>RM</b>
Ringgit Malaysia	7,808,720	8,850,516	9,678,924	21,431,670
Singapore Dollar	<u>2,662,502</u>	<u>9,028,986</u>	<u>17,312,332</u>	<u>23,036,095</u>
	<u>10,471,222</u>	<u>17,879,502</u>	<u>26,991,256</u>	<u>44,467,765</u>

- (b) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.
- (c) Information on financial risks of cash and bank balances is disclosed in Note 32 to the Combined Financial Statements.



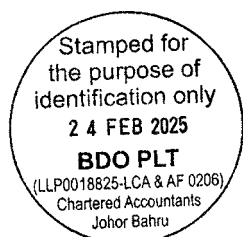
**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**18. SHARE CAPITAL/INVESTED EQUITY**

	<b>Number of shares</b>	<b>RM</b>
<b>FYE 2022</b>		
<b>Issued and fully paid up ordinary shares with no par value</b>		
Balance as at 1 February 2021/31 January 2022	<u>5,000,000</u>	<u>5,000,000</u>
<b>FYE 2023</b>		
<b>Issued and fully paid up ordinary shares with no par value</b>		
Balance as at 1 February 2022	5,000,000	5,000,000
Issuance of bonus share	<u>47,000,000</u>	<u>47,000,000</u>
Balance as at 31 January 2023	<u>52,000,000</u>	<u>52,000,000</u>
<b>FYE 2024</b>		
<b>Issued and fully paid up ordinary shares with no par value</b>		
Balance as at 1 February 2023/31 January 2024	<u>52,000,000</u>	<u>52,000,000</u>
<b>FPE 2025</b>		
<b>Issued and fully paid up ordinary shares with no par value</b>		
Balance as at 1 February 2024	52,000,000	52,000,000
Issuance of ordinary shares	20,001,000	20,001,000
Effects of acquisition of subsidiary in business combination under common control		
- Elimination of issued share capital of HISB	(52,000,000)	(52,000,000)
- Issuance of ordinary shares pursuant to acquisition of HISB	<u>79,999,000</u>	<u>79,999,000</u>
Balance as at 31 October 2024	<u>100,000,000</u>	<u>100,000,000</u>

- (a) During the financial period ended 31 October 2024, the issued and fully paid up share capital of the Company increased from RM1,000 (as at date of incorporation) to RM100,000,000 by way of:
- (i) Issuance of 20,000,000 new ordinary shares at an issue price of RM1 per share for cash; and
  - (ii) Issuance of 79,999,000 new ordinary shares at an issue price of RM1 per share pursuant to the acquisition of a subsidiary in business combination under common control.
- (b) During the financial year ended 31 January 2023, the Group increased the number of ordinary shares from 5,000,000 to 52,000,000 by way of bonus issue of 47,000,000 ordinary shares on the basis of forty-seven (47) bonus shares for every five (5) existing shares held.
- (c) The common controlling shareholders/owners of parent of the combining entities are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**19. RESERVE**

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
<b>Non-distributable:</b>				
Exchange translation reserve	(825,870)	(289,187)	1,133,560	(1,325,046)
Merger reserve	-	-	-	(27,999,000)
<b>Distributable:</b>				
Retained earnings	<u>32,793,822</u>	<u>5,307,713</u>	<u>17,479,575</u>	<u>51,172,302</u>
	<u>31,967,952</u>	<u>5,018,526</u>	<u>18,613,135</u>	<u>21,848,256</u>

## (a) Exchange translation reserve

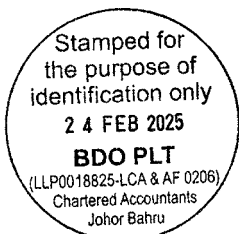
The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the presentation currency of the Group.

## (b) Merger reserve

The merger reserve arose as a result of the difference between consideration paid over the share capital of a subsidiary, namely HISB pursuant to business combination under common control.

**20. TRADE AND OTHER PAYABLES**

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
<b>Trade payables</b>				
Third parties	4,691,365	7,787,579	6,607,223	9,966,600
Amounts owing to related parties	800,894	-	-	-
	5,492,259	7,787,579	6,607,223	9,966,600
<b>Other payables</b>				
Third parties	7,355,244	8,907,560	11,220,759	14,687,676
Amount owing to vendors:				
- third parties	38,319	900,923	1,123,558	540,261
- related parties	-	1,387,976	7,576,054	-
Amounts owing to directors	16,888,455	9,115,177	-	-
Advance from related parties	288,767	2,342,856	-	-
Accruals	3,054,848	8,434,548	11,068,465	9,658,965
	<u>27,625,633</u>	<u>31,089,040</u>	<u>30,988,836</u>	<u>24,886,902</u>
<b>Grand total</b>	<u>33,117,892</u>	<u>38,876,619</u>	<u>37,596,059</u>	<u>34,853,502</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

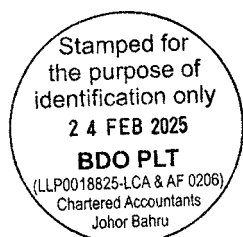
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**20. TRADE AND OTHER PAYABLES (continued)**

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group as at 31.10.2024 ranged from 30 days to 60 days (31.1.2024: 30 days to 60 days) (31.1.2023: 30 days to 60 days) (31.1.2022: 30 days to 60 days).
- (b) Non-trade amounts owing to directors and advance from related parties are unsecured, interest-free and payable on demand.
- (c) Amount owing to vendors related to costs of acquisition of property, plant and equipment as disclosed in Note 9(a) to the combines financial statements.
- (d) Included in accrual of the Group for bus services rendered by non-related sub-contractors amounting to RM1,076,393 (31.1.2024: RM5,572,009) (31.1.2023: RM3,020,506) (31.1.2022: Nil).
- (e) The currency exposure profile of trade and other payables is as follows:

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	31,966,455	36,029,099	37,207,188	34,102,732
Singapore Dollar	1,151,437	2,843,583	388,871	750,770
United States Dollar	-	3,937	-	-
	<u>33,117,892</u>	<u>38,876,619</u>	<u>37,596,059</u>	<u>34,853,502</u>

- (f) Information on financial risks of trade and other payables is disclosed in Note 32 to the Combined Financial Statements.



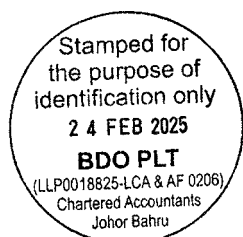
**13. ACCOUNTANTS' REPORT (Cont'd)**

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**21. BORROWINGS**

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-current liabilities</b>				
Term loans	-	-	14,729,275	84,150,514
<b>Current liabilities</b>				
Bank overdraft	1,538,162	-	788,263	-
Revolving credits	30,027,052	58,482,376	48,498,549	-
Term loans	-	-	3,267,316	10,684,579
Trade financing	-	-	-	14,489,107
	<u>31,565,214</u>	<u>58,482,376</u>	<u>52,554,128</u>	<u>25,173,686</u>
	<u>31,565,214</u>	<u>58,482,376</u>	<u>67,283,403</u>	<u>109,324,200</u>
<b>Total borrowings</b>				
Bank overdraft (Note 17)	1,538,162	-	788,263	-
Revolving credits	30,027,052	58,482,376	48,498,549	-
Term loans	-	-	17,996,591	94,835,093
Trade financing	-	-	-	14,489,107
	<u>31,565,214</u>	<u>58,482,376</u>	<u>67,283,403</u>	<u>109,324,200</u>

- (a) The bank overdraft of the Group are secured by joint and several guarantee from certain directors.
- (b) The revolving credits of the Group are secured by:
- (i) Personal guarantee from a director; and
  - (ii) Restriction to declare or pay any dividend subject to terms imposed.
- (c) The term loans of the Group are secured by:
- (i) Personal guarantee from a director; and
  - (ii) Certain buses of the Group (Note 9(b)).
  - (iii) Deposits pledged with licensed banks of the Group as disclosed in Note 17 to the Combined Financial Statements.
- (d) The trade financing of the Group are secured by personal guarantee from a director.
- (e) All borrowings are denominated in RM.
- (f) Information on financial risks of borrowings and its remaining maturity was disclosed in Note 32 to the Combined Financial Statements.





13. ACCOUNTANTS' REPORT (Cont'd)

HI Mobility Berhad (202401023591 (1569440 - A))  
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22. REVENUE

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<i>Revenue from contracts with customers</i>					
<b>Recognised at point in time:</b>					
- Scheduled bus services	23,636,610	108,376,004	190,648,514	191,805,515	135,294,968
- Chartered bus services	5,712,172	8,125,661	13,524,972	10,750,438	9,567,097
<b>Other services</b>	2,119,244	3,130,097	3,539,152	1,710,948	2,818,073
	<u>31,468,026</u>	<u>119,631,762</u>	<u>207,712,638</u>	<u>204,266,901</u>	<u>147,680,138</u>

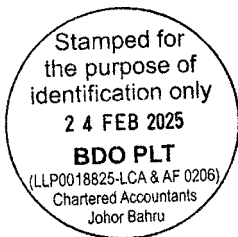
**Disaggregation of revenue from contracts with customers**

Revenue from contracts with customers is disaggregated by primary geographical market, and major products or service lines as disclosed in Note 8 to the Combined Financial Statements.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms.

23. FINANCE COSTS

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
Interest expenses on:					
- Bank overdraft	69,202	174,231	50,776	78,146	108,368
- Lease liabilities	705,440	1,542,786	2,218,697	2,382,619	1,642,086
- Revolving credits	898,491	1,303,120	2,217,176	1,244,476	1,774,750
- Term loans	-	-	245,648	1,639,319	56,507
	<u>1,673,133</u>	<u>3,020,137</u>	<u>4,732,297</u>	<u>5,344,560</u>	<u>3,581,711</u>



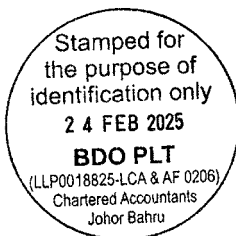
**13. ACCOUNTANTS' REPORT (Cont'd)**

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**24. (LOSS)/PROFIT BEFORE TAXATION**

Other than those disclosed elsewhere in the Combined Financial Statements, (loss)/profit before taxation is arrived at:

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
After charging:					
Auditors' remuneration:					
- statutory audit	60,000	89,000	101,104	98,308	66,167
- under provision in prior years	20,000	20,600	1,777	43,756	-
Loss on disposal of property, plant and equipment	-	-	-	9,575	9,404
Net realised loss on foreign exchange	2,844	-	-	9,494	-
Net unrealised loss on foreign exchange	943	338	-	-	-
And after crediting:					
Interest income	(52,852)	(128,122)	(8,850)	(36,707)	(3,238)
Gain on disposal of property, plant and equipment	(16,297)	(100,164)	(10,327)	-	-
Net realised gain on foreign exchange	-	(100,741)	(1,409,769)	-	(1,305,649)
Net unrealised gain on foreign exchange	-	-	-	(910,303)	-
Short term rental income	(1,236,891)	(1,116,605)	(1,196,235)	(359,357)	(899,518)



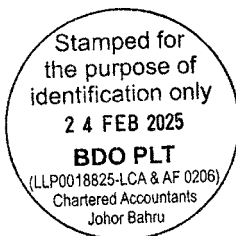
**13. ACCOUNTANTS' REPORT (Cont'd)**

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**25. TAXATION**

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
Current tax expense					
- Foreign income tax	-	1,308,417	9,666,104	9,785,193	6,940,850
Under/(Over) provision in prior years					
- Foreign income tax	2,685,406	-	3,607,015	(4,105,921)	3,580,000
	2,685,406	1,308,417	13,273,119	5,679,272	10,520,850
Deferred tax (Note 13)					
- Relating to origination and reversal of temporary differences	(2,907,629)	1,502,640	(1,897,003)	(1,813,841)	(1,311,400)
- (Over)/Under provision in prior years	(2,522,945)	-	598,171	(119,078)	589,365
	(5,430,574)	1,502,640	(1,298,832)	(1,932,919)	(722,035)
	(2,745,168)	2,811,057	11,974,287	3,746,353	9,798,815

- (a) The Malaysian income tax is calculated at the statutory tax rate as at 31.10.2024 of 24% (31.1.2024: 24%) (31.1.2023: 24%) (31.1.2022: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expenses for other taxation authority are calculated at the rates prevailing in the respective jurisdiction.



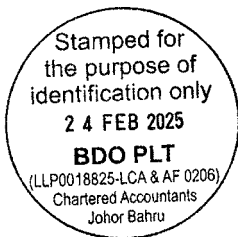
**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**25. TAXATION (continued)**

- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group is as follows:

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
(Loss)/Profit before taxation	(34,790,525)	22,324,948	45,146,149	37,439,080	34,004,311
Tax expense at the applicable tax rate of 24%	(8,349,726)	5,357,988	10,835,076	8,985,379	8,161,035
Tax effects in respect of:					
Non-allowable expenses	3,728,630	1,112,478	1,236,845	3,228,083	480,901
Non-taxable income	-	-	-	(166,751)	(4,071)
Reduction in statutory tax rates on chargeable income	-	(55,837)	(59,559)	(59,871)	(59,113)
Effect of tax rate in foreign country	1,713,467	(1,921,448)	(4,243,261)	(4,015,488)	(2,949,301)
Utilisation of deferred tax assets previously not recognised	-	(1,682,124)	-	-	-
	(2,907,629)	2,811,057	7,769,101	7,971,352	5,629,451
Under/(Over) provision in prior years					
- income tax	2,685,406	-	3,607,015	(4,105,921)	3,579,999
- deferred tax	(2,522,945)	-	598,171	(119,078)	589,365
	(2,745,168)	2,811,057	11,974,287	3,746,353	9,798,815



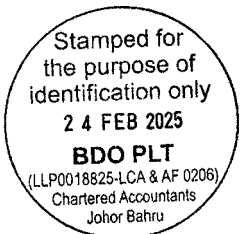
**13. ACCOUNTANTS' REPORT (Cont'd)**

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**25. TAXATION (continued)**

(d) Tax on each component of other comprehensive income is as follows:

	<b>Before tax RM</b>	<b>Tax effect RM</b>	<b>After tax RM</b>
<b>31.1.2022 (Audited)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange translations	347,864	-	347,864
<b>31.1.2023 (Audited)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange translations	536,683	-	536,683
<b>31.1.2024 (Audited)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange translations	1,422,747	-	1,422,747
<b>31.10.2024 (Audited)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange translations	(2,458,606)	-	(2,458,606)
<b>31.10.2023 (Unaudited)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange translations	1,159,599	-	1,159,599



**13. ACCOUNTANTS' REPORT (Cont'd)**

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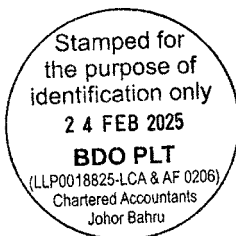
**26. EMPLOYEE BENEFITS**

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
Salaries, wages, allowances and bonuses	12,670,029	30,315,706	56,160,679	63,038,921	41,648,959
Defined contribution plans	1,538,125	3,076,468	4,801,628	4,850,358	3,308,570
Social security contribution	179,108	337,388	610,863	677,164	435,660
Other benefits	19,894	36,251	64,213	71,606	45,905
	<u>14,407,156</u>	<u>33,765,813</u>	<u>61,637,383</u>	<u>68,638,049</u>	<u>45,439,094</u>

Included in the employee benefits of the Group are Director's remuneration amounting to RM832,847 during the financial period from 1.2.2024 to 31.10.2024 (1.2.2023 to 31.1.2024: RM782,543) (1.2.2022 to 31.1.2023: RM551,175) (1.2.2021 to 31.1.2022: RM427,113) (1.2.2023 to 31.10.2023: RM565,870).

