

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSAL (AS DEFINED HEREIN).

If you have sold or transferred all your shares in Boustead Heavy Industries Corporation Berhad (“**BHIC**” or the “**Company**”), you should hand this Document (as defined herein) together with the enclosed Form of Proxy immediately to the person through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee.

The Securities Commission Malaysia (“**SC**”) has notified that it has no further comments to this Document pursuant to subparagraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to suggest that the SC recommends the Proposal or that the SC agrees with the recommendation of the Non-Interested Directors (as defined herein) of BHIC or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The SC takes no responsibility for the contents of this Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Document.



Boustead Heavy Industries Corporation Berhad
(A member of Boustead Group)

Registration No. 197101000758 (11106-V)
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS AND RCPS HOLDERS (AS DEFINED HEREIN) IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE ORDINARY SHARES IN BHIC NOT OWNED BY THE OFFEROR (AS DEFINED HEREIN); AND PROPOSED CAPITAL REDUCTION AND REPAYMENT EXERCISES FOR THE REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”) CLASS A IN BHIC (“RCPS A”) AND ISLAMIC RCPS CLASS A IN BHIC (“RCPS i-A”), PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“PROPOSAL”)

PART B

INDEPENDENT ADVICE LETTER FROM DWA ADVISORY SDN BHD TO THE NON-INTERESTED DIRECTORS, NON-INTERESTED SHAREHOLDERS AND RCPS HOLDERS OF BHIC IN RELATION TO THE PROPOSAL

AND

NOTICES OF EXTRAORDINARY GENERAL MEETING AND RCPS CLASS MEETINGS (AS DEFINED HEREIN)

Principal Adviser



Affin Hwang Investment Bank Berhad
(Registration No. 197301000792 (14389-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



DWA Advisory Sdn Bhd
(Registration No. 201301002419 (1032257-D))

The Notice of Extraordinary General Meeting (“**EGM**”), the Notice of RCPS A Class Meeting and the Notice of RCPS-i A Class Meeting (collectively, the “**Notices**”) and the Form of Proxy for the EGM, the Form of Proxy for RCPS A Class Meeting and the Form of Proxy for RCPS-i A Class Meeting (collectively, the “**Proxy Forms**”) are enclosed in this Document. The details of the date, time and venue of the EGM, RCPS A Class Meeting and RCPS-i A Class Meeting (collectively, the “**Meetings**”) are as follows:

Date and time of the EGM	:	Wednesday, 29 April 2026 at 10:30 a.m.
Date and time of the RCPS A Class Meeting	:	Wednesday, 29 April 2026 at 12:00 p.m. or immediately following the conclusion or adjournment (as the case may be) of the EGM, whichever is later
Date and time of the RCPS-i A Class Meeting	:	Wednesday, 29 April 2026 at 12:30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the RCPS A Class Meeting, whichever is later, or any adjournment thereof
Venue of the EGM, RCPS A Class Meeting and RCPS-i A Class Meeting	:	Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling Jaya, Selangor, Malaysia
Last date and time for lodging the Proxy Form for the EGM	:	Monday, 27 April 2026 at 10:30 a.m.
Last date and time for lodging the Proxy Form for the RCPS A Class Meeting	:	Monday, 27 April 2026 at 12:00 p.m.
Last date and time for lodging the Proxy Form for the RCPS-i A Class Meeting	:	Monday, 27 April 2026 at 12:30 p.m.

The Circular, the Notices, the Proxy Forms and the Administrative Notes for the Meetings (“**Administrative Notes**”) can be downloaded from our website at www.bhic.com.my. If you are entitled to attend and vote at the Meetings, you may appoint a proxy or proxies to attend and vote on your behalf subject to BHIC’s Constitution. If you wish to do so, you must complete and deposit the applicable Proxy Forms at the Share Registrar’s Office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the applicable Meetings or at any adjournment thereof. You may submit the proxy appointment electronically via the Share Registrar’s email at is.enquiry@vistra.com before the proxy appointment cut off time as mentioned above. You may also submit the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgment of the Proxy Forms, please refer to Administrative Notes. The lodging of the Proxy Form for the Meetings will not preclude you from attending and voting in person at the Meetings should you subsequently wish to do so.

This Document is dated 7 April 2026

DEFINITIONS

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

ABB	: Affin Bank Berhad (Registration No. 197501003274 (25046-T))
Act	: Companies Act, 2016
Affin Hwang IB or Principal Adviser	: Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
BHB or Offeror or Non-Entitled Shareholder	: Boustead Holdings Berhad (Registration No. 196001000193 (3871-H))
BHB Share(s)	: Ordinary share(s) of BHB
BHIC or Company	: Boustead Heavy Industries Corporation Berhad (Registration No. 197101000758 (11106-V))
BHIC Group or Group	: Collectively, BHIC and its subsidiaries
BHIC Share(s)	: Ordinary share(s) of BHIC
Board	: Board of Directors of BHIC
BPS	: Boustead Penang Shipyard Sdn Bhd (Registration No. 197201000156 (11795-W)), a wholly-owned subsidiary of BHIC
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	: This circular dated 7 April 2026 to the Shareholders and RCPS Holders in relation to the Proposal, as set out in Part A of this Document
CMSA	: Capital Markets and Services Act, 2007 and any amendments made thereto from time to time
Completion	: The completion of the Proposal, being the date on which full payment of the Offer Price for BHIC Shares, RCPS A and RCPS-i A has been made to the Entitled Holders
Director(s)	: Director(s) of BHIC as at the LPD
Distribution	: Any dividends and / or distributions of any nature whatsoever
Document	: This document to the Shareholders and RCPS Holders in relation to the Proposal dated 7 April 2026 which consists of the Circular, the IAL and all the accompanying appendices, collectively
DWA Advisory or Independent Adviser	: DWA Advisory Sdn Bhd (Registration No. 201301002419 (1032257-D))
eDividend Accounts	: The bank accounts registered with Bursa Depository by the Entitled Shareholders for purposes of receiving electronic cash dividend payments

DEFINITIONS *(Cont'd)*

Effective Date	: The date on which an office copy of the High Court Order is lodged with the Registrar pursuant to subsection 116(6) of the Act, in which all the BHIC Shares, the RCPS-A and the RCPS-i A held by Entitled Holders will be cancelled
EGM	: Extraordinary general meeting
Entitled Holders	: The Entitled Shareholders, the Entitled RCPS A Holder, and the Entitled RCPS-i A Holders, collectively
Entitled RCPS-i A Holders	: The holders of RCPS-i A whose names appear in the register of members of RCPS-i A as at 5:00 p.m. on the Entitlement Date
Entitled RCPS A Holder	: The holder of RCPS A whose names appear in the register of members of RCPS A as at 5:00 p.m. on the Entitlement Date
Entitled Shareholders	: The Shareholders (other than the Non-Entitled Shareholder) whose names appear on the Record of Depositors of BHIC as at 5:00 p.m. on the Entitlement Date
Entitlement Date	: The date on which the names of the Entitled Holders must be registered in the Record of Depositors of BHIC and in the register of members of RCPS A and RCPS-i A respectively, as at 5:00 p.m. for the purpose of determining their entitlement under the Proposal, which shall be determined and announced later by the Board
EPS	: Earnings per BHIC Share
FYE	: Financial year ended/ending, as the case may be
High Court	: High Court in Malaya
High Court Order	: An order granted by the High Court confirming the reduction of the BHIC Shares, RCPS A and RCPS-i A under the Proposal pursuant to Section 116 of the Act
IAL	: The independent advice letter dated 7 April 2026 prepared by the Independent Adviser in relation to the Proposal, as set out in Part B of this Document
Interested Directors	: Dato' Indera Ir. Dr. Hj. Ahmad Sabirin Bin Arshad, Ahmad Farouk Bin Mohamed and Fahmy Bin Ismail, collectively
Intra Harta	: Intra Harta Consultants Sdn Bhd (Registration No.: 200001005958 (508563-A))
LAT	: Loss after taxation
LBT	: Loss before taxation
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 March 2026, being the latest practicable date prior to the date of this Document
LPS	: Loss per BHIC Share
LTAT	: Lembaga Tabung Angkatan Tentera
LTD	: 6 February 2026, being the last full trading day of BHIC Shares prior to the receipt of the Proposal Letter by the Board

DEFINITIONS (Cont'd)

Market Day	:	A day on which Bursa Securities is open for trading in securities
Meetings	:	The EGM, the RCPS A Class Meeting and the RCPS-i A Class Meeting, collectively
MFRS	:	Malaysian Financial Reporting Standards
NA	:	Net assets
NBV	:	Net book value
Non-Interested Directors	:	Directors of BHIC other than the Interested Directors, namely General Tan Sri Dato' Sri Roslan Bin Saad RMAF (Retired), Vice Admiral Dato' Syed Zahiruddin Putra Bin Syed Osman (Retired), Kamarul Baharin Bin Tengku Zainal Abidin, Dato' Mearia @ Massahariah Binti Hamzah and Datuk Md Jais Bin Sarday
Non-Interested Shareholders	:	All the Shareholders other than Non-Entitled Shareholder and PAC
Notices	:	The notice of EGM, the notice of RCPS A Class Meeting and the notice of RCPS-i A Class Meeting, collectively
Offer Price	:	RM0.48 per BHIC Share, RCPS A and RCPS-i A respectively, being the cash consideration to be paid for each BHIC Share, RCPS A and RCPS-i A held by the Entitled Holders on the Entitlement Date pursuant to the Proposal
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAC	:	Person acting in concert with BHB in relation to the Proposal pursuant to subsection 216(3) of the CMSA who hold or have interest in BHIC Shares, RCPS A, RCPS-i A and/or RCPS B, as set out in Paragraph 2.1 of Part A and Appendix II of this Document
PAT	:	Profit after taxation
PBR	:	Price-to-book ratio
PBT	:	Profit before taxation
PER	:	Price-to-earnings ratio
Proposal	:	The proposed selective capital reduction and repayment exercise for the BHIC Shares not owned by BHB; and proposed capital reduction and repayment exercises for the RCPS A and RCPS-i A, pursuant to Section 116 of the Act
Proposal Letter	:	The proposal letter dated 10 February 2026 issued by BHB to the Board requesting BHIC to undertake the Proposal
Proposed Disposal	:	Proposed disposal of three (3) adjoining parcels of mixed industrial and building land legally identified as Lot Nos. 3222, 9777 and 20238, Title Nos. PN 649, HSD 6981 and HSM 3558, respectively, Mukim of 13, District of Timor Laut, Pulau Pinang by BPS to Karya Koperat Sdn Bhd, for a total disposal consideration of RM28.00 million to be satisfied entirely via cash which had been announced on 31 March 2026

DEFINITIONS *(Cont'd)*

Raine & Horne	:	Raine & Horne International Zaki + Partners Sdn Bhd (Registration No.: 198301004235 (0099440-T))
RCPS	:	Redeemable Convertible Preference Shares
RCPS-i A	:	Islamic RCPS class A of BHIC
RCPS-i A Class Meeting	:	The class meeting to be convened by BHIC for the holder(s) of the RCPS-i A to deliberate on the Proposal to be undertaken by our Company
RCPS A	:	RCPS class A of BHIC
RCPS A Class Meeting	:	The class meeting to be convened by BHIC for the holder of the RCPS A to deliberate on the Proposal to be undertaken by our Company
RCPS B	:	RCPS class B of BHIC
RCPS Class Meetings	:	Collectively, the RCPS A Class Meeting and the RCPS-i A Class Meeting
RCPS Holders	:	All the holders of RCPS A and RCPS-i A
RCPS Special Resolution(s)	:	The special resolution in respect of the Proposal to be tabled at the respective RCPS Class Meetings which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules: <ul style="list-style-type: none">(i) is required to be approved, at the relevant RCPS Class Meetings, by at least a majority in number of the RCPS Holders of the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) and at least 75% in value to the votes attached to the RCPS of that class held by the RCPS Holders that are cast either in person or by proxy at that RCPS Class Meeting; and(ii) must not be voted against by more than 10% in value of the votes attached to the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) held by the RCPS Holders of that class of the total voting RCPS of that class
Record of Depositors	:	A record of securities holders provided by Bursa Depository pursuant to the rules of the central depository as defined in the Securities Industry (Central Depositories) Act 1991
Registrar	:	Registrar of Companies
RM and sen	:	Ringgit Malaysia and sen, respectively
RPS	:	Redeemable preference shares
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
Shareholders	:	The holders of BHIC Shares

DEFINITIONS (Cont'd)

- Share Registrar : Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
- Special Resolution : The special resolution in respect of the Proposal to be tabled at the forthcoming EGM which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules:
- (i) is required to be approved by at least a majority in number of our Non-Interested Shareholders and at least 75% in value to the votes attached to the BHIC Shares held by our Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and
 - (ii) must not be voted against by more than 10% in value of the votes attached to the BHIC Shares held by our Non-Interested Shareholders of the total voting BHIC Shares
- VWAP : Volume weighted average market price

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Document, if any, shall mean BHIC or where the context requires, the BHIC Group.

References to “**you**” or “**your**” are to the Shareholders and the RCPS Holders, unless the context otherwise requires.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Document to the provisions of any statute, rules, regulation, enactment or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation, enactment or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statute, rules, regulation, enactment or rules of stock exchange for the time being in force.

Any reference to a time of day in this Document shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy in the figures included in this Document between the amounts listed, actual figures and the totals thereof are due to rounding.

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

This Document includes certain historical information, estimates and reports thereon derived from sources mentioned in this Document and other parties with respect to the Malaysian economy, the business which our Group operates and certain other matters.

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PART A
**CIRCULAR TO OUR SHAREHOLDERS AND RCPS HOLDERS IN RELATION TO THE
PROPOSAL**



Boustead Heavy Industries Corporation Berhad

(A member of Boustead Group)

(Registration No. 197101000758 (11106-V))
(Incorporated in Malaysia)

Registered Office

17th Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur

7 April 2026

Board of Directors:

General Tan Sri Dato' Sri Roslan Bin Saad RMAF (Retired) (*Chairman / Independent Non-Executive Director*)

Vice Admiral Dato' Syed Zahiruddin Putra Bin Syed Osman (Retired) (*Independent Non-Executive Director*)

Kamarul Baharin Bin Tengku Zainal Abidin (*Independent Non-Executive Director*)

Dato' Mearia @ Massahariah Binti Hamzah (*Independent Non-Executive Director*)

Datuk Md Jais Bin Sarday (*Independent Non-Executive Director*)

Ahmad Farouk Bin Mohamed (*Non-Independent Non-Executive Director*)

Dato' Indera Ir. Dr. Hj. Ahmad Sabirin Bin Arshad (*Non-Independent Non-Executive Director*)

Fahmy Bin Ismail (*Non-Independent Non-Executive Director*)

To: Our Shareholders and RCPS Holders

Dear Sir/ Madam,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE BHC SHARES NOT OWNED BY BHB; AND PROPOSED CAPITAL REDUCTION AND REPAYMENT EXERCISES FOR THE RCPS A AND RCPS-i A PURSUANT TO SECTION 116 OF THE ACT

1. INTRODUCTION

- 1.1 On 10 February 2026, our Board announced that our Company had on the same date received the Proposal Letter from its major shareholder, BHB, notifying our Board of its intention to privatise our Company via the Proposal pursuant to Section 116 of the Act and requesting our Company to undertake the Proposal.
- 1.2 On 23 February 2026, in accordance with paragraph 3.06 of the Rules, our Non-Interested Directors had appointed DWA Advisory to act as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposal to our Non-Interested Directors, Non-Interested Shareholders and RCPS Holders. The IAL is set out in **Part B** of this Document.
- 1.3 Further thereto, on 3 March 2026, on behalf of our Board, Affin Hwang IB announced that our Non-Interested Directors had deliberated on the contents of the Proposal Letter and after taking into consideration the advice of the Independent Adviser, the Non-Interested Directors had resolved to table the Proposal to the Non-Interested Shareholders and the RCPS Holders for their consideration and approval.
- 1.4 The SC had, vide its letter dated 3 April 2026, notified us that the SC has no further comments to this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposal or that the SC agrees with the recommendation of our Non-Interested Directors or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSAL, AND TO SEEK YOUR APPROVAL FOR THE PROPOSAL VIA THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM AND THE RCPS SPECIAL RESOLUTIONS TO BE TABLED AT THE RESPECTIVE RCPS CLASS MEETINGS. THE NOTICES AND THE PROXY FORMS ARE ENCLOSED HEREIN.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM AND ON THE RCPS SPECIAL RESOLUTIONS TO BE TABLED AT THE RESPECTIVE RCPS CLASS MEETINGS. YOU SHOULD ALSO CONSIDER CAREFULLY THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM AND ON THE RCPS SPECIAL RESOLUTIONS TO BE TABLED AT THE RESPECTIVE RCPS CLASS MEETINGS.

2. DETAILS OF THE PROPOSAL

2.1 Particulars of the Proposal

The Proposal involves our Company undertaking the Proposal comprising the following, each to be implemented by way of court confirmation pursuant to Section 116 of the Act:

- selective capital reduction and corresponding capital repayment exercise in respect of the BHIC Shares held by all the Entitled Shareholders on the Entitlement Date; and
- capital reduction and corresponding capital repayment exercises in respect of the RCPS A held by the Entitled RCPS A Holder and RCPS-i A held by the Entitled RCPS-i A Holders on the Entitlement Date.

On Effective Date, all the BHIC Shares, RCPS A and RCPS-i A held by the Entitled Holders will be cancelled pursuant to the Proposal.

As at the LPD, the total issued share capital and RCPS of our Company are as follows:

<u>Description</u>	<u>No. of BHIC Shares / RCPS</u>	<u>RM '000</u>
BHIC Shares	564,279,558	427,211
RCPS A	23,625,548	13,372
RCPS-i A	132,165,050	74,804
RCPS B	84,658,462	47,916
Total issued share capital and RCPS of BHIC		563,303

Pursuant to subsection 216(3)(a) and (f) of the CMSA, LTAT is deemed as a PAC of the Offeror as LTAT is the sole shareholder of the Offeror. As at the LPD, the Offeror, together with its PAC, namely LTAT, collectively hold the following number of BHIC Shares, RCPS A, RCPS-i A and RCPS B:

<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of BHIC Shares</u>	<u>(1) %</u>	<u>No. of BHIC Shares</u>	<u>(1) %</u>
<u>Offeror</u>				
BHB	408,417,934	72.38	-	-
<u>PAC</u>				
LTAT	-	-	⁽²⁾ 421,575,829	74.71

<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of RCPS A</u>	<u>(3) %</u>	<u>No. of RCPS A</u>	<u>(3) %</u>
<u>Offeror</u>				
BHB	-	-	-	-
<u>PAC</u>				
LTAT	-	-	⁽⁴⁾ 23,625,548	100.00
<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of RCPS B</u>	<u>(5) %</u>	<u>No. of RCPS B</u>	<u>(5) %</u>
<u>Offeror</u>				
BHB	84,658,462	100.00	-	-
<u>PAC</u>				
LTAT	-	-	⁽⁶⁾ 84,658,462	100.00

Notes:

- (1) Calculated based on 564,279,558 BHIC Shares in issue as at the LPD.
- (2) Deemed interested through its shareholding in BHB and ABB pursuant to Section 8 of the Act.
- (3) Calculated based on 23,625,548 RCPS A in issue as at the LPD.
- (4) Deemed interested through its shareholding in ABB pursuant to Section 8 of the Act.
- (5) Calculated based on 84,658,462 RCPS B in issue as at the LPD.
- (6) Deemed interested through its shareholding in BHB pursuant to Section 8 of the Act.

For information, as at the LPD, the Offeror together with its PAC, do not hold any direct interest in RCPS-i A.

As at the LPD, the Entitled Holders collectively hold 155,861,624 BHIC Shares, 23,625,548 RCPS A and 132,165,050 RCPS-i A. Pursuant to the Proposal, the Entitled Holders will receive a total capital repayment of RM149,593,067, which represents a cash repayment of RM0.48 for each BHIC Share, RCPS A and RCPS-i A held by the Entitled Holders on the Entitlement Date.

For the avoidance of doubt, the BHIC Shares and RCPS B held by the Non-Entitled Shareholder are not subject to the capital reduction and accordingly will not be entitled to the capital repayment under the Proposal.

Upon Completion, the Non-Entitled Shareholder will hold the remaining 408,417,934 BHIC Shares and 84,658,462 RCPS B that are not cancelled and accordingly, the Non-Entitled Shareholder will hold the entire issued share capital of BHIC, which would result in BHIC being a wholly-owned subsidiary of BHB upon Completion.

The Offeror and its PAC have not acquired or agreed to acquire any BHIC Shares, RCPS A and RCPS-i A at a price higher than the Offer Price during the past 6 months prior to 10 February 2026, being the date of the serving of the Proposal Letter to our Board. In compliance with subparagraph 6.03(2) of the Rules, should the Offeror and/or its PAC acquire any BHIC Shares, RCPS A and RCPS-i A at a price higher than the Offer Price during the period commencing from the date of the Proposal Letter until Completion, the Offer Price will be revised accordingly to the higher price paid by the Offeror and/or its PAC pursuant to Note 1 to paragraph 12.03 of the Rules. In accordance with paragraph 18.01 of the Rules, the Offeror and its PAC have also confirmed that they have not and shall not make any arrangements with any of our Shareholders or RCPS Holders, deal or enter into arrangements to deal or make purchases or sales of BHIC Shares or RCPS A or RCPS-i A, enter into arrangements concerning acceptance of the Proposal since the date of the serving of the Proposal Letter to our Board and up to six months after the completion of the Proposal.

The dealings in BHIC Shares, RCPS A and RCPS-i A by the Offeror and the PAC during the past 6 months prior to 10 February 2026, being the date of receipt of the Proposal Letter and up to the LPD are set out in **Sections 2.2 and 2.3 of Appendix III** of this Document.

As at the LPD, save for the Proposal Letter and the Proposed Disposal, we have not received any alternative offer for the securities of our Company or any offer to acquire the assets and liabilities of our Company.

As at the LPD, the Offeror and its PAC have not received any irrevocable undertaking from any Non-Interested Shareholders to vote in favour of or against the Special Resolution nor any RCPS Holders to vote in favour of or against the RCPS Special Resolutions.

2.2 BHIC's covenants pursuant to the Proposal Letter

From the date of our Non-Interested Directors' acceptance of the terms of the Proposal Letter until Completion, our Company agrees and undertakes to BHB that:

- (a) save for the financing in relation to the Proposal, we will not conduct any form of capital raising exercise, whether in the form of debt or equity and will not grant any options over the BHIC Shares or issue any new BHIC Shares or securities;
- (b) save as disclosed below and for the financing in relation to the Proposal, our Group will not enter into any material commitment or material contract or undertake any obligation or acquire or dispose any of our assets or create a security interest over any of our assets outside the ordinary course of business of our Group;
- (c) we will not pass any resolution in general meeting (other than in respect of any ordinary business tabled in an annual general meeting or in connection with the Proposal) or make any alteration to the provisions of the constitution of our Company or any company within our Group;
- (d) we will not pass any resolution in any RCPS Class Meetings other than in respect of any ordinary business tabled in a RCPS Class Meeting or in connection with the Proposal;
- (e) we will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligations of our Company or any company within our Group; and
- (f) save as disclosed below, we shall not enter any discussion or negotiation, agreement or arrangement, with any other party with respect to the sale of our Company's or our subsidiaries' assets and/or liabilities or any privatisation proposal involving our Company or any company within our Group at any time until the Completion,

without the prior written consent of BHB.

On 31 March 2026, BPS had on even date entered into a sale and purchase agreement with Karya Koperat Sdn Bhd in respect of the Proposed Disposal. Our Company has procured BHB's consent for BHIC and BPS to proceed with the Proposed Disposal on 27 March 2026. Kindly refer to the announcement by our Company on Bursa Securities dated 31 March 2026 for further details of the Proposed Disposal.

We also undertake that, as from the date of the Proposal Letter until Completion, we (and shall use reasonable endeavours to cause and procure each of our subsidiary) shall carry on our business only in the usual, regular and ordinary course in substantially the same manner as the same is carried on as of the date of the Proposal Letter so as to preserve our relationships with all parties to the end that our goodwill and going concern shall not be materially impaired upon Completion, save as otherwise agreed in writing by BHB.

2.3 Basis of arriving at the Offer Price

The Offer Price for BHIC Shares was arrived after taking into consideration the following:

- (i) the closing price and VWAP of the BHIC Shares up to and including the LTD and the LPD, as follows:

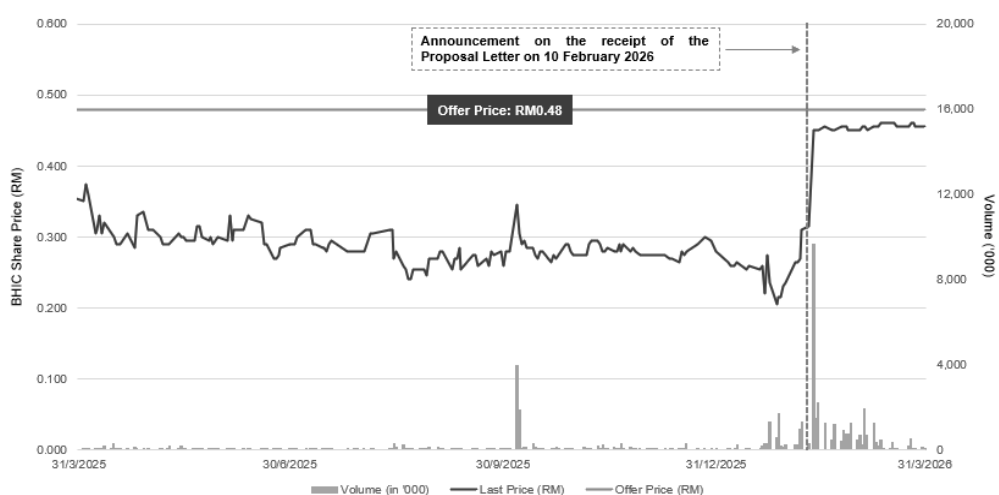
	<u>Closing price/VWAP</u>	<u>Premium based on the Offer Price</u>	
	RM	RM	%
Closing price as at the LTD	0.3100	0.1700	54.84
5-day VWAP up to the LTD	0.2721	0.2079	76.41
1-month VWAP up to the LTD	0.2448	0.2352	96.08
3-month VWAP up to the LTD	0.2526	0.2274	90.02
6-month VWAP up to the LTD	0.2804	0.1996	71.18
1-year VWAP up to the LTD	0.2858	0.1942	67.95

	<u>Closing price/VWAP</u>	<u>Premium based on the Offer Price</u>	
	RM	RM	%
Closing price as at the LPD	0.4550	0.0250	5.49
5-day VWAP up to the LPD	0.4551	0.0249	5.47
1-month VWAP up to the LPD	0.4528	0.0272	6.01
3-month VWAP up to the LPD	0.4047	0.0753	18.61
6-month VWAP up to the LPD	0.3859	0.0941	24.38
1-year VWAP up to the LPD	0.3791	0.1009	26.62

(Source: Bloomberg)

As stated above, the Offer Price represents a premium ranging from 54.84% to 96.08% over the VWAP of the various periods for the past 1 year up to the LTD. Further, the Offer Price also represents a premium ranging from 5.47% to 26.62% over the VWAP of the various periods for the past 1 year up to the LPD.

- (ii) the movement of the closing market prices and trading volume of BHIC Shares over the past 12 months up to the LPD, as depicted below:



(Source: Bloomberg)

Based on the chart above, BHIC Shares have not traded above the Offer Price for the past 1 year up to and including the LPD. Save for the release of our quarterly reports on unaudited financial results and the announcement of the receipt of the Proposal Letter on 10 February 2026, there were no significant events or announcements made by our Company that may have affected the market prices of BHIC Shares for the past 1 year up to and including the LPD.

- (iii) EPS and PER of BHIC Share

	EPS	PER ⁽¹⁾	PER based on Offer Price
	sen	Times	times
Audited consolidated basic EPS for FYE 31 December 2024	1.22 ⁽²⁾	25.41	39.34
Unaudited consolidated basic EPS for FYE 31 December 2025	0.07	442.86	685.71

Notes:

- (1) Based on BHIC's closing share price as at LTD of RM0.31.
- (2) Based on basic EPS attributable to shareholders of the Company adjusted for the dividend on RCPS for the FYE 31 December 2024.

Based on the audited EPS of 1.22 sen for FYE 31 December 2024 and the unaudited EPS of 0.07 sen for FYE 31 December 2025, the Offer Price represents a PER of 39.34 times and 685.71 times respectively.

