

TONG HERR RESOURCES BERHAD (“TONG HERR” OR THE “COMPANY”)

PROPOSED PRIVATISATION OF TONG HERR BY WAY OF A PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF TONG HERR PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“PROPOSED SCR”)

1. INTRODUCTION

On 6 August 2026, Tong Herr announced that the Board of Directors of Tong Herr (“**Board**”) had, on even date, received a proposal letter from its major shareholders, Allrich Corp (“**Allrich**”) and Richard Holdings Limited (“**Richard Holdings**”) (collectively referred to as the “**Joint Offerors**”), informing the Board of their intention to privatise the Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 (“**Act**”) and accordingly, requesting Tong Herr to undertake the Proposed SCR (“**Proposal Letter**”).

On 12 August 2026, RHB Investment Bank Berhad (“**RHB Investment Bank**”) had, on behalf of the Board, announced that the Company had appointed RHB Investment Bank as the Principal Adviser to the Company for the Proposed SCR.

On 19 August 2026, in accordance with paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“**Rules**”), the Board (save for the Interested Directors, as defined herein) (“**Non-Interested Directors**”) had appointed Mercury Securities Sdn Bhd as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and the Non-Interested Shareholders (as defined herein) of Tong Herr in respect of the Proposed SCR.

On 28 August 2026, RHB Investment Bank had, on behalf of the Board, announced that the Board had written to the Joint Offerors to request for an extension of time until 5.00 p.m. on 4 October 2026 for the Company to respond to the Joint Offerors with its decision as to whether to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval, which was approved by the Joint Offerors on even date.

Based on the Proposal Letter, the Joint Offerors, Joint Ultimate Offerors (as defined herein) and persons acting in concert with the Joint Offerors and Joint Ultimate Offerors in relation to the Proposed SCR pursuant to subsections 216(2) and 216(3) of the Capital Markets and Services Act 2007 (“**CMSA**”) (“**PACs**”) (collectively, “**Non-Entitled Shareholders**”) and their direct and indirect interest in Tong Herr as at 17 August 2026, being the latest practicable date prior to this announcement (“**LPD**”), are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Joint Offerors				
Allrich	61,191,043	39.86	-	-
Richard Holdings	49,044,307	31.95	-	-
Joint Ultimate Offerors				
Tsai, Hung-Chuan	-	-	61,191,043 ⁽²⁾	39.86
Tsai, Jane-Rong	-	-	61,191,043 ⁽²⁾	39.86
Tsai Ming Ti	2,020,402	1.31	50,178,357 ⁽³⁾	32.69
Tsai Yi Ting	198,000	0.13	49,044,307 ⁽⁴⁾	31.95
Tsai Pei Chen	731,100	0.48	49,044,307 ⁽⁴⁾	31.95

(collectively, “**Joint Ultimate Offerors**”)

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
PACs				
Tsai Liao Chin Yeh	1,134,050	0.74	51,064,709 ⁽⁵⁾	33.26
Tsai Chia Chen	51,300	0.03	6,200 ⁽⁶⁾	-(⁷)
Yang, Sheng-Chun	6,200	-(⁷)	51,300 ⁽⁸⁾	0.03
Tsai, Chia-Yen ⁽⁹⁾	-	-	-	-
Total	114,376,402	74.50	-	-

Notes:

- (1) Based on 153,517,700 ordinary shares in Tong Herr (“**Tong Herr Share(s)**” or “**Share(s)**”) in issue (excluding 3,912,300 treasury shares held by the Company) as at the LPD.
- (2) Deemed interested by virtue of his/her shareholdings in Allrich pursuant to subsection 8(4) of the Act.
- (3) Deemed interested by virtue of his shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act and his spouse, Tsai Liao Chin Yeh’s shareholdings in the Company pursuant to subsection 59(11) of the Act.
- (4) Deemed interested by virtue of his/her shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act.
- (5) Deemed interested by virtue of her spouse, Tsai Ming Ti’s shareholdings in Richard Holdings and in the Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being a close relative of Tsai Yi Ting. Deemed PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being a close relative of Tsai Ming Ti, Tsai Yi Ting and Tsai Pei Chen.
- (6) Deemed interested by virtue of her spouse, Yang, Sheng-Chun’s shareholdings in the Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being a close relative of Tsai Yi Ting. Deemed PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being a close relative of Tsai Ming Ti, Tsai Yi Ting and Tsai Pei Chen.
- (7) Less than 0.01%.
- (8) Deemed interested by virtue of his spouse, Tsai Chia Chen’s shareholdings in the Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of him being a close relative of Tsai Yi Ting. Deemed PAC pursuant to paragraph 216(3)(f) of the CMSA by virtue of him being a close relative of Tsai Ming Ti, Tsai Yi Ting and Tsai Pei Chen.
- (9) Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being a close relative of Tsai, Hung-Chuan. Deemed PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being a close relative of Tsai, Hung-Chuan and Tsai, Jane-Rong.