**27. CAPITAL COMMITMENTS**

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM
Capital expenditure in respect of purchase of property, plant and equipment:				
- contracted but not provided for				
(i) others	-	-	1,285,000	21,733,000
(ii) purchase of buses	-	2,280,000	44,458,000	29,517,000
- approved but not contracted for	-	-	19,646,000	-
	<u>-</u>	<u>-</u>	<u>19,646,000</u>	<u>-</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**28. DIVIDENDS**

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
<b>In respect of financial year ended 31 January 2023:</b>					
Final dividend of 9.62 sen per invested equity	-	-	5,000,000	-	-
<b>In respect of financial year ended 31 January 2024:</b>					
Interim single-tier dividend of 30.77 sen per invested equity	-	-	16,000,000	-	-
	-	-	21,000,000	-	-

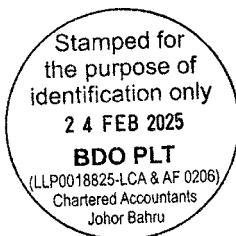
**29. EARNINGS PER SHARE**

(a) Basic earnings per ordinary share

	<b>1.2.2021 to 31.1.2022 Audited</b>	<b>1.2.2022 to 31.1.2023 Audited</b>	<b>1.2.2023 to 31.1.2024 Audited</b>	<b>1.2.2024 to 31.10.2024 Audited</b>	<b>1.2.2023 to 31.10.2023 Unaudited</b>
(Loss)/Profit attributable to common controlling shareholders/owners of parent of the combining entity (RM)	(32,045,357)	19,513,891	33,171,862	33,692,727	24,205,496
Expected number of ordinary shares upon completion of the Listing (Unit)	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Basic earnings per ordinary share (sen)	(6.41)	3.90	6.63	6.74	4.84

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share equal the basic earnings per ordinary share as there were no outstanding dilutive ordinary shares at the end of each reporting periods.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**30. RELATED PARTY DISCLOSURES**

## (a) Identities of related parties

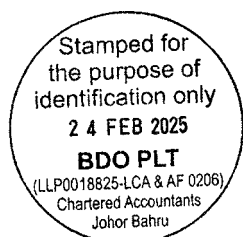
Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Identified related parties of the Group as at 31 October 2024 include:

## (i) Companies in which certain directors of the Group have financial interests:

- 1) Acacia Motor Services Sdn. Bhd.
- 2) Causeway Link Holidays Sdn. Bhd.
- 3) Causeway Link Holidays Pte. Ltd.
- 4) Handal BCM Sdn. Bhd.
- 5) Handal Ceria Sdn. Bhd.
- 6) Handal Green Mobility Sdn. Bhd.
- 7) Hipgraphy Advertising Sdn. Bhd.
- 8) Hugo Mobility Pte. Ltd.
- 9) Kumpool Sdn. Bhd.
- 10) Kumpool Singapore Pte. Ltd.
- 11) Liannex Corporation Sdn. Bhd.
- 12) Liannex Corporation (S) Pte. Ltd.
- 13) Liannex Ecotech Pte. Ltd.
- 14) Manja Link Pte. Ltd.
- 15) Manja Technologies Pte. Ltd.
- 16) Manja Technologies Sdn. Bhd.
- 17) Matteo (Malaysia) Sdn. Bhd.
- 18) Mega Mix Concrete Sdn. Bhd.
- 19) Navipulse Sdn. Bhd.
- 20) Pimpinan Salam Sdn. Bhd.
- 21) Trillius Solutions Sdn. Bhd.
- 22) Universal Stones Sdn. Bhd.
- 23) Veloci Ai Sdn. Bhd.
- 24) Yinson Capital Sdn. Bhd.
- 25) Yinson Tyres Sdn. Bhd.
- 26) Yinson Transport (M) Sdn. Bhd.
- 27) Yinson Green Technology Sdn. Bhd.

## (ii) Key management personnel which comprises persons (including the Directors of the Group) having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.





**13. ACCOUNTANTS' REPORT (Cont'd)**

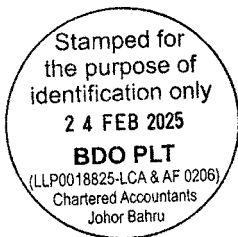
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**30. RELATED PARTY DISCLOSURES (continued)**

(b) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the Combined Financial Statements, the Group had the following transactions with related parties during the financial year/period:

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>Acacia Motor Services Sdn. Bhd.</b>					
- Assembly expenses	-	-	-	3,000,000	-
- Disposal of property, plant and equipment	-	-	-	422,498	-
- Purchases of spare parts	-	-	65,813	248,748	10,819
<b>Causeway Link Holidays Sdn. Bhd.</b>					
- Chartered bus service income	(183,619)	(365,701)	(515,727)	(241,348)	(332,388)
- Disposal of property, plant and equipment	131,000	-	240,500	-	240,500
- Rental expenses	144,000	144,000	146,000	56,450	108,000
<b>Handal BCM Sdn. Bhd.</b>					
- Purchase of property, plant and equipment	-	-	144,184	183,281	-
<b>Handal Ceria Sdn. Bhd.</b>					
- Advertising income	(40,375)	-	-	-	-
- Chartered bus service income	(110,400)	(320,127)	(760,149)	(200,676)	(562,131)
- Disposal of property, plant and equipment	-	-	-	19,600	-
- Disposal of spare parts	202,064	215,616	177,335	24,646	167,146
- Interest income	(34,446)	(85,799)	-	-	-
- IT support income	(60,000)	(60,000)	(60,000)	-	(45,000)
- Purchase of property, plant and equipment	-	1,933,500	-	18,550,505	-
- Rental income	(401,832)	(401,832)	(401,832)	(111,000)	(301,374)
- Rental expenses	471,576	1,575,312	2,028,351	269,472	1,558,290
- Route operator expenses	-	1,484,327	1,571,226	500,560	1,178,138
- Service and maintenance income	(1,556,604)	(1,293,396)	(747,170)	(150,943)	(594,340)



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**30. RELATED PARTY DISCLOSURES (continued)**

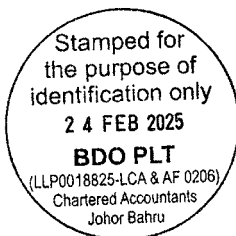
(b) Significant related party transactions and balances (continued)

In addition to the transactions and balances detailed elsewhere in the Combined Financial Statements, the Group had the following transactions with related parties during the financial year/period: (continued)

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
<b>Handal Green Mobility Sdn. Bhd.</b>					
- Service fee of electric vehicle charging station	-	-	-	173,304	-
<b>Hipgraphy Advertising Sdn. Bhd.</b>					
- Advertisement expenses	154,022	295,522	191,792	514,085	78,208
<b>Hugo Mobility Pte. Ltd.</b>					
- Commission expenses	-	-	-	110,890	39,335
<b>Jaguh Bayu Sdn. Bhd.</b>					
- Disposal of property, plant and equipment	-	-	118,700	-	-
<b>Kumpool Sdn. Bhd.</b>					
- Chartered bus service income	-	-	(165,000)	(314,894)	(100,000)
- Website and internet expenses	-	-	256,422	-	231,245
<b>Liannex Corporation Sdn. Bhd.</b>					
- Purchase of property, plant and equipment	-	816,271	30,214,940	13,395,800	11,920,260
- Rental income	(30,000)	(30,000)	(30,000)	-	(22,500)
<b>Liannex Ecotech Pte. Ltd.</b>					
- Purchase of property, plant and equipment	-	-	-	158,707	-
<b>Manja Link Pte. Ltd.</b>					
- Commission expenses	-	274,983	396,859	377,156	277,701

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**30. RELATED PARTY DISCLOSURES (continued)**

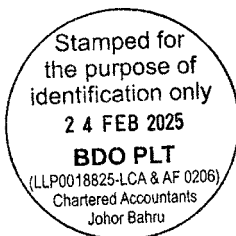
(b) Significant related party transactions and balances (continued)

In addition to the transactions and balances detailed elsewhere in the Combined Financial Statements, the Group had the following transactions with related parties during the financial year/period: (continued)

	<b>1.2.2021 to 31.1.2022 Audited RM</b>	<b>1.2.2022 to 31.1.2023 Audited RM</b>	<b>1.2.2023 to 31.1.2024 Audited RM</b>	<b>1.2.2024 to 31.10.2024 Audited RM</b>	<b>1.2.2023 to 31.10.2023 Unaudited RM</b>
<b>Matteo (Malaysia) Sdn. Bhd.</b>					
- Purchase of tyres	229,520	414,380	469,874	407,305	320,859
<b>Mobiliti Mampan Sdn. Bhd.</b>					
- Chartered bus service income	-	(305,220)	(651,215)	(686,484)	(470,609)
- Interest income	(589)	-	-	-	-
- IT support income	(60,000)	(60,000)	(60,000)	-	(45,000)
- Rental expenses	-	-	-	186,000	-
- Rental income	(96,576)	(96,576)	(96,576)	-	(72,432)
- Route operator expenses	-	454,935	1,813,492	2,202,848	1,031,976
<b>Manja Technologies Sdn. Bhd.</b>					
- Admin fee income	(2,256)	(5,814)	(7,744)	-	(6,414)
- Interest income	(602)	(22,709)	-	-	-
- Management fee income	(1,000)	(1,000)	(1,000)	-	(750)
- Purchase of property, plant and equipment	40,745	971,000	1,571,589	2,010,583	1,309,197
- Maintenance expenses of bus accessories	31,051	6,334	49,432	8,498	45,821
- Rental income	(204,000)	(204,000)	(204,000)	-	(153,000)
<b>Yinson Tyres Sdn. Bhd.</b>					
- Purchase of tyres	403,286	382,050	-	-	-
<b>Yinson Transport (M) Sdn. Bhd.</b>					
- Transportation expenses	-	-	-	78,491	5,000

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**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
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**30. RELATED PARTY DISCLOSURES (continued)**

(b) Significant related party transactions and balances (continued)

In addition to the transactions and balances detailed elsewhere in the Combined Financial Statements, the Group had the following transactions with related parties during the financial year/period: (continued)

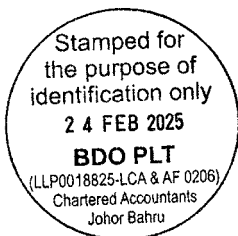
	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
<b>Director</b>					
- Disposal of shares held	-	-	2,817,180	-	2,817,180

(c) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any Directors (whether executive or otherwise) of the Group.

The remuneration of the Directors was as follows:

	1.2.2021 to 31.1.2022 Audited RM	1.2.2022 to 31.1.2023 Audited RM	1.2.2023 to 31.1.2024 Audited RM	1.2.2024 to 31.10.2024 Audited RM	1.2.2023 to 31.10.2023 Unaudited RM
Salaries and allowances	412,600	527,600	752,100	812,112	545,513
Defined contribution plans	13,920	22,920	29,700	20,240	19,800
Other employee benefits	593	655	743	495	557
	427,113	551,175	782,543	832,847	565,870



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**31. FINANCIAL INSTRUMENTS**

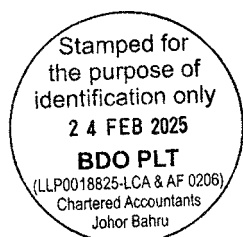
## (a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern whilst maintaining the return to shareholders. The overall strategy of the Group remains unchanged from that in FYEs 31 January 2022, 31 January 2023, 31 January 2024 and FPE 31 October 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders. No changes were made in the objectives, policies or processes during the FYEs 31 January 2022, 31 January 2023, 31 January 2024 and FPE 31 October 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings and lease liabilities owing to financial institutions, trade and other payables, less cash and bank balances. Capital represents equity attributable to common controlling shareholders/owners of parent of the Group.

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Borrowings	31,565,214	58,482,376	67,283,403	109,324,200
Lease liabilities owing to financial institutions	26,092,414	28,354,624	33,569,787	42,453,734
Trade and other payables	<u>33,117,892</u>	<u>38,876,619</u>	<u>37,596,059</u>	<u>34,853,502</u>
	90,775,520	125,713,619	138,449,249	186,631,436
Less: Cash and bank balances	<u>(10,471,222)</u>	<u>(17,879,502)</u>	<u>(26,991,256)</u>	<u>(44,467,765)</u>
Net debt	80,304,298	107,834,117	111,457,993	142,163,671
Equity attributable to common controlling shareholders/ owners of parent of the combining entity	<u>36,967,952</u>	<u>57,018,526</u>	<u>70,613,135</u>	<u>121,848,256</u>
Capital and net debt	<u>117,272,250</u>	<u>164,852,643</u>	<u>182,071,128</u>	<u>264,011,927</u>
Debt ratio	<u>68%</u>	<u>65%</u>	<u>61%</u>	<u>54%</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**31. FINANCIAL INSTRUMENTS (continued)**

## (b) Financial instruments

Categories of financial instruments

	31.1.2022 RM	31.1.2023 RM	31.1.2024 RM	31.10.2024 RM
<b>Financial assets</b>				
<b>Amortised cost</b>				
Trade and other receivables, net of prepayments	18,114,650	56,341,443	38,127,030	49,287,439
Cash and bank balances	10,471,222	17,879,502	26,991,256	44,467,765
	<u>28,585,872</u>	<u>74,220,945</u>	<u>65,118,286</u>	<u>93,755,204</u>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade and other payables	33,117,892	38,876,619	37,596,059	34,853,502
Borrowings	31,565,214	58,482,376	67,283,403	109,324,200
	<u>64,683,106</u>	<u>97,358,995</u>	<u>104,879,462</u>	<u>144,177,702</u>

## (c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

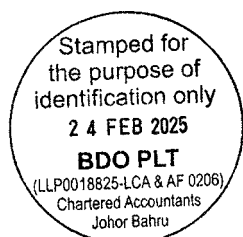
Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and interest-bearing borrowings are reasonable approximation of fair values, due to their short-term nature or that they are borrowings that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

## (d) Fair value hierarchy

As at the end of the reporting period, the Group has no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Overall financial risk management objective of the Group is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the financial risk management policies of the Group.

The main risk arising from the financial instruments of the Group are credit risk, foreign currency risk, liquidity and cash flow risk as well as interest rate risk. Management reviews and agrees policies for managing each of these risks and these are summarized below:

**(a) Credit risk**

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is disclosed in Note 15 to the Combined Financial Statements. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control officer to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

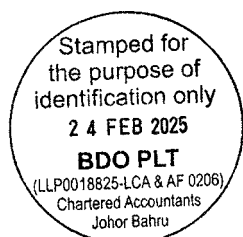
At the end of the reporting period, the maximum exposures to credit risk of the Group are represented by the carrying amounts of each class of financial assets recognised in the combined statement of financial position.

Credit risk concentration profile

The Group determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an ongoing basis.

The Group's major concentration of credit risk relates to the amounts owing by major customers and percentage of these amounts over its gross trade receivables (excluded amounts owing by related parties) at the end of each reporting period are as follows:

- FPE 31.10.2024: Two (2) customers of approximately 61%;
- FYE 31.1.2024: Two (2) customers of approximately 53%;
- FYE 31.1.2023: Two (2) customers of approximately 77%; and
- FYE 31.1.2022: Two (2) customers of approximately 80%.



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than respective functional currencies of entity. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in SGD exchange rate against the functional currency of the Group entity, with all other variables held constant:

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Profit after tax and equity</b>				
SGD/RM				
- Strengthen by 5%	121,000	461,000	645,000	890,000
- Weaken by 5%	(121,000)	(461,000)	(645,000)	(890,000)

**(c) Liquidity and cash flow risk**

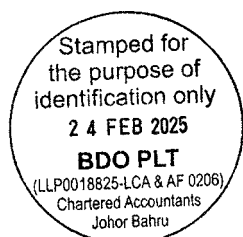
Liquidity risk arises from the Group's management of working capital. It is the risk that the Group would encounter difficulty in meeting its financial obligations when due.

The Group monitors and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations.

	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
<b>As at 31 January 2022</b>				
<b>Financial liabilities</b>				
Trade and other payables	33,117,892	-	-	33,117,892
Borrowings	31,565,214	-	-	31,565,214
Lease liabilities	6,581,618	24,792,302	-	31,373,920
<b>Total undiscounted financial liabilities</b>	<b>71,264,724</b>	<b>24,792,302</b>	<b>-</b>	<b>96,057,026</b>





**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

## (c) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

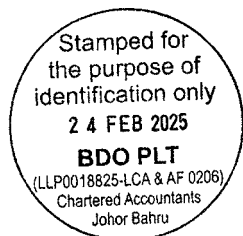
The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations. (continued)

	<b>On demand or within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
<b>As at 31 January 2023</b>				
<b>Financial liabilities</b>				
Trade and other payables	38,876,619	-	-	38,876,619
Borrowings	58,482,376	-	-	58,482,376
Lease liabilities	11,333,863	22,979,571	-	34,313,434
Total undiscounted financial liabilities	<u>108,692,858</u>	<u>22,979,571</u>	<u>-</u>	<u>131,672,429</u>
<b>As at 31 January 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	37,596,059	-	-	37,596,059
Borrowings	53,335,675	15,732,553	-	69,068,228
Lease liabilities	14,724,342	23,601,358	2,651,095	40,976,795
Total undiscounted financial liabilities	<u>105,656,076</u>	<u>39,333,911</u>	<u>2,651,095</u>	<u>147,641,082</u>
<b>As at 31 October 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	34,853,502	-	-	34,853,502
Borrowings	29,620,534	76,307,915	17,689,214	123,617,663
Lease liabilities	16,071,967	32,599,589	7,646,618	56,318,174
Total undiscounted financial liabilities	<u>80,546,003</u>	<u>108,907,504</u>	<u>25,335,832</u>	<u>214,789,339</u>

## (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments would fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to the interest-earnings deposits placed with a licensed bank and interest-bearing borrowings. The Group does not use derivative financial instruments to hedge its risk.