(iv) NA per BHIC Share and PBR

	<u>NA per BHIC Share</u>	<u>PBR ⁽¹⁾</u>	<u>PBR based on Offer Price</u>
	RM	times	times
Audited consolidated NA per BHIC Share as at 31 December 2024	0.18	1.72	2.67
Unaudited consolidated NA per BHIC Share as at 31 December 2025	0.18	1.72	2.67

Note:

(1) Based on BHIC's closing share price as at LTD of RM0.31.

Based on the audited and unaudited NA per BHIC Share of RM0.18 as at 31 December 2024 and 31 December 2025, the Offer Price represents a PBR of 2.67 times.

The Offer Price has also been adopted for each RCPS A and RCPS-i A after taking into consideration the conversion rate of both RCPS A and RCPS-i A where each RCPS A and RCPS-i A can be converted into 1 new BHIC Share pursuant to their respective conversion terms.

2.4 Distribution

If our Company declares, makes and/or pays any dividend and/or undertakes any Distribution on or after the date of the Proposal Letter up to the Entitlement Date, the Offer Price will be reduced by an amount equivalent to the net Distribution made per BHIC Share, RCPS A or RCPS-i A, respectively.

As at the LPD, there has been no Distribution declared, made and/or paid by our Company on or after the date of the Proposal Letter.

2.5 Funding

The Proposal will be funded by way of advances from BHB to our Company. BHB intends to utilise bank borrowings and/or internally generated funds to finance the advances to our Company.

BHB and our Board confirm that the Proposal will not fail by reason of insufficient financial capability of our Company or the Offeror, and that every Entitled Holder will be paid in full by way of cash.

Affin Hwang IB, being the Principal Adviser for the Proposal, is satisfied and has confirmed that the Proposal will not fail by reason of insufficient financial capability of our Company or the Offeror and that every Entitled Holder will be paid in full by way of cash.

2.6 Listing status

BHB has indicated vide the Proposal Letter that it **does not intend** to maintain the listing status of our Company on the Main Market of Bursa Securities following the Completion. Accordingly, BHB will request our Company to submit an application to Bursa Securities pursuant to paragraph 16.08 of the Listing Requirements to delist our Company's securities and withdraw our listing status from the Official List upon Completion.

However, in the event the Proposal is unsuccessful and not implemented due to, among others, failure to fulfil any or all the conditions and/or obtain the approvals required as set out in **Section 9, Part A** of this Document, our Company will remain listed on the Main Market of Bursa Securities.

3. MODE AND TIMING OF SETTLEMENT

- 3.1 The settlement of the Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend Accounts duly registered with Bursa Depository **within 10 days from the Effective Date**. For the Entitled Shareholders who do not maintain eDividend Accounts, the Entitled RCPS A Holder and the Entitled RCPS-i A Holders, the settlement of the Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Holders (or their designated agents, as they may direct) at the Entitled Holders' registered addresses last maintained with Bursa Depository or in our register of members (where applicable) at their own risk **within 10 days from the Effective Date**.
- 3.2 Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the Offer Price to which the Entitled Holders are entitled under the Proposal will be implemented in full in accordance with the terms of the Proposal without regard to any lien, right of set-off, counter claim or other analogous rights to which BHIC may otherwise be, or claim to be, entitled against the Entitled Holders.
- 3.3 Entitled Holders who are not residents of Malaysia are advised that the settlement of the Offer Price will be made in RM. Such Entitled Holders who wish to convert the amount received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective licensed financial institutions.

4. RATIONALE FOR THE PROPOSAL

The Proposal provides an opportunity for the Entitled Holders to exit and realise their holdings in BHIC, taking into consideration the following:

(i) Exit opportunity for the Entitled Holders

The Offer Price of RM0.48 represents a premium ranging from 54.84% to 96.08% over the closing price, 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of BHIC Shares up to and including LTD as set out in **Section 2.3 of Part A** of this Document.

Accordingly, the Proposal provides Entitled Shareholders with an opportunity to realise their investments in BHIC at a premium over the market price of BHIC Shares, which may otherwise be unavailable as the current and historical trading market prices of BHIC Shares for the past 1 year is lower than the Offer Price.

Further, the Proposal also presents an opportunity for the Entitled RCPS Holders to exit and monetise their investments, as both the RCPS A and RCPS-i A are not traded on Bursa Securities. Further, the RCPS A and RCPS-i A can only be redeemed at the option of BHIC or converted into new BHIC Shares by the relevant RCPS Holders, subject to their respective terms.

(ii) Low trading liquidity of BHIC Shares

The average daily trading volume is 106,262 BHIC Shares over the past 1 year up to the LTD, which represents approximately 0.07% of the free float of BHIC comprising 142,703,729 BHIC Shares. The relatively low trading liquidity of BHIC Shares can pose challenges for the Entitled Holders as they may not be able to realise their investment in BHIC Shares expeditiously, to align with their investment objectives and investment horizon. Further, as both the RCPS A and RCPS-i A are not traded on Bursa Securities, their transferability are subject to the applicable laws, regulations and rules (including the Act), and can only be converted into new BHIC Shares subject to their respective terms.

The Proposal presents an opportunity for the Entitled Holders to realise their investments in our Company immediately and at the Offer Price which represents a premium of 54.84% to 96.08% over the VWAP of various periods up to the LTD, allowing the Entitled Holders to reallocate capital for reinvestments (where applicable), which may otherwise be difficult given the low trading liquidity of the BHIC Shares.

(iii) Greater flexibility in managing our Group's businesses

The Proposal will provide the Offeror and our Company with greater flexibility in managing and developing the existing businesses of our Group, and will also allow our Company to focus on our core growth initiatives and long-term value creation. This includes implementing strategies that may require a longer time to fully realise their value instead of short-term strategies.

Further, under a privatised form, our Company will be able to undertake strategic corporate exercises in an expedited manner. At this juncture, there is no plan to undertake any strategic corporate exercises but nonetheless BHB is currently exploring on the possible reorganisation of our Group for improved flexibility and efficiency with the intention of creating a lean and agile organisational structure moving forward. The privatisation of our Company will also eliminate the administrative and compliance costs associated with maintaining the listing status of our Company, and in turn enable resources to be diverted towards improving the core business of our Group which may help in improving the profitability of our Company in the long term.

5. FUTURE PLANS FOR OUR GROUP AND EMPLOYEES

Our Non-Interested Directors have taken note of the intentions of BHB with respect to our Group's business and employees after the Completion which are as follows:

(i) Continuation of our Group's businesses

Save for those that are currently in the midst of striking-off as disclosed in Section 5 of Appendix III of this Circular, BHB intends to continue and focus with the existing core businesses and operations of our Group and currently have no plans or intentions to liquidate any of our key subsidiaries. The Proposal is not intended to nor be expected to result in any disruption of our operations and commitments to our customers and partners. As at the LPD, BHB has not made any arrangements, rationalisation and/or reorganisation of the business operations of our Group.

However, BHB may from time to time, undertake a review of the businesses and operations of our Group and make such arrangements, rationalisation and reorganisation as BHB considers suitable and/or in the best interests of our Group.

(ii) Major changes to our Group's businesses

Nevertheless, after Completion, BHB intends to undertake a comprehensive review of the various businesses and operations within our Group to determine the strategic plans to optimise the value of our business operations. Such review would take into account BHB's own existing businesses which may serve as a better natural fit to derive operational synergies, and as such may encompass internal restructuring, or other corporate initiatives as they deem appropriate to support a more effective business model.

As part of the abovementioned comprehensive review, BHB will evaluate strategic options for our businesses and assets and, where appropriate, may implement changes such as adopting a refreshed strategy for business activities, optimisation of assets, redeployment of resources and cost optimisation to enhance competitiveness and operational efficiency, with the aim of improving financial performance. Any changes, disposals or redeployments will be undertaken after careful consideration and on a gradual basis to ensure optimal outcomes and prudent cost management.

(iii) Employees of our Group

BHB does not have any plans to dismiss or make redundant any of our existing employees by way of a retrenchment exercise as a direct consequence of the Proposal. Nevertheless, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and / or streamlining of business activities to further improve productivity and efficiency of the operations of our Company.

Notwithstanding the above, BHB shall retain the flexibility to consider any option or explore any potential opportunities as they consider suitable and which are in the best interests of our Group that may present themselves.

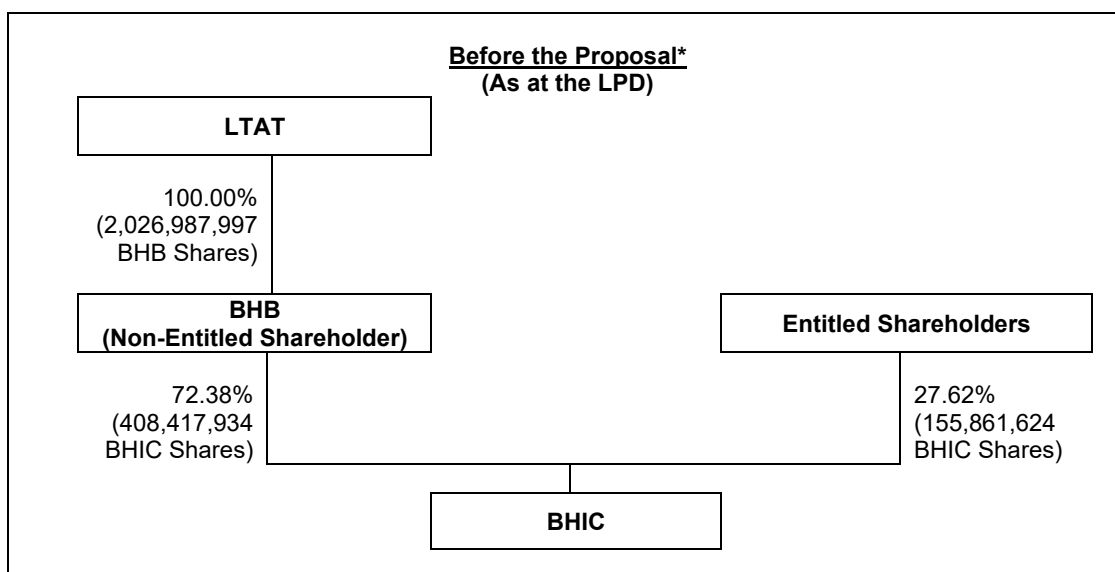
For the avoidance of doubt, as at the LPD, BHB has not entered into any negotiation, arrangement and/or understanding with any third party with regards to any significant change in our Group's business, assets or shareholding structure.

Our Non-Interested Directors are of the view that the rationale for the Proposal as set out in **Section 4 of Part A** of this Document and the intentions of BHB with respect to the future plans for our Group and our employees are not detrimental to our Group.

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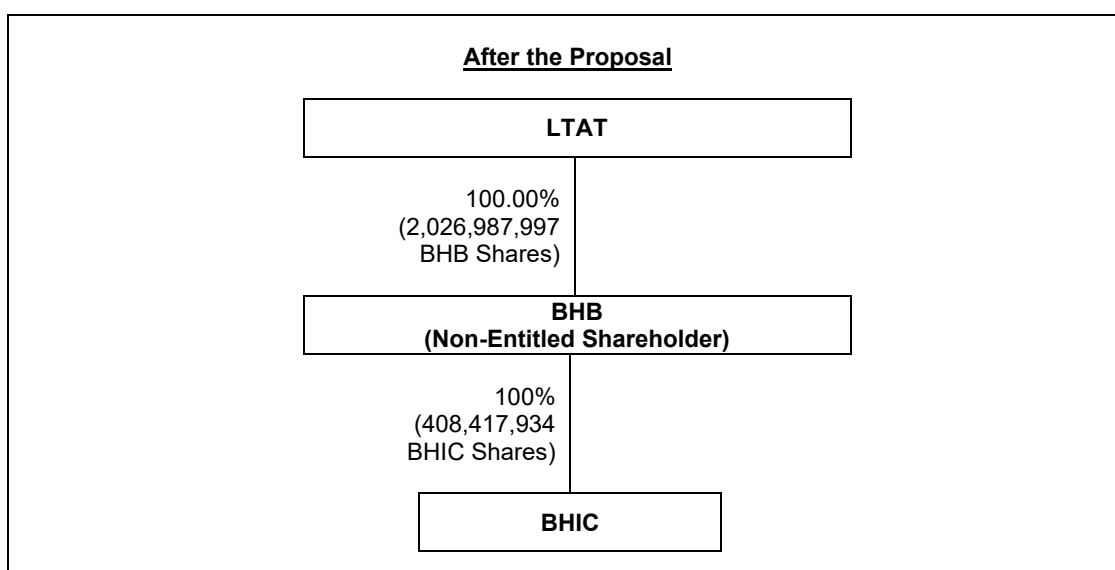
6. SHAREHOLDING STRUCTURE

Our shareholding structure in respect of the BHIC Shares before the Proposal and upon Completion are illustrated below:



Note:

* Calculated based on 564,279,558 BHIC Shares in issue as at the LPD.



As at the LPD, ABB is the sole holder of RCPS A, holding 23,625,548 RCPS A. Upon the completion of the Proposal, the 23,625,548 RCPS A held by ABB will be cancelled.

As at the LPD, AmBank Islamic Berhad and MBSB Bank Berhad each hold 82,350,328 RCPS-i A and 49,814,722 RCPS-i A, representing 62.31% and 37.69% of RCPS-i A of BHIC respectively. Upon the completion of the Proposal, all the 132,165,050 RCPS-i A held by both AmBank Islamic Berhad and MBSB Bank Berhad will be cancelled.

As at the LPD, BHB is the sole holder of RCPS B, holding 84,658,462 RCPS B. Upon completion of the Proposal, the RCPS B will not be cancelled as it is fully held by BHB.

7. EFFECTS OF THE PROPOSAL

7.1 Issued share capital, RCPS A, RCPS-I A and RCPS B

The pro forma effects of the Proposal on the issued share capital, RCPS A, RCPS-i A and RCPS B of our Company are as follows:

(i) Share capital of BHIC

	No. of BHIC Shares	RM '000
Share capital as at the LPD	564,279,558	427,211
Less: BHIC Shares to be cancelled pursuant to the Proposal	(155,861,624)	(74,814)
Resultant issued share capital of BHIC after the Proposal	408,417,934	352,397

(ii) RCPS A

	No. of RCPS A	RM '000
RCPS A as at the LPD	23,625,548	13,372
Less: RCPS A to be cancelled pursuant to the Proposal	(23,625,548)	(13,372)
Resultant RCPS A after the Proposal	-	-

(iii) RCPS-i A

	No. of RCPS-i A	RM '000
RCPS-i A as at the LPD	132,165,050	74,804
Less: RCPS-i A to be cancelled pursuant to the Proposal	(132,165,050)	(74,804)
Resultant RCPS-i A after the Proposal	-	-

(iv) RCPS B

BHB is the sole holder of RCPS B, holding RM47.916 million representing 84,658,462 RCPS B. Upon the Completion, there will be no change in the RCPS B of BHIC as the RCPS B will not be cancelled pursuant to the Proposal.

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7.2 NA per BHIC Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of our Company as at 31 December 2024 and the unaudited consolidated statement of financial position as at 31 December 2025, and on the assumption that the Proposal had been effected on those respective dates, the pro forma effects of the Proposal on the NA per BHIC Share and gearing of our Group are as follows:

	Audited as at 31 December 2024	After the Proposal	Unaudited as at 31 December 2025	After the Proposal
	RM'000	RM'000	RM'000	RM'000
Share capital	427,211	⁽¹⁾ 352,397	427,211	⁽¹⁾ 352,397
RCPS A	13,372	⁽²⁾ -	13,372	⁽²⁾ -
RCPS-i A	74,804	⁽²⁾ -	74,804	⁽²⁾ -
RCPS B	47,916	47,916	47,916	47,916
Accumulated losses	(463,768)	⁽³⁾ (451,871)	(463,386)	⁽³⁾ (451,489)
NA / (net liabilities)	99,535	(51,558)	99,917	(51,176)
Number of BHIC Shares ('000)	564,280	408,418	564,280	408,418
NA / (net liabilities) per BHIC Share (RM)	0.18	(0.13)	0.18	(0.13)
Shareholder's advance (RM'000)	-	149,593	-	149,593
Total borrowings ⁽⁴⁾ (RM'000)	4,151	4,151	2,245	2,245
Cash and bank balances (RM'000)	131,302	131,302	109,202	109,202
Gearing ratio (times) ⁽⁵⁾	0.04	Not applicable	0.02	Not applicable

Notes:

- (1) After the reduction in share capital of RM74.81 million arising from the cancellation of 155,861,624 BHIC Shares held by the Entitled Shareholders pursuant to the Proposal.
- (2) After the cancellation of RCPS A and RCPS-i A pursuant to the Proposal.
- (3) After taking into consideration the following:
 - (i) the surplus of RM2.03 million and RM11.37 million arising from the cancellation of the RCPS A and RCPS-i A, respectively; and
 - (ii) the estimated expenses (comprising professional fees, regulatory fees and administrative expenses) of RM1.50 million in relation to the Proposal.
- (4) Being interest-bearing borrowings and excludes lease liabilities.
- (5) Computed by dividing the sum of total borrowings and shareholder's advance by NA.

7.3 Earnings, EPS and LPS

The Proposal is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2026 other than the estimated expenses of RM1.50 million for the Proposal and any interest cost arising from the shareholder's advances by BHB to fund the Proposal that will reduce the earnings of our Company.

Upon Completion and as a result of the cancellation of 155,861,624 BHIC Shares pursuant to the Proposal, the total number of BHIC Shares in issue will be reduced and as a result, the EPS of our Group is expected to increase accordingly.

For illustrative purposes only, based on the latest audited consolidated statement of comprehensive income for the FYE 31 December 2024 and the unaudited consolidated statement of comprehensive income for the FYE 31 December 2025, and on the assumption that the Proposal had been effected on 1 January 2024, being the beginning of the FYE 31 December 2024, and 1 January 2025, being the beginning of the FYE 31 December 2025, the pro forma effects of the Proposal on the consolidated EPS of our Company are as follows:

	Audited for the FYE 31 December 2024 ⁽¹⁾	After the Proposal	Unaudited for the FYE 31 December 2025 ⁽²⁾	After the Proposal
Profit / (loss) for the year attributable to the Shareholders adjusted for the effect of dilution (RM'000)	6,881	⁽³⁾ 5,381	382	⁽³⁾ (1,118)
Number of BHIC Shares in issue ('000)	564,280	408,418	564,280	408,418
Basic EPS / (LPS) (sen)	1.22	1.32	0.07	(0.27)

Notes:

(1) As extracted from BHIC's audited consolidated financial statements for the FYE 31 December 2024.

(2) As extracted from BHIC's unaudited consolidated financial statements for the FYE 31 December 2025.

(3) After accounting for the estimated expenses of approximately RM1.50 million for the Proposal.

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7.4 Pro forma effects of the Proposal on the substantial Shareholders' shareholdings and RCPS holdings

7.4.1 Substantial Shareholders' shareholdings in respect of the BHIC Shares

The pro forma effects of the Proposal on the substantial Shareholders' shareholdings in respect of BHIC Shares are as follows:

Name	As at the LPD		After the Proposal	
	Direct No. of BHIC Shares (1)%	Indirect No. of BHIC Shares (1)%	Direct No. of BHIC Shares (2)%	Indirect No. of BHIC Shares (2)%
BHB	408,417,934	72.38	408,417,934	100.00
LTAT	-	(3) 421,575,829 74.71	-	(4) 408,417,934 100.00

Notes:

- (1) Calculated based on 564,279,558 BHIC Shares in issue as at the LPD.
- (2) Calculated based on 408,417,934 BHIC Shares held by the Non-Entitled Shareholder representing the entire issued share capital of our Company after the Proposal.
- (3) Deemed interested by virtue of its shareholdings in BHB and ABB pursuant to subsection 8(4) of the Act.
- (4) Deemed interested by virtue of its shareholdings in BHB pursuant to subsection 8(4) of the Act.

7.4.2 Shareholdings of the holders of RCPS

The pro forma effects of the Proposal on the shareholding of the holders of RCPS of BHIC are as follows:

(a) RCPS A

As at the LPD, ABB holds 23,625,548 RCPS A. Upon the Completion, all RCPS A will be cancelled pursuant to the Proposal.

(b) RCPS-i A

As at the LPD, AmBank Islamic Berhad and MBSB Bank Berhad hold 82,350,328 RCPS-i A and 49,814,722 RCPS-i A, representing 62.31% and 37.69% of the total RCPS-i A of BHIC respectively. Upon the Completion, all RCPS-i A will be cancelled pursuant to the Proposal.

(c) **RCPS B**

As at the LPD, BHB is the sole holder of RCPS B and there will be no effect to the shareholding of the holder of RCPS B as RCPS B will not be cancelled pursuant to the Proposal.

Upon the Completion, our Company will be wholly-owned by BHB as a result of the cancellation of all BHIC Shares held by the Entitled Shareholders as well as the RCPS A and RCPS-i A pursuant to the Proposal.

7.5 Convertible securities

As at the LPD, save for the RCPS-A, RCPS-i A and RCPS B, our Company does not have any other outstanding convertible securities.

8. HISTORICAL TRADED PRICES AND TRADING LIQUIDITY OF BHIC SHARES, RCPS A AND RCPS-i A

8.1 Historical share prices

The monthly closing, highest and lowest prices of BHIC Shares as traded on the Main Market of Bursa Securities from August 2025 to January 2026, being the period commencing 6 months preceding the serving of the Proposal Letter and ending on the LPD are as follows:

	<u>Closing</u> RM	<u>High</u> RM	<u>Low</u> RM
<u>2025</u>			
August	0.270	0.310	0.240
September	0.260	0.285	0.255
October	0.275	0.345	0.265
November	0.275	0.295	0.275
December	0.280	0.300	0.265
<u>2026</u>			
January	0.235	0.275	0.205
February	0.450	0.455	0.265
March	0.455	0.460	0.450
Last traded price as at the LTD			0.310
Last traded price on 2 March 2026 (<i>being the last trading day prior to the announcement made pursuant to our Non-Interested Directors' deliberation on the Proposal on 3 March 2026</i>)			0.450
Last traded price as at the LPD			0.455

(Source: Bloomberg)

The RCPS A and RCPS i-A were issued at an issue price of RM0.57 per RCPS A and RM0.57 per RCPS i-A respectively. RCPS A and RCPS i-A are not listed on Main Market of Bursa Securities and there have been no trades in respect of the RCPS A and the RCPS i-A during the 6 months preceding the date of the Proposal Letter up to the LPD.

During the 6 months preceding the service of the Proposal Letter and up to the LPD:

- (i) the highest closing price of BHIC Shares was RM0.460 which was transacted on 12 March 2026; and
- (ii) the lowest closing price of BHIC Shares was RM0.205 which was transacted on 26 January 2026.

(Source: Bloomberg)

8.2 Historical trading liquidity

For information purposes, the monthly trading volume of BHIC Shares from August 2025 (being 6 months prior to the receipt of the Proposal Letter by our Board) to March 2026 (being the full trading month up to and including the LPD) are as follows:

	<u>Monthly volume traded</u>	<u>Monthly volume traded over free float⁽¹⁾</u>	%
<u>2025</u>			
August	1,030,000		0.72
September	318,000		0.22
October	⁽²⁾ 7,060,000		4.95
November	1,530,000		1.07
December	644,734		0.45
<u>2026</u>			
January	⁽²⁾ 5,180,000		3.63
February	⁽²⁾ 23,230,000		16.28
March	⁽²⁾ 7,630,000		5.35
Simple average	5,827,842		4.08
Simple average (excluding outliers)	880,684		0.62

(Source: Bloomberg)

Notes:

- (1) Free float of BHIC Shares refers to the total BHIC Shares held by the public Shareholders which excludes BHIC Shares held by the Non-Entitled Shareholder and ABB.
- (2) Denotes an outlier being excluded from the computation of the simple average monthly volume traded over the free float of BHIC Shares. Save for the monthly traded volume of BHIC Shares in February 2026 and March 2026, being the trading months following the serving of the Proposal Letter on 10 February 2026, our Company is not able to identify the reason for the sudden spike in the monthly traded volume of BHIC Shares.

There have been no trades in respect of the RCPS A and the RCPS i-A during the 6 months preceding the date of the Proposal Letter up to the LPD.

9. CONDITIONS OF THE PROPOSAL

The Proposal is subject to and conditional upon the following approvals being obtained or conditions being satisfied:

- (i) the approval of the Non-Interested Shareholders who are entitled to vote for the Proposal via the Special Resolution to be tabled at the forthcoming EGM.

In accordance with subparagraph 2(f) of Schedule 3 of the Rules, the Special Resolution:

- (a) is required to be approved by at least a majority in number of our Non-Interested Shareholders and at least 75% in value to the votes attached to the BHIC Shares held by our Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and
- (b) must not be voted against by more than 10% in value of the votes attached to the BHIC Shares held by our Non-Interested Shareholders of the total voting BHIC Shares;

- (ii) the approval of the RCPS Holders who are entitled to vote for the Proposal via the RCPS Special Resolutions to be tabled at the forthcoming RCPS Class Meetings.

In accordance with subparagraph 2(f) of Schedule 3 of the Rules, each RCPS Special Resolution:

- (a) is required to be approved, at the relevant RCPS Class Meetings, by at least a majority in number of the RCPS Holders of the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) and at least 75% in value to the votes attached to the RCPS of that class held by the RCPS Holders that are cast either in person or by proxy at that RCPS Class Meeting; and
- (b) must not be voted against by more than 10% in value of the votes attached to the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) held by the RCPS Holders of that class of the total voting RCPS of that class.

For the avoidance of doubt, the approval thresholds as set out above shall apply separately to each RCPS Class Meeting and the votes of RCPS Holders shall not be aggregated or combined for the purposes of determining whether the relevant approval thresholds are met;

- (iii) the approval of the holder of RCPS B i.e. BHB, which has been obtained via BHB's letter to BHIC dated 1 April 2026 where BHB approved the Proposal in its capacity as the sole holder of RCPS B and waived the requirement to convene a class meeting of the holder of RCPS B in accordance with the constitution of BHIC;
- (iv) the grant of the High Court Order;
- (v) the approval, waiver and/or consent of the existing financiers and/or creditors of BHB, BHIC and/or its subsidiaries, if required; and
- (vi) the approval, waiver and/or consent of any other relevant governmental or regulatory authority or parties, if required.

For avoidance of doubt, there is no approval, waiver and/or consent from any government or regulatory authority or other parties required for the Proposal.

The Special Resolution and RCPS Special Resolutions are inter-conditional with each other.

As at the LPD, we confirm that there are no approval or consent required from any other relevant government or regulatory authorities for the Proposal.

The Proposal will become effective upon the lodgement of an office copy of the High Court Order with the Registrar pursuant to subsection 116(6) of the Act. In this respect, the Proposal shall be binding on all Entitled Holders notwithstanding that there may have been Non-Interested Shareholders who voted against the Special Resolution or RCPS Holders who voted against the RCPS Special Resolutions.

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

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at the LPD, save as disclosed below, there are no other Directors, major shareholders of BHIC and/or persons connected to them (as defined under the Listing Requirements) and/or persons acting in concert with the Non-Entitled Shareholder (as defined under the CMSA), who have any interest, whether direct or indirect, in the Proposal:

10.1 Interested Directors

- (i) Dato' Indera Ir. Dr. Hj. Ahmad Sabirin Bin Arshad is the director and Group Managing Director of BHB and the Non-Independent Non-Executive Director of our Company;
- (ii) Ahmad Farouk Bin Mohamed is the Non-Independent Non-Executive Director of BHB, Chief Investment Officer of LTAT and the Non-Independent Non-Executive Director of our Company; and
- (iii) Fahmy Bin Ismail is the Group Chief Financial Officer of BHB and the Non-Independent Non-Executive Director of our Company.

As such, they are deemed interested in the Proposal. Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposal and will also abstain from voting in respect of their direct and/or indirect shareholdings in BHIC, if any, on the Special Resolution to be tabled at the forthcoming EGM and on the RCPS Special Resolutions (if applicable) to be tabled at the forthcoming RCPS Class Meetings. For information purposes, as at the LPD, none of the Interested Directors have any direct and/or indirect shareholdings in BHIC.

The Interested Directors have also undertaken that they will ensure persons connected to them, will abstain from voting in respect of their direct and/or indirect shareholdings in BHIC, if any, on the Special Resolution to be tabled at the forthcoming EGM and on the RCPS Special Resolutions (if applicable) to be tabled at the forthcoming RCPS Class Meetings.