On behalf of the Board, RHB Investment Bank wishes to announce that the Non-Interested Directors had, on 7 September 2026, deliberated on the contents of the Proposal Letter and after taking into consideration the advice of the Independent Adviser, had determined to accept the Proposal Letter, and had resolved to table the Proposed SCR to all the shareholders of Tong Herr (save for the Non-Entitled Shareholders) (“**Non-Interested Shareholders**”) at an extraordinary general meeting of the Company (“**EGM**”) to be convened for their consideration and approval.

Further details on the Proposed SCR are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED SCR

The Proposed SCR involves the Company undertaking a selective capital reduction and a repayment exercise pursuant to Section 116 of the Act in respect of the Tong Herr Shares in issue held by all the shareholders of Tong Herr (save for the Non-Entitled Shareholders) whose names appear in the record of depositors of Tong Herr as at 5.00 p.m. on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") ("**Entitled Shareholders**").

As at the LPD, the issued share capital of the Company is RM185,930,000 comprising 157,430,000 Tong Herr Shares (including 3,912,300 treasury shares held by the Company).

As at the LPD, the Non-Entitled Shareholders collectively hold 114,376,402 Tong Herr Shares, representing approximately 74.50% of the total number of Tong Herr Shares in issue (excluding 3,912,300 treasury shares held by the Company), whereas the Entitled Shareholders collectively hold 39,141,298 Tong Herr Shares, representing approximately 25.50% of the total number of Tong Herr Shares in issue (excluding 3,912,300 treasury shares held by the Company).

Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM99,810,309.90, which represents a cash repayment of RM2.55 for each Tong Herr Share ("**Offer Price**") held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, the Non-Entitled Shareholders will not be entitled to the capital repayment under the Proposed SCR.

Accordingly, all of the Tong Herr Shares in issue held by the Entitled Shareholders as at the Entitlement Date, as well as the 3,912,300 treasury shares held by the Company, will be cancelled. Upon completion of the Proposed SCR, the issued share capital of Tong Herr will be RM86,119,690, comprising 114,376,402 Tong Herr Shares, after taking into consideration the cancellation of the 3,912,300 treasury shares held by the Company.

Upon completion of the Proposed SCR, the 114,376,402 Shares held by the Non-Entitled Shareholders will amount to the entire issued share capital of Tong Herr, resulting in the Non-Entitled Shareholders holding 100.00% equity interest in Tong Herr.

2.1 Tong Herr's covenants pursuant to the Proposal Letter

From the date of the Non-Interested Directors' acceptance of the terms of the Proposal Letter until the completion of the Proposed SCR, the Company undertakes to the Joint Offerors that:

- (i) save for the financing arrangements to fund the Proposed SCR, the Company 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 Tong Herr Shares or issue any new Shares;
- (ii) the Company shall not acquire any of its own Shares pursuant to its share buy-back mandate;
- (iii) save for the financing arrangements to fund the Proposed SCR, the Company and its subsidiaries ("**Tong Herr Group**" or the "**Group**") will not enter into any material commitment or material contract or undertake any obligation or acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
- (iv) the Company will not pass any resolution in a general meeting (other than in respect of any usual business tabled in an annual general meeting or in connection with the Proposed SCR);
- (v) the Company will not make any alteration to the provisions of the constitution of the Company or any of its subsidiaries within the Group unless it is in relation to the Proposed SCR;

- (vi) the Company 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 or contracted obligations of the Company or any of its subsidiaries within the Group; and
- (vii) the Company shall not enter into any discussion or negotiation, or agreement, with any other party with respect to the sale of assets and liabilities of the Group or any privatisation proposal involving the Company or any of its subsidiaries within the Group at any time until the completion of the Proposed SCR,

without the Joint Offerors' prior written consent.