**13. ACCOUNTANTS' REPORT (Cont'd)**

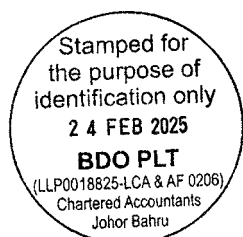
HI Mobility Berhad (202401023591 (1569440 - A))  
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**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

## (d) Interest rate risk (continued)

The following table sets out the carrying amount, the weighted average effective interest rates as at the end of the reporting year/period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM	One to five years RM	Total RM
<b>As at 31 January 2022</b>					
<b>Fixed rates</b>					
Deposits with licensed banks	17	1.50	414,578	-	414,578
<b>Floating rates</b>					
Bank overdraft	21	7.42	(1,538,162)	-	(1,538,162)
Revolving credits	21	3.16	<u>(30,027,052)</u>	-	<u>(30,027,052)</u>
<b>As at 31 January 2023</b>					
<b>Fixed rates</b>					
Deposits with licensed banks	17	2.13	423,081	-	423,081
<b>Floating rates</b>					
Revolving credits	21	4.24	<u>(58,482,376)</u>	-	<u>(58,482,376)</u>
<b>As at 31 January 2024</b>					
<b>Fixed rates</b>					
Deposits with licensed banks	17	2.95	423,081	-	423,081
<b>Floating rates</b>					
Bank overdraft	21	7.92	(788,263)	-	(788,263)
Revolving credits	21	4.59	(48,498,549)	-	(48,498,549)
Term loans	21	4.88	<u>(3,267,316)</u>	<u>(14,729,275)</u>	<u>(17,996,591)</u>
<b>As at 31 October 2024</b>					
<b>Fixed rates</b>					
Deposits with licensed banks	17	2.30	441,125	-	441,125
<b>Floating rates</b>					
Term loans	21	4.91	(10,684,579)	(84,150,514)	(94,835,093)
Trade financing	21	6.15	<u>(14,489,107)</u>	-	<u>(14,489,107)</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(d) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by one hundred (100) basis points with all other variables held constant:

	<b>31.1.2022</b>	<b>31.1.2023</b>	<b>31.1.2024</b>	<b>31.10.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Profit after tax and equity</b>				
- Increase by 1%	(240,000)	(444,000)	(511,000)	(831,000)
- Decrease by 1%	240,000	444,000	511,000	831,000

The Group's exposure to the interest rate risk is due to the outstanding borrowing during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

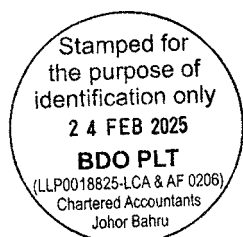
**33. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

(a) During the reporting period

- (i) During previous FYE 31 January 2024, HISB entered into arrangement with a related party, Handal Ceria Sdn. Bhd. to purchase 81 buses and 42 ticketing machines with a total consideration amounting to RM18,551,000. These buses are received physically subsequently in May 2024 with ownership registration of certain buses yet to be completed as at the reporting date.
- (ii) On 18 July 2024, HISB secured a new term loan amounting to RM63,100,000 for the purpose of refinancing certain short-term borrowings.
- (iii) On 23 July 2024, HIMB acquired the entire issued share capital of HISB for a total consideration of RM79,999,000 and became the investment holding company of HISB. Subsequently on 24 July 2024, HISB increased its paid-up capital by an additional 18,000,000 ordinary shares which were fully subscribed by HIMB for a total consideration of RM18,000,000.
- (iv) On 27 September 2024, HISB has entered into a Sale and Purchase Agreement ("SPA") with a third party and paid a deposit of RM2,400,000 to acquire a piece of freehold land located in Mukim of Tebrau, Johor Bahru for total purchase consideration of RM24,000,000. The SPA is yet to be completed as at the reporting date.

(b) Subsequent to the end of the reporting period

On 21 February 2025, the Company declared dividend of RM9,000,000 in respect of FYE 31 January 2025 to be paid out to its existing shareholders prior to the completion of the Listing.



**13. ACCOUNTANTS' REPORT (Cont'd)**

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HI Mobility Berhad (202401023591 (1569440 - A))  
Accountants' Report

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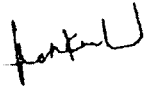
HI MOBILITY BERHAD (202401023591 (1569440 - A))

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Bah Kim Lian and Lim Chern Chuen, being two of the Directors of HI Mobility Berhad, state that, in the opinion of the Directors, the Combined Financial Statements set out on pages 5 to 74 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 and of the financial performance and cash flows of the Group for the financial years/period ended 31 January 2022, 31 January 2023, 31 January 2024 and 31 October 2024 in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 24 February 2025,



.....  
Bah Kim Lian  
Director



.....  
Lim Chern Chuen  
Director

## 14. ADDITIONAL INFORMATION

### 14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.
- (ii) Save for the ESOS as disclosed in Section 4.2.4 of this Prospectus, none of the share capital of our Company or our subsidiary is under option, or agreed conditionally or unconditionally to be put under option.
- (iii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iv) Save as disclosed in Sections 6.1.2, 6.1.3 and 6.1.4 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two years immediately preceding the date of this Prospectus.
- (v) As at the date of this Prospectus, save for our Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.2.1.2 of this Prospectus and the ESOS as disclosed in Section 4.2.4 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or our subsidiary.
- (vi) As at the date of this Prospectus, neither our Company nor our subsidiary have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Sections 2.2, 4.8.3 and 12.5 of this Prospectus, and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or our subsidiary or upon the declaration or payment of any dividend or distribution thereon.

### 14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires.

<b>Words</b>	<b>Meanings</b>
“Act”	The Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company for the time being in force.
“Authorised Nominee”	An authorised nominee defined under the Central Depositories Act.
“Auditors”	The auditors of the Company for the time being.
“Board”	The Board of Directors of the Company for the time being.

**14. ADDITIONAL INFORMATION (Cont'd)**

<b>Words</b>	<b>Meanings</b>
“Central Depositories Act”	The Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“CEO”	The Chief Executive Officer of the Company for the time being.
“Chairman”	The Chairman of the Board for the time being.
“CMSA”	Capital Markets and Services Act 2007 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Company”	HI Mobility Berhad (Registration No. 202401023591 (1569440-A)).
“Debenture” and “Debenture-holder”	The expressions “debenture” and “debenture-holder” shall include “debenture-stock” and “debenture- stockholder”.
“Deposited Security”	A Security standing to the credit of a Securities Account and includes a Security in a Securities Account that is in suspense, subject to the provisions of the Central Depositories Act and the Rules of the Depository.
“Depositor”	A holder of a Securities Account.
“Depository”	Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W)) or its nominees.
“Directors”	The directors of the Company for the time being, and unless otherwise stated, includes any person duly appointed and acting for the time being as an alternate director.
“Electronic Communication”	A document or information is sent or supplied by “Electronic Communication” if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means. This includes the transmission of any notice, document or information via electronic mail or short messaging service or multimedia or social media program or application or such other mode, program or platform capable of performing a similar function.

**14. ADDITIONAL INFORMATION (Cont'd)**

<b>Words</b>	<b>Meanings</b>
“Electronic Form”	Document or information set or supplied in electronic form are those sent by “Electronic Communication” or by any other means while in an electronic form (for example sending an electronic copy (CD-ROM) by post) whereby a recipient of such document or information would be able to retain a copy.
“Exchange”	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) and such other stock exchange if any, upon which the shares of the Company may be listed and quoted.
“Exempt Nominee”	Authorised An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
“Listed”	Admitted to the Official List and “listing” shall be construed accordingly.
“Listing Requirements”	Unless the context otherwise requires, means the Main Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.
“Market Day”	Any day on which the stock market of the Exchange is open for trading in Securities.
“Member(s)”	Any person for the time being holding shares in the Company and whose name appears in the Register of Members (with the exception of the Depository in its capacity as bare trustee member) and shall include any Depositor whose name appears in the Record of Depositors.
“Month”	Calendar Month.
“Office”	The registered office of the Company for the time being.
“Official List”	A list specifying all Securities which have been admitted for listing and have not been removed from the Exchange.
“Ordinary Resolution”	shall have the meaning given in Section 291 of the Act.
“Record of Depositors”	A record provided by the Depository to the Company or share registrar(s) pursuant to an application under Chapter 24 of the Rules of the Depository.

**14. ADDITIONAL INFORMATION (Cont'd)**

<b>Words</b>	<b>Meanings</b>
“Register of Members”	The register of members to be kept pursuant to the Act.
“Ringgit” and “RM”	The lawful currency of Malaysia.
“Rules/Rules of the Depository”	Rules of the Depository and any appendices thereto as they may be amended or modified from time to time.
“Seal”	The common seal of the Company or in appropriate cases, the official seal or duplicate common seal.
“Secretary”	Any person (or persons jointly) appointed to perform the duties of the secretary of the Company for the time being and shall include a joint, assistant, temporary or deputy secretary.
“Security/Securities”	shall have the meaning given in Section 2(1) of the CMSA.
“Securities Account”	An account established by the Depository for a Depositor for all recordings of deposits of Securities and for dealings in such Securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.
“Securities Commission”	The Securities Commission Malaysia.
“Special Resolution”	Shall have the meaning ascribed to it in Section 292 of the Act.
“Year”	Calendar year.

**14.2.1 Remuneration, voting and borrowing powers of Directors**

The provisions in our Constitution dealing with remuneration, voting and borrowing power of our Directors are as follows:

**(i) Remuneration of Directors****Clause 104 – Remuneration**

“The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an Ordinary Resolution of the Company and shall be subject to annual shareholder approval in general meeting be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;



**14. ADDITIONAL INFORMATION (Cont'd)**

- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.”

**Clause 105 – Reimbursement and special remuneration**

- “105.1 The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Board or of any committee of the Directors or general meetings or otherwise howsoever in connection with or about the business of the Company in the course of the performance of their duties as Directors.
- 105.2 If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director’s fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged subject to any other provisions of this Constitution.”

**Clause 137 – Remuneration of Chief Executive Officer and Executive Director**

“The remuneration of the CEO and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but such remuneration shall not include a commission on or percentage of turnover.”

**(ii) Directors’ voting powers****Clause 124 - Declaration of interest and restriction of voting**

“A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Company, shall declare the nature of his interest in accordance with the provisions of the Act and shall not vote or participate in any discussion in respect of any contract or proposed contract or arrangement and shall be counted only to make the quorum present at the meeting of the Board.

This Clause shall not apply to:

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or

**14. ADDITIONAL INFORMATION (Cont'd)**

- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.”

**Clause 126 - Directors appointed at a meeting to hold other office to be counted in the quorum / relaxation of voting restriction**

“A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is to be appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.”

**Clause 128 - Director's interest in corporation promoted by Company**

“A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of or from his interest in such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.”

**(iii) Directors' borrowing powers****Clause 109 – Directors' borrowing powers**

“Subject to the Act and Listing Requirements, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit.”

**14. ADDITIONAL INFORMATION (Cont'd)****14.2.2 Changes to share capital**

The provisions in our Constitution dealing with changes to share capital and variation of class rights are as follows:

**(i) Variation of rights****Clause 18 – Alteration of Class Rights**

“Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class within 2 months of the meeting, or with the sanction of any Special Resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such consent or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting, all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third (1/3) of the issued shares of such class (excluding treasury shares) (but so that if an adjourned meeting of such holders, a quorum as defined above is not present, those Members who are present shall be a quorum), that any holder of shares of the class present in person or by proxy may demand a poll, and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively. To every such Special Resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.”

**(ii) Alteration of Capital****Clause 56 - Alteration of Capital**

“56.1 Subject to the provisions of the Act and the Listing Requirements, the Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital, such that the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (c) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into another class of shares; and/or
- (d) cancel any shares which, at the date of the passing of the resolution, have been forfeited, have not been taken or agreed be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled.

**14. ADDITIONAL INFORMATION (Cont'd)**

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56.2 The Company may by Special Resolution reduce its share capital in any manner permitted or authorised under and in compliance with the Act.”

**14.2.3 Transfer of securities**

The provision in our Constitution dealing with transfer of securities is as follows:

**Clause 41 - Transfer of securities**

“Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed Security or class of listed Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed Securities.”

**14.2.4 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any rights**

The provisions in our Constitution dealing with rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation, and any special rights are as follows:

**Clause 19 - Ranking of class rights**

“The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.”

**Clause 82(a) – Members’ vote**

“Subject to Clause 64 above and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares upon which all calls due to the Company have been paid.”

**Clause 82(b) – Proxy’s vote**

“A proxy shall be entitled to vote on a show of hands on any question at any general meeting.”

**14. ADDITIONAL INFORMATION (Cont'd)****Clause 82(c) – Number of votes**

“Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, on a show of hands a holder of ordinary shares or preference shares who presents as a Member or a Member’s representative or proxy or attorney and entitled to vote shall be entitled to one (1) vote on any question at any general meeting; and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way.”

**Clause 149 – Distribution of dividends**

“The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made. In the event, after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made. No higher dividend shall be paid than is authorised by the Directors, and the declaration of the Directors as to the distribution shall be conclusive. If at any time the share capital of the Company is divided into different classes the Directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of a dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.”

**14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS**

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance Malaysia and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

**14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS**

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or foreign shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

**14. ADDITIONAL INFORMATION (Cont'd)****14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION**

As at the LPD, save as disclosed below, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by or to our Group:

**(i) Malaysia**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

**(ii) Singapore**

As at the LPD, there are no exchange control restrictions in effect in Singapore which may affect the repatriation of capital and remittance of profits by or to our Company.

**14.6 MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business during the Financial Years/Period Under Review and up to the date of this Prospectus:

**14.6.1 Share sale and subscription agreement dated 18 July 2024**

The share sale and subscription agreement dated 18 July 2024 entered into between Lim Han Weng, Bah Kim Lian and Bumi Mampan (as vendors) and the Company (as purchaser) for: (i) the acquisition of the entire issued share capital of Handal Indah, comprising 52,000,000 Handal Indah Shares at a total consideration of RM79,999,000.00 to be satisfied via the issuance of 79,999,000 new Shares at an issue price of RM1.00 per Share; and (ii) the subscription of 20,000,000 new Shares by Lim Han Weng and Bumi Mampan at the subscription price of RM1.00 per Share at total amount of RM20,000,000.00.

Both the Acquisition of Handal Indah and the Subscription of New Shares were completed on 23 July 2024.

**14.6.2 Sale and purchase agreement dated 27 September 2024**

The sale and purchase agreement dated 27 September 2024 entered into between PNE PCB Berhad (as vendor) and Handal Indah (as purchaser) for the acquisition of a double storey detached factory annexed with a double storey office building with a mezzanine floor held under title no. HS(D) 177877, PTD No. 53701, Mukim of Tebrau, District of Johor Bahru, Negeri Johor for a total cash consideration of RM24.00 million. As at the LPD, the sale and purchase transaction is pending completion.

**14. ADDITIONAL INFORMATION (Cont'd)**

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**14.6.3 Retail underwriting agreement dated 24 February 2025**

Retail underwriting agreement dated 24 February 2025 entered into between our Company and the Sole Underwriter to underwrite 15,000,000 Issue Shares under the Retail Offering for an underwriting commission of up to 1.0% (exclusive of applicable tax) of the IPO Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

**14.6.4 Lock-up letter dated 24 February 2025 in relation to our IPO and Listing**

Lock-up letter dated 24 February 2025 issued by our Company to the Sole Placement Agent in relation to the lock-up arrangement for our IPO and Listing, details of which are set out in Section 4.8.3(i) of this Prospectus.

**14.7 MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

**14.8 CONSENTS**

The written consents of the Principal Adviser, Sole Placement Agent and Sole Underwriter, legal advisers, Share Registrar, Issuing House and company secretaries as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of BDO PLT for the inclusion of its name, the Accountants' Report and the Reporting Accountants' letter on the Pro Forma Consolidated Statements of Financial Position and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor Consulting Sdn Bhd for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**14.9 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of six months from the date of this Prospectus:

- (i) our Constitution;
- (ii) IMR Report as included in Section 8 of this Prospectus;
- (iii) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.4 of this Prospectus;
- (iv) Accountants' Report as included in Section 13 of this Prospectus;

**14. ADDITIONAL INFORMATION (Cont'd)**

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- (v) our material contracts as referred to in Section 14.6 of this Prospectus;
- (vi) letters of consent referred to in Section 14.8 of this Prospectus;
- (vii) audited financial statements of our subsidiary, Handal Indah for the Financial Years/Period Under Review; and
- (viii) By-Laws as included in Annexure E of this Prospectus.

**14.10 RESPONSIBILITY STATEMENTS**

Our Directors, our Promoter and the Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Sole Placement Agent for the Institutional Offering, and the Sole Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

### 15.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 7 MARCH 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 19 MARCH 2025

Applications for our IPO Shares will open and close at the times and dates stated above. If there are any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia.