10.2 Interested major shareholder

BHB, being the Offeror and also a major shareholder of our Company, is deemed interested in the Proposal. Accordingly, BHB will abstain from voting in respect of its direct and/or indirect shareholdings in BHIC, on the Special Resolution to be tabled at the forthcoming EGM and on the RCPS Special Resolutions to be tabled at the forthcoming RCPS Class Meetings (if applicable).

BHB will also ensure that persons connected to it, including but not limited to LTAT, will abstain from voting in respect of their direct and/or indirect shareholdings in BHIC, if any, on the Special Resolution to be tabled at the forthcoming EGM and on the RCPS Special Resolutions to be tabled at the forthcoming RCPS Class Meetings (if applicable).

The direct and indirect shareholdings of BHB and LTAT in BHIC as at the LPD are set out in **Section 7.4 of Part A** of this Document.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of the conditions of the Proposal as set out in **Section 9** above, the Board expects the Proposal to be completed in the third quarter of 2026.

The tentative timetable for the implementation of the Proposal is as follows:

<u>Date</u>	<u>Event⁽¹⁾</u>
7 April 2026	<ul style="list-style-type: none">• Despatch of this Document to the Shareholders and RCPS Holders of our Company
29 April 2026	<ul style="list-style-type: none">• Meetings for the Proposal• Announcements on outcome of the Meetings
May 2026	<ul style="list-style-type: none">• Filing of application to seek confirmation from the High Court in relation to the Proposal under Section 116 of the Act
June 2026	<ul style="list-style-type: none">• Expected receipt of the High Court Order and announcement thereto• Announcement of the Entitlement Date• Announcement of notice of suspension in relation to the trading of BHIC Shares• Entitlement Date⁽²⁾• Lodgement of an office copy of the High Court Order with the Registrar• Announcement of the Effective Date
July 2026	<ul style="list-style-type: none">• Settlement of the Offer Price to the Entitled Holders⁽³⁾• Completion• De-listing of our Company from the Official List

Notes:

- (1) *This is an indicative timetable depending on, amongst others, the date of the hearing of the application to seek confirmation for the reduction of share capital, which will be fixed by the High Court and the date on which the High Court grants the High Court Order pursuant to Section 116 of the Act. If any of the events are changed or delayed, the subsequent events will be adjusted accordingly.*
- (2) *The trading of BHIC Shares on the Main Market of Bursa Securities will be suspended 1 clear Market Day prior to the Entitlement Date.*
- (3) *In compliance with paragraph 14.01 of the Rules, the settlement of the Offer Price will be effected **within 10 days** from the Effective Date.*

12. OUTSTANDING PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposal and the Proposed Disposal, there is no other outstanding corporate proposal which our Company has announced but pending completion as at the LPD.

13. INDEPENDENT ADVISER

In accordance with paragraph 3.06 of the Rules, our Non-Interested Directors had on 23 February 2026 appointed DWA Advisory to act as the Independent Adviser to provide comments, opinions, information, recommendation and to advise the Non-Interested Directors, Non-Interested Shareholders and RCPS Holders on the Proposal. DWA Advisory had on 24 February 2026, declared their independence to the SC as the Independent Adviser in relation to the Proposal.

Please refer to **Part B** of this Document for the IAL in relation to the Proposal. The Non-Interested Shareholders and the RCPS Holders are advised to read and carefully consider the contents of the IAL before voting at the forthcoming EGM or the RCPS Class Meetings in relation to the Proposal.

14. NON-INTERESTED DIRECTORS' RECOMMENDATION

Our Non-Interested Directors, after having considered all aspects of the Proposal, in particular:

- (i) the rationale for the Proposal as set out in **Section 4, Part A** of this Document and the intentions of the Offeror, with respect to the future plans for our Group and our employees as set out in **Section 5, Part A** of this Document;
- (ii) the advice of the Independent Adviser that the Proposal is **fair and reasonable** as set out in **Part B** of this Document; and
- (iii) the Independent Adviser's recommendation for the Non-Interested Shareholders to vote in favour of the Special Resolution and the RCPS Holders to vote in favour of the RCPS Special Resolutions as set out in **Part B** of this Document;

are of the opinion that the Proposal is in the best interest of the Non-Interested Shareholders and RCPS Holders.

Accordingly, our Non-Interested Directors concur with the evaluation by the Independent Adviser that the Proposal is **fair and reasonable** and the recommendation of the Independent Adviser and recommend that:

- (i) the Non-Interested Shareholders **VOTE IN FAVOUR** of the Special Resolution at the forthcoming EGM; and
- (ii) The RCPS Holders **VOTE IN FAVOUR** of the RCPS Special Resolutions to be tabled at the forthcoming RCPS Class Meetings.

As at the LPD, none of our Non-Interested Directors hold any BHIC Shares, RCPS A and RCPS-i A whether directly or indirectly.

15. MEETINGS

The Notices are enclosed herewith together with this Document. The Meetings will be held physically at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026, at the respective time as set out below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the Special Resolution and the RCPS Special Resolutions to give effect to the Proposal.

- | | | |
|------------------------|---|--|
| EGM | : | Wednesday, 29 April 2026, at 10:30 a.m. or any adjournment thereof |
| RCPS A Class Meeting | : | Wednesday, 29 April 2026, at 12:00 p.m. or immediately following the conclusion or any adjournment (as the case may be) of the EGM, whichever is later |
| RCPS-i A Class Meeting | : | Wednesday, 29 April 2026 at 12:30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the RCPS A Class Meeting, whichever is later |

If you are unable to attend and vote in person at the forthcoming Meetings, you may complete, sign and return the enclosed applicable Proxy Form in accordance with the instructions thereon as soon as possible so as to arrive at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the applicable Meetings or at any adjournment thereof.

You may submit the proxy appointment electronically via the Share Registrar's email at is.enquiry@vistra.com before the proxy appointment cut off time as mentioned above. You may also submit the proxy appointment electronically via the Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of the Proxy Form, please refer to Administrative Notes. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming Meetings should you subsequently decide to do so.

16. FURTHER INFORMATION

You are advised to refer to the attached appendices which form part of this Document.

Yours faithfully,
For and on behalf of the Board of
BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD

General Tan Sri Dato' Sri Roslan Bin Saad RMAF (Retired)
Chairman / Independent Non-Executive Director

PART B

**IAL FROM DWA ADVISORY TO OUR NON-INTERESTED DIRECTORS, NON-INTERESTED
SHAREHOLDERS AND RCPS HOLDERS IN RELATION TO THE PROPOSAL**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the “Definitions” section of this Document, except where the context otherwise requires or where otherwise defined in this IAL. All references to “we”, “us” or “our” are references to DWA Advisory, being the Independent Adviser in relation to the Proposal.

The purpose of this IAL is to provide the Non-Interested Directors and Entitled Holders with our independent evaluation on the Proposal, together with our recommendation on whether the Entitled Holders should vote in favour of or against the Special Resolution and RCPS Special Resolutions at the forthcoming EGM and RCPS Class Meetings in relation to the Proposal, subject to the scope of our role and limitations specified in Section 3 of this IAL.

This Executive Summary highlights only the pertinent information of the Proposal. You are advised to read and understand this IAL in its entirety, together with the Circular, including the accompanying attachments and appendices for other relevant information. You should not rely solely on this Executive Summary before forming an opinion on the Proposal. You are also advised to carefully consider the recommendations contained in both this IAL and the Circular before voting on the Special Resolution and RCPS Special Resolutions pertaining to the Proposal to be tabled at the forthcoming EGM and RCPS Class Meetings respectively.

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

1. INTRODUCTION

On 10 February 2026, the Board announced that the Company had on the same date received the Proposal Letter from its major shareholder, BHB, notifying the Board of its intention to privatise the Company via the Proposal pursuant to Section 116 of the Act and requesting the Company to undertake the Proposal.

On 23 February 2026, in accordance with paragraph 3.06 of the Rules, the Non-Interested Directors had appointed DWA Advisory as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposal to the Non-Interested Directors, Non-Interested Shareholders and RCPS Holders.

Further thereto, on 3 March 2026, on behalf of the Board, Affin Hwang IB announced that the Non-Interested Directors had deliberated on the contents of the Proposal Letter after taking into consideration the advice from the Independent Adviser and had resolved to table the Proposal to the Non-Interested Shareholders and the RCPS Holders for their consideration and approval.

The SC had, vide its letter dated 6 April 2026, notified us that the SC has no further comments on this IAL. However, such notification shall not be taken to suggest that the SC recommends the Proposal or that the SC agrees with the recommendation contained herein or that the SC assumes responsibility for the correctness of any statements made or opinions or report expressed in this IAL.

The purpose of this IAL is to provide you with an independent evaluation on the Proposal together with our recommendation on whether the Entitled Holders should vote in favour of or against the Special Resolution and RCPS Special Resolutions in relation to the Proposal at the forthcoming EGM and RCPS Class Meetings respectively, subject to the scope of our role and evaluation specified herein.

Please refer to **Section 2 of Part A** of this Document for further details of the Proposal.

2. EVALUATION OF THE PROPOSAL

In arriving at our conclusion and recommendation in respect of the Proposal, we have assessed the fairness and reasonableness of the Proposal in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two distinct criteria, i.e. whether the Proposal is “**fair**” and whether the Proposal is “**reasonable**”, rather than as a composite term;
- (ii) the Proposal is considered as “**fair**” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the BHIC Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the BHIC Shares, the Proposal is considered as “**not fair**”. In making the assessment, the value of the BHIC Shares is determined based on the assumption that 100.00% of the issued share capital of BHIC is being acquired;
- (iii) in considering whether a Proposal is “**reasonable**”, we have taken into consideration matters other than the valuation of the BHIC Shares. Generally, the Proposal would be considered “**reasonable**” if it is “**fair**”. Nevertheless, the Independent Adviser may also recommend for Entitled Holders to vote in favour of the Special Resolution and the RCPS Special Resolutions despite it being “**not fair**”, if the Independent Adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution and the RCPS Special Resolutions in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event the Independent Adviser concludes that the Proposal is “**not fair but reasonable**”, the Independent Adviser must clearly explain the following:
 - (a) what is meant by “**not fair but reasonable**”;
 - (b) how has the Independent Adviser reached this conclusion; and
 - (c) the course of action that the Entitled Holders are recommended to take pursuant to the conclusion.

For the avoidance of doubt, our assessment, evaluation and recommendation in respect of the BHIC Shares are also applicable to the holders of the RCPS A and RCPS-i A in view that the Proposal is also offered to the RCPS Holders.

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2.1 Fairness of the Proposal

In arriving at the fairness of the Proposal, we have considered factors as stated in the table below:

Reference in this IAL / Consideration factors	Our evaluation																		
<p>Sections 5.1 and 5.2</p> <p>Valuation of BHIC Shares, RCPS A and RCPS-i A</p>	<p>The estimated value of BHIC Group based on the sum-of-parts valuation method of valuation is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">Valuation method</th> <th style="text-align: right;">(RM'000)</th> </tr> </thead> <tbody> <tr> <td>BHIC Submarine Engineering Services Sdn Bhd ("BSES")</td> <td style="text-align: center;">PER</td> <td style="text-align: right;">136,600</td> </tr> <tr> <td>Other businesses</td> <td style="text-align: center;">Revalued net asset value ("RNAV")</td> <td style="text-align: right;">22,847</td> </tr> <tr> <td>Value of BHIC Group</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">159,447</td> </tr> <tr> <td>No. of issued BHIC Shares as at LPD ('000)</td> <td></td> <td style="text-align: right;">564,280</td> </tr> <tr> <td>Value per BHIC Share (RM)</td> <td></td> <td style="text-align: right;">0.28</td> </tr> </tbody> </table> <p>Based on the above, the Offer Price of RM0.48 represents a premium of RM0.20 or approximately 71.43% to the estimated value of RM0.28 per BHIC Share.</p> <p>In respect of RCPS A and RCPS-i A valuation, the Offer Price is on a "see-through" basis as the RCPS are convertible into BHIC Shares based on the conversion ratio of 1 RCPS A or 1 RCPS-i A into 1 BHIC Share. Hence, the valuation of the RCPS A and RCPS-i A should be reflective of the value of the BHIC Shares. In this regard, DWA Advisory's analysis of the BHIC Shares is also relevant to the holders of RCPS A and RCPS-i A.</p> <p>The Offer Price represents a premium of RM0.20 or approximately 71.43% to the estimated value per RCPS A and RCPS-i A of RM0.28 on a "see-through" basis.</p>		Valuation method	(RM'000)	BHIC Submarine Engineering Services Sdn Bhd ("BSES")	PER	136,600	Other businesses	Revalued net asset value ("RNAV")	22,847	Value of BHIC Group		159,447	No. of issued BHIC Shares as at LPD ('000)		564,280	Value per BHIC Share (RM)		0.28
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No. of issued BHIC Shares as at LPD ('000)		564,280																	
Value per BHIC Share (RM)		0.28																	
<p>Section 5.3</p> <p>Historical market prices of BHIC Shares</p>	<p>BHIC Shares have not traded above the Offer Price of RM0.48 for the past one (1) year prior to and including the LPD.</p> <p>The Offer Price represents:</p> <ul style="list-style-type: none"> (i) a premium of between 67.95% and 96.08% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including LTD; and (ii) a premium of between 5.47% and 26.62% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including the LPD. 																		

EXECUTIVE SUMMARY (Cont'd)

In view of the above, we are of the view that the Proposal is **FAIR** as the Offer Price represents:

- (i) a **premium of 71.43%** to the estimated value of BHIC Shares, RCPS A and RCPS-i A of RM0.28 per BHIC Share;
- (ii) a **premium of 166.67%** to the unaudited consolidated NA of RM0.18 per BHIC Share, RCPS A and RCPS-i A as at 31 December 2025;
- (iii) a **premium of between 67.95% and 96.08%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including LTD; and
- (iv) a **premium of between 5.47% and 26.62%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including the LPD.

For information purposes, the unaudited consolidated NA of the Group as at 31 December 2025 is RM0.18 per BHIC Share which represents a PBR of 2.67 times based on the Offer Price.

Please refer to Section 5 of this IAL for further details of the valuation of BHIC Shares, RCPS A and RCPS-i A as well as historical market prices of BHIC Shares.

2.2 Reasonableness of the Proposal

In assessing the reasonableness of the Proposal, we have considered factors as stated in the table below:

Reference in this IAL / Consideration factors	Our evaluation
Section 6.1 Historical trading liquidity of BHIC Shares	The trading volume of BHIC Shares was relatively illiquid whereby its trading liquidity based on the average historical monthly volume traded for the past twelve (12) months up to March 2026 (being the full trading month up to and including the LPD) of 0.48% was significantly lower than the average monthly traded volume over the free float of the KL Transportation & Logistics Index of 9.77%. As such, the Entitled Holders may have limited opportunity to realise his/ her investment in BHIC Shares in the open market.
Section 6.2 Level of control of the Non-Entitled Shareholder	As at the LPD, the Non-Entitled Shareholder and its PAC hold the equity stake/voting rights of approximately 74.71% in BHIC. As such, the Non-Entitled Shareholder would be in a position to exert significant influence over both the ordinary and special resolutions sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholder are required to abstain from voting). For information purposes, an ordinary resolution requires approval from more than 50.00% of the total votes cast while a special resolution requires approval from at least 75.00% of the total votes cast. The Non-Interested Shareholder, namely BHB have duly abstained and will continue to abstain from the voting in respect of its direct and/or indirect shareholdings in BHIC, on the Special Resolution and the RCPS Special Resolutions in relation to the Proposal.

EXECUTIVE SUMMARY (Cont'd)

Reference in this IAL / Consideration factors	Our evaluation
Section 6.3 No alternative proposal	<p>As part of the covenants in the Proposal Letter, BHIC Group shall not enter any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of BHIC or its subsidiaries or any privatisation proposal involving BHIC or any company within BHIC Group at any time until the completion without the Offeror's prior written consent. As such, unless the Non-Entitled Shareholder provide their consent, any alternative proposal is unlikely to succeed.</p> <p>As at the LPD, save for the Proposal Letter, BHIC has not received any alternative offer for the BHIC Shares or any offer to acquire the BHIC Group's assets and liabilities. In the absence of an alternative proposal, the Proposal presents an opportunity for the Entitled Holders to realise their investment in BHIC Shares at a premium over the prevailing market price as presented in Section 5.3 of this IAL.</p>
Section 6.4 Listing status of BHIC	<p>The Offeror has indicated vide the Proposal Letter that it does not intend to maintain the listing status of the Company on the Main Market of Bursa Securities following the Completion. Accordingly, the Offeror will request the Company to submit an application to Bursa Securities pursuant to paragraph 16.08 of the Listing Requirements to delist the Company's securities and withdraw the listing status from the Official List upon Completion.</p>

In view of the above, we are of the view that the Proposal is **REASONABLE** as it represents a viable exit option for you to realise your investments in BHIC Shares, RCPS A and RCPS-i A.

3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposal in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, as disclosed in Section 2 of this Executive Summary.

Premised on the above and our overall evaluation of the Proposal in Sections 5 and 6 of this IAL, we are of the opinion that the Proposal is **FAIR AND REASONABLE**.

Accordingly, we would recommend that you **VOTE IN FAVOUR** of the Special Resolution and RCPS Special Resolutions pertaining to the Proposal to be tabled at the forthcoming EGM and RCPS Class Meetings respectively.

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Registered Office:

E-2-1, Block E, Oasis Square
No. 2, Jalan PJU 1A/7A
Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan

7 April 2026

To: The Non-Interested Directors and Entitled Holders

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED DIRECTORS AND ENTITLED HOLDERS IN RELATION TO THE PROPOSAL

*This IAL has been prepared for inclusion in **Part B** of this Document. Unless otherwise stated, all definitions used in this IAL shall have the same meaning as the words and expressions defined in the “Definitions” section of this Document, except where the content otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” are references to DWA Advisory, being the Independent Adviser in relation to the Proposal.*

1. INTRODUCTION

On 10 February 2026, the Board announced that the Company had on the same date received the Proposal Letter from its major shareholder, BHB, notifying the Board of its intention to privatise the Company via the Proposal pursuant to Section 116 of the Act and requesting the Company to undertake the Proposal.

On 23 February 2026, in accordance with paragraph 3.06 of the Rules, the Non-Interested Directors had appointed DWA Advisory as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposal to the Non-Interested Directors, Non-Interested Shareholders and RCPS Holders.

On 24 February 2026, in accordance with paragraph 3.07 of the Rules, DWA Advisory declared to the SC its independence from any conflict of interest or potential conflict of interest to act as the Independent Adviser in relation to the Proposal.

Further thereto, on 3 March 2026, on behalf of the Board, the Non-Interested Directors had deliberated on the contents of the Proposal Letter and after taking into consideration the advice from the Independent Adviser, had resolved to table the Proposal to the Non-Interested Shareholders and the RCPS Holders for their consideration and approval.

The SC had, vide its letter dated 6 April 2026, notified us that the SC has no further comments on this IAL. However, such notification shall not be taken to suggest that the SC recommends the Proposal or that the SC agrees with the recommendation contained herein or that the SC assumes responsibility for the correctness of any statements made or opinions or report expressed in this IAL.

THE PURPOSE OF THIS IAL IS TO PROVIDE THE NON-INTERESTED DIRECTORS AND ENTITLED HOLDERS WITH OUR INDEPENDENT EVALUATION ON THE PROPOSAL, TOGETHER WITH OUR RECOMMENDATION ON WHETHER THE ENTITLED HOLDERS SHOULD VOTE IN FAVOUR OF OR AGAINST THE SPECIAL RESOLUTION AND RCPS SPECIAL RESOLUTIONS AT THE FORTHCOMING EGM AND RCPS CLASS MEETINGS RESPECTIVELY IN RELATION TO THE PROPOSAL, SUBJECT TO THE SCOPE OF OUR ROLE AND LIMITATIONS SPECIFIED IN THIS IAL.

YOU ARE ADVISED TO ALSO CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT AS WELL AS THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION AND RCPS SPECIAL RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM AND RCPS CLASS MEETINGS RESPECTIVELY IN RELATION TO THE PROPOSAL.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSAL.

2. DETAILS OF THE PROPOSAL

The Proposal involves BHIC undertaking the following exercises, each to be implemented by way of court confirmation pursuant to Section 116 of the Act:

- (i) selective capital reduction and a corresponding capital repayment exercise in respect of the BHIC Shares held by all the Entitled Shareholders on the Entitlement Date; and
- (ii) capital reduction and corresponding capital repayment exercises in respect of the RCPS A held by the Entitled RCPS A Holder and RCPS-i A held by the Entitled RCPS-i A Holders on the Entitlement Date.

On Effective Date, all the BHIC Shares, RCPS A and RCPS-i A held by the Entitled Holders will be cancelled pursuant to the Proposal.

The details of the Proposal are summarised as follows:

Consideration for the Proposal	<p>As at the LPD, the Entitled Holders collectively hold 155,861,624 BHIC Shares, 23,625,548 RCPS A and 132,165,050 RCPS-i A. Pursuant to the Proposal, the Entitled Holders will receive a total capital repayment of RM149,593,067, which represents a cash repayment of RM0.48 for each BHIC Share, RCPS A and RCPS-i A held by the Entitled Holders on the Entitlement Date.</p> <p>If the Company declares, makes and/or pays any dividend and/or undertake any Distribution on or after the date of the Proposal Letter up to the Entitlement Date, the Offer Price will be reduced by an amount equivalent to the net Distribution made per BHIC Share, RCPS A or RCPS-i A, respectively.</p> <p>As at the LPD, there has been no Distribution declared, made and/or paid by the Company on or after the date of the Proposal Letter.</p>
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<p>Mode and timing of settlement</p>	<p>The settlement of the Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend Accounts duly registered with Bursa Depository within 10 days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend Accounts, the Entitled RCPS A Holder and Entitled RCPS-I A Holders, the settlement of the Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Holders (or their designated agents, as they may direct) at the Entitled Holders' registered addresses last maintained with Bursa Depository or in the Company's register of members (where applicable) at their own risk within 10 days from the Effective Date.</p> <p>Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the Offer Price to which the Entitled Holders are entitled under the Proposal will be implemented in full in accordance with the terms of the Proposal without regard to any lien, right of set-off, counter claim or other analogous rights to which BHIC may otherwise be, or claim to be, entitled against the Entitled Holders.</p> <p>Entitled Holders who are not residents of Malaysia are advised that the settlement of the Offer Price will be made in RM. Such Entitled Holders who wish to convert the amount received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective licensed financial institutions.</p>
<p>Conditions of the Proposal</p>	<p>The Proposal is subject to and conditional upon the following approvals being obtained or conditions being satisfied:</p> <p>(i) the approval of the Non-Interested Shareholders who are entitled to vote for the Proposal via the Special Resolution to be tabled at the forthcoming EGM.</p> <p>In accordance with subparagraph 2(f) of Schedule 3 of the Rules, the Special Resolution:</p> <p>(a) is required to be approved by at least a majority in number of the Non-Interested Shareholders and at least 75.00% in value to the votes attached to the BHIC Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and</p> <p>(b) must not be voted against by more than 10.00% in value of the votes attached to the BHIC Shares held by the Non-Interested Shareholders of the total voting BHIC Shares;</p> <p>(ii) the approval of the RCPS Holders who are entitled to vote for the Proposal via the RCPS Special Resolutions to be tabled at the respective RCPS Class Meetings.</p>

	<p>In accordance with subparagraph 2(f) of Schedule 3 of the Rules, each RCPS Special Resolution:</p> <p>(a) is required to be approved, at the relevant RCPS Class Meetings, by at least a majority in number of the RCPS Holders of the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) and at least 75.00% in value to the votes attached to the RCPS of that class held by the RCPS Holders that are cast either in person or by proxy at that RCPS Class Meeting; and</p> <p>(b) must not be voted against by more than 10.00% in value of the votes attached to the relevant class of RCPS (being either RCPS A or RCPS-i A, as applicable) held by the RCPS Holders of that class of the total voting RCPS of that class;</p> <p>For the avoidance of doubt, the approval thresholds as set out above shall apply separately to each RCPS Class Meeting and the votes of RCPS Holders shall not be aggregated or combined for the purposes of determining whether the relevant approval thresholds are met;</p> <p>(iii) the approval of the holder of RCPS B i.e. BHB, which has been obtained via BHB’s letter to BHIC dated 1 April 2026 where BHB approved the Proposal in its capacity as the sole holder of RCPS B and waived the requirement to conduct a class meeting for the holder of RCPS B in accordance with the constitution of BHIC;</p> <p>(iv) the grant of the High Court Order;</p> <p>(v) the approval, waiver and/or consent of the existing financiers and/or creditors of BHB, BHIC and/or its subsidiaries, if required; and</p> <p>(vi) the approval, waiver and/or consent of any other relevant governmental or regulatory authority or parties, if required.</p> <p>For avoidance of doubt, there is no approval, waiver and/or consent from any government or regulatory authority or other parties required for the Proposal.</p> <p>The Special Resolution and RCPS Special Resolutions are inter-conditional with each other.</p> <p>As at the LPD, the Company confirms that there are no approval or consent required from any relevant government or regulatory authorities for the Proposal.</p>
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	<p>The Proposal will become effective upon the lodgement of an office copy of the High Court Order with the Registrar pursuant to subsection 116(6) of the Act. In this respect, the Proposal shall be binding on all Entitled Holders notwithstanding that there may have been Non-Interested Shareholder who voted against the Special Resolution or RCPS Holders who voted against the RCPS Special Resolutions.</p> <p>The Proposal is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.</p>
Irrevocable undertaking	<p>As at the LPD, the Offeror and its PAC have not received any irrevocable undertaking from any Non-Interested Shareholders to vote in favour of or against the Special Resolution nor any RCPS Holders to vote in favour of or against the RCPS Special Resolutions.</p>
Funding	<p>The Proposal will be funded by way of advances from BHB to the Company. BHB intends to utilise bank borrowings and/or internally generated funds to finance the advances to the Company.</p> <p>BHB and the Board confirm that the Proposal will not fail by reason of insufficient financial capability of the Company or the Offeror, and that every Entitled Holder will be paid in full by way of cash.</p> <p>Affin Hwang IB, being the Principal Adviser for the Proposal, is satisfied and has confirmed that the Proposal will not fail by reason of insufficient financial capability of the Company or the Offeror and that every Entitled Holder will be paid in full by way of cash.</p>

Further details on the Proposal are set out in **Section 2 of Part A** of this Document.

3. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSAL

DWA Advisory was not involved in any formulation, deliberations and/or negotiations pertaining to the terms and conditions of the Proposal. DWA Advisory's terms of reference as an independent adviser is limited to expressing an independent opinion on the assessment of the fairness and reasonableness of the Proposal and providing our recommendation on whether the Non-Interested Shareholders should vote in favour of or against the Special Resolution, and whether any RCPS Holders to vote in favour of or against the RCPS Special Resolutions in relation to the Proposal at the forthcoming EGM and RCPS Class Meetings respectively, based on the following:

- (i) information contained in the Proposal Letter, Part A of this Document and the appendices attached thereto;
- (ii) audited consolidated financial statements of BHIC for the FYE 31 December 2023, FYE 31 December 2024 and the latest unaudited consolidated financial results for the FYE 31 December 2025;
- (iii) information furnished by the Board and management of BHIC;
- (iv) discussions with the Board and management of BHIC;

- (v) valuation reports by the Independent Valuers (as defined herein); and
- (vi) other relevant publicly available information.

We have made all reasonable enquiries to the Board and management of BHIC and have relied on the Board and management of BHIC to take due care to ensure that all information, documents and representations in respect of the Group provided to us by them to facilitate our evaluation of the Proposal are accurate, valid and complete in all material aspects.

The Board has confirmed to us that all relevant material facts and information essential to the evaluation of the Proposal have been disclosed to us and has accepted full responsibility for the accuracy of the information provided to us. After making all reasonable enquiries and to the best of our knowledge, we are satisfied that all relevant facts and information and/or representations necessary for our evaluation of the Proposal have been disclosed to us and that such information is sufficient, accurate, valid and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate.

Our advice should be considered in the context of the entirety of this IAL. Our views expressed in this IAL are, amongst others, based on capital market, economic, industry, regulatory, monetary, socio-political and other prevailing conditions, and the information and/or documents made available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion expressed herein do not take into account the information, events or conditions arising after the LPD.