The Company also undertakes that, as from the date of the Proposal Letter until the completion of the Proposed SCR, Tong Herr shall (and Tong Herr shall use reasonable endeavours to cause and procure that each of its subsidiaries) carry on its 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 its relationships with all parties and its goodwill and going concern shall not be materially impaired at the date of completion of the Proposed SCR, save as otherwise agreed in writing by the Joint Offerors.

2.2 Basis of arriving at the Offer Price

The Offer Price was arrived at after taking into consideration the following closing price and volume weighted average market price ("**VWAP**") of the Tong Herr Shares up to and including 5 August 2026, being the last full trading day prior to the receipt of the Proposal Letter ("**LTD**"):

	Closing price/VWAP	Premium of Offer Price over closing price/VWAP	
	RM	RM	%
Closing price of Tong Herr Shares as at the LTD	1.8000	0.7500	41.67
VWAP of Tong Herr Shares up to and including the LTD:			
5-day	1.6716	0.8784	52.55
1-month	1.6283	0.9217	56.61
3-month	1.5616	0.9884	63.29
6-month	1.4672	1.0828	73.80
1-year	1.4506	1.0994	75.79

(Source: Bloomberg)

For information purposes, the price-to-book ratio ("**PBR**") and price-to-earnings ratio ("**PER**") based on the Offer Price are illustrated below:

- (i) Net assets ("**NA**") per Tong Herr Share and PBR

	NA per Share	PBR⁽¹⁾	PBR based on Offer Price
	RM	times	times
Audited consolidated NA per Share as at 31 December 2025	3.47	0.52	0.73
Unaudited consolidated NA per Share as at 30 June 2026	3.44	0.52	0.74

Note:

- (1) Based on the closing price of Tong Herr Share as at the LTD of RM1.80.

(ii) Earnings per Tong Herr Share (“EPS”) and PER

	EPS	PER ⁽¹⁾	PER based on Offer Price
	sen	times	times
Audited EPS as at 31 December 2025	3.75	48.00	68.00

Note:

(1) Based on the closing price of Tong Herr Share as at the LTD of RM1.80.

2.3 Distribution

If the Company declares, makes and/or pays any dividend and/or distribution of any other nature whatsoever (collectively referred to as “**Distribution(s)**”) during the period commencing from the date of the Proposal Letter up to the completion of the Proposed SCR and the Entitled Shareholders are entitled to retain such Distribution, the Offer Price shall be reduced by an amount equivalent to the net Distribution made per Tong Herr Share.

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.

2.4 Funding Arrangements

The Proposed SCR is expected to be funded via the Group's internally generated funds and/or bank borrowings to be obtained by the Company.

The Joint Offerors, the Joint Ultimate Offerors and the Board confirmed that the Proposed SCR will not fail by reason of insufficient financial capability of the Company, and that every Entitled Shareholder will be paid in full by cash.

RHB Investment Bank, as the Principal Adviser to the Company for the Proposed SCR, is satisfied that the Proposed SCR will not fail by reason of insufficient financial capability of the Company and that every Entitled Shareholder will be paid in full by cash.

2.5 Listing Status

The Joint Offerors and the Joint Ultimate Offerors had, vide the Proposal Letter, indicated that they **do not intend** to maintain the listing status of Tong Herr on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) upon the completion of the Proposed SCR. Accordingly, the Joint Offerors and the Joint Ultimate Offerors will request the Company to submit an application to Bursa Securities pursuant to Paragraph 16.08 of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) to de-list Tong Herr and withdraw its listing status from the Official List of Bursa Securities upon the completion of the Proposed SCR.

3. RATIONALE FOR THE PROPOSED SCR

As set out in the Proposal Letter, the rationale for the Proposed SCR is as follows:

(i) Greater flexibility in managing the business of the Company

The Proposed SCR would provide the Non-Entitled Shareholders greater flexibility in managing and developing the existing businesses of the Group. As a private company, Tong Herr will be subjected to less public scrutiny, including from the shareholders and potential analysts. In this respect, Tong Herr can focus on its core growth initiatives and long-term value creation without the need to incur costs and allocate management time and resources to maintain its listing status on the Main Market of Bursa Securities.