**Late Applications will not be accepted.**

### 15.2 METHODS OF APPLICATION

#### 15.2.1 Retail Offering

All Applications must be in accordance with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

Applicants who subscribe for the IPO Shares allocated under the Pink Form Allocation may also apply by way of balloting for the IPO Shares available under the Malaysian Public.

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 15.2.2 Institutional Offering

Institutional and selected investors who have been allocated our IPO Shares under the Institutional Offering will be contacted directly by the Sole Placement Agent and should follow the instructions as communicated by the Sole Placement Agent.

Institutional and selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form or Electronic Share Application or Internet Share Application.

## 15.3 ELIGIBILITY

### 15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the "Detailed Procedures for Application and Acceptance" accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category for each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

**AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.**

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:

- (i) you must be one of the following:
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the Application; or
  - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit the Application by using only one of the following methods:
  - (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said documents and where relevant, in our Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

## 15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.22 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 668**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Method below is relevant for White Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through our Human Resources or Finance Department.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd  
(Registration No. 199301003608 (258345-X))  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

or

P.O. Box 00010  
Pejabat Pos Jalan Sultan  
46700 Petaling Jaya  
Selangor Darul Ehsan

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

so as to arrive not later than 5.00 p.m. on 19 March 2025 or by such other time and date specified in any changes to the date or time for closing of applications for our IPO shares.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

**15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION**

Only **Malaysian individuals** may apply for the IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only **Malaysian individuals** may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Malaysia Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities or contact the relevant Internet Participating Financial Institution for further enquiries.

### 15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject the Applications which:
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or
  - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.8 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allotment of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major English and Bahasa Malaysia newspapers as well as posted on the Issuing House's website [www.mih.com.my](http://www.mih.com.my) within 1 Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription for the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Retail Underwriting Agreement.

**15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

**15.9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful Applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.10 SUCCESSFUL APPLICANTS**

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

**15.11 ENQUIRIES**

Enquiries in respect of the Applications may be directed as follows:

<b>Mode of Application</b>	<b>Parties to direct the queries</b>
Application Forms	Issuing House Enquiry Services at telephone no. +603 7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at [www.mih.com.my](http://www.mih.com.my), by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.



**ANNEXURE A: GOVERNING LAWS AND REGULATIONS**

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The relevant laws and regulations governing our Group and which are material to our operations are summarised below.

**1. MALAYSIA****(A) LAWS AND REGULATIONS RELATING TO OUR BUSINESS****(1) Land Public Transport Act 2010 (“LPTA”)**

LPTA provides for and regulates land public transport and for matters incidental thereto, including those related to public service vehicle services.

Section 16(1) of the LPTA provides that no person shall operate or provide a public service vehicle service using a class of public service vehicles unless he holds an operator's licence issued under the LPTA. Under the LPTA, a person is deemed to be operating or providing a public service vehicle service if he uses or drives a public service vehicle of a class of public service vehicles himself or employs one or more persons to use or drive a public service vehicle of a class of public service vehicles, to operate or provide a public service vehicle service, and he owns the said public service vehicle; or he is responsible, under any form of arrangement with the owner or lessor of the said public service vehicle to manage, maintain or operate such public service vehicle. A company or corporation which contravenes Section 16(1) of the LPTA commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000.

Pursuant to Section 19 of the LPTA, an operator's licence shall, unless replaced or revoked, continue in force for such period as may be determined by the Director General of Land Public Transport, provided that such period shall not exceed seven years.

Pursuant to Sections 24(1) and (2) of the LPTA, any licensed operator, who satisfies the Director General of Land Public Transport that since the date of issuance of the operator's licence, he has lawfully and continuously provided in a satisfactory and efficient manner a public service vehicle service in accordance with the terms and conditions of the operator's licence, shall on application to the Director General of Land Public Transport for renewal of the operator's licence, be given preference over all other applications for an operator's licence to carry on such service or business of operating or providing such service that is substantially the same as that which the licensed operator has been operating or providing. The Director General of Land Public Transport may, on an application by the licensed operator, renew the operator's licence on such conditions as the Director General of Land Public Transport thinks fit or refuse the application.

Pursuant to Section 34 of the LPTA, the Director General of Land Public Transport may classify and number, in such manner as may be convenient, the routes in respect of which operator's licences to operate any classes of public service vehicle are issued, and may publish a list of the routes so classified and numbered.

**(2) Electricity Supply Act 1990 (“ESA”)**

The ESA provides for the regulation of the electricity supply industry, the supply of electricity at reasonable prices, the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

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Section 9(1) of the ESA provides that subject to any exemptions as may be granted, no person, other than a supply authority, shall (a) use, work or operate or permit to be used, worked or operated any installation or (b) supply to or for the use of any other person electricity from any installation, except under and in accordance with the terms and conditions of a licence as may be prescribed authorising the supply or use, as the case may be.

Pursuant to Section 37(4) of the ESA, a person who uses, works or operates, or permits to be used, worked or operated any installation commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

Pursuant to Section 37(5) of the ESA, a person who supplies electricity from an installation to or for the use of any person commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

**(3) LGA**

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor. The local authority may at its discretion refuse to grant or renew any licence without assigning any reason therefor. The licences granted by the local authority shall be valid for a period not exceeding three years. A person to whom such licence has been granted shall exhibit the licence at all times in some prominent place of the licenced premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same.

Under Section 104 of the LGA, any person who contravenes any of the provisions of the LGA and/or the by-laws of the relevant local authorities shall be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding one year or to both and in the case of a continuing offence a sum not exceeding RM200 for each day during which such offence is continued after conviction.

**(4) Control of Supplies Act 1961 ("CSA") and the Control of Supplies Regulations 1974 ("Regulations 1974")**

The CSA provides for the control and rationing of supplies in Malaysia. Pursuant to Regulation 18(1) of the Regulations 1974, any person who carries on any trade or business, which in the course of the trade or business he uses or consumes any of the scheduled article as specified in the Regulations 1974, shall not possess more than the prescribed quantity of the scheduled article. Regulation 18(1) of the Regulations 1974 shall not apply to any person who has been authorised by way of a permit issued by the Controller.

Section 22(1) of the CSA provides that any person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence against the CSA shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding three years or to both, and for a second or subsequent offence, to a fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding five years or to both.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

Section 22(2) of the CSA provides that any body corporate which commits an offence against the CSA shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

**(B) LAWS AND REGULATIONS RELATING TO OUR PROPERTIES AND MACHINERY****(1) SDBA**

The SDBA provides uniformity of law and policy to make laws with regard to local government matters relating to street, drainage and buildings in Peninsular Malaysia.

Pursuant to Section 70(27)(f) of the SDBA, no person shall occupy or permit to be occupied any building or any part thereof unless a CCC has been issued, and any failure to comply shall be liable on conviction to a fine of up to RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

Section 79 of the SDBA provides that any person who erects or causes or permits to be erected in any building any partition, compartment, gallery, loft, roof, ceiling or other structure without having the prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM500 and shall also be liable for a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

Further, Section 80 of the SDBA provides that any person who erects or causes or permits to be erected, keeps or permits to be kept on his land or the land which he occupies any movable shed or movable structure intended to act as a roof without prior written permission of the local authority shall be guilty of an offence and shall on conviction be liable to a fine of RM1,000 and the Magistrate Court shall on application of the local authority, make a mandatory order requiring such person to remove such movable shed or structure.

**(2) FSA**

The FSA provides the effective and efficient functioning of the Fire Services Department, for the protection of persons and property from fire risks or emergencies.

Every designated premises shall require a fire certificate. Where there is no fire certificate in force in respect of any designated premises the owners the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or imprisonment for a term not exceeding five years or to both. If the Director General of Fire Services is satisfied that, amongst others, any continued activity in any premises would constitute an immediate danger of fire prejudicial to the safety of life or property, he may, by order, direct the owner or occupier of the premises to cease such activity.

**(3) NLC**

The NLC governs the laws relating to land and land tenure, the registration of title to land and of dealings therewith.

Pursuant to the NLC, all land must be used in accordance with the category of land use, express conditions and restrictions in interest stipulated in the issue document of title, failing which:

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

- (a) the proprietor may be liable under Section 127(1A) of the NLC to show cause why a fine should not be imposed and upon failure by the proprietor to show cause to the satisfaction of the land administrator, the land administrator may make an order for the payment of a fine of not less than RM500, and in the case of a continuing breach, a further fine of not less than RM100 for each day during which the breach continues; or
  - (b) the proprietor may be served a notice under Section 128(1) of the NLC to remedy the breach within the time therein specified; or
  - (c) the land may become liable to forfeiture to the state authority under Section 129(1) of the NLC.
- (4) Occupational Safety and Health Act 1994 (“OSHA”) and the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 (“OSH Regulations”)**

Since the repeal of the Factories and Machinery Act 1967 with effect from 1 June 2024, the OSHA and the OSH Regulations are the main governing laws with respect to matters relating to, amongst other, the registration and inspection of plants (including machinery and equipment).

Section 27C of the OSHA provides that no person shall install or cause to be installed any prescribed plant unless the person ensures that the plant has fulfilled all the requirements prescribed by the minister and has obtained the written approval from the Director General of Occupational Safety and Health. Section 27D(1) of the OSHA further provides that no person shall operate or cause or permit to be operated any plant that has been installed under Section 27C unless the plant has a certificate of fitness issued by an officer or licenced person. Any person who contravenes Section 27C or Section 27D(1) shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both.

**(C) LAWS AND REGULATIONS RELATING TO LABOUR PRACTICES****Immigration Act 1959/63 (“Immigration Act”)**

The Immigration Act is in relation to immigration, including the entry of foreign workers into Malaysia.

Any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass to enter Malaysia shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each of such employee.

A pass lawfully issued to any person shall cease to be a valid pass when any of its terms and conditions is contravened.

If it is proved to the satisfaction of the court that a person has at the same time employed more than five employees who are not in possession of a valid pass, that person shall on conviction be liable to imprisonment for a term of not less than six months but not more than five years and shall also be liable to whipping of not more than six strokes.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

Where the offender is a body corporate, any person who at the time the offence was committed, was a member of the board of directors, a manager, a secretary or a person holding an office or a position similar to that of a manager or secretary of the body corporate, shall be guilty of that offence and shall be liable to the same punishment as mentioned above.

**(D) LAWS AND REGULATIONS RELATING TO SOCIAL WELFARE****(1) OSHA**

Apart from as stipulated in paragraph (B)(iv) above, the OSHA also provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith.

Employers must, as far as is practicable, ensure the safety, health and welfare to work of all their employees and this duty extends to include, without limitation, the following:

- (a) providing and maintaining the plants and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) making arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plants and substances;
- (c) providing information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of his employees;
- (d) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining the means of access to and egress from it that are safe and without such risks;
- (e) providing and maintaining a working environment for his employees that is, so far as is practicable, safe, without risks to health, and adequate as regards to facilities for their welfare at work;
- (f) developing and implementing procedures for dealing with emergencies that may arise while his employees are at work.

Failure to comply with the above constitutes an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years, or to both.

**(2) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSA") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSA Regulations")**

The EMSA and the EMSA Regulations prescribe the minimum standards of housing for employees, requiring employers to provide health, hospital, medical and social amenities and matters incidental thereto to its employees. Part IIIA of the EMSA imposes the duty and responsibility on employers to, among other things, ensure that:

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

- (a) no accommodation shall be provided to an employee unless certified with a certificate for accommodation ("**Certificate for Accommodation**"). Pursuant to Section 24D(3) of the EMSA, an employer who fails to obtain a Certificate for Accommodation commits an offence and shall on conviction be liable to a fine not exceeding RM50,000;
- (b) the employer shall within 30 days from the date an accommodation is occupied by his employee, inform the Director General of Labour of such occupation. Pursuant to Section 24(E)(2) of the EMSA, any employer who fails to notify the Director General of Labour of such occupation commits an offence and shall on conviction be liable to a fine not exceeding RM10,000;
- (c) every accommodation provided for employees complies with the minimum standards required under the EMSA or any regulations made thereunder;
- (d) every accommodation provided for employees shall be provided with decent and adequate amenities in accordance with the EMSA or any regulations made thereunder;
- (e) necessary preventive measures are taken to ensure employees' safety and well-being;
- (f) the employees receive the necessary medical assistance; and
- (g) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer shall, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunization against any infectious disease.

Further, pursuant to Section 29A of the EMSA, a person who at the time of the commission of the offence was a director, compliance officer, partner, manager, secretary or other similar officer of the company, or was purporting to act in the capacity or was in any manner or to any extent responsible for the management of any of the affairs of the company or was assisting in its management may be charged severally or jointly in the same proceedings with the company and if the company is found guilty of the offence, shall be deemed to be guilty of that offence and shall be liable to the same punishment or penalty as an individual unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves that the offence was committed without his knowledge, or that the offence was committed without his consent or connivance and that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

**(E) LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY****Trademarks Act 2019 ("TMA 2019")**

The TMA 2019 provides for the registration of trademarks in relation to goods and services and to implement the relevant treaties and for other connected matters therewith. A trademark is defined under Section 3 of the TMA 2019 as any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A sign may constitute a trademark even though it is used in relation to a service ancillary to the trade or business of an undertaking and whether or not the service is provided for money or money's worth.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

A registered trademark shall be a property right obtained by the registration of trademark under the TMA 2019 and a registered proprietor of the trademark has the rights and remedies provided under the TMA 2019. The registration of a trademark shall be for a period of 10 years from the date of registration and may be renewed for a further period of 10 years in accordance with the TMA 2019.

**2. SINGAPORE****(A) LAWS AND REGULATIONS RELATING TO OUR BUSINESS****(1) Road Traffic Act 1961 (“RTA”)**

The RTA provides for the regulation of road traffic and the use of vehicles.

**(a) Public service vehicle licenses**

Section 101(1) of the RTA provides that, generally, a person must not use a motor vehicle as a public service vehicle unless there is a valid license issued under the RTA in respect of such vehicle authorising such use. Section 101(1) of the RTA also provides that the use of such vehicle must be in accordance with the license and conditions attached to the license. The Second Schedule of the RTA includes as a public service vehicle an “omnibus”, being a bus that is used on a scheduled transport service and in which passengers are charged separate and distinct fares.

A public service vehicle license will not be issued in respect of any vehicle which does not comply with prescribed conditions as to construction, fitness, equipment or otherwise. The LTA may at any time modify the conditions of a public service vehicle license subject to requisite notice having been given to the license holder.

Any person who contravenes Section 101(1) of the RTA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD3,000 or to imprisonment for a term not exceeding six months or to both.

The Road Traffic (Public Service Vehicles) Rules (“**PSV Rules**”), a subsidiary legislation of the RTA, sets out further regulations relating to the licensing of public service vehicles. Under the PSV Rules, a public service vehicle license may be granted or renewed for such periods as the Registrar of Vehicles (which has been merged into the LTA), may determine. Public service vehicles may not be used for the operation of scheduled services from Singapore to destinations outside Singapore without the prior approval of the Registrar of Vehicles. In particular, omnibuses may only stop to take up or set down passengers at places prescribed by the Registrar of Vehicles, unless otherwise exempt from this requirement. A failure to comply with any provisions of the RTA or PSV Rules may result in a license being revoked, suspended or rejected for renewal.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)****(b) Drivers' vocational licenses**

Under Section 110(1) of the RTA, a person must not drive a public service vehicle on a road unless that person holds a vocational license granted under the RTA for those purposes. The Road Traffic (Vocational Licences for Bus Conductors and Drivers – Exemption) Order ("**Vocational Licenses Exemption**"), a subsidiary legislation of the RTA, exempts from this requirement any person who drives the Malaysia inter-state express bus service known as Bas Ekspres when holding a license under the laws of Malaysia that is equivalent to such a vocational license. The Vocational Licenses Exemption also exempts from the foregoing requirement of Section 110(1) of the RTA any person who drives a bus that is registered under the laws of Malaysia, the subject of an omnibus license granted under the RTA, and used to provide a passenger transport service for journeys between Johor and Singapore.

**(c) ASEAN PSV Permits**

Under the Road Traffic (International Circulation) Rules ("**International Circulation Rules**"), a subsidiary legislation of the RTA, a person who wishes to keep or use, in Singapore, a public service vehicle in respect of which a valid license or permit for its use has been issued under the law of an ASEAN member country ("**ASEAN PSV**") must hold an ASEAN PSV permit granted by the LTA. A failure to comply with the foregoing or with any condition to which a relevant ASEAN PSV permit is subject shall be an offence.

Any person who is guilty of an offence under the RTA or any rules enacted under the RTA shall, where no special penalty is provided, be liable in the case of a first offense to a fine not exceeding SGD1,000 or to imprisonment for a term not exceeding three months or to both and, in the case of a second or subsequent offense, to a fine not exceeding SGD2,000 or to imprisonment for a term not exceeding six months or to both.