In rendering our advice, we had taken note of pertinent factors, which we believe are necessary and of importance to our assessment of the Proposal and therefore of general concern to the Entitled Holders. As such:

- (i) our views and recommendation as contained in the IAL only cater to the Entitled Holders at large and not to any Entitled Holder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual Entitled Holder or any specific group of Entitled Holders; and
- (ii) we recommend that any individual Entitled Holder or group of Entitled Holders who is in doubt as to the action to be taken or require advice in relation to the Proposal in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, consult their respective stockbroker, banker, solicitor, accountant or other professional advisers immediately.

We will immediately notify the SC in writing and the Entitled Holders by way of an announcement via press notice if, after despatching this IAL, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAL:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, a supplementary IAL will be sent to the Entitled Holders in accordance with subparagraph 11.07(2) of the Rules and the disclosures and announcements of such facts or statements shall be made before 9 a.m. on the next market day, pursuant to subparagraph 11.07(3) of the Rules.

4. EVALUATION OF THE PROPOSAL

In arriving at our conclusion and recommendation in respect of the Proposal, we have assessed the fairness and reasonableness of the Proposal in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two distinct criteria, i.e. whether the Proposal is “**fair**” and whether the Proposal is “**reasonable**”, rather than as a composite term;
- (ii) the Proposal is considered as “**fair**” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the BHIC Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the BHIC Shares, the Proposal is considered as “**not fair**”. In making the assessment, the value of the BHIC Shares is determined based on the assumption that 100.00% of the issued share capital of BHIC is being acquired;
- (iii) in considering whether a Proposal is “**reasonable**”, we have taken into consideration matters other than the valuation of the BHIC Shares. Generally, the Proposal would be considered “**reasonable**” if it is “**fair**”. Nevertheless, the Independent Adviser may also recommend for the Entitled Holders to vote in favour of the Special Resolution and the RCPS Special Resolutions despite it being “**not fair**”, if the Independent Adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution and Special Resolutions in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event the Independent Adviser concludes that the Proposal is “**not fair but reasonable**”, the Independent Adviser must clearly explain the following:
 - (a) what is meant by “**not fair but reasonable**”;
 - (b) how has the Independent Adviser reached this conclusion; and
 - (c) the course of action that the Entitled Holders are recommended to take pursuant to the conclusion.

For the avoidance of doubt, our assessment, evaluation and recommendation in respect of the BHIC Shares are also applicable to the holders of the RCPS A and RCPS-i A in view that the Proposal is also offered to the RCPS Holders.

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We have taken into consideration the following factors in our evaluation of the Proposal:

<u>Fairness of the Proposal:</u>	
(i) Valuation of BHIC Shares	Section 5.1
(ii) Valuation of RCPS A and RCPS-i A	Section 5.2
(iii) Historical market prices of BHIC Shares	Section 5.3
<u>Reasonableness of the Proposal:</u>	
(i) Historical trading liquidity of BHIC Shares	Section 6.1
(ii) Level of control of the Non-Entitled Shareholder	Section 6.2
(iii) No alternative proposal	Section 6.3
(iv) Listing status of BHIC	Section 6.4

5. FAIRNESS OF THE PROPOSAL

5.1 Valuation of BHIC Shares

The BHIC Group's business can be categorised into the following segments:

Defence and Security	: Involved in maintenance, repair and overhaul (“ MRO ”) of the Royal Malaysian Navy’s patrol vessels and submarines. Additionally, this segment is also involved in manufacturing, supply and maintenance of defence related electronic products
Commercial	: Involved in the heavy engineering, MRO of non-defence related vessels, providing trainings, trading of goods and MRO of aircraft wheels and brakes
Others	: Involved in interest income charged to the subsidiaries on the advances provided and the management fee charged to subsidiaries and joint ventures

Based on BHIC Group's unaudited consolidated financial results for the FYE 31 December 2025, 100.50% of the Group's revenue is derived from the Defence and Security segment, prior to the Group's consolidation adjustments.

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We set out below BHIC Group's financial track record based on the audited consolidated financial statements for the past three (3) FYEs up to 31 December 2024 as well as unaudited consolidated financial results for the FYE 31 December 2025 by the aforementioned business segments:

FYE 31 December	2022		Audited 2023		2024		Unaudited 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue								
Defence and Security	141,605	99.89	126,284	99.90	237,266	100.05	218,211	100.50
Commercial ⁽¹⁾	37	0.03	-	-	-	-	-	-
Others	3,535	2.49	5,051	4.00	35,518	14.98	14,521	6.69
Consolidation adjustment	(3,417)	(2.41)	(4,921)	(3.90)	(35,645)	(15.03)	(15,602)	(7.19)
Total	141,760	100.00	126,414	100.00	237,139	100.00	217,130	100.00

FYE 31 December	2022		Audited 2023		2024		Unaudited 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PBT/ (LBT)								
Defence and Security	22,650	-	(232,026)	-	41,590	-	21,036	-
Commercial	3,902	-	(1,137)	-	(805)	-	(805)	-
Others	(42,894)	-	(262,728)	-	8,889	-	4,409	-
Consolidation adjustment	8,665	-	239,585	-	(30,497)	-	(17,729)	-
	(7,677)	-	(256,306)	-	19,177	-	6,911	-
Income tax expense	(12,247)	-	(9,624)	-	(11,611)	-	(6,529)	-
PAT/(LAT)	(19,924)	-	(265,930)	-	7,566	-	382	-

Note:

⁽¹⁾ Since FYE 31 December 2022, the Company was unable to secure any new projects for its Commercial segment.

Commentary on the past financial performance of BHIC Group

The Group's financial performance for the past 4 financial years is summarised as follows:

FYE 31 December 2023 vs FYE 31 December 2022

For the FYE 31 December 2023, BHIC recorded revenue of RM126.41 million, representing a decrease of 11.00% from RM141.76 million in the previous financial year. During the year, the operating costs decreased by 9.00% to RM113.10 million, mainly attributable to lower submarine contract-related expenses and the financing costs increased by 19.00% to RM21.50 million despite a reduction in borrowings from RM183.30 million to RM10.40 million following the debt settlement exercise. The Group recorded a taxation provision of RM9.62 million compared to RM12.25 million in 2022, primarily due to the reversal of deferred tax assets recognised in the prior year. This had overall caused LAT to further increase to RM265.93 million from RM19.92 million in the prior year.

FYE 31 December 2024 vs FYE 31 December 2023

For the FYE 31 December 2024, BHIC recorded revenue of RM237.14 million, representing a significant increase from RM126.41 million in FYE 31 December 2023, primarily driven by key defence contracts, particularly the Submarine In-Service Support programme for the Royal Malaysian Navy. The improved performance was underpinned by strategic restructuring initiatives, disciplined cash flow management and the divestment of non-core assets. During the year, the Group completed several key corporate exercises, including the disposal of its 51.00% stake in Contraves Advanced Devices Sdn Bhd for RM54.00 million, the disposal of shares in Lumut Naval Shipyard Sdn Bhd (formerly known as Boustead Naval Shipyard Sdn Bhd) ("LUNAS"), the execution of the intercompany trade receivables settlement agreement between BHIC and LUNAS, and the redemption of RM45.00 million redeemable preference shares to BHB. Total dividends amounting to RM17.60 million, equivalent to 3 sen per ordinary share was declared during the year. The Group recorded PAT of RM7.60 million, a significant turnaround from the LAT of RM265.93 million recorded in the previous year, driven by higher contribution from the submarine contracts, a substantial reduction in finance costs and the absence of major impairments that had impacted profitability in the prior year.

FYE 31 December 2025 vs FYE 31 December 2024

For the FYE 31 December 2025, the Group recorded revenue of RM217.13 million, derived primarily from submarine-related contracts. Although the contracts recorded a positive gross profit, overall gross profit declined compared to the previous financial year, mainly due to a gross loss recognised in an onerous contract and lower gross profit from the interim in-service support following its completion. The impact was partially mitigated by positive contributions from the Group's share of profits in joint venture companies and interest income generated from money market placements. As a result, the Group's PAT had significantly declined from RM7.60 million in the prior year to RM0.38 million in the current year.

5.1.1 Valuation Methodology

The Group businesses consist of the Defence and Security segment, Commercial segment and Others segment. We noted that for the FYE 31 December 2025, the Defence and Security segment contributed 100.05% of the Group’s revenue (prior to the Group’s consolidation adjustments) whereas there was a minimal contribution from the Other’s segment and no contribution from the Commercial segment.

We further noted that BHIC Submarine Engineering Services Sdn Bhd (“**BSES**”), a wholly-owned subsidiary of the Company, is the major contributor to the Defence and Security segment and overall for the Group, in view of its contribution below:

Revenue	Audited		Unaudited
	FYE 31 December 2023	FYE 31 December 2024	FYE 31 December 2025
BHIC Group (RM ‘000)	126,414	237,139	217,130
BSES (RM ‘000)	118,366	230,351	211,809
Percentage of BSES revenue over BHIC Group’s revenue (%)	93.63	97.14	97.55

In view of the above, we have opted to value BSES separately from the other businesses of the Group.

In arriving at the estimate value of BHIC Shares, we have adopted the sum-of-parts valuation (“**SOPV**”) method as our valuation method in view that the BHIC Group comprises different businesses. The SOPV is a valuation method that sums the estimated equity values of each of the Group’s businesses as if each business segment were an independent going concern. This method of valuation is commonly used to value a company with businesses that operate in different industries which have different valuation characteristics. We are of the view that the SOPV method is the most appropriate method to estimate the value of BHIC Shares based on the following valuation methods adopted for the respective businesses:

No.	Businesses	Valuation Method
(i)	BSES	PER
(ii)	Other businesses	Revalued net asset value (“ RNAV ”)

5.1.2 Valuation of BSES

BSES is principally involved in the provision of maintenance and services of submarines.

On 15 June 2024, BSES had accepted the letter of award dated 5 June 2024 from the Ministry of Defence (Malaysia) (“**MINDEF**”) representing the Government of Malaysia (“**GOM**”), awarding BSES an expansion of the scope of work and additional contract ceiling price for the in-service support (“**ISS**”) 2 for the Royal Malaysian Navy (“**RMN**”) Prime Minister Class submarines at a contract value of RM1.1 billion for a contract period of 60 months (5 years) from 15 February 2024 until 14 February 2029. A formal contract between the Government of Malaysia and BSES was signed on 20 September 2024.

In arriving at the valuation of BSES, we have considered various methodologies commonly used for valuation, amongst others, discounted cash flow, earnings based and asset based, taking into consideration, amongst others, BSES' nature of business, recent financial performance, future earnings generating capabilities, prospects, its business sustainability.

We have adopted the PER method, an earnings-based valuation method that compares a company's share price against its earnings per share. It can be useful to compare the PER of a company to that of its peers to give the company' value relative to its peers. A higher PER may indicate that investors are willing to pay more for an RM worth of earnings for a company. A relative valuation methodology such as the PER essentially values the subject matter against the valuation benchmark of comparable companies, premised on the fact that similar companies provide a relevant reference point for valuation due to the fact that, amongst others, they operate a broadly similar business and have broadly similar financial characteristics. Nonetheless, we wish to highlight that no single company is identical to our subject matter.

We are of the view that the PER is the most appropriate valuation method for BSES based on the following:

- (a) the PER is a common and acceptable valuation metric which estimates a company's market value based on its PAT relative to its peers;
- (b) the PER is more likely to reflect the current sentiment of the market;
- (c) the value of BSES is more likely to be derived from its future earnings of its business operations instead of its assets. Hence, we did not evaluate BSES business using NA or RNAV valuation methodologies as they are mainly used for valuation of asset-based companies;
- (d) we have also reviewed the future financial information of the company from FYE 31 December 2026 until FYE 31 December 2030, which was prepared by the management of the Company based on the estimates and assumptions on a best-effort basis. Although BSES is projecting marginally positive cashflows, we noted that the on-going and secured contracts are short-term in nature and that there is no certainty for the extension of ISS 2 contract after its completion on 14 February 2029. Notwithstanding that, it should be noted that prior to the award of the ISS 2 contract, BSES had been awarded and completed several contracts which demonstrates its capability to implement such projects, namely:
 - on 17 May 2023, BSES accepted the letter of award dated 5 May 2023 from the MINDEF representing the GOM, awarding BSES a contract for the interim ISS for the RMN Prime Minister's Class Submarines at a contract value of RM99.8 million for a contract period of 11 months from 15 March 2023 until 14 February 2024;
 - on 26 February 2024, BSES accepted the letter of award dated 14 February 2024 from the MINDEF representing the GOM, awarding BSES an extension to the submarine facilities upkeep contract from the RMN at a contract value of RM3.5 million for a contract period of 45 days from 1 January 2024 until 14 February 2024; and
 - on 30 April 2024, BSES accepted the letter of award dated 17 April 2024 from the MINDEF representing the GOM, awarding BSES an expansion of the scope of work and additional contract ceiling price for the ISS interim for the RMN Prime Minister Class Submarines at a contract value of RM43.6 million.

However, we noted that there are no assurance and certainty for its defence contracts' further extension or securing a new award. As such, we are unable to rely on the future cash flow projections for BSES and thus we have not adopted the discounted cash flow method as it is more appropriate for companies with a set projected cash inflow and outflow that can be estimated with reasonable high level of certainty; and

- (e) historically, BSES has been operating profitably recording a PAT of RM23.35 million, RM35.29 million and RM11.79 million for FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025, respectively.

We have selected the comparable companies based on the following criteria:

- (a) involvement in the provision of repair and maintenance of vessels; and
- (b) listed on various stock exchanges in South East Asian countries with net assets of between RM50.00 million to RM400.00 million, after taking into consideration the unaudited net assets of BSES of RM100.85 as at 31 December 2025.

A brief description of the comparable companies' principal activities and their market capitalisation as at the LPD are as follows:

No.	Comparable company	Country	Market capitalisation as at the LPD (RM' million) ⁽¹⁾	PER (times)	Principal activities
1.	Asian Marine Services Public Company Limited	Thailand	47.03	8.85	The company provides ship building and repairing services. Additionally, the company also provides steel fabrication services.
2.	Destini Berhad	Malaysia	161.96	5.19	The company offers maintenance, repair, and overhaul services for aviation, automobile and safety and tabular handling equipment, as well as provides shipbuilding, restoration and maintenance of vessels. Destini serves defence and commercial aviation, marine, land transport, and oil and gas sectors worldwide.
3.	ASL Marine Holdings Ltd	Singapore	958.04	20.74	The company operates as a holding company and through its subsidiaries, engages in shipbuilding, shiprepair and conversion, marine vessel chartering, marine engineering, and other related services.
			Average	11.59	

(Source: Bloomberg)

Note:

(1) Translated based on the foreign currency middle exchange rate as at 5.00 p.m. (Malaysian time) as at the LPD as extracted from Bank Negara Malaysia:

THB100 : RM12.3016
SGD : RM3.1362

We wish to highlight that the comparable companies have been selected on a best-effort basis and may not be directly comparable to the businesses of BSES due to various subjective factors which include, amongst others, composition of business activities, services, size of the business, geographical coverage, financial track record, risk profile, marketability and liquidity. The list of comparable companies is by no means exhaustive.

Based on the average PER of comparable companies and the unaudited PAT of BSES for the FYE 31 December 2025 of RM11.79 million, the indicative value of BSES is as follows:

	(RM'000)
Unaudited PAT of BSES for the FYE 31 December 2025	11,786
Average PER of the comparable companies (times)	11.59
Value of BSES	136,600

5.1.3 Valuation of Other Businesses

The other businesses of the Group consist of businesses under the Defence and Securities segment, safe for BSES, Commercial segment and Others segment. We did not conduct any valuation on the other businesses as the resulting outcome is not expected to have a material impact to the estimated value of the Group.

We have adopted the RNAV valuation for the other businesses of the Group in view that:

- (i) the unaudited NBV of the Group's total property assets of RM30.65 million (comprising of property, plant and equipment, investment property and right-of-use assets) constitute approximately 11.73% of the Group's unaudited total assets as at 31 December 2025; and
- (ii) there are valuation reports prepared for a shipyard land, a helicopter hangar annexed with office building and a vacant industrial land to arrive at the market values ("**Subject Properties**"). These valuation reports were prepared by Intra Harta and Raine & Horne (collectively, the "**Independent Valuers**"), for internal management purposes.

Premised on the above, for the purpose of estimating the value of the Group's other businesses, we are of the opinion that the asset-based approach of using RNAV valuation is the most appropriate valuation methodology.

RNAV takes into consideration any surplus and/or deficit arising from the revaluation of the material assets of a company to reflect their market values, based on the assumption that the market values of the assets are realisable on a willing buyer-willing seller basis in the open market.

The RNAV analysis assumes, among other things, the effective equity interest of BHIC Group in the Subject Properties, the existence of ready and committed buyer(s) for each asset at the fully revalued basis, and that the sale can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the sale process. The market values would typically be appraised by expert valuers.

The Subject Properties represents 84.99% of the value of the property, plant and equipment, investment property, as well as right-of-use assets amounting to RM36.06 million recorded in the unaudited balance sheet of the BHIC Group as at 31 December 2025.

The following assumptions have been made in respect of the BHIC Group and the Subject Properties:

- (i) BHIC Group will continue to operate on a going-concern basis;
- (ii) the revalued Subject Properties are in good condition and there will be ready and committed buyer(s) for each asset at its fully revalued basis and that the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iii) there are no significant changes to the condition of the Subject Properties;
- (iv) there are no significant or material changes to the relevant approvals and/or licences as well as agreements governing the business activities of the BHIC Group, if any;
- (v) the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario;
- (vi) there will be no substantial impairment to the carrying value of BHIC Group's other assets. For information, the management of BHIC conducts annual impairment assessment on the Group's trade debtors, other receivables, investment properties, goodwill, inventories, and these would have been recognised appropriately and disclosed in accordance with the accounting standards;
- (vii) there are no breaches of relevant laws, regulations, rules and requirements on the Subject Properties;
- (viii) there will not be any compulsory acquisition of the BHIC Group's lands by the relevant state authorities pursuant to the provisions of the Land Acquisition Act, 1960 ("LAA"). In the event of any compulsory acquisition by the relevant state authorities, the BHIC Group would receive fair compensation based on market value in accordance with the LAA;
- (ix) the current accounting policies adopted by the BHIC Group will remain relevant and there will not be any significant changes in the accounting policies of the BHIC Group which will have a material adverse effect on the financial performance and financial position of the Group; and
- (x) there will be no material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

We set out below the composition of the assets of the BHIC Group based on the unaudited consolidated statement of financial position as at 31 December 2025:

	Note	Total (RM'000)	Percentage over total assets (%)
Non-current assets			
Property, plant and equipment	(1)	6,647	2.54
Investment property	(1)	9,000	3.45
Right-of-use assets	(1)	20,413	7.81
Investment in joint ventures	(2)	26,865	10.28
		62,925	24.08
Current assets			
Inventories	(3)	34,449	13.19
Trade and other receivables	(4)	51,174	19.59
Contract assets	(5)	364	0.14
Tax recoverable		3,167	1.21
Cash and bank balances	(6)	109,202	41.79
		198,356	75.92
TOTAL ASSETS		261,281	100.00
NA per Share attributable to equity holders (RM)		0.18	

Notes:

- (1) Property, plant and equipment (“PPE”), investment property and right-of-use assets (“ROU”)

The Group’s PPE consist of buildings, jetties, slipways and roads, yard development, plant and machinery, and equipment, fittings, renovation, motor vehicles and others. The right-of-use assets refer to the lease contracts for various items of leasehold land, buildings and jetty used in the Group’s operations. Leases of land generally have lease terms between 20 to 99 years while buildings and jetty generally have lease terms between 2 and 5 years.

Based on discussion with the management of BHIC, we have identified all material PPE and ROU which are used by the Group, specifically, the three adjoining parcels of mixed industrial and building land held under BPS, a wholly-owned subsidiary of the Company, inclusive of associated plants and machinery such as jetty and yard development (“Penang Shipyard”), as well as a piece of leasehold land part of which is developed with a heavy industrial complex held under BHIC in Bentong, Pahang (“Bentong Land”). As at 31 December 2025, the unaudited NA of Penang Shipyard consists of PPE and ROU of RM2.65 million and RM8.19 million respectively, while the unaudited NA of Bentong Land consists solely of ROU of RM6.90 million.

The investment property comprises building which is owned or held for long term rental yields or for capital appreciation of for both and that are not occupied by the companies in the Group. We noted that the investment property mainly consists of a single storey helicopter hangar (annexed with a double storey office building) (“Subang Hangar”), held under BHIC Trading Sdn Bhd, a wholly-owned subsidiary of the Company.

In determining fair values of the material assets of the Group, we have relied on the valuation reports prepared by the Independent Valuers to determine the market value of these assets. A summary of the revalued assets is as follows:

No.	Description of subject property	Land area/ Floor area (square meters)	Tenure	Registered owner	Category of land use/ Special terms	Date of acquisition	Valuer	Valuation date	Valuation method	Market value (RM'000)	Unaudited net book value as at 31 December 2025 (RM'000)	Revaluation surplus / (deficit) (RM'000)	Taxation (RM'000)	Revaluation net of tax (RM'000)
1	Pajakan Negeri No. 649 Lot No. 3222 Mukim 13 Daerah Timur Laut Pulau Pinang, Malaysia (located within Pulau Jerejak)	81,761 (20.2 acres)	Leasehold – 99 years Unexpired term 46 – 47 years approximately	Boustead Penang Shipyard Sdn Bhd	Shipyard	1979	Intra Harta	31 December 2025	Market / Comparison method					
2	HSD 6981 Lot No. 9777 Mukim 13 Daerah Timur Laut Pulau Pinang, Malaysia (located within Pulau Jerejak)	22,162 (5.5 acres)	Leasehold – 99 years Unexpired term 46 – 47 years approximately	Boustead Penang Shipyard Sdn Bhd	Reclaimed land for the extension of shipyard	1973	Intra Harta	31 December 2025	Market / Comparison method	28,000	10,848	17,152	(1,715) ⁽¹⁾	15,436
3	HSM 3558 Lot No. 20238 Mukim 13 Daerah Timur Laut Pulau Pinang, Malaysia (located within Pulau Jerejak)	3,135 (0.8 acres)	Leasehold – 60 years Unexpired term 47 – 48 years approximately	Boustead Penang Shipyard Sdn Bhd	Building	2013	Intra Harta	31 December 2025	Market / Comparison method					
4	HSD 16959 PT 7563 Mukim Sabai Kawasan Perindustrian Bentong 2B Daerah Bentong Pahang, Malaysia (Bentong Land)	85,831 (21.2 acres)	Leasehold – 99 years Unexpired term 85 – 86 years approximately	Boustead Heavy Industries Corporation Berhad	Industrial Land	2025	Raine & Horne	31 December 2025	Market / Comparison method	12,900	6,900	6,000	(1,800) ⁽²⁾	4,200

No.	Description of subject property	Land area/ Floor area (square meters)	Tenure	Registered owner	Category of land use/ Special terms	Date of acquisition	Valuer	Valuation date	Valuation method	Market value (RM'000)	Unaudited net book value as at 31 December 2025 (RM'000)	Revaluation surplus / (deficit) (RM'000)	Taxation (RM'000)	Revaluation net of tax (RM'000)
5	Master Title No. Geran 19583 Lot No.1210 Mukim Damansara Daerah Petaling Selangor, Malaysia (located within Sultan Abdul Aziz Shah Airport, Seksyen U3, Shah Alam) (Subang Hangar)	4,080 (1.0 acre)/ 4,103 (1.0 acre)	Sublease – 20 years Unexpired term 7 – 8 years, with an option to renew for a further term of 10 years	BHIC Trading Sdn Bhd	Helicopter hangar building	2013	Intra Harta	31 December 2025	Market / Comparison Approach Cost Approach	17,500	12,900	4,600	(460) ⁽¹⁾	4,140

Notes:

(1) Based on assumed real property gain tax rate of Malaysia of 10.00%.

(2) Based on assumed real property gain tax rate of Malaysia of 30.00%.

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(2) Investment in joint ventures

The Group's investment in joint ventures are as set out in Appendix III of this Document. Investment in joint ventures is accounted for using the equity method less any impairment losses. The carrying value of investment in joint ventures is reviewed for impairment at each reporting date. As such, we are of the view that the carrying value of investment in joint ventures is reasonably expected to approximate their fair value.

(3) Inventories

The Group's inventories relate to cost in relation to rendering of services, repair and maintenance by BSES. These inventories are carried at lower of cost or net realisable value, i.e. estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. As such, we have adopted the carrying values of these inventories as at 31 December 2025 as it represents the minimum fair value of the assets and it provides reasonable basis to approximate the fair value.

(4) Trade and other receivables

The Group's trade receivables are subject to normal credit terms granted to customers, with the carrying amount approximating the fair values, as the receivables are short-term in nature. The Group provides credit terms of generally for a period of 30 days, extending up to 90 days for major customers. Based on the Group's receivable ageing as of 31 December 2025, we noted that the Group has approximately RM10.05 million in trade receivables aged more than 91 days.

(6) Contract assets

The Group's contract assets relate to BSES' contracts with customers for repair and maintenance and rendering of services. Contracts assets represent the excess of cumulative revenue earned over the billings to date and are impaired when there is objective evidence of impairment. As such, we are of the view that the carrying value of contract assets represents a reasonable approximation of its fair value.

(7) Cash and bank balances

We note that the carrying amount of cash deposits with licensed banks approximate their fair values as they are cash placed with financial institutions.

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In arriving at the valuation of the Subject Properties, the Independent Valuers had adopted the following valuation methodologies:

(i) Market/Comparison Approach

For the Penang Shipyard land, Subang Hangar land and Bentong Land, the Independent Valuers had adopted the Market/Comparison Approach. The Market/Comparison Approach entails comparing the subject property with similar properties that were sold recently or at those that are currently offered for sale in the vicinity or other similar areas. The characteristics, merits, and demerits of these properties are noted and compared to make the necessary adjustment to arrive at the appropriate value of the subject property.

(ii) Cost Approach

For the helicopter hangar and annexed office building part of Subang Hangar, the Independent Valuers have adopted an additional method, namely the Cost Approach which entails separate valuations of the land and the buildings to arrive at the market value of the subject property. Cost Approach is based on an estimate of the current replacement cost new of a similar simple modern substitute of the buildings, structures and improvements on the site, less allowances of physical deterioration and all relevant forms of obsolescence and optimisation.

For information purposes, the valuation of Bentong Land is only carried out on the land, as the buildings and infrastructures erected on the site do not belong to BHIC. We are of the view that the aforementioned valuation approaches, as the case may be, applied by the Independent Valuers are reasonable and are consistent with generally applied valuation methodologies for similar asset types. We have reviewed and are satisfied with the bases and assumptions used by the Independent Valuers in deriving the valuation for the Subject Properties. As such, we are satisfied with the reasonableness of the market value and have relied upon the valuation of the properties conducted by the Independent Valuers.

The indicative value of the Group's other businesses by adopting the RNAV valuation methodology is calculated as follows:

	(RM'000)
Unaudited NA of BHIC Group as at 31 December 2025	99,917
Add: Net revaluation surplus of the Subject Properties	23,776
Less: Unaudited net assets of BSES as at 31 December 2025	(100,846)
Valuation of other businesses	22,847

We have also been made to understand as per Section 2.2 of Part A of this Document that on 31 March 2026, BPS, a wholly-owned subsidiary of the Company, had on even date entered into a sale and purchase agreement with Karya Koperat Sdn Bhd in respect of the Proposed Disposal. The Proposed Disposal is undertaken at the market value of RM28.00 million as ascribed by Intra Harta. Accordingly, we are of the view that if the Proposed Disposal materialise, it will not affect the valuation of the other businesses.

5.1.4 SOPV of the Group

In summary, the estimated value of BHIC Group is as follows:

Business	Valuation Method	Value (RM'000)
BSES	PER	136,600
Other businesses	RNAV	22,847
Value of BHIC Group		159,447
No. of BHIC Shares as at the LPD ('000) ⁽¹⁾		564,280
Estimated value per BHIC Share (RM)		0.28

Note:

⁽¹⁾ Computed based on the issued share capital of 564,279,558 BHIC Shares as at LPD.

Based on the above, the Offer Price of RM0.48 represents a **premium of RM0.20 or approximately 71.43%** to the estimated value of RM0.28 per BHIC Share.

For information purposes, the Offer Price of RM0.48 also represents a **premium of RM0.30 or approximately 166.67%** to the following NA per BHIC Share. Based on the closing price of BHIC Shares as at the LTD and the unaudited NA of BHIC of RM0.18 as at 31 December 2025, the PBR of the Company is 1.72 times. The PBR based on the Offer Price of RM0.48 represents a premium of 0.95 times to the PBR of the Company of 1.72 times.