In addition, as a private company, Tong Herr would be able to undertake corporate exercises in an expedient manner, which may otherwise require extensive public disclosures and approvals from the shareholders and/or capital market regulators should Tong Herr remain listed on the Main Market of Bursa Securities. This also enables Tong Herr to operate more effectively in the longer term and make decisions without being subjected to the interests and demands of a diverse group of shareholders, who may have conflicting views.

(ii) Low trading liquidity of the Shares

The trading liquidity of the Shares has historically been very low, with an average daily trading volume of approximately 21,075 Shares for the past three (3) years up to the LTD. This average daily trading volume merely represents approximately 0.05% of the free float of the Shares as at the LTD. The low trading liquidity of the Shares has, to a certain extent, curtailed the ease of the ordinary shareholders of the Company to trade the Shares on Bursa Securities.

As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to immediately exit and realise their investments in the Company as well as free up their cash flows for other investment opportunities, which they may otherwise have not been able to do so due to the low trading liquidity of the Shares.

(iii) Opportunity for the Entitled Shareholders to realise their holdings in Tong Herr at a premium to the market price of the Shares

The Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in the Company at a premium over the prevailing market price of the Shares. As set out in Section 2.2 of this announcement, the Offer Price represents premiums ranging from 41.67% to 75.79% based on the closing price of the Shares as at the LTD as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the Shares up to and including the LTD. In addition, the Shares have not traded at or above the Offer Price for the past one (1) year up to the LTD.

4. EFFECTS OF THE PROPOSED SCR

4.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposed SCR on the issued share capital of the Company are set out below:

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at the LPD ⁽¹⁾	157,430,000	185,930,000
Less:		
Cancellation of Shares held by the Entitled Shareholders	(39,141,298)	(99,810,310)
Cancellation of treasury shares held by the Company	(3,912,300)	-
Resultant share capital after the Proposed SCR	<u>114,376,402</u>	<u>86,119,690</u>

Note:

(1) Including 3,912,300 treasury shares held by the Company.

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4.2 Substantial shareholders' shareholdings

For illustrative purposes, the pro forma effects of the Proposed SCR on the shareholdings of the substantial shareholders of Tong Herr as at the LPD are set out below:

Name	Shareholdings as at the LPD				After the Proposed SCR			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Allrich	61,191,043	39.86	-	-	61,191,043	53.50	-	-
Richard Holdings	49,044,307	31.95	-	-	49,044,307	42.88	-	-
Tsai Ming Ti	2,020,402	1.31	50,178,357 ⁽³⁾	32.69	2,020,402	1.77	50,178,357 ⁽³⁾	43.87
Tsai Liao Chin Yeh	1,134,050	0.74	51,064,709 ⁽⁴⁾	33.26	1,134,050	0.99	51,064,709 ⁽⁴⁾	44.65
Tsai Yi Ting	198,000	0.13	49,044,307 ⁽⁵⁾	31.95	198,000	0.17	49,044,307 ⁽⁵⁾	42.88
Tsai Pei Chen	731,100	0.48	49,044,307 ⁽⁵⁾	31.95	731,100	0.64	49,044,307 ⁽⁵⁾	42.88
Tsai, Hung-Chuan	-	-	61,191,043 ⁽⁶⁾	39.86	-	-	61,191,043 ⁽⁶⁾	53.50
Tsai, Jane-Rong	-	-	61,191,043 ⁽⁶⁾	39.86	-	-	61,191,043 ⁽⁶⁾	53.50

Notes:

(1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by the Company) as at the LPD.

(2) Based on 114,376,402 Shares in issue after the Proposed SCR.

(3) Deemed interested by virtue of his shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act and his spouse, Tsai Liao Chin Yeh's shareholdings in the Company pursuant to subsection 59(11) of the Act.

(4) Deemed interested by virtue of her spouse, Tsai Ming Ti's shareholdings in Richard Holdings and in the Company.

(5) Deemed interested by virtue of his/her shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act.

(6) Deemed interested by virtue of his/her shareholdings in Allrich pursuant to subsection 8(4) of the Act.