**(2) Bus Services Industry Act 2015 ("BSIA")**

The BSIA aims to, amongst others, regulate the provision in Singapore of bus services, the operators of bus depots and bus interchanges, and the service standards that apply in the provision of bus services. Under Section 11(1) of the BSIA, other than the LTA or someone otherwise exempt from this requirement, a person must not operate a bus service unless that person is authorized to do so by a bus service license or subcontracted by the holder of a bus service license. A "bus service" refers to a service operated at predetermined timetables on a fixed route wholly or partly within Singapore, with two or more points within Singapore where the bus can stop for passengers to board and disembark.

The BSIA does not require a bus service license if a person does not operate any bus services that has been deemed by the LTA to have two or more points within Singapore where the bus can stop for passengers to board and disembark.



**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

A person who contravenes Section 11(1) of the BSAI shall be guilty of an offence and shall, where the number of bus services operated in contravention of Section 11(1) exceeds nine regular route services, be liable on conviction for a fine not exceeding SGD50,000 or imprisonment for a term not exceeding six months or both and, in the case of a continuing offence, for a further fine not exceeding SGD5,000 for every day or part of a day during which the offence continues after conviction. In any other case, a person who contravenes Section 11(1) of the BSAI shall be liable on conviction for a fine not exceeding SGD10,000 and, in the case of a continuing offence, for a further fine not exceeding SGD500 for every day or part of a day during which the offence continues after conviction.

**(B) LAWS AND REGULATIONS RELATING TO LABOUR PRACTICES****(1) Employment Act 1968 (“EA”)**

The EA is the main legislation governing employment in Singapore and is administered by the Ministry of Manpower of Singapore (“**MOM**”). The EA covers every employee who is under a contract of service with an employer and includes a workman. A workman is defined under the EA as, amongst others:

- (a) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any apprentice; and
- (b) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work.

Core provisions of the EA (such as public holiday and sick leave entitlements, minimum days of annual leave, payment of salary and allowable deductions and release for wrongful dismissal) cover all employees, including persons employed in a managerial or executive position, except statutory board employees or civil servants, domestic workers, seafarers and those who are covered separately.

In addition to the core provisions, Part IV of the EA contains provisions relating to, amongst others, working hours, overtime, rest days, payment of retrenchment benefit, priority of retirement benefit, annual wage supplements and other conditions of work or service. However, Part IV only applies to:

- (a) workmen earning basic monthly salaries of not more than SGD4,500; and
- (b) employees (excluding workmen and persons employed in a managerial or executive positions) earning basic monthly salaries of not more than SGD2,600.

An employer who breaches any provision of Part IV of the Employment Act is guilty of an offence and is liable on the first offense for a fine not exceeding SGD5,000, and liable on the second or subsequent offense for a fine not exceeding SGD10,000 or imprisonment for a term not exceeding 12 months or both.

**(2) Employment of Foreign Manpower Act 1990 (“EFMA”)**

The EFMA governs the employment of foreign employees in Singapore, which is regulated by the MOM. The EFMA prescribes the responsibilities and obligations of employers of foreign employees in Singapore.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

The EFMA provides that no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass from the MOM in accordance with the Employment of Foreign Manpower (Work Passes) Regulations 2012, which allows the foreign employee to work for him. Any person who fails to comply with this provision of the EFMA will be guilty of an offense and will be liable in the case of a first offense for a fine not less than SGD5,000 and not more than SGD30,000 or to imprisonment for a term not exceeding 12 months or to both; and be liable on a second or subsequent offense:

- (a) in the case of an individual, for a fine of not less than SGD10,000 and not more than SGD30,000 and imprisonment for a term of not less than one month and not more than 12 months; or
- (b) in any other case, for a fine of not less than SGD20,000 and not more than SGD60,000.

In Singapore, the work pass to be issued to a foreigner depends on, among other things, the type of work and salary being received by the foreigner in question. Unless otherwise approved, a work pass for a foreign employee is valid only in respect of the employer and the foreign employee specified in the work pass, as well as the trade, sector, occupation or type of employment specified in the work pass or submitted in connection with the application for the work pass.

**(C) LAWS AND REGULATIONS RELATING TO WORKPLACE SAFETY****(1) Workplace Safety and Health Act 2006 (“WSHA”)**

The WSHA provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of its employees and of others who may be affected by any undertaking carried on by the employer in the workplace as well as, where the work is carried out under the direction of the employer, the employer’s contractors and subcontractors and employees of its contractors and subcontractors at work.

Such measures include, amongst others, providing and maintaining a work environment that is safe, that is without risk to health, that has adequate facilities and arrangements for welfare at work, and where there are procedures implemented for dealing with emergencies that may arise at work.

Any person who breaches his duty under the WSHA is guilty of an offense and may be liable on conviction, in the case of a body corporate, to a fine not exceeding SGD500,000. If the contravention continues after the conviction, the body corporate shall be guilty of a further offense and will be liable to a fine not exceeding SGD5,000 for every day or part thereof during which the offense continues after conviction. For repeat offenders, where a body corporate has on at least one previous occasion been convicted of an offense under the WSHA that caused death and is subsequently convicted of the same offense that causes the death of another person, the court may, in addition to any imprisonment, punish the body corporate with a fine not exceeding SGD1 million and, in the case of a continuing offense, with a further fine not exceeding SGD5,000 for every day or part of a day during which the offense continues after conviction.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

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Further, the Commissioner for Workplace Safety and Health (“CWSH”) may serve a remedial order or a stop-work order in respect of a workplace if the CWSH is satisfied, amongst others, that the condition of the workplace would not allow any of the work or processes carried on in the workplace to be carried on with due regard to the safety, health and welfare of persons at work. A remedial order will direct the person served with the order to take measures, to the satisfaction of the CWSH, to, amongst others, remedy any danger so as to enable the work or process in the workplace to be carried out with due regard to the safety, health and welfare of the persons at work. A stop-work order will direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken.

Pursuant to the Workplace Safety and Health (Risk Management) Regulations, an employer in a workplace is supposed to, amongst others, conduct a risk assessment on the safety and health risks posed to any person who may be affected by the employer’s undertaking in the workplace, take all reasonably practicable steps to eliminate or minimize foreseeable risks, implement measures or safety procedures to address the risks, and inform workers of the same. Any employer who fails to comply with these requirements is guilty of an offense and is liable on conviction for a first offense for a fine not exceeding SGD10,000 and is liable on conviction for a second or subsequent offence for a fine not exceeding SGD20,000 or imprisonment for a term not exceeding six months or both.

**(2) Work Injury Compensation Act 2019 (“WICA”)**

The WICA provides for, amongst others, the payment of compensation to employees for injury arising out of and in the course of their employment.

The WICA applies to all employees who are engaged under a contract of service or apprenticeship with an employer regardless of their level of earnings and regardless of whether they are local or foreign employees. The WICA provides that if an employee dies or sustains injuries in a work-related accident or contracts occupational diseases in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

In addition, under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which may incur under the provisions of the WICA in respect of all employees employed by him, unless specifically exempted. Further, every employer is required to maintain work injury compensation insurance for all employees engaged in manual work labour regardless of their salary level, as well as all employees doing non-manual work who earn SGD2,600 or less a month. Failure to provide adequate insurance is an offense carrying a fine of up to SGD10,000 or imprisonment for a term of up to 12 months, or both, or if the employer is a repeat offender, a fine of up to SGD20,000 or imprisonment for a term of up to 12 months, or both.

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS**

We have various licences, permits and approvals for our operations in Malaysia and Singapore. Details of our major licences, permits and approvals for our operations as at the LPD together with the salient conditions are as follows:

**Malaysia****(a) Operational licences and permits**

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
1.	HI Mobility	Business licence granted to HI Mobility at Level 16, Menara Southpoint, Medan Syed Putra, Mid Valley City, 59200 Kuala Lumpur, Wilayah Persekutuan for office use.	Dewan Bandaraya Kuala Lumpur	File no.: DBKL.JPPP/03164/ 10/2024/KM01	25 October 2024 to 24 October 2025	Nil	N/A
2.	HI Mobility	Business and advertisement licence granted to HI Mobility at the HQ for office use.	MBJB	Account no.: L2024LI061808	30 December 2024 to 29 December 2025	Nil	N/A
3.	Handal Indah	Business and advertisement licence granted to Handal Indah at the HQ for public bus services.	MBJB	Account no.: L2009LI01537	1 January 2025 to 31 December 2025	Nil	N/A
4.	Handal Indah	Business and advertisement licence granted to Handal Indah at the HQ for operating a vehicle workshop.	MBJB	Account no.: L2022LI05797	1 January 2025 to 31 December 2025	Nil	N/A

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**

No.	Company	Description of licences / permits / approvals	Approving authority / Issuer	Licence / Permit / Account / Reference no.	Validity period	Major conditions imposed	Status of compliance
5.	Handal Indah	Business licence granted to Handal Indah at the EV Bus Depot for bus storage.	MJB	Account no.: L2012LI00758	1 January 2025 to 31 December 2025	Nil	N/A
6.	Handal Indah	Business and advertisement licence granted to Handal Indah at the EV Bus Depot for diesel storage.	MJB	Account no.: L2011LI01872	1 January 2025 to 31 December 2025	Nil	N/A
7.	Handal Indah	Business and advertisement licence granted to Handal Indah at the Bika Bus Depot for diesel storage.	MJB	Account no.: L2025LI062469	16 January 2025 to 30 June 2026	Nil	N/A
8.	Handal Indah	Operator licence for stage bus services issued to Handal Indah pursuant to the LPTA.	APAD	Licence no.: 199401001789 (BB)  Reference no.: LP 059282	11 May 2023 to 19 July 2026	(a) Section 70(1) of the LPTA provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.	Complied
						(b) Section 72(3)(a) of the LPTA provides that a licenced operator shall inform the Director General of Land	Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** *(Cont'd)*

No.	Company	Description of licences / permits / approvals	Approving authority / Issuer	Licence / Permit / Account / Reference no.	Validity period	Major conditions imposed	Status of compliance
						Public Transport of any change in control of the licenced operator.	
9.	Handal Indah	Service permit issued to Handal Indah certifies the permissible routes for stage bus services.	APAD	Licence no.: 199401001789 (BB)  Reference no.: PP 037773	N/A	Nil	N/A
10.	Handal Indah	Operator licence for express bus services issued to Handal Indah pursuant to the LPTA.	APAD	Licence no.: 199401001789 (BE)  Reference no.: LP 030793	16 May 2022 to 19 July 2025	(a) Section 70(1) of the LPTA provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.	Complied
						(b) Section 72(3)(a) of the LPTA provides that a licenced operator shall inform the Director General of Land Public Transport of any change in control	Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

No.	Company	Description of licences / permits / approvals	Approving authority / Issuer	Licence / Permit / Account / Reference no.	Validity period	Major conditions imposed of the licenced operator.	Status of compliance
11.	Handal Indah	Service permit issued to Handal Indah certifies the permissible routes for express bus services.	APAD	Licence no.: 199401001789 (BE)  Reference no.: PP 024001	N/A	Nil	N/A
12.	Handal Indah	Operator licence for employee bus services issued to Handal Indah pursuant to the LPTA.	APAD	Licence no.: 199401001789 (BJ)  Reference no.: LP 031833	24 July 2022 to 9 October 2025	(a) Section 70(1) of the LPTA provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.	Complied
						(b) Section 72(3)(a) of the LPTA provides that a licenced operator shall inform the Director General of Land Public Transport of any change in control of the licenced operator.	Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
13.	Handal Indah	Service permit issued to Handal Indah certifies the permissible routes for employee bus services.	APAD	Licence no.: 199401001789 (BJ)  Reference no.: PP 020104	N/A	Nil	N/A
14.	Handal Indah	Operator licence for feeder bus services issued to Handal Indah pursuant to the LPTA.	APAD	Licence no.: 199401001789 (BF)  Reference no.: LP 059402	11 May 2023 to 19 July 2026	(a) Section 70(1) of the LPTA provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.  (b) Section 72(3)(a) of the LPTA provides that a licenced operator shall inform the Director General of Land Public Transport of any change in control of the licenced operator.	Complied  Complied



**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

No.	Company	Description of licences / permits / approvals	Approving authority / Issuer	Licence / Permit / Account / Reference no.	Validity period	Major conditions imposed	Status of compliance
15.	Handal Indah	Service permit issued to Handal Indah certifies the permissible routes for feeder bus services.	APAD	Licence no.: 199401001789 (BF)  Reference no.: PP 010537	N/A	Nil	N/A
16.	Handal Indah	Certificate for the registration of an engineering workshop (Category A) certifies that Handal Indah has registered with the automotive engineering division of JPJ for the purposes of constructing new vehicle bodies, repairing and making technical modifications to all types of buses, vans, trucks and tankers only at the HQ.	JPJ	Reference no.: JPJ.BKA.600-6/5/4 Jld 50(24)	14 February 2023 to 13 February 2025 <sup>(1)</sup>	Nil	N/A
17.	Handal Indah	Scheduled controlled articles permit granted to Handal Indah to purchase and store 72,000 litres of diesel (Euro 5) only at the EV Bus Depot.	Ministry of Domestic Trade and Cost of Living	Permit No.: PBKB/2024/B/J- 000941	28 October 2024 to 27 October 2027	Nil	N/A

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
18.	Handal Indah	Certificate of registration certifies that Handal Indah has been registered with the MOF under the supply/service sector, field, and sub-field, including, but not limited to, transportation, maintenance services, and other ancillary services.	MOF	Certificate no.: K63344996494011 137  Reference no.: 357-02142009	14 November 2024 to 20 November 2027	Nil	N/A

**Note:**

- (1) *The renewal application was submitted on 16 January 2025, and we expect to obtain the renewed certificate by March 2025. Our Group uses this certificate to carry out technical modifications on our buses. However, since technical modifications to our buses are not performed frequently, we do not anticipate the need for any in the first quarter of 2025.*

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

**(b) Licence for public or private installation**

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
1.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work and operate a solar photovoltaic system and its associated installation at the HQ for self-consumption and supplying the excess energy to the grid through net offset virtual aggregations (“NOVA”) under the NOVA contract.	Energy Commission	Licence No.: LA 12/1/14/1413 (PV-NOVA)	22 April 2024 to 21 April 2034	<p>(a) Handal Indah shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under the licence including its conditions except with the prior written consent of the Energy Commission.</p> <p>(b) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p> <p>(c) The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p>

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
2.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work or operate an electric vehicle charging system ("EVCS") at the HQ for the supply of electricity to consumers.	Energy Commission	Licence No.: LA 12/1/16/1183 (D-EVCS)	27 November 2024 to 26 November 2034	Handal Indah shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under the terms and conditions of the licence except with the prior written consent of the Ministry of Energy Transition and Water Transformation.	Complied
3.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work or operate an EVCS at the EV Bus Depot for the supply of electricity to consumers.	Energy Commission	Licence No.: LA 12/1/16/703 (D-EVCS)	18 June 2024 to 17 June 2034		Complied
4.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work or operate an EVCS at the EV Bus Depot for the supply of electricity to consumers.	Energy Commission	Licence No.: LA 12/1/16/761 (D-EVCS)	12 July 2024 to 11 July 2034		Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period</b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
5.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work or operate an EVCS at the EV Bus Depot for the supply of electricity to consumers.	Energy Commission	Licence No.: LA 12/1/16/686 (D-EVCS)	12 July 2024 to 11 July 2034		Complied
6.	Handal Indah	Licence for public installation granted to Handal Indah pursuant to the Electricity Supply Act 1990 to use, work or operate an EVCS at the EV Bus Depot for the supply of electricity to consumers.	Energy Commission	Licence No.: LA 12/1/16/718 (D-EVCS)	12 July 2024 to 11 July 2034		Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS** (Cont'd)

**(c) Certification in relation to machinery**

<u>No.</u>	<u>Company</u>	<u>Description of licences / permits / approvals</u>	<u>Approving authority / Issuer</u>	<u>Licence / Permit / Account / Reference no.</u>	<u>Validity period</u>	<u>Major conditions imposed</u>	<u>Status of compliance</u>
1.	Handal Indah	<p>Certificate of fitness issued to Handal Indah for an overhead travelling crane bearing the following details:</p> <p><b>Manufacturer</b> : Seratech Systems (M) Sdn Bhd</p> <p><b>Manufacturer No.</b> : G:P2638/1021/2581/23 H: NWHS213851</p> <p><b>Name of Machine</b> : Overhead travelling crane</p> <p><b>Location</b> : HQ</p>	DOSH	<p>Certificate No.: PMA-JH/ A24-263486</p> <p>Registration No.: JH PMA 93932</p>	11 November 2024 to 27 January 2026	N/A	N/A
2.	Handal Indah	<p>Certificate of fitness issued to Handal Indah for a 500 litre vertical air receiver tank (B) bearing the following details:</p> <p><b>Manufacturer</b> : Dancomair Engineering Sdn Bhd</p> <p><b>Manufacturer No.</b> : 23V05000069</p> <p><b>Name of Machine</b> : 500 litre vertical air receiver tank (B)</p> <p><b>Location</b> : HQ</p>	DOSH	<p>Certificate No.: PMT-JH/A24-265446</p> <p>Registration No.: JH PMT 154607</p>	27 November 2024 to 10 February 2026	N/A	N/A

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)****Singapore****(a) Operational licences and permits**




<b>No.</b>	<b>Company</b>	<b>Description of licences / permits / approvals</b>	<b>Approving authority / Issuer</b>	<b>Licence / Permit / Account / Reference no.</b>	<b>Validity period<sup>(1)</sup></b>	<b>Major conditions imposed</b>	<b>Status of compliance</b>
1.	Handal Indah	Approval granted for Handal Indah to operate cross-border bus services at the approved routes, with, amongst other prescribed details, designated stopping places, operating hours and bus fleet details (" <b>Approved Details 1</b> ").	LTA	Various	The validity period of the existing approvals varies from bus to bus, with the earliest and latest expiry dates of such validity periods being 1 July 2025 and 28 February 2026 respectively.	If Handal Indah wishes to make any changes to the Approved Details 1, Handal Indah is required to submit an application to LTA to amend the existing approvals, following which, at LTA's discretion, new approvals reflecting these amendments will be issued by LTA.	Complied
2.	Handal Indah	Approval granted for Handal Indah to operate 2 new intercity express bus services at the approved routes, with, amongst other prescribed details, designated stopping places, operating hours and approved buses (" <b>Approved Details 2</b> ").	LTA	Various	The validity period of the existing approvals commenced on 1 March 2024 and will expire on 31 March 2025.	If Handal Indah wishes to make any changes to the Approved Details 2, Handal Indah is required to submit an application to LTA to amend the existing approvals, following which, at LTA's discretion, new approvals reflecting these amendments will be issued by LTA.	Complied

**Note:**

(1) We will submit the renewal applications for these licences before they expire and expect to receive the renewed licences prior to their expiry dates. Our Group has not experienced any difficulties in renewing these licences in the past and we do not anticipate any major difficulties in the renewal of these licences within the respective validity period which may impact our business operations.