	NA per BHIC Share (RM)	PBR ⁽¹⁾ (times)	PBR based on the Offer Price (times)
Unaudited consolidated NA as at 31 December 2025	0.18	1.72	2.67

Note:

⁽¹⁾ Based on closing price of BHIC Shares as at the LTD of RM0.31.

5.2 Valuation of RCPS A and RCPS-i A

RCPS A was issued and allotted on 29 December 2023. We noted the salient terms of RCPS A relevant to the valuation are as follows:

Tenure	The tenure for the RCPS A shall be perpetual commencing from the date of the issue of the RCPS A. For as long as the holders of the RCPS A ("RCPS A Holders") continue to hold RCPS A in the Company, the rights attached to the RCPS A shall continue to subsist and shall not lapse until such time the RCPS A held by RCPS A Holders is either redeemed or converted in accordance with the provisions of the settlement agreement entered into between BHIC and RCPS A Holders.
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Dividend	A non-cumulative preferential dividend with a step-up rate ranging between 0.5% to 1% per annum may be declared and approved at the sole and absolute discretion of the Board until the RCPS A is redeemed or converted.
Redemption Terms	<p>BHIC may, at any time after the date of issuance of RCPS A (“RCPS A Issue Date”), redeem the RCPS A in part or in its entirety on a pro-rata basis (among all RCPS A Holder and RCPS-i A Holders), at the option of BHIC at the redemption price of RM0.57 per unit of RCPS A, but subject always to:</p> <ul style="list-style-type: none"> (a) the full redemption of redeemable preference shares C; (b) the requirement of Section 72 of the Act and any other applicable laws and regulations currently in force and as may be amended from time to time and any re-enactment thereof. <p>Redemption of the RCPS A is at the sole discretion of BHIC and shall be redeemed by way of cash.</p> <p>BHIC shall issue a notice of redemption containing, among others, the number of RCPS A to be redeemed (“RCPS A Redemption Notice”) at least 30 days prior to the date of redemption (at the sole risk of RCPS A Holders). The redemption of such RCPS A shall commence on the 30th day from the date of the RCPS A Redemption Notice or such other later date as may be specified in the said RCPS A Redemption Notice.</p> <p>All RCPS A which are redeemed by BHIC shall be cancelled immediately and cannot be resold.</p>
RCPS A Conversion Terms	<p>At any time after the RCPS A Issue Date, the RCPS A Holders will have the option to convert all or part of its unredeemed and unconverted RCPS A (save for those RCPS A mentioned in the RCPS A Redemption Notice(s)) into new BHIC Shares at the RCPS A Conversion Price (defined herein) through the surrender of the RCPS A without payment of any consideration, subject to all RCPS A Conversion Terms and the RCPS A Conversion Cap.</p> <p>The number of conversion shares shall be determined by dividing the aggregate principal amount of the RCPS A to be converted by the RCPS A Conversion Price (“RCPS A Conversion Ratio”).</p> <p>In the event of:</p> <ul style="list-style-type: none"> (a) a takeover offer being made for BHIC through a general offer to acquire the whole of BHIC’s issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer or any persons acting in concert with such offeror); or

	<p>(b) the court sanctioning a compromise or arrangement between BHIC and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of BHIC under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act; or</p> <p>(c) a capital reduction being undertaken by BHIC under Subdivision 4 of Division 1 of Part III of the Act to cancel BHIC’s entire issued share capital or such part of the issued share capital,</p> <p>then the RCPS A Holders shall be entitled to convert the RCPS A into new BHIC Shares based on the RCPS A Conversion Ratio.</p>
RCPS A Conversion Cap	The extent of conversion of the RCPS A by each of the RCPS A Holders shall be capped such that its resultant ordinary shareholding in BHIC shall be less than 5% of the enlarged issued share capital of BHIC at any point in time following a conversion.

RCPS-i A was issued and allotted on 29 January 2024. We noted the salient terms of RCPS-i A relevant to the valuation are as follows:

Tenure	The tenure for the RCPS-i A shall be perpetual commencing from the date of the issue of the RCPS-i A. For as long as the holders of the RCPS-i A (“ RCPS-i A Holders ”) continue to hold RCPS-i A in the Company, the rights attached to the RCPS-i A shall continue to subsist and shall not lapse until such time the RCPS-i A held by RCPS-i A Holders is either redeemed or converted in accordance with the provisions of the settlement agreement entered into between BHIC and RCPS-i A Holders.
Dividend	A non-cumulative preferential dividend with a step-up rate ranging between 0.5% to 1% per annum may be declared and approved at the sole and absolute discretion of the Board until the RCPS-i A is redeemed or converted.
Redemption Terms	<p>BHIC may, at any time after the date of issuance of RCPS-i A (“RCPS-i A Issue Date”), redeem the RCPS-i A in part or in its entirety on a pro-rata basis among all RCPS-i A Holders and RCPS A Holder at the option of BHIC at the redemption price of RM0.57 per unit of RCPS-i A, but subject always to:</p> <p>(a) the full redemption of redeemable preference shares C;</p> <p>(b) the requirement of Section 72 of the Act and any other applicable laws and regulations currently in force and as may be amended from time to time and any re-enactment thereof.</p> <p>Redemption of the RCPS-i A is at the sole discretion of BHIC and shall be redeemed by way of cash.</p>

	<p>BHIC shall issue a notice of redemption containing, among others, the number of RCPS-i A to be redeemed (“RCPS-i A Redemption Notice”) at least 30 days prior to the date of redemption (at the sole risk of RCPS-i A Holders). The redemption of such RCPS-i A shall commence on the 30th day from the date of the RCPS-i A Redemption Notice or such other later date as may be specified in the said RCPS-i A Redemption Notice.</p> <p>All RCPS-i A which are redeemed by BHIC shall be cancelled immediately and cannot be resold.</p>
<p>RCPS-i A Conversion Terms</p>	<p>At any time after the RCPS-i A Issue Date, the RCPS-i A Holders will have the option to convert all or part of its unredeemed and unconverted RCPS-i A (save for those RCPS-i A mentioned in the Redemption Notice(s)) into new BHIC Shares at the RCPS-i A Conversion Price (defined herein) through the surrender of the RCPS-i A without payment of any consideration, subject to all RCPS-i A Conversion Terms and the RCPS-i A Conversion Cap.</p> <p>The number of conversion shares shall be determined by dividing the aggregate principal amount of the RCPS-i A to be converted by the RCPS-i A Conversion Price (“RCPS-i A Conversion Ratio”).</p> <p>In the event of:</p> <ul style="list-style-type: none"> (a) a takeover offer being made for BHIC through a general offer to acquire the whole of BHIC’s issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer or any persons acting in concert with such offeror); or (b) the court sanctioning a compromise or arrangement between BHIC and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of BHIC under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act; or (c) a capital reduction being undertaken by BHIC under Subdivision 4 of Division 1 of Part III of the Act to cancel BHIC’s entire issued share capital or such part of the issued share capital, <p>then the RCPS-i A Holders shall be entitled to convert the RCPS-i A into new BHIC Shares based on the RCPS-i A Conversion Ratio.</p>
<p>RCPS-i A Conversion Cap</p>	<p>The extent of conversion of the RCPS-i A by each of the RCPS-i A Holders shall be capped such that its resultant ordinary shareholding in BHIC shall be less than 5% of the enlarged issued share capital of BHIC at any point in time following a conversion.</p>

Premised on the above, we are of the opinion that the valuation of RCPS A and RCPS-i A on a see-through basis would be the most appropriate method of valuation. Hence, the valuation of the RCPS A and RCPS-i A should be reflective of the value of BHIC Shares. In this regard, our analysis of the BHIC Shares is also relevant to the RCPS Holders.

Please refer to Section 5.1 of this IAL for further details on the valuation of BHIC Shares.

Each RCPS A and RCPS-i A is convertible into 1 new BHIC Share at a conversion price of RM0.57 per BHIC Share at any time after the RCPS A Issue Date and RCPS-i A Issue Date (“**RCPS A Conversion Price**”) (“**RCPS-i A Conversion Price**”).

RCPS Holders should note that upon Completion, all RCPS A and RCPS-i A will be cancelled pursuant to the Proposal.

Conversion ratio from RCPS A/ RCPS-i A to BHIC Share	(A)	1
Estimated value per Share (RM)	(B)	0.28
Estimated value per RCPS based on “see-through” basis (RM)	(C) = (A) x (B)	0.28
Offer Price (RM)	(D)	0.48
Premium of Offer Price to the estimated value per RCPS (RM)	(E) = (C) – (D)	0.20
Premium of Offer Price to the estimated value per RCPS (%)	(E) / (C)	71.43

Based on the above, the Offer Price for RCPS A and RCPS-i A of RM0.48 represents a **premium of RM0.20 or approximately 71.43%** to the estimated value per RCPS A and RCPS-i A of RM0.28 on a “see-through” basis.

As the LPD, BHIC has a total of 23,625,548 RCPS A and 132,165,050 RCPS-i A. The RCPS A and RCPS-i A are not listed and all the 23,625,548 RCPS A is solely held by ABB, while 82,350,328 RCPS-i A and 49,814,722 RCPS-i A are held by AmBank Islamic Berhad and MBSB Bank Berhad respectively.

We noted that the RCPS A and RCPS-i A were issued on 29 December 2023 and 29 January 2024 respectively at an issue price of RM0.57. The issue price was fixed after taking into consideration the historical share prices of the Company and the closing market price of the Company on 22 November 2023 of RM0.57 per BHIC Share. The Offer Price represents a discount of RM0.09 or approximately 15.79% to the issue price of the RCPS A and RCPS-i A.

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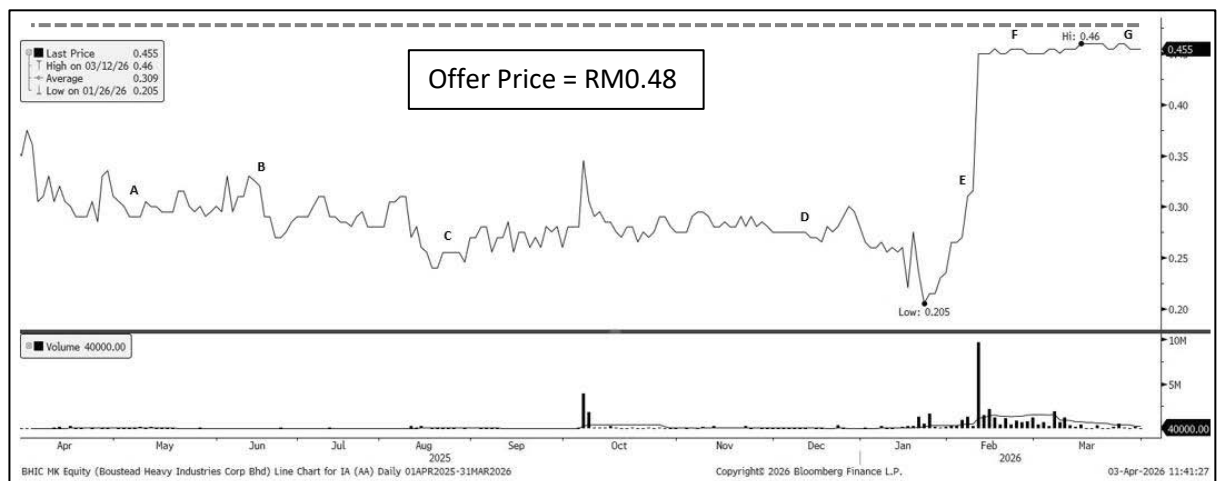
The issue price represents the historical investment cost to the RCPS A Holders and RCPS-i A Holders at the point of the issuance of the RCPS A and RCPS-i A, respectively. We wish to highlight that BHIC Shares have been trading at a range of between RM0.200 to RM0.415 per Share for the past 12 months prior to the LTD, and that the estimated value of BHIC Shares is RM0.28 per Share. Based on the foregoing, and consistent with our approach in forming our opinion on the fairness of the Offer Price to the shareholders of BHIC, we have assessed the fairness of the Offer Price for RCPS A and RCPS-i A against the current market price and our fair valuation of RCPS A and RCPS-i A which is on “see-through” basis, reflective of the value of BHIC Shares, as an exit opportunity.

Based on our evaluation above, we are of the view that the Offer Price is FAIR as it represents a premium of RM0.20 or approximately 71.43% to the estimate value of RM0.28 per BHIC Share, a premium of RM0.30 or approximately 166.67% to the NA per BHIC Share and a premium of RM0.20 or approximately 71.43% to the estimated value per RCPS A and RCPS-i A of RM0.28 on a “see-through” basis.

The Entitled Holders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposal and not rely on the valuation of BHIC Shares based on SOPV method, and the valuation of RCPS based on the “see-through” basis as the sole criteria when assessing the Proposal.

5.3 Historical market price of BHIC Shares

The chart below sets out the historical daily closing price movements and trading volume of BHIC Shares for the past twelve (12) months up to and including the LPD, compared to the Offer Price.



(Source: Bloomberg)

During the same period, there have been no changes to the principal activities of BHIC Group. Save for the table below, there were no significant events or announcements made by BHIC which may have affected the movement of historical market prices of BHIC Shares for the past twelve (12) months prior and up to the LPD:

Date	Note	Announcement
30 April 2025	A	Announcement of annual report on the consolidated results for FYE 31 December 2024.
29 May 2025	B	Announcement of quarterly report on the consolidated results for the financial quarter ended 31 March 2025. The Group recorded a LBT as compared to a PBT in the corresponding quarter of the previous year.
28 August 2025	C	Announcement of quarterly report on the consolidated results for the financial quarter ended 30 June 2025. The Group recorded a decrease in LBT as compared to the corresponding quarter of the previous year.
25 November 2025	D	Announcement of quarterly report on the consolidated results for the financial quarter ended 30 September 2025. The Group recorded a PBT as compared to a LBT in the corresponding quarter of the previous year.
10 February 2026	E	Receipt of the Proposal Letter.
26 February 2026	F	Announcement of quarterly report on the consolidated results for the financial quarter ended 31 December 2025. The Group recorded an increase in PBT as compared to the corresponding quarter of the previous year.
31 March 2026	G	Announcement of a conditional sale and purchase agreement entered into for the disposal of three adjoining parcels of mixed industrial and building land legally identified as Lot Nos. 3222, 9777, and 20238, Title Nos. PN 649, HSD 6981, and HSM 3558, respectively, Mukim of 13, District of Timor Laut, Pulau Pinang for a total disposal of RM28.00 million to be satisfied entirely via cash.

Based on the chart above, we noted that the highest closing price for BHIC Shares was RM0.460 (which was transacted on 12 March 2026) and the lowest closing price for BHIC Shares was RM0.205 (which was transacted on 26 January 2026). It is also pertinent to note that the market prices of BHIC Shares have been trading below the Offer Price for the past twelve (12) months up to and including the LPD.

Save for the announcements made by the Company, no specific developments have been identified that may have contributed to the movements in the share price. The fluctuations may be influenced by prevailing market conditions, stock market sentiment, trading activities and other macroeconomic factors.

We note that the Offer Price represents the following premium over the following historical closing market price and VWAP of BHIC Shares:

	Closing market price / VWAP (RM)	Premium of the Offer Price over the historical closing market price / VWAP of BHIC Shares (RM) (%)	
Closing price as at LTD	0.3100	0.1700	54.84
5-day VWAP up to the LTD	0.2721	0.2079	76.41
1-month VWAP up to the LTD	0.2448	0.2352	96.08
3-month VWAP up to the LTD	0.2526	0.2272	90.02
6-month VWAP up to the LTD	0.2804	0.1996	71.18
1-year VWAP up to the LTD	0.2858	0.1942	67.95
Closing price as at LPD	0.4550	0.0250	5.49
5-day VWAP up to the LPD	0.4551	0.0249	5.47
1-month VWAP up to the LPD	0.4528	0.0272	6.01
3-month VWAP up to the LPD	0.4047	0.0753	18.61
6-month VWAP up to the LPD	0.3859	0.0941	24.38
1-year VWAP up to the LPD	0.3791	0.1009	26.62

(Source: Bloomberg)

Based on the table above, we note that the Offer Price:

- (i) represents a **premium of 54.84%** over the last transacted market price of BHIC Shares as at the LTD and **premiums ranging between 67.95% and 96.08%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including the LTD; and
- (ii) represents a **premium of 5.49%** over the last transacted market price of BHIC Shares as at the LPD and **premiums ranging between 5.47% and 26.62%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including the LPD.

Nonetheless, the Entitled Holders are reminded that the market prices of the BHIC Shares shown above represent the historical trading prices of the Shares, and are affected to a varying extent by changes in, including, but not limited to, the company-specific factors such as the performance and prospects of the BHIC Group as well as prevailing market, political, geopolitical developments, industry and other general macroeconomic conditions. Accordingly, the historical market prices of the Shares may not be a reliable indicator of the future trading performance of the Shares and should not in any way be relied upon as an indication of the future trading pattern and performance of the Shares.

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6. REASONABLENESS OF THE PROPOSAL

6.1 Historical trading liquidity of BHIC Shares

The monthly trading volume of BHIC Shares for the past 1 year up to March 2026 (being the full trading month up to and including the LPD) are shown below:

Month	Monthly volume traded ⁽¹⁾	Monthly volume traded over free float ⁽²⁾ (%)
2025		
April	929,901	0.65
May	626,745	0.44
June	137,505	0.10
July	232,200	0.16
August	1,030,000	0.72
September	318,000	0.22
October ⁽³⁾	7,060,000	4.95
November	1,530,000	1.08
December	644,734	0.45
2026		
January ⁽³⁾	5,180,000	3.63
February ⁽³⁾	23,230,000	16.28
March ⁽³⁾	7,630,000	5.34
Simple average for the past 12 months	4,045,757	2.84
Simple average for the past 12 months excluding outliers	681,136	0.48

(Source: Bloomberg)

Notes:

- ⁽¹⁾ Excludes BHIC Shares traded in the open market by the Board, substantial shareholders of BHIC and persons connected to them during the respective month, if any.
- ⁽²⁾ Free float of BHIC Shares at the LPD refers to the total BHIC Shares held by the public shareholders that excludes BHIC Shares held by the Board, substantial shareholders of BHIC and persons connected to them as at the LPD. As at the LPD, the free float of BHIC Shares was 142.70 million BHIC Shares.
- ⁽³⁾ Deemed as an outlier which is determined based on extreme deviation from the average which may have been materially impacted by significant events or announcements as disclosed in Section 6.1 of this IAL.

Based on the table above, the trading liquidity of BHIC Shares based on the simple average for past twelve (12) months up to March 2026 excluding outliers is approximately 681,136, representing a liquidity turnover of 0.48%. We noted no material announcements made by BHIC which may have affected the movement of historical trading volume of BHIC Shares for the past twelve (12) months up to March 2026.

We have further compared the average trading liquidity turnover of BHIC Shares against the KL Transportation & Logistics Index based on the monthly trading volume of its shares traded on Bursa Securities, as follows:

Company/Index	Average monthly traded volume over free float (%)
BHIC	0.48
KL Transportation and Logistics Index	9.77

Based on the above, we note that BHIC Shares are **relatively illiquid** when compared against the KL Transportation & Logistics Index, as the average trading liquidity turnover of BHIC Shares of 0.48% is significantly lower than the average monthly trading liquidity of KL Transportation & Logistics Index of 9.77% over the same period.

We are of the view that BHIC's lower average monthly trading liquidity was due to the low number of outstanding BHIC Shares and the relatively low free float of BHIC Shares. As at the LPD, there are a total of 564,279,558 BHIC Shares, whereas the number of free float of BHIC Shares stood at 142,703,729 or approximately 25.29% of the total outstanding Shares. Accordingly, the Entitled Shareholders may have difficulty in liquidating their investment in BHIC Shares immediately in the open market if they choose to do so.

The above evaluation is based on the historical trading volume of BHIC Shares as at the respective dates/periods and should not be relied upon as an indication of the future trading volume of BHIC Shares. In addition, if the Non-Entitled Shareholder increase their shareholding via purchases from the open market of Bursa Securities, the liquidity of the BHIC Shares and the ability of Entitled Shareholders to dispose of their BHIC Shares in the open market may be further constrained.

We note that RCPS A and RCPS i-A are not listed and traded on Bursa Securities. Since both are not tradable on Bursa Securities, their transferability is subject to the applicable laws, regulations and rules (including the Act), and can only be converted into new BHIC Shares subject to their respective terms.

Premised on the foregoing, the Proposal represents an opportunity for the Entitled Holders (especially for those with significant holding) to immediately realise their investments in BHIC Shares, RCPS A and RCPS-i A, in cash at the Offer Price which represents a premium over the historical market prices as highlighted in **Section 5.3** of this IAL, an opportunity which may not otherwise be available to you due to the low trading liquidity of BHIC Shares.

6.2 Level of control by the Non-Entitled Shareholder

As at the LPD, the Non-Entitled Shareholder and its PAC hold the equity stake/voting rights of approximately 74.71% in BHIC. As such, the Non-Entitled Shareholder would be in a position to approve ordinary resolutions and exert significant influence over special resolutions sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholder and its PAC are required to abstain from voting).

For information purposes, an ordinary resolution requires approval from more than 50.00% of the total votes cast while a special resolution requires approval from at least 75.00% of the total votes cast. For avoidance of doubt, the Non-Entitled Shareholder is only required to abstain from voting on resolutions related to any proposal or transaction in which they are interested parties.

The Non-Interested Shareholder, namely BHB have duly abstained and will continue to abstain from the voting in respect of its direct and/or indirect shareholdings in BHIC, on the Special Resolution and the RCPS Special Resolutions in relation to the Proposal.

6.3 No alternative proposal

As at the LPD, save for the Proposal, BHIC has not received any alternative offer for the securities of the Company or any offer to acquire the assets and liabilities of the Company. In addition, as part of the covenants in the Proposal Letter, upon the acceptance of the terms of the Proposal Letter by the Board, BHIC shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of the BHIC Group (save for the proposed transactions that have been approved by the shareholders of BHIC that are still ongoing prior to the serving of the Proposal Letter) or an alternative proposal involving BHIC at any time until the completion without the Non-Entitled Shareholder's prior written consent.

Therefore, there will not be any alternative proposal unless the Non-Entitled Shareholder provides its consent. As such, the Proposal represents the only available exit opportunity for the consideration of the Entitled Holders. In the absence of an alternative proposal, the Proposal represents an opportunity for the Entitled Holders to realise their investments in BHIC Shares, RCPS A and RCPS-i A at **significant premiums of up to 54.84% and 96.08%** over the historical closing market prices and VWAP of BHIC Shares in the past 1-year up to and including the LTD.

6.4 Listing status of BHIC

The Offeror has indicated vide the Proposal Letter that it does not intend to maintain the listing status of the Company on the Main Market of Bursa Securities following the Completion. Accordingly, the Offeror will request the Company to submit an application to Bursa Securities pursuant to paragraph 16.08 of the Listing Requirements to delist the Company's securities and withdraw the listing status from the Official List upon Completion.

However, in the event the Proposal is unsuccessful and not implemented due to, among others, failure to fulfil any or all the conditions and/or obtain the approvals required as set out in **Section 9 of Part A** of this Document, the Company will remain listed on the Main Market of Bursa Securities.

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6.5 Our view on the reasonableness of the Proposal

Based on our analysis as set out in Sections 6.1 to 6.4 of this IAL, we are of the view that the Proposal is **REASONABLE** as it provides an exit opportunity to the Entitled Holders, especially for those holding a significant number of BHIC Shares, RCPS A and RCPS-i A to realise their investment in BHIC for cash at the Offer Price expeditiously in view that:

- (i) the trading volume of BHIC Shares has been **relatively illiquid** whereby its trading liquidity based on the average historical monthly volume traded for the past twelve (12) months up to March 2026 of 0.48% was significantly lower than the average monthly volume traded over free float of KL Transportation & Logistics Index of 9.77%;
- (ii) save for the Proposal, BHIC has not received any alternative offer for its securities or any offer to acquire the assets and liabilities of the Company. In addition, as part of the covenants in the Proposal Letter, upon the acceptance of the terms of the Proposal Letter by the Board, BHIC shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of the BHIC Group (save for the proposed transactions that have been approved by the shareholders of BHIC that are still ongoing prior to the serving of the Proposal Letter) or an alternative proposal involving BHIC at any time until the completion without the Offeror's prior written consent. Therefore, there will not be any alternative proposal unless the Offeror provides their consent;
- (iii) as at the LPD, the Non-Entitled Shareholder together with its PAC with a controlling stake of approximately 74.71% in BHIC are able to influence the outcome of any ordinary resolution sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholder and its PAC are required to abstain from voting). The Non-Interested Shareholder, namely BHB have duly abstained and will continue to abstain from the voting in respect of its direct and/or indirect shareholdings in BHIC, on the Special Resolution and the RCPS Special Resolutions in relation to the Proposal; and
- (iv) the Offeror does not intend to maintain the listing status of BHIC on the Main Market of Bursa Securities upon Completion. Should there be any suspension in the trading of BHIC Shares or delisting of BHIC from the Official List, the Entitled Shareholders will not be able to trade BHIC Shares on the Main Market of Bursa Securities.

7. RATIONALE FOR THE PROPOSAL AND FUTURE PLANS FOR THE BHIC GROUP AND ITS EMPLOYEES

The rationale for the Proposal and the intention of the Offeror in relation to the future plans for BHIC Group and its employees as set out in **Sections 4 and 5 of Part A** of this Document are as follows:

7.1 Rationale for the Proposal

We wish to highlight that the Proposal is undertaken on a voluntary basis by the Non-Entitled Shareholder via the Proposal Letter to privatise the Company whereby upon successful completion of the Proposal, the Non-Entitled Shareholder will collectively hold 100.00% equity interest in BHIC and the Company will be delisted from the Official List thereafter.

The Proposal provides an opportunity for the Entitled Holders to exit and realise their holdings in BHIC Shares, RCPS A and RCPS-i A at the Offer Price (which represents a premium against the historical market prices of BHIC Shares for the past one (1) year up to the LPD) in the immediate term, an opportunity which may not otherwise have been available to the Entitled Holders due to the low trading liquidity of BHIC Shares and that the RCPS A and RCPS-i A are not tradable on Bursa Securities.

Furthermore, we noted that BHIC Shares have been thinly traded in the past twelve (12) months up to the LPD, with an average monthly trading volume of 4,045,757 Shares, which represents a free float of approximately 2.84%. After excluding outliers, the average monthly trading volume is 681,136 Shares, representing a free float of approximately 0.48%. This is lower than the average monthly trading liquidity of KL Transportation and Logistics Index for the past twelve (12) months up to March 2026 of 9.77%. Given the limited trading activity of BHIC Shares, the Proposal provides an opportunity for the Entitled Holders to immediately monetise their investment at the Offer Price.

We noted that the Proposal was undertaken to provide BHIC greater flexibility in managing the business of BHIC Group and that the privatisation of BHIC will eliminate the administrative and compliance costs associated with maintaining the listing status of the Company. This in turn will allow the Company to focus on its core growth initiatives and long-term value creation as well as to enable resources to be diverted towards improving the core business of BHIC Group that may help to improve its profitability in the long term.

7.2 Future plans for BHIC Group and its employees

(i) Continuation of the BHIC Group's businesses

Save for those that are currently in the midst of striking-off as disclosed in **Section 5 of Appendix III of this Circular**, we note that BHB intends to continue and focus with the existing core businesses and operations of the Group and currently have no immediate plans or intentions to liquidate any of the key subsidiaries. The Proposal is not intended to nor expected to result in any disruption of the operations and commitments to the Group's customers and partners. As at LPD, BHB has not made any arrangements, rationalisation and/or reorganisation of the business operations of the Group.

However, BHB may from time to time, undertake a review of the businesses and operations of the Group and make such arrangements, rationalisation and reorganisation as BHB considers suitable and/or in the best interests of the Group.

(ii) Major changes to the BHIC Group's businesses

Upon Completion, we note that BHB intends to undertake a comprehensive review of the various businesses and operations within the Group to determine the strategic plans to optimise the value of the Group's diverse business operations. Such review would take into account BHB's own existing businesses which may serve as a better natural fit to derive operational synergies, and as such may encompass internal restructuring, or other corporate initiatives as they deem appropriate to support a more effective business model.

As part of the abovementioned comprehensive review, BHB will evaluate strategic options for the businesses and assets and, where appropriate, may implement changes such as adopting a refreshed strategy for business activities, optimisation of assets, redeployment of resources and cost optimisation to enhance competitiveness and operational efficiency, with the aim of improving financial performance. Any changes, disposals or redeployments will be undertaken after careful consideration and on a gradual basis to ensure optimal outcomes and prudent cost management.