4.3 NA, NA per Tong Herr Share and gearing

For illustrative purposes, the pro forma effect of the Proposed SCR on the consolidated NA, NA per Tong Herr Share and gearing of the Group based on the latest audited consolidated financial statement of financial position of the Company as at 31 December 2025 and on the assumption that the Proposed SCR had been effected on that date are set out below:

	Audited as at 31 December 2025	After the Proposed SCR
	RM'000	RM'000
Share capital	185,930	86,120
Treasury shares	(8,190)	-
Statutory reserve	10,129	10,129
Currency translation reserve	35,446	35,446
Retained profits	309,224	307,624 ⁽¹⁾
Equity attributable to owners of the Company/NA	532,539	439,319
No. of Tong Herr Shares in issue ('000)	153,518 ⁽²⁾	114,376
NA per Tong Herr Share (RM)	3.47	3.84
Total borrowings (RM'000)	26,287	26,287
Total cash and cash equivalents	157,362	157,362
Gearing (times) ⁽³⁾	0.05	0.06

Notes:

- (1) After taking into account the estimated expenses of approximately RM1.60 million in relation to the Proposed SCR.
- (2) Excluding 3,912,300 treasury shares held by the Company.
- (3) Computed based on the total borrowings divided by the NA.

4.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the earnings of the Group for the FYE 31 December 2026, save for the estimated expenses in relation to the Proposed SCR of approximately RM1.60 million and any additional interest cost arising from bank borrowings to be obtained by Tong Herr to fund the Proposed SCR.

For illustrative purposes, based on the latest audited consolidated statements of profit or loss and other comprehensive income of the Group for the FYE 31 December 2025 and assuming that the Proposed SCR had been effected at the beginning of the said financial year, the pro forma effects of the Proposed SCR on the EPS of the Group are set out below:

	Audited for the FYE 31 December 2025	After the Proposed SCR
Profit after tax attributable to owners of the Company (RM'000)	5,756	4,156 ⁽¹⁾
No. of Tong Herr Shares in issue ('000)	153,518 ⁽²⁾	114,376 ⁽³⁾
EPS (sen) ⁽⁴⁾	3.75	3.63

Notes:

- (1) *After taking into account the estimated expenses of approximately RM1.60 million in relation to the Proposed SCR.*
- (2) *Excluding 3,912,300 treasury shares held by the Company.*
- (3) *After taking into consideration the cancellation of 3,912,300 treasury shares held by the Company pursuant to the Proposed SCR.*
- (4) *Computed based on the profit after tax attributable to owners of the Company divided by the number of Tong Herr Shares in issue.*

4.5 Convertible securities

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

5. CONDITIONS OF THE PROPOSED SCR

The implementation of the Proposed SCR is subject to and conditional upon the following being obtained:

- (i) approval of the Non-Interested Shareholders via the special resolution to be tabled at the EGM to be convened by Tong Herr for the Proposed SCR ("**Special Resolution**"), which must be approved by at least:
 - (a) a majority in number of the Non-Interested Shareholders and at least 75% in value to the votes attached to the Tong Herr Shares in issue held by the Non-Interested Shareholders that are cast either in person or by proxy at the EGM; and
 - (b) the value of the votes cast against the Special Resolution at the EGM is not more than 10% in value of the votes attached to the Tong Herr Shares in issue held by the Non-Interested Shareholders;
- (ii) the grant of an order by the High Court confirming the reduction of the issued share capital of Tong Herr pursuant to Section 116 of the Act giving effect to the Proposed SCR ("**High Court Order**"), followed by the lodgement of an office copy of the High Court Order with the Registrar of Companies ("**Lodgement**");
- (iii) approval and/or consent of the Company's existing financiers and/or creditors, if required; and
- (iv) approval and/or consent of any other regulatory authorities, if required.

The Proposed SCR will become effective on the date of Lodgement. In this respect, the Proposed SCR shall be binding notwithstanding that there may have been Non-Interested Shareholders who voted against the Special Resolution.

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

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

As at the LPD, save as disclosed below, none of the Directors, major shareholders and/or persons connected with them have any interest, either direct or indirect, in the Proposed SCR:

- (i) Allrich, being one (1) of the Joint Offerors and the Non-Entitled Shareholder, is a major shareholder of the Company with a direct interest of 39.86% in the Company;
- (ii) Richard Holdings, being one (1) of the Joint Offerors and the Non-Entitled Shareholder, is a major shareholder of the Company with a direct interest of 31.95% in the Company;
- (iii) Tsai, Hung-Chuan, is the Non-Independent Non-Executive Director and indirect major shareholder of the Company with indirect interest of 39.86% by virtue of his interest in Allrich. He is also the brother of Tsai, Jane-Rong and Tsai, Chia-Yen;
- (iv) Tsai Ming Ti, is the Executive Chairman and major shareholder of the Company with direct interest of 1.31% and indirect interest of 32.69% by virtue of his interest in Richard Holdings and his spouse's interest in the Company. He is also the father of Tsai Yi Ting, Tsai Pei Chen and Tsai Chia Chen; and the father-in-law of Yang, Sheng-Chun;
- (v) Tsai Yi Ting, is the Executive Director and Managing Director, and major shareholder of the Company with direct interest of 0.13% and indirect interest of 31.95% by virtue of his interest in Richard Holdings. He is the son of Tsai Ming Ti and Tsai Liao Chin Yeh. He is also the brother of Tsai Pei Chen and Tsai Chia Chen; and the brother-in-law of Yang, Sheng-Chun;
- (vi) Tsai Pei Chen, is the Non-Independent Non-Executive Director and major shareholder of the Company with direct interest of 0.48% and indirect interest of 31.95% by virtue of her interest in Richard Holdings. She is the daughter of Tsai Ming Ti and Tsai Liao Chin Yeh. She is also the sister of Tsai Yi Ting and Tsai Chia Chen; and the sister-in-law of Yang, Sheng-Chun;
- (vii) Tsai, Chia-Yen, is the Non-Independent Non-Executive Director of the Company and presumed a PAC by virtue of her being the sister of Tsai, Hung-Chuan and Tsai, Jane-Rong;
- (viii) Tsai, Jane-Rong is the indirect major shareholder of the Company with indirect interest of 39.86% by virtue of her interest in Allrich. She is also the sister of Tsai, Hung-Chuan and Tsai, Chia-Yen;
- (ix) Tsai Liao Chin Yeh is presumed a PAC by virtue of her being the spouse of Tsai Ming Ti and the mother of Tsai Yi Ting and Tsai Pei Chen. She also has 0.74% direct interest in Tong Herr. For information, she is also the mother of Tsai Chia Chen and mother-in-law of Yang, Sheng-Chun;
- (x) Tsai Chia Chen is presumed a PAC by virtue of her being the daughter of Tsai Ming Ti and the sister of Tsai Yi Ting and Tsai Pei Chen. She also has 0.03% direct interest in Tong Herr. For information, she is also the daughter of Tsai Liao Chin Yeh and spouse of Yang, Sheng-Chun; and
- (xi) Yang, Sheng-Chun is presumed a PAC by virtue of him being the spouse of Tsai Chia Chen, the son-in-law of Tsai Ming Ti and the brother-in-law of Tsai Yi Ting and Tsai Pei Chen. He holds 6,200 Tong Herr Shares. For information, he is also the son-in-law of Tsai Liao Chin Yeh.

(collectively, Tsai, Hung-Chuan, Tsai Ming Ti, Tsai Yi Ting, Tsai Pei Chen and Tsai, Chia-Yen are referred to as the “**Interested Directors**”, while Allrich, Richard Holdings, Tsai, Hung-Chuan, Tsai, Jane-Rong, Tsai Ming Ti, Tsai Yi Ting and Tsai Pei Chen are referred to as the “**Interested Major Shareholders**”)

The Interested Directors have abstained and will continue to abstain from all deliberations and voting on the Proposed SCR at the relevant Board meetings pertaining to the Proposed SCR.

Further, the Interested Directors and the Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, if any, on the Special Resolution to be tabled at the EGM to be convened. They will also ensure that persons connected with them, who are the PACs, will abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, if any, on the Special Resolution to be tabled at the EGM to be convened.

7. ADVISERS

RHB Investment Bank is the Principal Adviser to the Company for the Proposed SCR.

In accordance with paragraph 3.06 of the Rules, the Non-Interested Directors had, on 19 August 2026, appointed Mercury Securities Sdn Bhd as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and Non-Interested Shareholders in respect of the Proposed SCR.

8. NON-INTERESTED DIRECTORS' STATEMENT

The Non-Interested Directors had, on 7 September 2026, deliberated on the contents of the Proposal Letter and after taking into consideration the advice of the Independent Adviser, had determined to accept the Proposal Letter, and had resolved to table the Proposed SCR to the Non-Interested Shareholders at the EGM to be convened for their consideration and approval.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the required approvals and consents being obtained, the Proposed SCR is expected to be completed in the 1st quarter of 2027.

This announcement is dated 7 September 2026.