**ANNEXURE C: OUR INTELLECTUAL PROPERTY RIGHTS****1. REGISTERED TRADEMARKS AND TRADEMARK IN APPLICATION**

Save as disclosed below, as at the LPD, we do not have any other material patents, trademarks, brand names and other intellectual property rights in Malaysia:

<b>No.</b>	<b>Trademark</b>	<b>Registered owner / Applicant</b>	<b>Registration / Application no.</b>	<b>Issuing authority</b>	<b>Status / Expiry date / Application date</b>	<b>Class / Description of trademark</b>
1.		Handal Indah (Registered owner)	(a) 09016602 (Class 43); and  (b) 09016603 (Class 39)	MyIPO	Registered / 24 September 2029	43: Services for providing food and drink; temporary accommodation; all included in class 43.  39: Transport; packaging and storage of goods; travel arrangement; all included in class 39.
2.		Handal Indah (Registered owner)	2011055112 (Class 16)	MyIPO	Registered / 30 November 2031	16: Bus fare card or any paper products and plastic materials for packaging included in class 16.
3.		Handal Indah (Registered owner)	(a) 2011055113 (Class 35);  (b) 2011055114 (Class 39); and  (c) 2011055115 (Class 42)	MyIPO	Registered / 30 November 2031	35: Advertising, business marketing and management, office functions; all included in class 35.  39: Transportation service and travel arrangement; all included in class 39.  42: Scientific and technological services and research and design relating thereto and internet services; all included in class 42.



**ANNEXURE C: OUR INTELLECTUAL PROPERTY RIGHTS (Cont'd)**

<b>No.</b>	<b>Trademark</b>	<b>Registered owner / Applicant</b>	<b>Registration / Application no.</b>	<b>Issuing authority</b>	<b>Status / Expiry date / Application date</b>	<b>Class / Description of trademark</b>
4.		Handal Indah (Applicant)	(a) TM2024032427 (Class 35);  (b) TM2024032428 (Class 36);  (c) TM2024032429 (Class 37); and  (d) TM2024032430 (Class 39)	MyIPO	Published / 18 October 2024 <sup>(1)</sup>	35: Direct advertising services; business inquiries; commercial information and advice for consumers in the choice of products and services; compiling indexes of information for commercial or advertising purposes; financial auditing; financial records management; financial statement preparation and analysis for businesses; marketing; modelling for advertising or sales promotion; online advertising on a computer network; provision of an online marketplace for buyers and sellers of goods and services; presentation of goods on communication media, for retail purposes; targeted marketing.  36: Advisory services relating to credit and debit control, investment, grants and financing of loans; bank card, credit card, debit card and electronic payment card services; credit and loan services; credit card, debit card and electronic cheque transaction processing services; e-wallet payment services; electronic payment services; online bill payment services; financial payment services; financial services and consultancy relating thereto; financial services in the field of

**ANNEXURE C: OUR INTELLECTUAL PROPERTY RIGHTS (Cont'd)**

No.	Trademark	Registered owner / Applicant	Registration / Application no.	Issuing authority	Status / Expiry date / Application date	Class / Description of trademark
						money lending; provision of funds for hire purchase and for leasing.
						37: Advisory services relating to motor vehicle repair services; maintenance and repair of motor vehicles; assembly installation of accessories for vehicles; assembly installation of parts for vehicles.
						39: Arranging of transportation; bus transportation services; logistics services consisting of the storage, transportation and delivery of goods; logistics services consisting of the transport, packaging, and storage of goods; supply chain logistics and reverse logistics services consisting of the storage, transportation and delivery of goods for others by air, rail, ship or lorry; transportation and delivery of goods, samples and merchandise of all kinds by road, rail and ship; transportation and storage services relating to storage logistics, distribution logistics and returns logistics; transportation logistics; transportation consulting; providing information in relation to transportation; supply chain logistics and reverse logistics services consisting of the storage, transportation and delivery of freight.



**ANNEXURE C: OUR INTELLECTUAL PROPERTY RIGHTS (Cont'd)**

**Note:**

(1) *Handal Indah has applied for the registration of the trademark on 18 October 2024. The trademark has subsequently been published on 13 February 2025 in the Intellectual Property Official Journal. Any person may, within two months after the date of the publication, give notice of opposition to the Registrar of Trademarks opposing the registration. In the event that no opposition is filed, or if any opposition is decided in favour of the applicant, the Registrar of Trademarks will proceed with the registration of the trademark. In the event the applications for registration of the trademark with MyIPO are unsuccessful, our Group does not anticipate any material impact on our business operations, as we may continue to use the trademark. However, our rights to the trademark will not be protected under the Trademarks Act 2019, and we may not be able to prevent misuse of the trademark or initiate infringement actions under the Trademarks Act 2019. Nonetheless, our Group may still enforce our rights to the trademark through common law, such as passing off actions.*

**2. LICENSED TRADEMARKS AND COPYRIGHTS**

By virtue of a promotional licence agreement dated 8 October 2018 (as amended and supplemented from time to time) (the “**Promotional Licence Agreement**”), Smiley APAC Limited (as licensor) has granted a non-exclusive promotional licence to Handal Indah to use the following Smiley Trademarks (as defined below) and the Smiley Copyrights (as defined below), where appropriate, on, amongst others, all buses operated and managed by Handal Indah, kiosks, promotional materials (such as banners, buntings and others) not for sale to customers, and websites in the territories of Malaysia and Singapore. The Promotional Licence Agreement will expire on 31 December 2026.

<p><b>Smiley Trademarks</b></p>	<p>(a) “Smiley” name</p> <p>(b) “Smiley” logo as follows:</p>  <p>(c) “Smiley Winky” logo as follows:</p> 
<p><b>Smiley Copyrights</b></p>	<p>Style guides and copyrights under the label “SmileyWorld” which comprise of a few hundreds of variations of the Smiley logo</p>

**ANNEXURE C: OUR INTELLECTUAL PROPERTY RIGHTS** *(Cont'd)*

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In the event that either party fails or failed to observe its obligations under the Promotional Licence Agreement, the other party shall have the right to terminate the Promotional Licence Agreement, without prejudice to any other rights which it may have.

For information purposes, our Group is not dependent on the Smiley Trademarks and the Smiley Copyrights as we can rebrand our business with a different trademark in the event that the Promotional Licence Agreement is not renewed.

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**ANNEXURE D: OUR MATERIAL PROPERTIES****1. Material properties owned by our Group**

As at the LPD, our Group does not own any material properties.

**2. Material properties leased by our Group**

As at the LPD, the material properties leased by our Group are as follows:

<b>No.</b>	<b>Lessor / Lessee / Title details / Postal address</b>	<b>Description of property/ Existing use</b>	<b>Date of issuance of CF / CCC or equivalent</b>	<b>Land area / Built-up area (approximate)</b>	<b>Period of lease</b>	<b>Annual rental (RM)</b>
1.	<p><b>Lessor:</b> Perbadanan Johor</p> <p><b>Lessee:</b> Handal Indah</p> <p><b>Title details:</b> GRN 531950, Lot 149065, Mukim Tebrau, District of Johor Bahru, State of Johor</p> <p><b>Postal address:</b> No. 23, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor</p>	<p><b>Description:</b> One three-storey office building (with a three-storey office building at the front of the office building and a two-storey office building at the back of the office building) and one open shed bus workshop building with guard house, EV bus charging stations, rest shelter and storage shed <sup>(1)</sup></p> <p><b>Existing use:</b> HQ</p>	<p>14 September 2005 for the office building and bus workshop building</p> <p>Pending New CCC for the Extension Works and the HQ's Additional Structures <sup>(2)</sup></p>	<p><b>Land area:</b> 0.7178 hectares</p> <p><b>Built-up area:</b> 3,988.79 square metres</p>	60 years commencing from 13 January 2003 until 12 January 2063 (with a remaining tenure of approximately 38 years)	N/A <sup>(3)</sup>

**ANNEXURE D: OUR MATERIAL PROPERTIES** (Cont'd)

No.	Lessor / Lessee / Title details / Postal address	Description of property/ Existing use	Date of issuance of CF / CCC or equivalent	Land area / Built-up area (approximate)	Period of lease	Annual rental (RM)
2.	<p><b>Lessor:</b> Perbadanan Johor</p> <p><b>Lessee:</b> Handal Indah</p> <p><b>Title details:</b> H.S.(D) 493584, PTD 76070, Mukim Tebrau, District of Johor Bahru, State of Johor</p> <p><b>Postal address:</b> PLO 297, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor</p>	<p><b>Description:</b> Bus parking depot with guard house, diesel tank shed, EV bus charging stations and the Tenaga Nasional Berhad sub-station and consumer room <sup>(4)</sup></p> <p><b>Existing use:</b> EV Bus Depot</p>	25 October 2024 for the Tenaga Nasional Berhad sub-station and consumer room	<p><b>Land area:</b> 1.5144 hectares</p> <p><b>Built-up area:</b> 474.04 square metres</p>	60 years commencing from 28 October 2003 until 27 October 2063 (with a remaining tenure of approximately 38 years)	N/A <sup>(5)</sup>
3.	<p><b>Lessor:</b> Perbadanan Johor</p> <p><b>Lessee:</b> Handal Indah</p> <p><b>Title details:</b> H.S.(D) 281312, PTD 83701, Mukim Tebrau, District of Johor Bahru, State of Johor</p> <p><b>Postal address:</b> PTD 83701, Jalan Firma 3/1, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor</p>	<p><b>Description:</b> Bus parking depot with open shed workshop, guard house, office cabin, storage cabin, hardware room, toilet and prayer room <sup>(1)</sup></p> <p><b>Existing use:</b> Mutiara ICE Bus Depot <sup>(6)</sup></p>	N/A	<p><b>Land area:</b> 2.4585 hectares</p> <p><b>Built-up area:</b> 2,130.75 square metres</p>	60 years commencing from 1 February 2012 until 31 January 2072 (with a remaining tenure of approximately 47 years)	N/A <sup>(7)</sup>

**ANNEXURE D: OUR MATERIAL PROPERTIES** *(Cont'd)*

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**Notes:**

- (1) *Handal Indah obtained the temporary permits for the HQ's Additional Structures and Mutiara ICE Bus Depot's Structures on 4 December 2024.*
- (2) *Handal Indah is in the process of obtaining the New CCC for the Extension Works and HQ's Additional Structures. Please refer to Section 7.23 of this Prospectus for further details of this non-compliance and its rectification status.*
- (3) *Handal Indah acquired the lease of the HQ for a consideration amount of RM770,576.40 from Perbadanan Johor.*
- (4) *Handal Indah is in the process of obtaining the temporary permits for the EV Bus Depot's Structures. Please refer to Section 7.23 of this Prospectus for further details of this non-compliance and its rectification status.*
- (5) *Handal Indah acquired the lease of the EV Bus Depot for a consideration amount of RM1,630,015.20 from Perbadanan Johor.*
- (6) *The current use of the Mutiara ICE Bus Depot does not comply with the land use category and express condition set out in the issue document of title held under H.S.(D) 281312, PTD 83701, Mukim Tebrau, District of Johor Bahru, State of Johor. Please refer to Section 7.23 of this Prospectus for further details of this non-compliance and its rectification status.*
- (7) *Handal Indah acquired the lease of the Mutiara ICE Bus Depot for a consideration amount of RM2,646,270.00 from Perbadanan Johor.*

**ANNEXURE D: OUR MATERIAL PROPERTIES** (Cont'd)**3. Material property tenanted by our Group**

As at the LPD, the material property tenanted by our Group is as follows:

<b>No.</b>	<b>Landlord / Tenant / Postal address</b>	<b>Description of property / Existing use</b>	<b>Date of issuance of CF / CCC or equivalent</b>	<b>Land area / Built-up area (approximate)</b>	<b>Period of tenancy</b>	<b>Annual rental (RM)</b>
1.	<b>Landlord:</b> PAJ  <b>Tenant:</b> Handal Indah  <b>Postal address:</b> PLO 285, Jalan Firma 3, Taman Perindustrian Tebrau IV, 81100 Johor Bahru, Johor	<b>Description:</b> Bus parking depot with guard house, storage container, bus washing bay, water tank, toilet and unused diesel tank shed <sup>(1)</sup>  <b>Existing use:</b> Bika Bus Depot	N/A	<b>Land area:</b> 1.622 hectares  <b>Built-up area:</b> 2,035.10 square metres	3 years commencing from 1 January 2025 until 31 December 2027 (with a remaining tenure of approximately 3 years)	RM312,000.00

**Note:**

(1) Handal Indah obtained the temporary permit for the Bika Bus Depot's Structures on 4 December 2024.



**ANNEXURE E: BY-LAWS OF THE ESOS****HI MOBILITY BERHAD****BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME****PART I****1. NAME OF THE SCHEME**

This Scheme (as defined herein) shall be called the "HI Mobility's Employees' Share Option Scheme".

**2. OBJECTIVES OF SCHEME**

2.1 The objectives of the ESOS (as defined herein) are as follows:

- (a) To recognise and reward the Eligible Persons (as defined herein) by giving recognition to their contributions and services that are considered vital to the operations as well as sustained growth and profitability of the Group (as defined herein).
- (b) To retain, motivate and reward the Eligible Persons by allowing them to participate in the profitability of the Group and eventually realise capital gains arising from any appreciation in the value of the Shares (as defined herein).
- (c) To make the employees' remuneration scheme of the Group more competitive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth and profitability.

2.2 In addition to the objectives set out in By-Law 2.1 above, the objective of the Scheme is to recognise the contributions and efforts made by the non-executive Directors (as defined herein) as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decisions of the Group.