(iii) Employees of the BHIC Group

We note that BHB does not have any plans to dismiss or make redundant any of the existing employees by way of a retrenchment exercise as a direct consequence of the Proposal. Nevertheless, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and/or streamlining of business activities to further improve productivity and efficiency of the operations of the Company.

Notwithstanding the above, BHB shall retain the flexibility to consider any option and/or potential opportunity as it considers suitable and which are in the best interests of BHIC Group.

Premised on the above, we are of the view that the business and management of BHIC Group will remain the same in all material aspects and that the BHIC Group is expected to continue as a going concern given the Offeror's intention to continue with BHIC Group's existing businesses and operations and there is no immediate plan and/or intention to dispose of any major assets of BHIC Group or to liquidate any company in BHIC Group. We further note that the Offeror has not entered into any negotiation, arrangement or understanding with any third party in relation to any significant change in BHIC Group's business and assets, as at the LPD.

8. FURTHER INFORMATION

The Entitled Holders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in **Part A of this Document** as well as the accompanying appendices and other relevant information in this Document for further details in relation to the Proposal.

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

The interests of Directors, major shareholders and chief executives of BHIC and/or persons connected with them (together with their course of actions in relation to the Proposal) are set out in **Section 10, Part of A of this Document**.

10. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposal, we have assessed the fairness and reasonableness of the Proposal in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two distinct criteria, i.e. whether the Proposal is “**fair**” and whether the Proposal is “**reasonable**”, rather than as a composite term;
- (ii) the Proposal is considered as “**fair**” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the BHIC Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the BHIC Shares, the Proposal is considered as “**not fair**”. In making the assessment, the value of the BHIC Shares is determined based on the assumption that 100.00% of the issued share capital of BHIC is being acquired;
- (iii) in considering whether a Proposal is “**reasonable**”, we have taken into consideration matters other than the valuation of the BHIC Shares. Generally, the Proposal would be considered “**reasonable**” if it is “**fair**”. Nevertheless, the Independent Adviser may also recommend for Entitled Holders to vote in favour of the Special Resolution and RCPS Special Resolutions despite it being “**not fair**”, if the Independent Adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution and RCPS Special Resolutions in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event the Independent Adviser concludes that the Proposal is “**not fair but reasonable**”, the Independent Adviser must clearly explain the following:
 - (a) what is meant by “**not fair but reasonable**”;
 - (b) how has the Independent Adviser reached this conclusion; and
 - (c) the course of action that the Entitled Holders are recommended to take pursuant to the conclusion.

For the avoidance of doubt, our assessment, evaluation and recommendation in respect of the BHIC Shares are also applicable to the holders of the RCPS A and RCPS-i A in view that the Proposal is also offered to the RCPS Holders.

We have assessed and evaluated the terms of the Proposal and have set out our evaluation in Sections 5 and 6 of this IAL. Entitled Holders should carefully consider the merits and demerits of the Proposal based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAL and Part A of this Document.

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In arriving at our opinion, we have considered various applicable factors as set out below:

Fairness
<p><u>Valuation of BHIC Shares, RCPS A and RCPS-i A</u></p> <p>Based on our evaluation as per Section 5 of this IAL, we are of the view that the Proposal is FAIR as the Offer Price represents:</p> <ul style="list-style-type: none"> (i) a premium of 71.43% to the estimated value of BHIC Shares of RM0.28 per Share (computed via the SOPV method); (ii) a premium of 71.43% to the estimated value of RCPS A and RCPS-i A of RM0.28 per RCPS (computed via the “see-through” basis); and (iii) a premium of 166.67% to the unaudited consolidated NA of RM0.18 per Share as at 31 December 2025. <p>In the event of liquidation, the realisation of the properties’ value is expected to be undertaken in an orderly manner and may not be immediate.</p> <p><u>Historical market prices of BHIC Shares</u></p> <ul style="list-style-type: none"> (i) BHIC Shares have not traded above the Offer Price for the past one (1) year prior and up to the LPD; (ii) The Offer Price represents a premium of 54.84% over the last transacted market price of BHIC Shares on the LTD and premiums ranging between 67.95% and 96.08% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to the LTD; (iii) The Offer Price represents a premium of 5.49% over the last transacted market price of BHIC Shares as at the LPD and premiums ranging from 5.47% and 26.62% over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of BHIC Shares up to and including the LPD.
Reasonableness
<p>We are of the view that the Proposal is REASONABLE as it provides an exit opportunity to the Entitled Holders to realise their investment in BHIC for cash at the Offer Price expeditiously in view that:</p> <p><u>Historical trading liquidity of BHIC Shares, RCPS A and RCPS-i A</u></p> <p>The trading volume of BHIC Shares was relatively illiquid whereby its trading liquidity based on the average historical monthly volume traded for the past twelve (12) months up to March 2026 of 0.48% was significantly lower than the average monthly volume traded over free float of the KL Transportation & Logistics Index of 9.77%.</p> <p>RCPS A and RCPS i-A are not listed and traded on Bursa Securities.</p>

Level of control by the Non-Entitled Shareholder

As at the LPD, the Non-Entitled Shareholder and its PAC hold the equity stake/voting rights of approximately 74.71% in BHIC.

As such, Non-Entitled Shareholder would be in a position to approve ordinary resolutions and exert significant influence over special resolutions sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholder and its PAC are required to abstain from voting).

The Non-Interested Shareholder, namely BHB have duly abstained and will continue to abstain from the voting in respect of its direct and/or indirect shareholdings in BHIC, on the Special Resolution and the RCPS Special Resolutions in relation to the Proposal.

No alternative proposal

As at the LPD, save for the Proposal Letter, BHIC has not received any alternative offer for its securities or any offer to acquire the assets and liabilities of the Company.

In addition, as part of the covenants in the Proposal Letter, upon the acceptance of the terms of the Proposal Letter by the Board, BHIC shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of the assets and liabilities of the BHIC Group (save for the proposed transactions that have been approved by the shareholders of BHIC that are still ongoing prior to the serving of the Proposal Letter) or an alternative proposal involving BHIC at any time until the completion without the Offeror's prior written consent.

Therefore, there will not be any alternative proposal unless the Non-Entitled Shareholder provides their consent.

Listing status of BHIC

The Offeror has indicated vide the Proposal Letter that it **does not intend to maintain the listing status of the Company on the Main Market of Bursa Securities** following the Completion. Accordingly, the Offeror will request the Company to submit an application to Bursa Securities pursuant to paragraph 16.08 of the Listing Requirements to delist the Company's securities and withdraw the listing status from the Official List upon Completion.

Premised on the foregoing and our evaluation of the Proposal, we are of the opinion that the Proposal is **FAIR AND REASONABLE**.

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Accordingly, we would recommend that you **VOTE IN FAVOUR** of the Special Resolution and RCPS Special Resolutions pertaining to the Proposal to be tabled at the forthcoming EGM and RCPS Class Meetings respectively. However, the decision to be made will depend entirely on your risk appetite and specific preference as well as your expectation of the future performance of BHIC. You should be mindful that continuous fluctuations in the market prices of BHIC Shares might happen prior to and after the EGM and RCPS Class Meetings in relation to the Proposal. Hence, you are advised to closely monitor the market price and information/announcements in relation to the Proposal before deciding whether to vote in favour of or against the Special Resolution and RCPS Special Resolutions.

If you wish, you may also consider to dispose of your BHIC Shares in the open market to realise your investment in BHIC Shares in the event the net proceeds from the sale of your shareholding in BHIC after the associated transaction costs involved is higher than the Offer Price, and assuming that there will not be any revision to the Offer Price.

In the event you are to consider disposing your holding of the Shares in the open market, you should take note of **Section 12 of Part A** of this Document in relation to the estimated timeframe for completion as well as the relevant announcements thereto.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Entitled Holders as a whole and not for any specific group of Entitled Holders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, risk profiles, financial situations or particular needs of any individual Entitled Holder or any specific group of Entitled Holders.

We recommend that any Entitled Holder who is in doubt as to the action to be taken or requires specific advice in relation to the Proposal in the context of his or her investment objectives, risk profiles, financial and tax situations or particular needs should consult his or her stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

YOU ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING ATTACHMENTS AND APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION AND RCPS SPECIAL RESOLUTIONS PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING EGM AND RCPS CLASS MEETINGS RESPECTIVELY IN RELATION TO THE PROPOSAL.

Yours faithfully
For and on behalf of
DWA ADVISORY SDN BHD

Sharil Hanri Yuen
Principal

Dato' Wan Asmadi Wan Ahmad
Managing Principal

ADDITIONAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board having duly considered the contents of this IAL, collectively and individually, accept full responsibility for the accuracy and completeness of the information relating to the Group contained in this IAL and confirms that, after having made all reasonable enquiries, that to the best of knowledge:

- (i) there are no facts and/or information, the omission of which would render any statement or information relating to the Group in this IAL incomplete, false and/or misleading;
- (ii) all material facts and/or information in relation to the Proposal (including those required under the Rules) have been accurately and completely disclosed in this IAL; and
- (iii) opinions expressed by the Board (save for the Interested Directors) in this IAL have been arrived at after due and careful consideration.

Further, the responsibility of the Board in respect of:

- (i) the information relating to the Non-Entitled Shareholder, its PAC and the Proposal (as extracted from Part A of this Document and the appendices attached thereto) is limited to ensure that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by DWA Advisory in relation to the Proposal as set out in the IAL is limited to ensuring that accurate information in relation to the Group was provided to DWA Advisory for its evaluation of the Proposal and to ensure that all information in relation to the Group that is relevant to DWA Advisory's evaluation of the Proposal has been accurately and completely disclosed to DWA Advisory and that there is no material fact, the omission of which would make any information provided to DWA Advisory false or misleading.

2. DISCLOSURES OF INTEREST AND DEALINGS IN SHARES

All dealings made by BHIC, the directors of BHIC and by the persons with whom BHIC or any persons acting in concert, from the date of the Proposal Letter up to the LPD have been complied with in accordance with paragraph 19.05 of the Rules. BHIC, the directors of BHIC and by the persons with whom BHIC or any persons acting in concert will ensure that all disclosure of dealings requirements will be complied with in accordance with paragraph 19.05 of the Rules up to the Effective Date.

2.1 By BHIC**(i) Disclosure of interests in BHB**

BHIC does not have any interest, whether direct or indirect, in any voting shares or convertible securities in BHB as at the LPD.

ADDITIONAL INFORMATION (Cont'd)**(ii) Disclosure of dealings in voting shares or convertible securities of BHB**

BHIC has not dealt, directly or indirectly, in any voting shares and/or convertible securities of BHB, during the period beginning 6 months prior to the date of the Proposal Letter and ending on the LPD.

(iii) Disclosure of dealings in BHIC Shares

BHIC has not dealt, directly or indirectly, in any of its voting shares during the period beginning 6 months prior to the date of the Proposal Letter and ending on the LPD.

2.2 By the directors of BHIC**(i) Disclosure of interests in BHB**

As at the LPD, none of the directors of BHIC have any interest, whether direct or indirect, in any voting shares or convertible securities of BHB.

(ii) Disclosure of dealings in securities of BHB

As at the LPD, the directors of BHIC have not dealt, directly or indirectly, in any voting shares or convertible securities of BHB during the period commencing 6 months before the commencement of the date of the Proposal Letter.

(iii) Disclosure of interests in BHIC

As at the LPD, none of the directors of BHIC have any interest, whether direct or indirect, in any voting shares or convertible securities of BHIC.

(iv) Disclosure of dealings in BHIC Shares

As at the LPD, none of the directors of BHIC had directly or indirectly, dealt in securities of BHIC during the period commencing 6 months before the date of the Proposal Letter and up to the LPD.

2.3 By the persons with whom BHIC or any persons acting in concert with it has any arrangement

As at the LPD, BHIC or any persons acting in concert with it has not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to BHIC Shares which may be inducement to deal or to refrain from dealing.

2.4 By the persons with whom BHIC or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom BHIC or any persons acting in concert with it has borrowed or lent any voting shares of BHIC.

ADDITIONAL INFORMATION (Cont'd)**2.5 By DWA Advisory****(i) Disclosure of interests in BHIC**

As at the LPD, DWA Advisory does not have any interest, whether direct or indirect, in any voting shares or convertible securities of BHIC.

(ii) Dealing in the securities of BHIC

DWA Advisory has not dealt, directly or indirectly, in any of the voting shares or convertible securities of BHIC during the period commencing 6 months before the date of the Proposal Letter.

(iii) Disclosure of interests in BHIC by funds whose investments are managed by DWA Advisory on a discretionary basis

As at the LPD, DWA Advisory is not involved in management of funds on a discretionary basis.

DWA Advisory confirms that it is in compliance with paragraphs 19.04 and 19.05 of the Rules and will ensure continuous compliance up to the Effective Date.

3. SERVICE CONTRACTS

As at the LPD, neither BHIC nor its subsidiaries have any service contracts with any directors or proposed directors of BHIC, which have been entered into or amended within 6 months before the date of the Proposal Letter, or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAL.

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INFORMATION ON BHB

1. HISTORY AND PRINCIPAL ACTIVITIES

BHB was incorporated in Malaysia on 25 July 1960 under the Companies Ordinances 1940 - 1946 under the name of Boustead & Company (1960) Limited and is deemed registered under the Act. On 18 February 1966, BHB changed its name to Boustead Holdings Limited. BHB then assumed its present name on 15 April 1966.

BHB was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 17 March 1961. On 28 June 2023, it was de-listed from the Official List of Bursa Securities following the completion of the takeover offer by LTAT.

BHB is an investment holding company and is principally involved in the provision of management services to its subsidiaries, whilst its subsidiaries, associates and joint ventures are principally involved in the property and industrial, heavy industries, plantation, pharmaceutical and trading, finance and investment businesses. Please refer to **Section 5** of this Appendix for the principal activities of BHB's subsidiaries.

2. SHARE CAPITAL AND RPS

2.1 Issued share capital and RPS

As at the LPD, the issued share capital of BHB is RM2,735,693,998.50 comprising 2,026,987,997 BHB Shares and the RPS of BHB is RM261,756,362.00 comprising 229,151,000 RPS A.

2.2 Convertible securities

As at the LPD, BHB does not have any convertible securities in issue.

3. SUBSTANTIAL SHAREHOLDER

As at the LPD, LTAT is the sole shareholder of BHB and its shareholding is as follows:

Name	Direct		Indirect	
	No. of BHB Shares	%	No. of BHB Shares	%
LTAT	2,026,987,997	100	-	-

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INFORMATION ON BHB (cont'd)
4. DIRECTORS

As at the LPD, the directors of BHB, all of whom are Malaysians, and their respective shareholdings in BHB are as follows:

Name	Direct		Indirect	
	No. of BHB Shares	%	No. of BHB Shares	%
General Tan Sri Dato' Sri (Dr.) Haji Abdul Aziz Haji Bin Zainal (R)	-	-	-	-
Dato' Indera Ir. Dr. Hj. Ahmad Sabirin Bin Arshad	-	-	-	-
Dato' Sri Iskandar Mizal Bin Mahmood	-	-	-	-
Mohammad Ashraf Bin Md Radzi	-	-	-	-
Ahmad Farouk Bin Mohamed	-	-	-	-
Pauline Teh @ Pauline Teh Abdullah	-	-	-	-
Dato' Mohd Zuhri Bin Abdullah	-	-	-	-
Datuk Wira Abdul Mutalif Bin Abdul Rahim	-	-	-	-
Datuk Che Hasnadi Bin Che Hassan	-	-	-	-
Haizad Rizal Bin A Aziz (Alternate director to Mohammad Ashraf Bin Md Radzi)	-	-	-	-
Mohd Firdaus Bin Zulkifli (Alternate director to Ahmad Farouk Bin Mohamed)	-	-	-	-

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As at the LPD, BHB's subsidiaries are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Boustead Properties Berhad	191101000004 (84-W)	Malaysia	100.00	Investment holding and provision of management service to subsidiaries
Pharmaniaga Berhad ("Pharmaniaga")	199801011581 (467709-M)	Malaysia	35.22	Investment holding
BHIC	197101000758 (11106-V)	Malaysia	72.38	Investment holding
Boustead Petroleum Marketing Sdn Bhd	196401000488 (5783-T)	Malaysia	41.87	Marketing of petroleum products
UAC Berhad	196301000271 (5149-H)	Malaysia	100.00	Manufacture of fibre cement products, project management and property investment

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
MHS Aviation Berhad	199101016283 (226595-U)	Malaysia	94.24	Provision of air transportation, flight support, engineering and technical services
Boustead Petroleum Sdn Bhd	197801004010 (40996-P)	Malaysia	59.82	Investment holding
Boustead Segaria Sdn Bhd	197501002880 (24681-V)	Malaysia	100.00	Investment holding
Boustead Emastulin Automobile Sdn Bhd	199501018320 (347523-M)	Malaysia	100.00	Investment holding
Boustead Credit Sdn Bhd	197901007960 (52246-T)	Malaysia	100.00	Hire purchase financing and money lending services
UAC Construction Sdn Bhd	195901000211 (3558-P)	Malaysia	100.00	Manufacture and sale of surface coating for decorative and industrial applications
UAC SolidPanel Sdn Bhd	199101008024 (218336-V)	Malaysia	100.00	Manufacture and sale of solid panel
Boustead Global Risk Solution Sdn Bhd	199501014316 (343517-A)	Malaysia	100.00	Insurance agent
Boustead Travel Services Sdn Bhd	197201000101 (11708-P)	Malaysia	100.00	Travel agent
Boustead Technology Sdn Bhd	199001011395 (202965-P)	Malaysia	100.00	Technology and innovation solutions provider
Boustead Digital Services Sdn Bhd	199701038882 (454382-X)	Malaysia	100.00	Investment holding company for digital products and services
Boustead DCP Sdn Bhd	200301003384 (605804-X)	Malaysia	100.00	Produce and supply of chill water for air-conditioning
Boustead Construction Sdn Bhd	199101012392 (222704-T)	Malaysia	100.00	Project management, construction and property development
Mutiara Nusa Sdn Bhd	201701019400 (1233565-H)	Malaysia	100.00	Property development
Mutiara Rini Sdn Bhd	199401025616 (311297-H)	Malaysia	100.00	Property development
Boustead Balau Sdn Bhd	198301012416 (107809-H)	Malaysia	100.00	Property development
Boustead Curve Sdn Bhd	198301008066 (103320-D)	Malaysia	100.00	Property investment
Boustead Lines Sdn Bhd	200101012088 (547844-U)	Malaysia	100.00	Property investment

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Boustead Realty Sdn Bhd	199301015908 (270648-A)	Malaysia	100.00	Property investment
Boustead Facilities Management Sdn Bhd	197301000697 (14234-D)	Malaysia	100.00	Renting of properties, investment holding and facilities management services
Boustead Nucleus Sdn Bhd	197401003136 (20232-P)	Malaysia	100.00	Property investment
Boustead Weld Quay Sdn Bhd	198101005390 (71504-A)	Malaysia	100.00	Property investment and hotel operations
Boustead Hotels & Resorts Sdn Bhd	198501014634 (147089-A)	Malaysia	100.00	Hotel operations
Boustead Ventures Limited	03428170	United Kingdom	100.00	Hotel operations
Boustead Hyde Park Ltd	1837729	British Virgin Island	100.00	Hotel operations
Midas Mayang Sdn Bhd	200901004068 (846995-D)	Malaysia	80.00	Hotel operations
Astacanggih Sdn Bhd	200701009575 (767577-W)	Malaysia	80.00	Investment holding
Cebur Megah Development Sdn Bhd	200601017485 (737237-K)	Malaysia	80.00	Investment holding
Bakti Wira Development Sdn Bhd	199301021600 (276338-M)	Malaysia	100.00	Investment holding
Boustead Shipping Agencies Sdn Bhd	197301003344 (16796-H)	Malaysia	100.00	Shipping agent
Boustead Building Materials Sdn Bhd	199501020493 (349696-W)	Malaysia	100.00	Building products distributor and project management
The University of Nottingham in Malaysia Sdn Bhd	199801017391 (473520-K)	Malaysia	66.41	Operation of a university
Green Army Sdn Bhd	202201028645 (1474342-V)	Malaysia	100.00	Job marketplace platform
Tanky Sdn Bhd	202201003338 (1449035-U)	Malaysia	65.00	Fuel expense management and payment solution
Pharmaniaga Manufacturing Sdn Bhd	198001006232 (60016-D)	Malaysia	35.22	Manufacture and sale of pharmaceutical products
Pharmaniaga Logistics Sdn Bhd	199301006053 (260790-T)	Malaysia	35.22	Distribution of pharmaceutical and medical products

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Pharmaniaga Marketing Sdn Bhd	198401005734 (118254-D)	Malaysia	35.22	Trading and marketing of pharmaceutical and medical products
Pharmaniaga LifeScience Sdn Bhd	198201002939 (82685-T)	Malaysia	35.22	Manufacture and sale of pharmaceutical products
Pharmaniaga Research Centre Sdn Bhd	199801001031 (457157-V)	Malaysia	35.22	Conduct research and development of pharmaceutical products
Pharmaniaga Biomedical Sdn Bhd	199601027413 (399765-P)	Malaysia	35.22	Supply, trading and installation of medical and hospital equipment
InspiraPharma Sdn Bhd (formerly known as Idaman Pharma Manufacturing Sdn Bhd)	200401023395 (661901-P)	Malaysia	35.22	Manufacture and sale of pharmaceutical products
Pristine Pharma Sdn Bhd	198301016096 (11488-X)	Malaysia	35.22	Trading and wholesaling of consumer products
Pharmaniaga International Corporation Sdn Bhd	200401011114 (649617-A)	Malaysia	35.22	Investment holding
PT Errita Pharma	10.24.1.21.01405	Indonesia	33.81	Manufacture and sale of pharmaceutical products in Indonesia
Paradigm Industry Sdn Bhd (winding up)	201601024818 (1195757-X)	Malaysia	35.22	Manufacture and sale of food supplement
PT Millennium Pharmacon International Tbk	09.05.1.46.43667	Indonesia	25.71	Distribution and trading of pharmaceutical & diagnostic products and food supplements
Bio-Collagen Technologies Sdn Bhd (winding up)	200401035806 (674137-K)	Malaysia	35.22	Research and manufacture of collagen medical devices
BPS	197201000156 (11795-W)	Malaysia	72.38	Oil and gas fabrication, fabrication of steel structures and platforms, shipbuilding and ship repair, heavy engineering, investment holding
Perstim Industries Sdn Bhd ⁽¹⁾	199501002704 (331898-A)	Malaysia	72.37	Dormant
BHIC Marine Carriers Sdn Bhd ⁽¹⁾	200401002704 (641207-V)	Malaysia	72.38	Dormant
Dominion Defence & Industries Sdn Bhd	199001001175 (192736-W)	Malaysia	72.38	Dormant

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
BHIC Defence Techservices Sdn Bhd	199801000165 (456291-H)	Malaysia	72.38	To carry on business, including but not limited to, the engineering development, manufacture, supply, and maintenance of defence equipment and system across the aviation, land, and maritime domains
BHIC Defence Technologies Sdn Bhd	199601019744 (392096-U)	Malaysia	72.38	Investment holding
BHIC Navaltech Sdn Bhd	199701009472 (424968-A)	Malaysia	72.38	In-service support for the maintenance services and supply of spare parts for vessels
BHIC Electronics and Technologies Sdn Bhd	200301021110 (623530-W)	Malaysia	72.38	Dormant
BHIC Allied Defence Technology Sdn Bhd	199601012036 (384385-U)	Malaysia	72.38	Dormant
BHIC Trading Sdn Bhd	199201022677 (254181-T)	Malaysia	72.38	To design, conduct and/or integrate a range facilities and aircraft maintenance related equipment hangar sales and leasing
BHIC Submarine Engineering Services Sdn Bhd	200301029101 (631521-V)	Malaysia	72.38	Provision of maintenance and services of submarines
BHIC Marine Technology Academy Sdn Bhd	199901001479 (476379-X)	Malaysia	72.38	Dormant
BHIC Aerotech Sdn Bhd	201601008289 (1179217-T)	Malaysia	72.38	Dormant
BHIC Shipbuilding & Engineering Sdn Bhd	199501015339 (344540-A)	Malaysia	72.38	Dormant
BHIC Marine Transport Sdn Bhd ⁽¹⁾	199401034405 (320088-D)	Malaysia	72.38	Dormant
BHIC Marine Ventures Sdn Bhd ⁽¹⁾	199401013824 (299504-A)	Malaysia	72.38	Dormant
Malaysian Heavy Industry Group Sdn Bhd ⁽¹⁾	199201011828 (243331-W)	Malaysia	43.43	Dormant
U.K. Realty Sdn Bhd	198101008525 (74642-U)	Malaysia	100.00	Inactive
Mecuro Properties Sdn Bhd	201201010043 (983563-V)	Malaysia	100.00	Inactive
AB Shipping Sdn Bhd	197601001636 (27617-P)	Malaysia	100.00	Inactive
Cargo Freight Shipping Sdn Bhd	198301004418 (100041-W)	Malaysia	100.00	Inactive

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Boustead Management Services Sdn Bhd	196701000096 (7059-M)	Malaysia	100.00	Inactive
Boustead Advertising Sdn Bhd	199401015351 (301031-H)	Malaysia	100.00	Inactive
Boustead REIT Managers Sdn Bhd	198201011228 (90953-K)	Malaysia	100.00	Inactive
Fitek (M) Sdn Bhd	197601001064 (26999-M)	Malaysia	100.00	Inactive
Pharmaniaga Pegasus (Seychelles) Co Ltd	22826	Republic of Seychelles	35.22	Inactive
Landasan Ria Sdn Bhd	201101001054 (929188-W)	Malaysia	94.24	General trading, investment holding and property. Provision of training, consultancy and advisory services, including technical, soft skills and professional development programs, seminars and workshops for corporate clients across various industries
MHS Assets Sdn Bhd	200501033156 (715296-T)	Malaysia	94.24	Inactive
MHS Labuan Limited	LL 03971	Malaysia	94.24	Inactive
Boustead Atlas Hall Sdn Bhd	199501025521 (354726-D)	Malaysia	100.00	Ceased operation
Boustead Engineering Sdn Bhd	196101000173 (4226-M)	Malaysia	100.00	Ceased operation
UAC Steel Systems Sdn Bhd	199701014246 (429742-X)	Malaysia	100.00	Ceased operation
BHIC Development Sdn Bhd ⁽¹⁾	199201003381 (234885-X)	Malaysia	72.38	Dormant
Mutiara Mayfield Sdn Bhd	202401019324 (1565173-U)	Malaysia	100.00	Specialises in industrial township development and asset management

Note:

(1) Currently in the process of being struck off under Section 550 of the Act.

INFORMATION ON BHB (cont'd)

As at the LPD, BHB's associate companies are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Pavilion Entertainment Centre Sdn Bhd	199501006310 (335506-X)	Malaysia	50.00	Property development
Drew Ameroid (M) Sdn Bhd	197401002178 (19162-P)	Malaysia	50.00	Industrial chemicals distributor
Boustead Wah Seong Sdn Bhd	201201011639 (985156-M)	Malaysia	50.00	Investment holding
Wah Seong Boustead Co Ltd	103380871	Myanmar	50.00	Consumer and building products distributor
Cadbury Confectionery Malaysia Sdn Bhd	197401002323 (19442-T)	Malaysia	24.68	Chocolate and sugar confectionery manufacturer
MyAngkasa Digital Services Sdn Bhd	201701015490 (1229654-V)	Malaysia	22.06	Electronic payments and collection systems
Rakan Riang Pte Ltd (under liquidation)	201022374H	Singapore	20.00	Operating education and entertainment facilities
Boustead Plantations Berhad	194601000012 (1245-M)	Malaysia	24.42	Investment holding and oil palm cultivation

As at the LPD, BHB's joint ventures companies are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Irat Properties Sdn Bhd	199601011395 (383744-P)	Malaysia	50.00	Property investment
Boustead Ikano Sdn Bhd	201101028118 (956253-A)	Malaysia	50.00	Property investment holding and operating of a shopping mall
BHIC MSM Sdn Bhd	201001033036 (916959-U)	Malaysia	43.43	Dormant
Boustead DCNS Naval Corporation Sdn Bhd ("BDNC")	200901018752 (861849-V)	Malaysia	43.43	Vessel maintenance
BYO Marine Sdn Bhd	200901002343 (845271-H)	Malaysia	36.91	Dormant
BHIC Bofors Asia Sdn Bhd	200401015689 (654192-T)	Malaysia	36.91	Provision of integrated logistics support services on BOFORS weapons systems
BHIC AeroServices Sdn Bhd	199401003897 (289576-T)	Malaysia	36.91	To carry on business of maintenance, repair and overhaul of rotary and fixed wing aircraft

INFORMATION ON BHB (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Pyrotechnical Ordnance Malaysia Sdn Bhd	201101018389 (946525-W)	Malaysia	35.47	Production and selling of double based propellant for locally used artillery shells and rockets in defence sector
Airbus Helicopters Simulation Centre Sdn Bhd	201101032767 (960902-D)	Malaysia	21.71	Providing, organising, conducting, operating, maintaining, establishing, promoting a flight training centre with simulator and conducting classes, seminars, demonstrations and training programmes in the field of aviation training

6. PROFIT AND DIVIDEND RECORD

A summary of the profit and dividend record of BHB based on the audited consolidated financial statements of BHB for the past 3 FYE 31 December 2023 to 31 December 2025 are as follows:

	Audited for the FYE 31 December		
	2023	2024	2025
	RM million	RM million	RM million
Revenue	12,938.3	13,571.8	12,270.4
PBT and zakat from continuing operations / (LBT) and zakat from continuing operations	(542.6)	71.0	223.3
PAT / (LAT)	(587.3)	8.4	147.1
Profit / (loss) attributable to:			
- Shareholders of BHB	(395.2)	(122.1)	(9.1)
- Holders of perpetual sukuk	71.4	81.0	87.2
- Non-controlling interest	(263.5)	49.5	69.0
No. of BHB Shares in issue (in million)	2,027.0	2,027.0	2,027.0
Earnings per BHB Share (sen)	(19.5)	(6.0)	(0.5)
Dividend per BHB Share (sen)	14.8	9.9	1.2

There are no exceptional items in the audited consolidated financial statements for the past 3 FYE 31 December 2023 to 31 December 2025. Notwithstanding the above, there were significant items in the audited consolidated financial statements for the past 3 FYE 31 December 2023 to 31 December 2025, amongst others:

INFORMATION ON BHB (cont'd)

During the FYE 31 December 2023, BHB and its subsidiaries, associates and joint ventures (“**BHB Group**”) had recognised a provision for onerous contracts of RM466.3 million due to the revision of the contract awarded to Lumut Naval Shipyard Sdn Bhd (“**LUNAS**”), which was a subsidiary of BHB, from the Government of Malaysia to design, construct, equip, install, commission, integrate, test and trials and deliver 6 units of Littoral Combat Ship (“**LCS**”) with combatant capabilities for the Royal Malaysian Navy (“**LCS Contract**”). On 26 May 2023, the Ministry of Defence (“**MINDEF**”) and LUNAS signed a 6th Supplementary Contract to the LCS Contract which vary the terms of payment from milestone based to progress of works which led to the recognition of a provision for onerous contracts of RM466.3 million. On 2 November 2023, BHB had completed the disposal of its 68.85% equity interest in LUNAS to a wholly-owned subsidiary of Minister of Finance Incorporated. As at the LPD, LUNAS is no longer a company within BHB Group.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of BHB based on its audited consolidated financial statements as at 31 December 2024 and 31 December 2025 are as follows:

	Audited as at 31 December	
	2024	2025
	RM million	RM million
ASSETS		
Non-current assets		
Property, plant and equipment	1,576.8	1,547.4
Investment properties	1,310.0	1,229.8
Right-of-use assets	63.6	60.6
Deferred tax assets	22.8	42.3
Associates	120.2	88.8
Joint ventures	42.4	200.9
Other investments	0.9	0.9
Intangible assets	283.5	283.8
Inventories	338.2	317.1
Receivables	437.5	311.8
	4,195.9	4,083.4
Current assets		
Inventories	924.2	879.7
Receivables	754.0	724.9
Tax recoverable	45.2	38.5
Contract assets and contract cost assets	190.6	113.4
Deposits, cash and bank balances	430.5	764.2
	2,344.5	2,520.7
Assets classified as held for sale	2,787.0	2,352.7
	5,131.5	4,873.4
TOTAL ASSETS	9,327.4	8,956.8

INFORMATION ON BHB (cont'd)

	Audited as at 31 December	
	2024	2025
	RM million	RM million
EQUITY AND LIABILITIES		
Equity attributable to owner of the parent		
Share capital	2,735.7	2,735.7
RPS A	246.9	261.8
Reserves	(467.3)	(468.7)
Shareholder's equity	2,515.3	2,528.8
Perpetual sukuk	610.3	610.8
Non-controlling interests	397.4	772.4
TOTAL EQUITY	3,523.0	3,912.0
Non-current liabilities		
Borrowings	167.8	771.4
RPS B	-	169.5
Payables	25.9	10.8
Lease liabilities	13.2	10.4
Deferred tax liabilities	8.2	3.2
	215.1	965.3
Current liabilities		
Borrowings	2,566.9	1,600.5
Payables	1,542.9	1,562.6
Contract liabilities	78.9	71.3
Lease liabilities	6.4	6.5
Tax payable	9.6	27.7
Dividend payable	150.0	-
	4,354.7	3,268.6
Liabilities associated with assets classified as held for sale	1,234.6	810.9
	5,589.3	4,079.5
TOTAL LIABILITIES	5,804.4	5,044.8
TOTAL EQUITY AND LIABILITIES	9,327.4	8,956.8

INFORMATION ON BHB (cont'd)

8. MATERIAL CHANGES IN THE FINANCIAL POSITION

As at the LPD, save as disclosed below, there are no other known material changes in the financial position of BHB subsequent to its last audited financial statements for the FYE 31 December 2025:

- On 30 January 2026, BHB has made a repayment of Islamic medium-term notes issued by BHB on 25 August 2017 of approximately RM200.0 million.

9. ACCOUNTING POLICIES

Based on the audited consolidated financial statements of BHB for the FYE 31 December 2023 to 31 December 2025, the financial accounts have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Act.

There was no audit qualification for BHB's audited consolidated financial statements for the respective years under review.

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited financial statements of BHB for the FYE 31 December 2023 to 31 December 2025.

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INFORMATION ON LTAT

1. HISTORY AND PRINCIPAL ACTIVITIES

LTAT was established on 1 August 1972 by an Act of Parliament i.e the Tabung Angkatan Tentera Act 1973 (Act 101).

LTAT is principally involved in providing retirement benefit and other benefits to members of the armed forces of Malaysia and members of the Volunteer Forces through a saving scheme while also promoting socio-economic development and welfare for retiring or retired service members.

2. SHARE CAPITAL

2.1 Issued share capital

LTAT does not have a share capital as it is a government statutory body which manages a pension and retirement savings fund.

2.2 Convertible securities

LTAT does not have any outstanding convertible securities.

3. SHAREHOLDER

LTAT does not have shareholders as it is a statutory body which manages a pension and retirement savings fund.

4. DIRECTORS

As at the LPD, the directors of LTAT, all of whom are Malaysians, are as follows:

Name	Designation
General Tan Sri Dato' Sri Azizan Bin Ariffin RMAF (Retired)	Chairman
Datuk Lokman Hakim Bin Ali	Deputy Chairman and Secretary General to the Ministry of Defence
Datuk Dr. Shahrazat Binti Haji Ahmad	Deputy Secretary General to the Treasury (Investment), Ministry of Finance
General Datuk Haji Malek Razak Bin Sulaiman	Chief of Defence Force
Lieutenant General Dato' Mohamad Suria Bin Mohamad Saad	Deputy Chief of Army
Vice Admiral Datuk Badarudin Bin Taha	Deputy Chief of Navy
Lieutenant General Dato' Nur Hafis Bin Abdul Karim RMAF	Deputy Chief of Air Force
Datuk Md Zubir Ansori Bin Yahaya	Member
Dato' Sri Iskandar Mizal Bin Mahmood	Member
Rozaini Bin Mohd Sani	Member
Datin Normaliza Binti Kairon	Member
Mohammad Ashraf Bin Md Radzi	Member / Chief Executive (Ex-Officio)

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 9 September 1971 as Preserved Fruit Sdn Berhad under the Companies Act, 1965 and is deemed registered under the Act. On 28 June 2007, our Company changed and assumed its present name.

Our Company was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 9 July 2007.

The principal activity of our Company is investment holding. Please refer to **Section 5** of this Appendix for the principal activities of our subsidiaries.

2. SHARE CAPITAL

2.1 Issued share capital and convertible securities

As at the LPD, the total issued share capital and RCPS of our Company are as follows.

Description	No. of BHIC Shares / RCPS	RM '000
BHIC Shares	564,279,558	427,211
RCPS A	23,625,548	13,372
RCPS-i A	132,165,050	74,804
RCPS B	84,658,462	47,916
Total issued share capital and RCPS of BHIC		<u>563,303</u>

Save as disclosed above, our Company does not have any other convertible securities in issue.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial Shareholders of our Company and their shareholdings of the BHIC Shares are as follows:

Name	Direct		Indirect	
	No. of BHIC Shares	(1)%	No. of BHIC Shares	(1)%
BHB	408,417,934	72.38	-	-
LTAT	-	-	421,575,829	(2) 74.71

Notes:

(1) Calculated based on 564,279,558 BHIC Shares in issue as at the LPD.

(2) Deemed interested by virtue of its shareholding in BHB and ABB pursuant to subsection 8(4) of the Act.

INFORMATION ON OUR COMPANY (cont'd)
4. DIRECTORS

4.1 As at the LPD, the Directors of our Company are as follows:

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
General Tan Sri Dato' Sri Roslan Bin Saad RMAF (Retired)	Chairman / Independent Non-Executive Director	Malaysian
Vice Admiral Dato' Syed Zahiruddin Putra Bin Syed Osman (Retired)	Independent Non-Executive Director	Malaysian
Kamarul Baharin Bin Tengku Zainal Abidin	Independent Non-Executive Director	Malaysian
Dato' Mearia @ Massahariah Binti Hamzah	Independent Non-Executive Director	Malaysian
Datuk Md Jais Bin Sarday	Independent Non-Executive Director	Malaysian
Ahmad Farouk Bin Mohamed	Non-Independent Non-Executive Director	Malaysian
Dato' Indera Ir. Dr. Hj. Ahmad Sabirin Bin Arshad	Non-Independent Non-Executive Director	Malaysian
Fahmy Bin Ismail	Non-Independent Non-Executive Director	Malaysian

As at the LPD, none of our Directors hold any BHIC Shares, directly or indirectly.

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As at the LPD, BHIC's subsidiaries are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
BPS	197201000156 (11795-W)	Malaysia	100.00	Oil and gas fabrication, fabrication of steel structures and platforms, shipbuilding and ship repair, heavy engineering, investment holding
BHIC Development Sdn Bhd ⁽¹⁾	199201003381 (234885-X)	Malaysia	100.00	Dormant
BHIC Trading Sdn Bhd	199201022677 (254181-T)	Malaysia	100.00	To design, conduct and/or integrate a range facilities and aircraft maintenance related equipment hangar sales and leasing
BHIC Marine Carriers Sdn Bhd ⁽¹⁾	200401002704 (641207-V)	Malaysia	100.00	Dormant
BHIC AeroTech Sdn Bhd	201601008289 (1179217-T)	Malaysia	100.00	Dormant
<u>Held by BPS</u>				
Dominion Defence & Industries Sdn Bhd	199001001175 (192736-W)	Malaysia	100.00	Dormant
Perstim Industries Sdn Bhd ⁽¹⁾	199501002704 (331898-A)	Malaysia	100.00	Dormant

INFORMATION ON OUR COMPANY (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
BHIC Defence Technologies Sdn Bhd ("BHICDT")	199601019744 (392096-U)	Malaysia	100.00	Investment holding
Malaysian Heavy Industry Group Sdn Bhd ⁽¹⁾	199201011828 (243331-W)	Malaysia	60.00	Dormant
BHIC Navaltech Sdn Bhd	199701009472 (424968-A)	Malaysia	100.00	In-service support for the maintenance services and supply of spare parts for vessels
BHIC Shipbuilding & Engineering Sdn Bhd	199501015339 (344540-A)	Malaysia	100.00	Dormant
BHIC Marine Technology Academy Sdn Bhd	199901001479 (476379-X)	Malaysia	100.00	Dormant
BHIC Marine Ventures Sdn Bhd ⁽¹⁾	199401013824 (299504-A)	Malaysia	100.00	Dormant
BHIC Marine Transport Sdn Bhd ⁽¹⁾	199401034405 (320088-D)	Malaysia	100.00	Dormant
<u>Held by BHICDT</u>				
BHIC Defence Techservices Sdn Bhd	199801000165 (456291-H)	Malaysia	100.00	To carry on business, including but not limited to, the engineering development, manufacture, supply, and maintenance of defence equipment and system across the aviation, land, and maritime domains
BHIC Allied Defence Technology Sdn Bhd	199601012036 (384385-U)	Malaysia	100.00	Dormant
BHIC Electronics and Technologies Sdn Bhd	200301021110 (623530-W)	Malaysia	100.00	Dormant
BHIC Submarine Engineering Services Sdn Bhd	200301029101 (631521-V)	Malaysia	100.00	Provision of maintenance and services of submarines

Note:

(1) Currently in the process of being struck off under Section 550 of the Act.

As at the LPD, BHIC's associate companies are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
<u>Held by our Company</u>				
Tohwa-Sedap Food Industry Sdn Bhd ⁽¹⁾	199001011887 (203457-X)	Malaysia	50.00	Dormant

INFORMATION ON OUR COMPANY (cont'd)

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Held by BPS Penang Shipbuilding and Construction Holding (Thailand) Limited	0105547149984	Thailand	48.80	Dormant

Note:

(1) Currently in member's voluntary liquidation.

As at the LPD, BHIC's joint ventures are as follows:

Name of company	Registration No.	Place of incorporation	Effective equity interest (%)	Principal activities
Held by BHICDT				
BHIC Bofors Asia Sdn Bhd	200401015689 (654192-T)	Malaysia	51.00	Provision of integrated logistics support services on BOFORS weapons systems
BHIC AeroServices Sdn Bhd	199401003897 (289576-T)	Malaysia	51.00	To carry on business of maintenance, repair and overhaul of rotary and fixed wing aircraft
BDNC	200901018752 (861849-V)	Malaysia	60.00	Vessel maintenance
BYO Marine Sdn Bhd	200901002343 (845271-H)	Malaysia	51.00	Dormant
BHIC MSM Sdn Bhd	201001033036 (916959-U)	Malaysia	60.00	Dormant
Pyrotechnical Ordnance Malaysia Sdn Bhd	201101018389 (946525-W)	Malaysia	49.00	Production and selling of double based propellant for locally used artillery shells and rockets in defence sector
Airbus Helicopters Simulation Center Sdn Bhd ⁽¹⁾	201101032767 (960902-D)	Malaysia	30.00	Providing, organising, conducting, operating, maintaining, establishing, promoting a flight training centre with simulator and conducting classes, seminars, demonstrations and training programmes in the field of aviation training

Note:

(1) Not audited by the external auditors of BHIC for the FYE 31 December 2024

INFORMATION ON OUR COMPANY (cont'd)

6. PROFIT AND DIVIDEND RECORD

A summary of the profit and dividend record of BHIC based on its audited consolidated financial statements for the past 3 FYE 31 December 2022 to 31 December 2024 and its latest unaudited consolidated financial statements for the FYE 31 December 2025 are as follows:

	Audited for the FYE 31 December			Unaudited for the FYE 31 December
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Revenue	141,760	126,414	237,139	217,130
PBT / (LBT)	(7,677)	(256,306)	19,177	6,911
PAT / (LAT)	(19,924)	(265,930)	7,566	382
Profit / (loss) attributable to:				
- Owners of the parent	(19,924)	(265,930)	7,566	382
- Non-controlling interest	-	-	-	-
No. of BHIC Shares in issue ('000)	248,458	564,280	564,280	564,280
EPS / (LPS) (sen)	(8.02)	(105.93)	1.22	0.07
Dividend per BHIC Share (sen)	-	-	3	-

There were no exceptional items in the audited consolidated financial statements for the 3 FYEs ended 31 December 2022 to 31 December 2024 and the unaudited consolidated financial statements for the FYE 31 December 2025.

Commentary on FYE 31 December 2023

For the FYE 31 December 2023, BHIC recorded revenue of RM126.4 million, representing a decrease of 11% from RM141.8 million in the previous financial year. Operating costs decreased by 9% to RM113.1 million, mainly attributable to submarine contract-related expenses. Financing costs increased by 19% to RM21.5 million prior to a reduction in borrowings from RM183.3 million to RM10.4 million following the debt settlement exercise. The Group recorded a taxation provision of RM9.6 million compared to RM12.2 million in 2022, primarily due to the reversal of deferred tax assets recognised in the prior year.

Commentary on FYE 31 December 2024

For the FYE 31 December 2024, BHIC recorded revenue of RM237.1 million, representing a significant increase from RM126.4 million for the FYE 31 December 2023, primarily driven by key defence contracts, particularly the Submarine In-Service Support programme for the Royal Malaysian Navy. The improved performance was underpinned by strategic restructuring initiatives, disciplined cash flow management and the divestment of non-core assets. During the year, our Group completed several key corporate exercises, including the disposal of its 51% stake in Contraves Advanced Devices Sdn Bhd for RM54 million, the disposal of shares in LUNAS, the execution of the intercompany trade receivables settlement agreement between BHIC and LUNAS, and the redemption of RM45 million RPS to BHB. Total dividends amounting to RM17.6 million, equivalent to 3 sen per ordinary share was declared during the year.

INFORMATION ON OUR COMPANY *(cont'd)*

Commentary on FYE 31 December 2025

For the FYE 31 December 2025, our Group recorded revenue of RM217.1 million, derived primarily from submarine-related contracts. Although the contracts recorded a positive gross profit, overall gross profit declined compared to the previous financial year, mainly due to a gross loss recognised in an onerous contract and lower gross profit from the interim in-service support following its completion. The impact was partially mitigated by positive contributions from our Group's share of profits in joint venture companies and income generated from the placement of funds.

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INFORMATION ON OUR COMPANY (cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of our Group based on the audited consolidated financial statements as at 31 December 2023 and 31 December 2024 and the latest unaudited consolidated financial statements as at 31 December 2025 are as follows:

	Audited as at 31 December		Unaudited as at 31 December
	2023	2024	2025
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	4,478	4,646	6,647
Investment property	9,478	9,198	9,000
Other investment	68,304	-	-
Right-of-use assets	23,343	22,036	20,413
Investments in joint ventures	24,319	24,102	26,865
	129,922	59,982	62,925
Current assets			
Inventories	2,456	12,221	34,449
Trade and other receivables	74,917	57,414	51,174
Contract assets	557	2,220	364
Tax recoverable	270	297	3,167
Cash and bank balances	69,218	131,302	109,202
	147,418	203,454	198,356
TOTAL ASSETS	277,340	263,436	261,281
EQUITY AND LIABILITIES			
Equity attributable to owner of the parent			
Share capital	427,211	427,211	427,211
RCPS A	13,372	13,372	13,372
RCPS-i A	74,804	74,804	74,804
RCPS B	47,916	47,916	47,916
RPS class C	44,684	-	-
Accumulated losses	(453,720)	(463,768)	(463,386)
Shareholder's funds	154,267	99,535	99,917
TOTAL EQUITY	154,267	99,535	99,917

INFORMATION ON OUR COMPANY (cont'd)

	Audited as at 31 December		Unaudited as at 31 December
	2023	2024	2025
	RM'000	RM'000	RM'000
Non-current liabilities			
Loans and borrowings	4,155	2,246	940
Lease liabilities	7,863	6,907	5,799
	12,018	9,153	6,739
Current liabilities			
Contract liabilities	12,051	49,453	59,802
Provisions	12,669	12,654	8,218
Loans and borrowings	6,231	1,905	1,305
Trade and other payables	62,161	76,937	83,913
Tax payables	15,917	11,930	131
Lease liabilities	2,026	1,869	1,256
	111,055	154,748	154,625
TOTAL LIABILITIES	123,073	163,901	161,364
TOTAL EQUITY AND LIABILITIES	277,340	263,436	261,281

8. MATERIAL CHANGES IN THE FINANCIAL POSITION

As at the LPD, save as disclosed in Section 7 above in relation to the unaudited consolidated financial statements as at 31 December 2025, there are no known material changes in the financial position of BHIC subsequent to its last audited financial statements for the FYE 31 December 2024.

9. ACCOUNTING POLICIES

The audited financial statements of our Group for the FYE 31 December 2022 to 2024 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on our Group's financial statements for the respective years under review.

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited financial statements of our Group for FYE 31 December 2022 to 2024.

INFORMATION ON OUR COMPANY (cont'd)
10. MATERIAL CONTRACT

As at the LPD, save as disclosed below and the Proposal Letter, the companies within our Group have not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of the Proposal Letter and up to the LPD:

- (i) Intercompany trade receivables settlement agreement dated 30 April 2024 entered into between BHIC and LUNAS in relation to the settlement of the net trade receivables of RM384,433,009 owing by LUNAS to our Company and our Company's relevant subsidiaries via a cash payment of RM49.70 million by LUNAS to BHIC. The intercompany trade receivables settlement agreement was completed on 4 June 2024.
- (ii) Share sale and purchase agreement dated 27 November 2024 entered into between BHICDT (as vendor) and Rheinmetall AG (as purchaser) in relation to the sale of 2,550,000 ordinary shares in Contraves Advanced Devices Sdn Bhd, for a total cash consideration of RM54.00 million. The share sale and purchase agreement was completed on 26 December 2024.
- (iii) Sale and purchase agreement dated 31 March 2026 entered into between BPS (as vendor) and Karya Koperat Sdn Bhd (as purchaser) in respect of the Proposed Disposal.

11. MATERIAL LITIGATION

As at the LPD, the companies within our Group are not engaged in any litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and our Board confirms that there is no proceeding, pending or threatened against our Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group.

12. BORROWINGS

As at 31 December 2025 (being the latest available unaudited financial results), our Group has total outstanding borrowings of approximately RM2.245 million, all of which are interest bearing, as follows:

	<u>RM'000</u>
Current borrowings	
Unsecured:	
- Revolving credits	624
- Term loan	681
	<u>1,305</u>
Total short term borrowings	<u>1,305</u>
Non-current borrowings	
Unsecured:	
Revolving credits	940
Total long-term borrowings	<u>940</u>
Total borrowings	<u>2,245</u>

INFORMATION ON OUR COMPANY (cont'd)

13. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**13.1 Material Commitments**

As at 31 December 2025 (being the latest available unaudited financial results) and save as disclosed below, our Board confirms that there are no other material commitments incurred or known to be incurred by our Group, that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results and/or position of our Group.

	<u>Approved but not contracted for</u>	<u>Approved and contracted for</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Property, plant and equipment	6,715	1,330	8,046

13.2 Contingent Liabilities

As at 31 December 2025 (being the latest available unaudited financial results) and save as disclosed below, there are no other contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:

(i) Refit Contract

LAD amounting to approximately RM14.5 million in connection with the refit works for Royal Malaysian Navy submarine i.e. KD Tunku Abdul Rahman undertaken by BDNC, a joint venture company of BHIC.

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DISCLOSURE OF INTERESTS AND DEALINGS IN BHIC SHARES AND RCPS

1. DISCLOSURE OF INTERESTS IN BHIC SHARES AND RCPS

As at the LPD, there are 4 classes of shares in our Company, being the BHIC Shares, RCPS A, RCPS-i A and RCPS B. Save for the RCPS A, RCPS-i A and RCPS B, our Company does not have any other outstanding convertible securities.

1.1 By BHB

Save as disclosed below, BHB does not have any other interest, whether direct or indirect, in BHIC Shares and RCPS in BHIC as at the LPD:

Name	Direct		Indirect	
	No. of BHIC Shares	(1)%	No. of BHIC Shares	(1)%
BHB	408,417,934	72.38	-	-

Note:

(1) Calculated based on the total number of 564,279,558 BHIC Shares in issue as at the LPD.

Name	Direct		Indirect	
	No. of RCPS B	(1)%	No. of RCPS B	(1)%
BHB	84,658,462	100.00	-	-

Note:

(1) Calculated based on 84,658,462 RCPS B in issue as at the LPD.

1.2 By the directors of BHB

None of the directors of BHB have any interest, whether direct or indirect, in BHIC Shares and RCPS in BHIC as at the LPD.

1.3 By the person(s) acting in concert with BHB

Save as disclosed below, none of the person(s) acting in concert with BHB have any interest, whether direct or indirect, in BHIC Shares and RCPS in BHIC as at the LPD:

Name	Direct		Indirect	
	No. of BHIC Shares	(1)%	No. of BHIC Shares	(1)%
LTAT	-	-	(2) 421,575,829	74.71

Notes:

(1) Calculated based on 564,279,558 BHIC Shares in issue as at the LPD.

(2) Deemed interested by virtue of its shareholdings in BHB and ABB pursuant to subsection 8(4) of the Act.

Name	Direct		Indirect	
	No. of RCPS A	(1)%	No. of RCPS A	(1)%
LTAT	-	-	(2) 23,625,548	100.00

Notes:

(1) Calculated based on 23,625,548 RCPS A in issue as at the LPD.

(2) Deemed interested through its shareholding in ABB pursuant to Section 8 of the Act.

DISCLOSURE OF INTERESTS AND DEALINGS IN BHIC SHARES AND RCPS (cont'd)

Name	Direct		Indirect	
	No. of RCPS B	(1)%	No. of RCPS B	(1)%
LTAT	-	-	⁽²⁾ 84,658,462	100.0

Notes:

(1) Calculated based on 84,658,462 RCPS B in issue as at the LPD.

(2) Deemed interested through its shareholding in BHB pursuant to Section 8 of the Act.

1.4 By a person who has irrevocably committed to vote in favour of or against the Proposal

As at the LPD, BHB and person(s) acting in concert with BHB have not received any irrevocable undertaking from any Entitled Holders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM or the RCPS Special Resolutions to be tabled at the respective RCPS Class Meetings.

1.5 By a person with whom BHB and person(s) acting in concert with BHB have any arrangement, agreement or understanding

As at the LPD, BHB and person(s) acting in concert with BHB have not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the BHIC Shares, RCPS A and RCPS-i A which may be an inducement to deal or to refrain from dealing in relation to the Proposal.

1.6 By a person with whom BHB and person(s) acting in concert with BHB have borrowed or lent BHIC Shares, RCPS A and RCPS-i A

As at the LPD, none of the BHIC Shares, RCPS A and RCPS-i A are being borrowed by BHB and person(s) acting in concert with BHB from another person or lent by BHB and person(s) acting in concert with BHB to another person.

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DISCLOSURE OF INTERESTS AND DEALINGS IN BHIC SHARES AND RCPS *(cont'd)*

2. DEALINGS IN BHIC SHARES AND RCPS**2.1 By our Company and our Directors**

Our Company and our Directors have not dealt, directly or indirectly, in BHIC Shares and the RCPS in BHIC during the period commencing 6 months prior to 10 February 2026, being the date of the Proposal Letter and up to the LPD.

2.2 By BHB and its directors

BHB and its directors have not dealt, directly or indirectly, in BHIC Shares and the RCPS in BHIC during the period commencing 6 months prior to 10 February 2026, being the date of the Proposal Letter and up to the LPD.

2.3 By the person(s) acting in concert with BHB

The person(s) acting in concert with BHB have not dealt, directly or indirectly, in BHIC Shares and the RCPS in BHIC during the period commencing 6 months prior to 10 February 2026, being the date of the Proposal Letter and up to the LPD.

2.4 Confirmation by our Company, our Directors, BHB and Affin Hwang IB

- (i) Our Company and each of our Directors respectively confirm on behalf of itself/himself/herself that, for the period from the date of the Proposal Letter up to the LPD, there have been no dealings in BHIC Shares and the RCPS in BHIC made by them, and in each case they have complied with the disclosure of dealings requirements set out in paragraph 19.05 of the Rules. They will also ensure that, for the period from the LPD up to the Effective Date, they will disclose all dealings in accordance with paragraph 19.05 of the Rules.
- (ii) BHB also confirm on behalf of itself and person(s) acting in concert with BHB that, for the period from the date of the Proposal Letter up to the LPD, there have been no dealings in BHIC Shares and the RCPS in BHIC made by them, and in each case they have complied with the disclosure of dealings requirements set out in paragraph 19.05 of the Rules. BHB will also ensure that, for the period from the LPD up to the Effective Date, it and the person(s) acting in concert with BHB will disclose all dealings in accordance with paragraph 19.05 of the Rules.
- (iii) Further, Affin Hwang IB, being the Principal Adviser to our Company in relation to the Proposal, confirms that, it has complied and will continue to comply with the disclosure of dealings requirements for the period from the date of the Proposal Letter up to the Effective Date in accordance with paragraphs 19.04 and 19.05 of the Rules.