**3. DEFINITIONS AND INTERPRETATION**

3.1 In these By-Laws, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award Date	The date of the letter or e-mail by which an ESOS Offer is offered by the Nomination and Remuneration Committee to the Eligible Persons to participate in the Scheme
Board	The Board of Directors for the time being of HI Mobility
Bursa Depository	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	Bursa Malaysia Securities Berhad

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 24)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Company or HI Mobility	HI Mobility Berhad (Registration No. 202401023591 (1569440-A))
Constitution	The Company's constitution, as amended from time to time
Date of Expiry	Last day of the Duration of the Scheme as defined in By-Law 22.1
Director(s)	A natural person who holds a directorship within the Group for the time being, and has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 including non-executive directors
Disciplinary Proceedings	Proceedings instituted by any company within the HI Mobility Group against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by that company in the course of that Employee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Employee
Duration of the Scheme	The duration of the Scheme as defined in By-Law 22 and includes any extension of the duration
Effective Date	The date on which the Scheme comes into force as provided in By-Law 22.1
EGM	Extraordinary General Meeting
Eligible Person(s)	Collectively, the eligible Employee(s) and/or Director(s) who fulfil(s) the eligibility criteria for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of 18 years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the Nomination and Remuneration Committee from time to time at its discretion
Entitlement Date	The date as at the close of business on which the names of shareholders must appear in HI Mobility's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

ESOS Offer(s)	An award of ESOS Options made in writing by the Nomination and Remuneration Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Option(s) or Option(s)	The right of a Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the Grantee in the manner provided in By-Law 8
ESOS or Scheme	The HI Mobility's Employees' Share Option Scheme, as may be modified or altered from time to time
Exercise Price	The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	Any Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
Group or HI Mobility Group	Collectively, the Company and its subsidiary(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 20
Listing Requirements	Main Market Listing Requirements of Bursa Securities
Market Day	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allocation	The maximum number of new Shares that can be offered to an Eligible Person in accordance with By-Law 6
Nomination and Remuneration Committee	The committee appointed by the Board to administer the ESOS in accordance with By-Law 25, comprising such number of Directors and/or other persons appointed/identified from time to time by the Board
Offer Period	The period during which an ESOS Offer shall remain valid in the manner provided in By-Law 7.4
Option Certificate	The certificate issued by the Nomination and Remuneration Committee confirming the grant of the Option to the Grantee and the Exercise Price together with the number of Shares comprised in the ESOS Option
Option Period	The period commencing from the Effective Date to a date not exceeding ten (10) years as stipulated by the Nomination and Remuneration Committee in the ESOS Offer or upon the date of termination or expiry

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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|---------------------------|---|
|                           | of the ESOS as provided in By-Laws 14 or 22 respectively  |
| Persons Connected         | Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in Paragraph 1.01 of the Listing Requirements |
| Principal Adviser         | A corporate finance adviser licensed to make submissions to the SC for corporate proposals  |
| Rules of Bursa Depository | The rules of Bursa Depository, as issued pursuant to SICDA  |
| SC                        | Securities Commission Malaysia  |
| Shares                    | Ordinary shares in the relevant ordinary share capital of the Company from time to time   |
| SICDA                     | Securities Industry (Central Depositories) Act 1991, as amended from time to time   |
| Vesting Conditions        | The conditions determined by the Nomination and Remuneration Committee and stipulated in the ESOS Offer which must be fulfilled for the Options under an ESOS to be vested in a Grantee   |
- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
  - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or Bank Negara Malaysia and/or the SC);
  - (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to ESOS Offer made, offered and/or accepted within the Duration of the Scheme; and
  - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and *vice versa*.
- 3.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry, then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; and
  - (b) by the Nomination and Remuneration Committee may be exercised in the Nomination and Remuneration Committee's sole and absolute discretion and the Nomination and Remuneration Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the Nomination and Remuneration Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "HI Mobility Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

**PART II****4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

- 4.1 The aggregate maximum number of Shares which may be made available under the Scheme shall not in aggregate exceed 10% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 22.1.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued shares of the Company (excluding treasury shares, if any), then such ESOS Options granted prior to the adjustment of the number of issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the Nomination and Remuneration Committee shall not make any further ESOS Offer unless the total number of Shares to be issued under the Scheme falls below 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 22.1 after such adjustment.
- 4.3 The Company shall during the Duration of the Scheme use its reasonable effort to make available sufficient unissued Shares in the capital of the Company to satisfy all outstanding ESOS Options which may be exercisable in accordance with the Scheme.

**5. ELIGIBILITY**

- 5.1 Only Eligible Persons who fulfil the following conditions on the date on which an ESOS Offer is made in writing by the Nomination and Remuneration Committee to such persons to participate in the Scheme shall be eligible to participate in the Scheme:
- (a) In respect of an Employee, the Employee who fulfil the following criteria as at the Award Date:
    - (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
    - (ii) he/she is employed on the Award Date and he/she is employed –

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (1) on a full time basis and is on the payroll of any company within the Group and his/her employment has been confirmed by any company within the Group; or
  - (2) serving in a specific designation under an employment contract with any company of the Group for a continuous fixed duration of at least one year (which shall include any probation period) and may, if the Nomination and Remuneration Committee deems fit, to include contract staff hired for a period of one year or more for any purposes or specific requirements of the Group; and
  - (iii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) or (ii) above) that may be determined by the Nomination and Remuneration Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) In respect of a Director, the Director who fulfil the following criteria as at the Award Date:
- (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) he/she has been appointed as a Director of the Company or any other company within the Group; and
  - (iii) he/she falls within any other eligibility criteria (including variations to the eligibility criteria under By-Laws 5.1(b)(i) and 5.1(b)(ii) above) that may be determined by the Nomination and Remuneration Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (c) In respect of an Eligible Person who is a Director, chief executive officer, major shareholder of the Company or a person connected with a Director, chief executive officer or major shareholder, the ESOS Offer and the specific allocation of ESOS Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting, and they shall not vote on the resolution approving their respective offer, allocation and allotment.
- (d) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, he/she must fulfil the following as at the Award Date:
- (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) he/she is employed full time basis and on the payroll of the newly acquired company and his/her employment has been confirmed by the newly acquired company; and
  - (iii) he/she has been an employee of the newly acquired company for such period as may be determined by the Nomination and Remuneration Committee prior and up to the Award Date.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (e) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the Nomination and Remuneration Committee from time to time at its sole discretion, whose decision shall be final and binding.

For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.

- 5.2 Without prejudice to the generality of the foregoing and subject to the Nomination and Remuneration Committee's discretion otherwise, any ESOS Offer made by the Nomination and Remuneration Committee that has not been accepted or exercised by an Eligible Person shall automatically be terminated in the following circumstances:

- (a) the death of the Eligible Person;
- (b) the Eligible Person having received a letter of termination or ceasing to be an Employee or a Director (as the case may be), for any reason whatsoever;
- (c) the Eligible Person giving notice of his/her resignation from service/employment;
- (d) bankruptcy of the Eligible Person, in which event the Option shall be automatically terminated on the date a receiving order is made against the Eligible Person by a court of competent jurisdiction;
- (e) the corporation which employs the Eligible Person ceasing to be part of the HI Mobility Group;
- (f) a disciplinary action is taken on the Eligible Person pursuant to By-Law 14.10; or
- (g) winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:
  - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
  - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (h) termination of the Scheme pursuant to By-Law 22.5,

whichever shall be applicable.

- 5.3 The Nomination and Remuneration Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the ESOS Offer provided always that no member of the Nomination and Remuneration Committee shall participate in the deliberation or discussion of their own allocation of the ESOS Options or allocation of the ESOS Options to persons connected with them.

- 5.4 Any Eligible Person who holds more than one position within the HI Mobility Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one category/designation of employment. The Nomination and Remuneration Committee shall be entitled at its discretion to determine the applicable category/designation of employment.

- 5.5 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the new Shares comprised in the Scheme unless an ESOS Offer has been made by the Nomination and Remuneration Committee to the Eligible Person in the manner set out herein and the Eligible Person has accepted the ESOS Offer in accordance with By-Law 8 hereof. The selection of any Eligible Person to participate in the Scheme shall be at the absolute discretion of the Nomination and Remuneration Committee.

**6. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES**

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 18, the aggregate maximum number of Options that may be granted to any one category/designation of employment of the Eligible Person shall be determined entirely at the discretion of the Nomination and Remuneration Committee.
- 6.2 The allocation to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed 10% of the total number of new Shares to be issued under the Scheme.
- 6.3 Not more than 70% of the ESOS Options available under the Scheme shall be allocated in aggregate to the Director(s) and the Employee(s) who are senior management personnel of the companies within the Group (which are not dormant).
- 6.4 Subject to By-Laws 6.2 and 6.3, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the Nomination and Remuneration Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the Nomination and Remuneration Committee may in its sole and absolute discretion deem fit.

At the time an ESOS Offer is made, the Nomination and Remuneration Committee shall set out the basis of the allocation of the ESOS Offer(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.3.

- 6.5 The Nomination and Remuneration Committee may make more than one ESOS Offer to an Eligible Person **PROVIDED THAT** the aggregate number of ESOS Offer so offered to an Eligible Person throughout the Duration of the Scheme does not exceed the Maximum Allowable Allocation of such Eligible Person.
- 6.6 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Directors.
- 6.7 For the avoidance of doubt, the Nomination and Remuneration Committee shall have sole and absolute discretion in determining whether the Shares available for vesting under the Scheme are to be offered to the Eligible Person via:
- (a) one single ESOS Offer at a time determined by the Nomination and Remuneration Committee; or



**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (b) several ESOS Offers, where the vesting of Options comprised in those ESOS Offers are staggered or made in several tranches at such times and on terms determined by the Nomination and Remuneration Committee.
- 6.8 In the event the Nomination and Remuneration Committee decides that the ESOS Offer is to be staggered, the number of Shares to be offered in each ESOS Offer and the timing for the vesting of the same shall be decided by the Nomination and Remuneration Committee at its sole and absolute discretion and each ESOS Offer shall be separate and independent from the others.
- 6.9 No Eligible Persons who are also member of the Nomination and Remuneration Committee, shall participate in the deliberation and discussion of their own respective allocations or allocations of the ESOS Options to persons connected with them.

**PART III****7. ESOS OFFER**

- 7.1 During the Duration of the Scheme, the Nomination and Remuneration Committee may at its discretion at any time from the Effective Date and from time to time make an ESOS Offer in writing for acceptance in accordance with this By-Law 7 to an Eligible Person based on the criteria for allocation as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the Nomination and Remuneration Committee, subject to any adjustments that may be made under By-Law 18. The number of Shares so awarded shall not be less than 100 Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of 100 Shares.
- 7.3 The Nomination and Remuneration Committee shall state the following particulars in the letter of an ESOS Offer:
- (a) The number of ESOS Options that are being granted to the Eligible Person;
  - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being granted;
  - (c) The date of the ESOS Offer;
  - (d) The Option Period;
  - (e) The Exercise Price;
  - (f) The Vesting Conditions (if any/if applicable);
  - (g) The vesting date(s) (if any/if applicable);
  - (h) The granting of the ESOS Option(s) is staggered or single grant;
  - (i) The Offer Period as mentioned in By-Law 7.4;
  - (j) The basis of the allocation of the ESOS Offer(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the Nomination and Remuneration Committee may in its sole discretion deem fit; and

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- (k) Any other information deemed necessary by the Nomination and Remuneration Committee.
- 7.4 An ESOS Offer shall be valid for a period of 30 calendar days from the Award Date or such longer period as may be determined by the Nomination and Remuneration Committee at its sole and absolute discretion ("**Offer Period**").
- 7.5 Without prejudice to By-Law 25, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.3, the following provisions shall apply:
- (a) As soon as possible but in any event no later than one month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.3;
- (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and
- (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.
- 7.6 The Company shall keep and maintain at its own expenses, a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options exercised, the Award Date and the Exercise Price in accordance with Section 129 of the Act.

**8. ACCEPTANCE OF ESOS OFFER AND VESTING CONDITIONS**

- 8.1 An ESOS Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of RM1.00 only or such other amount as may be determined by the Nomination and Remuneration Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 8.2 If an ESOS Offer is not accepted in the manner set out in By-Law 8.1 above, the ESOS Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the Nomination and Remuneration Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for future ESOS Offer.
- 8.4 The Company shall within 30 calendar days of the acceptance of the ESOS Offer by the Eligible Person ("**Acceptance Date**"), issue to the Eligible Person an Option Certificate in such form as may be determined by the Nomination and Remuneration Committee.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- 8.5 The ESOS Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the Grantee on the ESOS vesting date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS vesting date or has otherwise ceased or had his/her employment terminated;
  - (b) the Grantee has not been adjudicated a bankrupt;
  - (c) the performance targets determined by the Nomination and Remuneration Committee are fully and duly satisfied; and/or
  - (d) any other conditions which are determined by the Nomination and Remuneration Committee.
- 8.6 The Nomination and Remuneration Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Nomination and Remuneration Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the Nomination and Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.
- 8.7 The Nomination and Remuneration Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the Nomination and Remuneration Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

**9. EXERCISE OF ESOS OPTIONS**

- 9.1 Each ESOS Option shall be exercisable into one Share, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 14, 19, 20, 21 and 22, a Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4) during the Duration of the Scheme as provided in these By-Laws whilst he/she is in the employment of the HI Mobility Group and within the Option Period.
- 9.3 A Grantee shall exercise the Options granted to him/her in whole or part in multiples of 100 Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 18 which result in the number of Shares comprised in an Option not being in multiples of not less than 100, then the requirement that an Option shall be exercised in multiples of not less than 100 Shares shall not be applicable for the Grantee's final exercise of the Option.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- 9.4 A Grantee shall exercise his/her ESOS Options in such form and manner as the Nomination and Remuneration Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the letter of ESOS Offer. The procedure for the exercise of ESOS Options to be complied with by the Grantee shall be determined by the Nomination and Remuneration Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.5 Where an ESOS Option is exercised only in part, a new Option Certificate for the balance of the ESOS Options not exercised shall be issued accordingly by the Nomination and Remuneration Committee to the Grantee within thirty 30 days after receipt by the Company of the Notice of Exercise together with the requisite remittance.
- 9.6 Subject to By-Law 9.4, a Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the Nomination and Remuneration Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such Grantees and be subject to By-Laws 9.2 and 9.3 above. The Nomination and Remuneration Committee may pursuant to By-Law 24 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Nomination and Remuneration Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 9.7 The Grantee shall provide all information as required in the Notice of Exercise. Within 8 Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, in the event that the Shares are delivered to the Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the Grantee and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the Grantee. No physical share certificates will be issued to the Grantee or his/her authorised nominee (as the case may be).
- 9.8 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the Nomination and Remuneration Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Offer.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- 9.9 Any failure to comply with the procedures specified by the Nomination and Remuneration Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee shall inform the Grantee of the rejection of the Notice of Exercise within 14 Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her ESOS Options.
- 9.10 Every ESOS Options shall be subjected to the condition that no new Shares shall be issued and/or transferred pursuant to the ESOS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

**10. EXERCISE PRICE**

The Exercise Price of any ESOS Option which is made subsequent to the listing of the Company, as determined by the Nomination and Remuneration Committee shall be based on the 5-day volume weighted average market price of the Shares immediately preceding date of the ESOS Option, with a discount of not more than 10%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Duration of the Scheme.

For the purposes of By-Law 10(a) above, "Final Retail Price" shall refer to the final price paid by the investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company's prospectus for the said initial public offering.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the Grantees.

**PART IV****11. NON-TRANSFERABILITY**

- 11.1 An ESOS Option is personal to the Grantee and subject to the provisions of By-Laws 11.2, 11.3 and 14.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 11.2 An ESOS Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 14.8. Any such attempt to transfer, assign, dispose or encumber any ESOS Option shall result in the automatic cancellation of the ESOS Option.
- 11.3 Notwithstanding By-Law 11, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESOS Options granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESOS Options under the Scheme.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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**12. RIGHTS ATTACHING TO SHARES AND ESOS OPTIONS**

- 12.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted under the Scheme will be subject to the provisions of the Constitution and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company (excluding treasury shares, if any), save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.
- 12.2 The ESOS Options shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options. The new Shares allotted and credited into the Grantee's CDS Account upon the exercise of the ESOS Options would carry rights to vote at any general meeting of the Company, provided that the Grantee is registered on the Register of Depositors on the entitlement date as at the close of business to be entitled to attend and vote at the general meeting.
- 12.3 For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options.

**13. RESTRICTION ON DEALING/RETENTION PERIOD**

The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the Nomination and Remuneration Committee at its discretion. The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his/her financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his/her financier's CDS Account. A Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realisation of any immediate gain.

**14. TERMINATION OF THE ESOS OFFERS**

- 14.1 Prior to the full vesting of any ESOS Option and/or the allotment or satisfaction by any other means of an ESOS Option in the manner as provided for under By-Law 25.2, such ESOS Options that remain unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:
- (a) termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier;
  - (b) bankruptcy of the Grantee, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction;

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (c) upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESOS Options, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs;
- (d) winding up or liquidation of the Company, in which event the ESOS Options shall be automatically terminated and/or cease to be valid on the following date:
  - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
  - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) termination of the Scheme pursuant to By-Law 22.5, in which event the ESOS Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By-Law 22.5),

whichever shall be applicable.

Upon the termination of the ESOS Options pursuant to By-Laws 14.1(a), (b), (c), (d) or (e) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any ESOS Option or right to exercise his/her ESOS Option(s) or his/her ESOS Option ceasing to be valid.