DISCLOSURE OF INTERESTS AND DEALINGS IN BHIC SHARES AND RCPS *(cont'd)*

3. GENERAL DISCLOSURES

- 3.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any of our Directors as compensation for loss of office or otherwise in connection with the Proposal.
- 3.2 As at the LPD, save for this Proposal in which the Interested Director is interested, there is no agreement, arrangement or understanding existing between BHB or person(s) acting in concert with BHB and any of the Directors (being such person who was, during the period of 6 months prior to 10 February 2026, being the date of the Proposal Letter, a director of BHIC), or any existing shareholders or recent shareholders of BHIC (being such person who was, during the period of 6 months prior to 10 February 2026, being the date of the Proposal Letter, a shareholder of BHIC) having any connection with or dependence upon the Proposal.
- 3.3 As at the LPD, save for this Proposal in which the Interested Director is interested, there is no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the outcome of the Proposal.
- 3.4 As at the LPD, there is no agreement, arrangement or understanding which is entered into by BHB and person(s) acting in concert with BHB whereby any BHIC Shares or RCPS in BHIC held by BHB upon the Completion will be transferred to any other person.
- 3.5 As at the LPD, save for employment contracts, there are no material contracts entered into by BHB and person(s) acting in concert with BHB in which any Director has any material personal interest.

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ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENTS

This Document has been seen and approved by our Board, who have collectively and individually taken reasonable care to ensure the facts stated and opinions expressed by them in this Document, in so far as it relates to our Company, are fair and accurate and that no material facts have been omitted and that our Board accepts full responsibility accordingly.

Our Board jointly and severally accepts full responsibility for the accuracy of the information contained in this Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by our Board in this Document have been arrived at after due and careful consideration and there are no other facts not contained in this Document, the omission of which would make any statement in this Document false or misleading.

Information on BHB and the PAC in this Document were provided by them or their respective management and/or obtained from publicly available sources. Any statement or information in relation to BHB and the PAC as disclosed in this Document are confirmed by them respectively. The responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Document.

In respect of the IAL, the responsibility of our Board is limited to ensuring that all relevant information relating to our Group that is provided to DWA Advisory for its evaluation of the Proposal is accurate and that no material facts have been omitted, the omission of which would make any information provided to DWA Advisory false or misleading.

2. CONSENTS AND CONFLICT OF INTERESTS

2.1 Affin Hwang IB

Affin Hwang IB, being the Principal Adviser for the Proposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Document of its name and all references thereto in the form and context in which they appear in this Document.

Affin Hwang IB has also been appointed as the Principal Adviser to BHB for the Proposal. Affin Hwang IB is a wholly-owned subsidiary of ABB, a licensed financial institution. ABB and its group of companies (collectively, the “**Affin Group**”) form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, investment banking, commercial banking, Islamic banking, private banking, brokerage, securities trading and credit transaction services. The Affin Group has engaged and may in the future, engage in transactions with and perform services for our Group, BHB group of companies and/or our affiliates, in addition to the role as set out in this Circular. In addition, there are common directors within the Affin Group and the LTAT group of companies.

Further, in the ordinary course of its business, any member of the Affin 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, make investment recommendations and/or publish or express independent research views on such securities, and may trade or effect transactions for its own account or the account of its clients, 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 Affin Group generally acting independent of each other and accordingly, there may be situations where parts of the Affin Group and/or its existing or future clients, now have or in the future, may have interests or take actions that may conflict with the interest of our Company.

ADDITIONAL INFORMATION *(cont'd)*

Further, in relation to the Proposal:

- LTAT is a PAC to BHB in relation to the Proposal. As at the LPD, based on the latest announcement made by ABB on the change in the interest of substantial shareholder pursuant to Section 138 of the Act, LTAT holds 535,346,001 shares in ABB which represents 21.13% equity interest therein. Hence, LTAT is also the indirect shareholder of Affin Hwang IB pursuant to their indirect interests in accordance with Section 8 of the Act;
- Mohamad Ashraf Bin Md Radzi, the Chief Executive of LTAT and Director of BHB is also a Non-Executive Non-Independent Director of ABB and Haizad Rizal bin A Aziz, the Chief Financial Officer of LTAT and alternate director to Mohammad Ashraf Bin Md Radzi who is a Director of BHB, is a Non-Executive Non-Independent Director of Affin Islamic Bank Berhad, a wholly-owned subsidiary of ABB;
- Affin Hwang IB has provided financing to BHB in relation to the Proposal. Based on the offer price of RM0.48 and assuming that BHIC funds the entire Proposal via a shareholders' advance to be obtained by BHIC from BHB and BHB in turn utilises the financing provided by Affin Hwang IB, the aforesaid financing represents 6.25% of the audited consolidated gross loans and advances of Affin Hwang IB as at 31 December 2025 (being the latest available audited results); and
- Pursuant to a debt restructuring exercise undertaken by BHIC in 2023, ABB holds 13,157,895 BHIC Shares at the LPD. This represents 2.33% equity interest therein. Further, ABB is the sole holder of RCPS A where they hold the entire 23,625,548 RCPS A. Hence, ABB is entitled to vote at the EGM and RCPS A Class Meeting in relation to the Proposal.

Notwithstanding the above, we are of the view that the appointment of Affin Hwang IB as the Principal Adviser to our Company in relation to the Proposal will not give rise to any conflict of interest situation nor any conflict of interest situation is likely to exist in view of the following:

- (i) Affin Hwang IB is a licensed investment bank and its appointment as the Principal Adviser for the Proposal is in the ordinary course of its business (being the provision of corporate advisory services with respect to the regulatory requirements for the Proposal). Further, the Corporate Finance division of Affin Hwang IB does not receive or derive any financial interest or benefit, save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposal;
- (ii) in accordance with paragraph 3.06 of the Rules, BHIC has appointed DWA Advisory to act as the Independent Adviser to provide comments, opinions, information, recommendation and to advise the Non-Interested Directors, Non-Interested Shareholders and RCPS Holders on the Proposal;
- (iii) the Corporate Finance division of Affin Hwang IB is required under its investment banking licence to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies between different business divisions, clear segregation between dealing and advisory activities and internal control policies governing its advisory operations;
- (iv) the conduct of the Affin Group in its ordinary course of business is strictly regulated by the relevant laws and legislations, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013, Capital Markets and Services Act 2007 and others;
- (v) each of the entities and departments of the Affin Group are also subject to internal controls and checks, which regulate the sharing of information between the entities and departments. Additionally, each department and entities within the Affin Group has separate and distinct operations and decisions are made independent of each other;

ADDITIONAL INFORMATION *(cont'd)*

- (vi) there are no common directors within the LTAT group of companies and Affin Hwang IB; and
- (vii) the Proposal is undertaken in accordance with the requirements of the Code and Rules.

Our Board is aware of the above as they have been fully informed accordingly.

2.2 DWA Advisory

DWA Advisory, being the Independent Adviser for the Proposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Document.

DWA Advisory confirmed that there are no circumstances that exists or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the Independent Adviser in relation to the Proposal.

2.3 Intra Harta

Intra Harta, being the independent property valuer for the Proposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Document.

Intra Harta confirmed that there are no circumstances that exists or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the independent property valuer in relation to the Proposal.

2.4 Raine & Horne

Raine & Horne, being the independent property valuer for the Proposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Document.

Raine & Horne confirmed that there are no circumstances that exists or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the independent property valuer in relation to the Proposal.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours (from 8.30 a.m. to 5.30 p.m.) on Mondays to Fridays (except public holidays) at our Company's registered office at 17th Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur from the date of this Document up to and including the date of the EGM and the date of the RCPS Class Meetings:

- (i) constitution of BHIC;
- (ii) audited consolidated financial statements of BHIC for the past 3 FYE 31 December 2022 to 2024 and its latest unaudited consolidated financial results for the FYE 31 December 2025;
- (iii) the Proposal Letter;
- (iv) the letters of consent and conflict of interests referred to in **Section 2 of Appendix V** of this Document; and
- (v) the material contracts referred to in **Section 10 of Appendix III** of this Document.



Boustead Heavy Industries Corporation Berhad

(A member of Boustead Group)

(Registration No. 197101000758 (11106-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Boustead Heavy Industries Corporation Berhad (“**BHIC**” or “**Company**”) will be held physically at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 10:30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE ORDINARY SHARES IN BHIC; AND PROPOSED CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE REDEEMABLE PREFERENCE SHARES (“RCPS”) CLASS A AND ISLAMIC RCPS CLASS A IN BHIC UNDER SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSAL”)

THAT, subject to relevant approvals being obtained from the holder of RCPS class A in BHIC (“**RCPS A**”), the holders of Islamic RCPS class A in BHIC (“**RCPS-i A**”), the holder of RCPS class B in BHIC, all relevant authorities and parties as well as the order granted by the High Court of Malaya (“**High Court**”) for the reduction of the share capital of the Company under Section 116 of the Act, approval be and is hereby given to BHIC to undertake and effect the Proposal in the following manner:

- (i) to undertake a selective capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 155,861,624 ordinary shares in BHIC (“**BHIC Shares**” or “**Shares**”) held by all shareholders of BHIC (save for Boustead Holdings Berhad (“**BHB**” or “**Non-Entitled Shareholder**”)), whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of BHIC (“**Board**”) (“**Entitlement Date**”) (“**Entitled Shareholders**”);
- (ii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 23,625,548 RCPS A held by the holder of RCPS A, whose name appears in the register of members of RCPS A as at the close of business on the Entitlement Date (“**Entitled RCPS A Holder**”);
- (iii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 132,165,050 RCPS-i A held by all holders of RCPS-i A, whose names appear in the register of members of RCPS-i A as at the close of business on the Entitlement Date (“**Entitled RCPS-i A Holders**”);
- (iv) to cancel RM74,813,579.52 (in respect of the BHIC Shares), RM13,371,861.21 (in respect of the RCPS A) and RM74,804,307.79 (in respect of the RCPS-i A) from the issued share capital and RCPS of the Company whereby the issued share capital and RCPS of the Company will be reduced from RM563,302,325.90 to RM400,312,577.33 pursuant to the Proposal; and
- (v) thereafter, to effect the capital repayment of RM0.48 in cash for each existing BHIC Share held by the Entitled Shareholders, each existing RCPS A held by the Entitled RCPS A Holder, and each existing RCPS-i A held by the Entitled RCPS-i A Holders, on the Entitlement Date which have been cancelled.

THAT pursuant to the Proposal, the Board be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposal including:

- (i) to determine the Entitlement Date and date of settlement of the capital repayment;
- (ii) to file an application to seek the confirmation from the High Court for the reduction of share capital under Section 116 of the Act;
- (iii) to lodge a copy of the order of the High Court granted pursuant to Section 116 of the Act confirming the reduction of share capital with the Registrar of Companies pursuant to subsection 116(6) of the Act on such date as the Board may determine;
- (iv) subject to the order of the High Court being granted pursuant to Section 116 of the Act with regard to the Proposal, to effect the capital repayment of RM0.48 in cash for each BHIC Share, RCPS A, and RCPS-i A held by the Entitled Shareholders, the Entitled RCPS A Holder and the Entitled RCPS-i A Holders on the Entitlement Date;
- (v) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interests of BHIC or as a consequence of any requirements imposed by the relevant authorities, the High Court and/or by the Registrar of Companies and/or as may be required to comply with any applicable laws, in relation to the Proposal; and
- (vi) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of BHIC in order to implement, finalise, complete and to give full effect to the Proposal, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings.

BY ORDER OF THE BOARD

ROZANA BINTI ISMAIL (SSM PC No.: 201908003365)
Company Secretary

Kuala Lumpur
7 April 2026

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of BHIC standing to the credit of the said securities account.*
3. *Where a member of BHIC is an exempt authorised nominee which holds ordinary shares in BHIC for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
4. *A proxy need not be a member of BHIC. A proxy appointed to attend, participate and vote at the Extraordinary General Meeting ("EGM") shall have the same rights as the member to attend, participate and vote at the EGM and upon appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, can be submitted by electronic means via Vistra Share Registry and IPO (MY) portal at <https://srmv.vistra.com>, not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 April 2026 shall be eligible to attend the meeting or appointment proxy(ies) to attend and/or vote on his/her behalf.*

7. Pursuant to subparagraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the special resolution set out in the Notice of Extraordinary General Meeting will be put to vote by way of poll.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the EGM:
 - a. In hard copy form - The proxy form must be deposited at the Share Registrar's Office situated at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - b. By electronic means via email - The proxy form must be received by the Share Registrar via email at is.enquiry@vistra.com.
 - c. By electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>.
9. If you have submitted your Proxy Form and subsequently decide to participate in the EGM personally, please write to the Share Registrar via email at is.enquiry@vistra.com to revoke the earlier submitted Proxy Form not less than forty-eight (48) hours before the time fixed for the holding of the EGM or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the EGM. In such event, kindly advise your proxy(ies) accordingly.



Boustead Heavy Industries Corporation Berhad
(A member of Boustead Group)

PROXY FORM

*I/We _____ NRIC//Registration no. _____
(Full Name in Block Letters)

of _____
(Full Address)

being a member of **BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD**, hereby appoint:

(1) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

(2) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of Boustead Heavy Industries Corporation Berhad to be held at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 10:30 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below.

* Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Special Resolution	For	Against
Proposal		

[Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Number of ordinary shares held	CDS Account No.	Contact No.

Dated this day of 2026.

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy _____ %
2nd proxy _____ %
TOTAL _____ %

Signature of Shareholder or
Common Seal of Shareholder



NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
4. *A proxy need not be a member of the Company. A proxy appointed to attend, participate and vote at the Extraordinary General Meeting ("EGM") shall have the same rights as the member to attend, participate and vote at the EGM and upon appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, can be submitted by electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>, not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 April 2026 shall be eligible to attend the meeting or appointment proxy(ies) to attend and/or vote on his/her behalf.*
7. *Pursuant to subparagraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the special resolution set out in the Notice of Extraordinary General Meeting will be put to vote by way of poll.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the EGM:*
 - a. *In hard copy form - The proxy form must be deposited at the Share Registrar's Office situated at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.*
 - b. *By electronic means via email - The proxy form must be received by the Share Registrar via email at is.enquiry@vistra.com.*
 - c. *By electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>.*
9. *If you have submitted your Proxy Form and subsequently decide to participate in the EGM personally, please write to the Share Registrar via email at is.enquiry@vistra.com to revoke the earlier submitted Proxy Form not less than forty-eight (48) hours before the time fixed for the holding of the EGM or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the EGM. In such event, kindly advise your proxy(ies) accordingly.*

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AFFIX
STAMP

SHARE REGISTRAR
BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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Boustead Heavy Industries Corporation Berhad

(A member of Boustead Group)

(Registration No. 197101000758 (11106-V))
(Incorporated in Malaysia)

NOTICE OF RCPS A CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting to be convened by Boustead Heavy Industries Corporation Berhad (“**BHIC**” or “**Company**”) for the holder(s) of the RCPS A (as defined herein) (“**RCPS A Class Meeting**”) will be held physically at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 12:00 p.m. or immediately following the conclusion or adjournment thereof (as the case may be) of the extraordinary general meeting of the Company, whichever is later, for the purpose of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE ORDINARY SHARES IN BHIC; AND PROPOSED CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE REDEEMABLE PREFERENCE SHARES (“RCPS”) CLASS A AND ISLAMIC RCPS CLASS A IN BHIC UNDER SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSAL”)

THAT, subject to the relevant approvals being obtained from the ordinary shareholders of BHIC, the holders of Islamic RCPS class A in BHIC (“**RCPS-i A**”) (in respect of the share capital reduction and repayment exercise of RCPS-i A), the holder of RCPS class B in BHIC, and all relevant authorities and parties as well as the order granted by the High Court of Malaya (“**High Court**”) for the reduction of the share capital of the Company under Section 116 of the Act, approval be and is hereby given to BHIC to undertake and effect the Proposal in the following manner:

- (i) to undertake a selective capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 155,861,624 ordinary shares in BHIC (“**BHIC Shares**” or “**Shares**”) held by all shareholders of BHIC (save for Boustead Holdings Berhad (“**BHB**” or “**Non-Entitled Shareholder**”)), whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of BHIC (“**Board**”) (“**Entitlement Date**”) (“**Entitled Shareholders**”);
- (ii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 23,625,548 RCPS class A in BHIC (“**RCPS A**”) held by the holder of RCPS A, whose name appears in the register of members of RCPS A as at the close of business on the Entitlement Date (“**Entitled RCPS A Holder**”);
- (iii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 132,165,050 RCPS-i A held by all holders of RCPS-i A, whose names appear in the register of members of RCPS-i A as at the close of business on the Entitlement Date (“**Entitled RCPS-i A Holders**”);
- (iv) to cancel RM74,813,579.52 (in respect of the BHIC Shares), RM13,371,861.21 (in respect of the RCPS A) and RM74,804,307.79 (in respect of the RCPS-i A) from the issued share capital and RCPS of the Company whereby the issued share capital and RCPS of the Company will be reduced from RM563,302,325.90 to RM400,312,577.33 pursuant to the Proposal; and
- (v) thereafter, to effect the capital repayment of RM0.48 in cash for each existing BHIC Share held by the Entitled Shareholders, each existing RCPS A held by the Entitled RCPS A Holder, and each existing RCPS-i A held by the Entitled RCPS-i A Holders, on the Entitlement Date which have been cancelled.

THAT pursuant to the Proposal, the Board be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposal including:

- (i) to determine the Entitlement Date and date of settlement of the capital repayment;
- (ii) to file an application to seek the confirmation from the High Court for the reduction of share capital under Section 116 of the Act;
- (iii) to lodge a copy of the order of the High Court granted pursuant to Section 116 of the Act confirming the reduction of share capital with the Registrar of Companies pursuant to subsection 116(6) of the Act on such date as the Board may determine;
- (iv) subject to the order of the High Court being granted pursuant to Section 116 of the Act with regard to the Proposal, to effect the capital repayment of RM0.48 in cash for each BHIC Share, RCPS A, and RCPS-i A held by the Entitled Shareholders, the Entitled RCPS A Holder and the Entitled RCPS-i A Holders on the Entitlement Date;
- (v) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interests of BHIC or as a consequence of any requirements imposed by the relevant authorities, the High Court and/or by the Registrar of Companies and/or as may be required to comply with any applicable laws, in relation to the Proposal; and
- (vi) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of BHIC in order to implement, finalise, complete and to give full effect to the Proposal, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings.

BY ORDER OF THE BOARD

ROZANA BINTI ISMAIL (SSM PC No.: 201908003365)
Company Secretary

Kuala Lumpur
7 April 2026

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in RCPS A of BHIC standing to the credit of the said securities account.*
3. *Where a member of BHIC is an exempt authorised nominee which holds RCPS A in BHIC for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
4. *A proxy need not be a member of BHIC. A proxy appointed to attend, participate and vote at the RCPS A Class Meeting shall have the same rights as the member to attend, participate and vote at the RCPS A Class Meeting and upon appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, can be submitted by electronic means via Vistra Share Registry and IPO (MY) portal at <https://srmv.vistra.com>, not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.*

6. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the RCPS A Class Meeting:*
 - a. *In hard copy form - The proxy form must be deposited at the Share Registrar's Office situated at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.*
 - b. *By electronic means via email - The proxy form must be received by the Share Registrar via email at is.enquiry@vistra.com.*
 - c. *By electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>.*

7. *If you have submitted your Proxy Form and subsequently decide to participate in the RCPS A Class Meeting personally, please write to the Share Registrar via email at is.enquiry@vistra.com to revoke the earlier submitted Proxy Form not less than forty-eight (48) hours before the time fixed for the holding of the RCPS A Class Meeting or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the RCPS A Class Meeting. In such event, kindly advise your proxy(ies) accordingly.*



Boustead Heavy Industries Corporation Berhad
(A member of Boustead Group)

PROXY FORM

*I/We _____ NRIC//Registration no. _____
(Full Name in Block Letters)

of _____
(Full Address)

being a member of **BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD**, hereby appoint:

(1) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

(2) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the RCPS A Class Meeting of Boustead Heavy Industries Corporation Berhad to be held at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 12:00 p.m. or immediately following the conclusion or adjournment thereof (as the case may be) of the Extraordinary General Meeting of the Company, whichever is later. My/our proxy is to vote as indicated below.

* Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Special Resolution	For	Against
Proposal		

[Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Number of RCPS A held	Contact No.

Dated this day of 2026.

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy _____ %
2nd proxy _____ %
TOTAL _____ %

Signature of Shareholder or
Common Seal of Shareholder



NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in RCPS A of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds RCPS A in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
4. *A proxy need not be a member of the Company. A proxy appointed to attend, participate and vote at the RCPS A Class Meeting shall have the same rights as the member to attend, participate and vote at the RCPS A Class Meeting and upon appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, can be submitted by electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>, not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.*
6. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the RCPS A Class Meeting:*
 - a. *In hard copy form - The proxy form must be deposited at the Share Registrar's Office situated at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.*
 - b. *By electronic means via email - The proxy form must be received by the Share Registrar via email at is.enquiry@vistra.com.*
 - c. *By electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>.*
7. *If you have submitted your Proxy Form and subsequently decide to participate in the RCPS A Class Meeting personally, please write to the Share Registrar via email at is.enquiry@vistra.com to revoke the earlier submitted Proxy Form not less than forty-eight (48) hours before the time fixed for the holding of the RCPS A Class Meeting or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the RCPS A Class Meeting. In such event, kindly advise your proxy(ies) accordingly.*

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AFFIX
STAMP

SHARE REGISTRAR
BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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Boustead Heavy Industries Corporation Berhad

(A member of Boustead Group)

(Registration No. 197101000758 (11106-V))
(Incorporated in Malaysia)

NOTICE OF RCPS-i A CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting to be convened by Boustead Heavy Industries Corporation Berhad (“**BHIC**” or “**Company**”) for the holder(s) of the RCPS-i A (as defined herein) (“**RCPS-i A Class Meeting**”) will be held physically at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 12:30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the RCPS A Class Meeting, whichever is later, or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE ORDINARY SHARES IN BHIC; AND PROPOSED CAPITAL REDUCTION AND REPAYMENT EXERCISE FOR THE REDEEMABLE PREFERENCE SHARES (“RCPS”) CLASS A AND ISLAMIC RCPS CLASS A IN BHIC UNDER SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSAL”)

THAT, subject to the relevant approvals being obtained from the ordinary shareholders of BHIC, the holder of RCPS class A in BHIC (“**RCPS A**”) (in respect of the share capital reduction and repayment exercise of RCPS A), the holder of RCPS class B in BHIC, and all relevant authorities and parties as well as the order granted by the High Court of Malaya (“**High Court**”) for the reduction of the share capital of the Company under Section 116 of the Act, approval be and is hereby given to BHIC to undertake and effect the Proposal in the following manner:

- (i) to undertake a selective capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 155,861,624 ordinary shares in BHIC (“**BHIC Shares**” or “**Shares**”) held by all shareholders of BHIC (save for Boustead Holdings Berhad (“**BHB**” or “**Non-Entitled Shareholder**”)), whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of BHIC (“**Board**”) (“**Entitlement Date**”) (“**Entitled Shareholders**”);
- (ii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 23,625,548 RCPS A held by the holder of RCPS A, whose name appears in the register of members of RCPS A as at the close of business on the Entitlement Date (“**Entitled RCPS A Holder**”);
- (iii) to undertake a capital reduction and a corresponding capital repayment under Section 116 of the Act in respect of 132,165,050 Islamic RCPS class A in BHIC (“**RCPS-i A**”) held by all holders of RCPS-i A, whose names appear in the register of members of RCPS-i A as at the close of business on the Entitlement Date (“**Entitled RCPS-i A Holders**”);
- (iv) to cancel RM74,813,579.52 (in respect of the BHIC Shares), RM13,371,861.21 (in respect of the RCPS A) and RM74,804,307.79 (in respect of the RCPS-i A) from the issued share capital and RCPS of the Company whereby the issued share capital and RCPS of the Company will be reduced from RM563,302,325.90 to RM400,312,577.33 pursuant to the Proposal; and
- (v) thereafter, to effect the capital repayment of RM0.48 in cash for each existing BHIC Share held by the Entitled Shareholders, each existing RCPS A held by the Entitled RCPS A Holder, and each existing RCPS-i A held by the Entitled RCPS-i A Holders, on the Entitlement Date which have been cancelled.

THAT pursuant to the Proposal, the Board be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposal including:

- (i) to determine the Entitlement Date and date of settlement of the capital repayment;
- (ii) to file an application to seek the confirmation from the High Court for the reduction of share capital under Section 116 of the Act;
- (iii) to lodge a copy of the order of the High Court granted pursuant to Section 116 of the Act confirming the reduction of share capital with the Registrar of Companies pursuant to subsection 116(6) of the Act on such date as the Board may determine;
- (iv) subject to the order of the High Court being granted pursuant to Section 116 of the Act with regard to the Proposal, to effect the capital repayment of RM0.48 in cash for each BHIC Share, RCPS A, and RCPS-i A held by the Entitled Shareholders, the Entitled RCPS A Holder and the Entitled RCPS-i A Holders on the Entitlement Date;
- (v) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interests of BHIC or as a consequence of any requirements imposed by the relevant authorities, the High Court and/or by the Registrar of Companies and/or as may be required to comply with any applicable laws, in relation to the Proposal; and
- (vi) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of BHIC in order to implement, finalise, complete and to give full effect to the Proposal, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings.

BY ORDER OF THE BOARD

ROZANA BINTI ISMAIL (SSM PC No.: 201908003365)
Company Secretary

Kuala Lumpur
7 April 2026

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in RCPS-i A of BHIC standing to the credit of the said securities account.*
3. *Where a member of BHIC is an exempt authorised nominee which holds RCPS-i A in BHIC for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
4. *A proxy need not be a member of BHIC. A proxy appointed to attend, participate and vote at the RCPS-i A Class Meeting shall have the same rights as the member to attend, participate and vote at the RCPS-i A Class Meeting and upon appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation under its common seal, or the hand of its attorney or duly authorised officer or in some other manner approved by the Directors. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's Office at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, can be submitted by electronic means via Vistra Share Registry and IPO (MY) portal at <https://srmv.vistra.com>, not less than forty-eight (48) hours before the time for holding of the meeting or any adjournment thereof.*

6. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the RCPS-i A Class Meeting:*
 - a. *In hard copy form - The proxy form must be deposited at the Share Registrar's Office situated at Unit 32-01, Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.*
 - b. *By electronic means via email - The proxy form must be received by the Share Registrar via email at is.enquiry@vistra.com.*
 - c. *By electronic means via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>.*

7. *If you have submitted your Proxy Form and subsequently decide to participate in the RCPS-i A Class Meeting personally, please write to the Share Registrar via email at is.enquiry@vistra.com to revoke the earlier submitted Proxy Form not less than forty-eight (48) hours before the time fixed for the holding of the RCPS-i A Class Meeting or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the RCPS-i A Class Meeting. In such event, kindly advise your proxy(ies) accordingly.*



Boustead Heavy Industries Corporation Berhad
(A member of Boustead Group)

PROXY FORM

*I/We _____ NRIC//Registration no. _____
(Full Name in Block Letters)

of _____
(Full Address)

being a member of **BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD**, hereby appoint:

(1) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

(2) Name of proxy : _____ NRIC no: _____
(Full Name in Block Letters)

Address : _____ No. of shares represented:
(Full Address)

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the RCPS-i A Class Meeting of Boustead Heavy Industries Corporation Berhad to be held at Mutiara Ballroom, Royale Chulan Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Wednesday, 29 April 2026 at 12:30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the RCPS A Class Meeting, whichever is later, or at any adjournment thereof. My/our proxy is to vote as indicated below.

* Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Special Resolution	For	Against
Proposal		

[Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Number of RCPS-i A held	Contact No.

Dated this day of 2026.

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy _____ %
2nd proxy _____ %
TOTAL _____ %

Signature of Shareholder or
Common Seal of Shareholder



NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies as his/her proxy or proxies to attend and vote in his/her stead. Where a member appoints 2 proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.*
2. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in RCPS-i A of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds RCPS-i A in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.*
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

SHARE REGISTRAR
BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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