- 14.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her upon retirement on or after attaining normal retirement age.
- 14.3 Notwithstanding By-Law 14.1 above, the Nomination and Remuneration Committee may at its discretion allow an Option to remain exercisable during the Option Period on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
  - (a) ill-health, injury, physical or mental disability;
  - (b) retirement before attaining the normal retirement age with the consent of his/her employer;
  - (c) redundancy or voluntary separation scheme;
  - (d) transfer to any company outside the Group at the direction of the Company; or
  - (e) any other circumstance as may be deemed as acceptable to the Nomination and Remuneration Committee in its sole and absolute discretion.
- 14.4 Applications under By-Law 14.3 by a Grantee to the Nomination and Remuneration Committee for its approval to exercise his/her Options shall be made:

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (a) in a case where By-Law 14.3(a) is applicable, within one month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the Grantee may exercise all his/her unexercised Options within the said one month period. In the event that no application is received by the Nomination and Remuneration Committee within the said period, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated;
- (b) in a case where By-Laws 14.3(b) or (c) is applicable, within 6 month after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options within the said 6 month period. In the event that no application is received by the Nomination and Remuneration Committee within the said period, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated; or
- (c) in a case where By-Law 14.3(d) is applicable, the Grantee may exercise his/her unexercised Options within one month after he/she is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.5 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options within one month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.6 The Nomination and Remuneration Committee shall consider applications under By-Law 14.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the Nomination and Remuneration Committee shall be final and binding. In the event that the Nomination and Remuneration Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the period so approved by the Nomination and Remuneration Committee and subject to the provisions of By-Law 9. Any Options in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.4 or on the date of the Nomination and Remuneration Committee's decision, whichever is the later.
- 14.7 In the event that the Nomination and Remuneration Committee receives an application under By-Law 14.3 after the expiry of the relevant period under By-Law 14.4, the Nomination and Remuneration Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the Nomination and Remuneration Committee's discretion and powers under By-Law 14.6. In the event that the Nomination and Remuneration Committee approves the application in whole or in part, the Company shall make an ESOS Offer in respect of the unexercised Options which are the subject of approval to the Grantee and such Options offered, if accepted by the Grantee shall be exercisable:
- (a) only within the period of those Options which were terminated due to the Grantee's delay in making the application;
- (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options; and
- (c) at the subscription price applicable in respect of such terminated Options.



**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- 14.8 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised, the following provisions shall apply:
- (a) Such ESOS Options may be exercised by the personal or legal representative of the deceased Grantee ("**Representative**") within 12 months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the Nomination and Remuneration Committee;
  - (b) In the event that the Date of Expiry occurs before the Permitted Period, any Options which have not been exercised by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options; and
  - (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
    - (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the Nomination and Remuneration Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the Nomination and Remuneration Committee before the expiry of the Permitted Period, any Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically terminated.
    - (ii) The Nomination and Remuneration Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the Nomination and Remuneration Committee shall be final and binding. In the event that the Nomination and Remuneration Committee approves an application in whole or in part, the Representative may exercise the Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESOS Option in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the Nomination and Remuneration Committee's decision, whichever is the later.
    - (iii) In the event that the Nomination and Remuneration Committee receives an application after the expiry of the Permitted Period, the Nomination and Remuneration Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the Nomination and Remuneration Committee's discretion and powers under sub-paragraph (ii) above. In the event that the Nomination and Remuneration Committee approves an application in whole or in part, the Company shall make an ESOS Offer in respect of the Options which are the subject of the approval to the Representative and such Options shall be exercisable/vested -
      - (1) within such period as may be stipulated in the ESOS Offer which shall not exceed the Date of Expiry of those Options and/or Shares which were terminated pursuant to sub-paragraph (i) above;

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (2) in accordance with the provisions of By-Law 9.4; and
  - (3) at the subscription price applicable in respect of the Options which were terminated pursuant to sub-paragraph (i) above.
- 14.9 The provisions of By-Law 14.7 and By-Law 14.8 constitute exceptions to the provisions of By-Law 5.1 and By-Law 11.
- 14.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the Nomination and Remuneration Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the Nomination and Remuneration Committee may impose such terms and conditions as the Nomination and Remuneration Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her ESOS Options having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS** that:
- (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the Nomination and Remuneration Committee shall reinstate the right of such Grantee to their ESOS Options;
  - (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
  - (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the Nomination and Remuneration Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
  - (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the Nomination and Remuneration Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the Nomination and Remuneration Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the Nomination and Remuneration Committee's exercise of or failure to exercise any of its rights under this By-Law 14.

**15. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

All Grantees shall be entitled to inspect a copy of the latest annual audited financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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**16. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

**17. TAXES**

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) under the Scheme shall be borne by that Grantee for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**PART V****18. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

- 18.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the Nomination and Remuneration Committee may, in its discretion, determine whether the Exercise Price and/or the number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made.
- 18.2 The provisions of this By-Law 18 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of Shares pursuant to the exercise of ESOS Options under the Scheme;
  - (b) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;
  - (c) an issue of securities via a private placement (including an issuance of securities pursuant to Sections 75 or 76 of the Act);
  - (d) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
  - (e) a restricted issue of securities;
  - (f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
  - (g) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- 18.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or Principal Adviser shall be final, binding and conclusive.
- 18.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III, Division 7 of the Act, By-Law 18.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is applicable, but By-Law 18.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is not applicable as described in By-Law 18.2.
- 18.5 An adjustment pursuant to By-Law 18.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
- (b) in the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction becomes effective.
- 18.6 Upon any adjustment required to be made pursuant to this By-Law 18, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting out the Exercise Price or number of ESOS Options which are the subject of the adjusted ESOS Options and any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.
- 18.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 18 shall be made in accordance with the following formula below, pursuant to By-Law 18.6:

**(a) Consolidation, Subdivision, Conversion**

If and whenever Shares shall be consolidated, subdivided or converted, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in the following manner:

$$\text{New Exercise Price} = S \times \left( \frac{P}{Q} \right)$$

(1) For consolidation of Shares:

$$\text{Additional number of Options} = T \times \left( \frac{Q}{P} \right)$$

(2) For subdivision of Shares:

$$\text{Additional number of Options} = T \times \left( \frac{Q}{P} \right) - T$$

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

Where:

- P = the aggregate number of issued Shares immediately before such consolidation, subdivision or conversion;
- Q = the aggregate number of issued Shares immediately after the consolidation, subdivision or conversion;
- S = Existing Exercise Price; and
- T = Number of existing Options held.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

**(b) Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B} \times \text{Exercise Price} = \text{Adjusted Exercise Price}$$

and the additional number of Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left( \frac{A+B}{A} \right) - T$$

Where:

- A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and
- T = Number of existing Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

**(c) If and whenever the Company shall make:**

- (1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- (3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Exercise Price for ESOS Options shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 18.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left( \frac{C}{C - D^*} \right) - T$$

Where:

T = T as in By-Law 18.7(b) above;

C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution (as defined below) or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation or (where appropriate) any relevant date as may be determined by the Company; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 18.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 18.7(c)(3) above, the value of rights attributable to one existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one existing Share.

D\* = The value of rights attributable to one Share (as defined below).

For the purpose of definition (aa) of "D" above, the **"value of rights attributable to one (1) existing Share"** shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = C as in By-Law 18.7(c) hereof;

E = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one Share under the offer or invitation;

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share or security convertible into Shares or one additional security with right to acquire or subscribe for one additional Share; and

D\* = The "value of rights attributable to one existing Share" (as defined below).

For the purpose of definition "D\*" above, the "value of the rights attributable to one (1) existing Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = C as in By-Law 18.7(c) hereof;

E\* = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F\* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share.

For the purpose of By-Law 18.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 18.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 18.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 18.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left( \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

- B = B as in By-Law 18.7(b) above;
- G = the aggregate number of issued Shares on the Entitlement Date;
- C = C as in By-Law 18.7(c) above;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H\* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share, as the case may be;
- I\* = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares; and
- T = T as in By-Law 18.7(b) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) **Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 18.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 18.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$



**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left( \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 18.7(d) above;

C = C as in By-Law 18.7(c) above;

H = H as in By-Law 18.7(d) above;

H\* = H\* as in By-Law 18.7(d) above;

I = I as in By-Law 18.7(d) above;

I\* = I\* as in By-Law 18.7(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = T as in By-Law 18.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) **Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 18.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left( \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 18.7(d) above;

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- C = C as in By-Law 18.7(c) above;
- H = H as in By-Law 18.7(d) above;
- H\* = H\* as in By-Law 18.7(d) above
- I = I as in By-Law 18.7(d) above;
- I\* = I\* as in By-Law 18.7(d) above
- J = J as in By-Law 18.7(e) above;
- T = T as in By-Law 18.7(b) above;
- K = K as in By-Law 18.7(e) above; and
- B = B as in By-Law 18.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 18.7(c)(2), 18.7(c)(3), 18.7(d), 18.7(e) or 18.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price for one Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

- L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 18.7(g), “**Total Effective Consideration**” shall be determined by the Nomination and Remuneration Committee with the concurrence of the external auditors or Principal Adviser and shall be:

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights,

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.7(g), "**Average Price**" of a Share shall be the average market price of one Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Laws 18.7(c), (d), (e) and (f), the current market price in relation to one existing Share for any relevant day shall be the average of the last traded prices for the 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.
- 18.8 If an event occurs that is not set out in By-Law 18.7 or if the application of any of the formula set out in By-Law 18.7 to an event results in a manifest error or does not, in the opinion of the Nomination and Remuneration Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the Nomination and Remuneration Committee may effect an adjustment in such manner deemed appropriate by the Nomination and Remuneration Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the Nomination and Remuneration Committee.
- 18.9 Notwithstanding the provisions of this By-Law 18, the Nomination and Remuneration Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

notwithstanding that no such adjustment formula has been explicitly set out in this By-Law 18.

18.10 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.

18.11 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 18, the number of Shares comprised in an ESOS Offer shall automatically be rounded down to the nearest whole number.

**19. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC**

In the event of:

- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part of the issued share capital not at the time owned by the person making the general offer (“Offeror”) or any persons acting in concert with the Offeror);
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

then the Nomination and Remuneration Committee may at its discretion to the extent permitted by law permit the vesting of the ESOS Options and the Grantee(s) will be entitled to, within such period to be determined by the Nomination and Remuneration Committee exercise all or any of his/her ESOS Options from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) above. In the event that the Grantee elects not to so exercise some or all of the ESOS Options held by him/her, the unexercised ESOS Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

**20. DIVESTMENT FROM THE GROUP, ETC**

20.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:

- (a) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her from the date of completion of such divestment, within a period of 3 months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such ESOS Options, the unexercised ESOS Options shall be automatically terminated upon the expiry of the relevant period; and
- (b) shall no longer be eligible to participate for further ESOS Options under the Scheme as from the date of completion of such divestment, unless approved by the Nomination and Remuneration Committee in writing.

20.2 For the purposes of By-Law 20.1, a company shall be deemed to be divested from the Group or disposed off from the Group in the event that the effective interest of the

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the Nomination and Remuneration Committee as its absolute discretion.

**21. WINDING UP**

All outstanding ESOS Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the ESOS Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the ESOS Options shall accordingly be unsuspended.

**PART VI****22. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME**

22.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:

- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements (and/or such other documents as may be determined by Bursa Securities from time to time);
- (b) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme;
- (c) receipt of shareholders' approval for the Scheme in a general meeting;
- (d) receipt of approvals of other relevant authorities (if any) for the ESOS, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above-mentioned requirements, if any.

The Scheme shall be in force for a duration of 10 years from the Effective Date ("**Date of Expiry**").

22.2 The ESOS Offer can only be made during the Duration of the Scheme before the Date of Expiry.

22.3 Notwithstanding anything to the contrary, all ESOS Options shall lapse on the Date of Expiry.

22.4 The Scheme may be terminated by the Nomination and Remuneration Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (a) the effective date of termination (“**Termination Date**”);
  - (b) the number of Options exercised under the Scheme as at the Termination Date; and
  - (c) the reasons and justification for termination.
- 22.6 The Company may implement more than one employee share scheme provided that the aggregate number of Shares available under all the employee share schemes implemented by the Company is not more than 15% of its total number of issued share capital (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 22.7 In the event of termination as stipulated in By-Law 22.4 above, the following provisions shall apply:
- (a) no further ESOS Offers shall be made by the Nomination and Remuneration Committee from the Termination Date;
  - (b) all ESOS Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
  - (c) all ESOS Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
  - (d) all outstanding ESOS Options which have yet to be exercised by Grantees and/or vested shall be automatically terminated on the Termination Date.
- 22.8 Approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme.

**23. NO COMPENSATION FOR TERMINATION**

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESOS Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the ESOS Offer or consideration for the ESOS Offer afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the ESOS Offer themselves) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the Nomination and Remuneration Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws; and

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

- (d) the Company, the Board or the Nomination and Remuneration Committee shall in no event be liable to the Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the Nomination and Remuneration Committee has been advised of the possibility of such damage.

**24. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME**

- 24.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the Nomination and Remuneration Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:

- (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee;
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
- (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee, without the prior approval of shareholders obtained at a general meeting,

unless allowed otherwise by the provision of the Listing Requirements.

- 24.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8, 9, 10, 11, 12, 13, 18, 21 and 22 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons and/or Grantees without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.
- 24.3 Upon amending and modifying all or any of the provisions of the Scheme, the Company shall within 5 Market Days after the effective date of the amendments cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

**PART VII****25. ADMINISTRATION AND TRUST**

- 25.1 The Scheme shall be administered by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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duties as are conferred upon it by the Board. The decision of the Nomination and Remuneration Committee shall be final and binding.

- 25.2 In implementing the Scheme, the Nomination and Remuneration Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under this Scheme shall be satisfied by any of the following methods:
- (a) issuance of new Shares;
  - (b) acquisition and transfer of existing Shares;
  - (c) any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
  - (d) a combination of any of the above.
- 25.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the Nomination and Remuneration Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to Grantees at such times as the Nomination and Remuneration Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 25.4 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the Nomination and Remuneration Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 25.5 The Company or Nomination and Remuneration Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Nomination and Remuneration Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.



**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- 25.6 Without limiting the generality of By-Law 25.1, the Nomination and Remuneration Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESOS Offer, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 25.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the Nomination and Remuneration Committee as it shall deem fit.

**26. DISPUTES**

- 26.1 In case any dispute or difference shall arise between the Nomination and Remuneration Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the Nomination and Remuneration Committee during the Duration of the Scheme. The Nomination and Remuneration Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, **PROVIDED THAT** where the dispute is raised by a member of the Nomination and Remuneration Committee, the said member shall abstain from voting in respect of the decision of the Nomination and Remuneration Committee in that instance.
- 26.2 In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the Nomination and Remuneration Committee within 14 calendar days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the Nomination and Remuneration Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the Nomination and Remuneration Committee shall be borne by such party.
- 26.3 Notwithstanding the foregoing provisions of By-Laws 26.1 and 26.2 above, matters concerning adjustments made pursuant to By-Law 18 shall be referred to external auditors of the Company or Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

**27. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the ESOS Options, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the ESOS Options under the Scheme.

**28. CONSTITUTION**

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall at all times prevail.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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**29. NOTICE**

- 29.1 Subject to By-Law 31.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received 3 Market Days after posting;
  - (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
  - (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

- 29.2 Where any notice which the Company or the Nomination and Remuneration Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to the Scheme, the Company or the Nomination and Remuneration Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the Nomination and Remuneration Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 29.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

**30. SEVERABILITY**

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

**31. GOVERNING LAW AND JURISDICTION**

- 31.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 26 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 31.2 Any proceeding or action shall subject to the provisions of By-Law 26, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- 31.3 Any notice/process required to be given to or served by the Board or the Nomination and Remuneration Committee to an Eligible Person and/or Grantee shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person and/or Grantee at his/her place of employment, at his/her last facsimile transmission number known to the Company, or to his/her last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.
- 31.4 Any notice/process required to be given to or served upon the Board or the Nomination and Remuneration Committee by an Eligible Person and/or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the Nomination and Remuneration Committee may have stipulated for this purpose). Any notice/process served by hand or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) 5 Market Days after postage.
- 31.5 Any ESOS Offer to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the Nomination and Remuneration Committee or the Eligible Person and/or the Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board or the Nomination and Remuneration Committee) or to such e-mail address of the Eligible Person and/or Grantee provided to the Company (if to be given to or served upon the Eligible Person and/or Grantee) or such communication by other digital means as may be prescribed by the Board and/or Nomination and Remuneration Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market Day immediately following the day on which the electronic mail is despatched or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.
- 31.6 Notwithstanding By-Law 31.5, where any Normal Correspondence is required to be given by the Company or the Nomination and Remuneration Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons and/or Grantees, the Company or the Nomination and Remuneration Committee may give the Normal Correspondence through an announcement to all employees of the Group to be made in such manner deemed appropriate by the Nomination and Remuneration Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 31.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons and/or Grantee.

**ANNEXURE E: BY-LAWS OF THE ESOS (Cont'd)**

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- 31.7 In order to facilitate the offer of any ESOS Offer (and/or the benefit thereof) under this Scheme, the Nomination and Remuneration Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Nomination and Remuneration Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Nomination and Remuneration Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any ESOS Offer offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Nomination and Remuneration Committee in the ESOS Offer.
- 31.8 No action has been or will be taken by the Company to make an ESOS Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESOS Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an ESOS Offer is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESOS Offer or will exercise the ESOS Option.
- 31.9 Any Eligible Person to whom an ESOS Offer is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the ESOS Offer or exercise the ESOS Option. By their acceptance of an ESOS Offer, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the ESOS Offer and/or will exercise the ESOS Option.