

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 PROPOSED SCR (AS DEFINED HEREIN).

If you have sold or transferred all your shares in Tong Herr Resources Berhad ("**Tong Herr**" 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 on this Document pursuant to subparagraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC. However, such notification shall not be taken to suggest that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the board of directors of Tong Herr (save for the Interested Directors (as defined herein)) or the Independent Adviser (as defined herein), 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.



TONG HERR RESOURCES BERHAD
(Registration No. 199701016642 (432139-W))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

**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")**

PART B

**INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES SDN BHD TO THE NON-INTERESTED
DIRECTORS AND NON-INTERESTED SHAREHOLDERS OF TONG HERR IN RELATION TO THE
PROPOSED SCR**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



RHB Investment Bank Berhad
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



Mercury Securities Sdn Bhd
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**"), the Form of Proxy and Administrative Guide for the EGM are enclosed in this Document, and can be downloaded from our website at <https://tong.com.my/investor-relations> or Bursa Securities' website. The EGM will be held as follows:

Date and time of the EGM	:	Tuesday, 3 November 2026 at 2.30 p.m.
Venue of the EGM	:	Bendera 2, Level 2, Holiday Inn & Suites Penang Prai, 1919, Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang
Last date and time for lodging the Form of Proxy	:	Sunday, 1 November 2026 at 2.30 p.m.

If you are unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The Form of Proxy should be lodged with the Company's Share Registrar, Vistra Investor & Issuing House Services Sdn Bhd ("**Share Registrar**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. You may submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> on or before the time and the date indicated above. You may also submit the Form of Proxy electronically via the Share Registrar's email at is.enquiry@vistra.com on or before the time and the date indicated above. For further information on electronic lodgement of the Form of Proxy, please refer to the Administrative Guide for the EGM.

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

This Document is dated 12 October 2026

DEFINITIONS

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

Act	: Companies Act 2016 and any amendments made thereto from time to time
Allrich	: Allrich Corp (Registration No. 73100), being a company incorporated in Samoa
Board	: Board of Directors of Tong Herr
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
BVI	: British Virgin Islands
CDS	: Central Depository System
Circular	: This circular to the shareholders of Tong Herr dated 12 October 2026 in relation to the Proposed SCR, 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
Director(s)	: The director(s) of Tong Herr or its subsidiaries (as the case may be) and shall have the meaning given in Section 2(1) of the CMSA
Document	: This document to the shareholders of Tong Herr dated 12 October 2026, which consists of the Circular, the IAL and all the appendices
eDividend Accounts	: The bank accounts registered with Bursa Depository by the Entitled Shareholders for purposes of receiving electronic cash dividend payments
EGM	: Extraordinary General Meeting of Tong Herr
Entitled Shareholders	: 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 the Entitlement Date
Entitlement Date	: The date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of Tong Herr as at 5.00 p.m. for the purpose of determining their entitlement under the Proposed SCR, which shall be determined and announced later by the Board (save for the Interested Directors)
EPS	: Earnings per Share
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
High Court	: High Court of Malaya
High Court Order	: An order granted by the High Court confirming the reduction of the issued share capital of Tong Herr for the Proposed SCR pursuant to Section 116 of the Act

DEFINITIONS (CONT'D)

IAL	:	The independent advice letter dated 12 October 2026 from the Independent Adviser to the Non-Interested Directors and the Non-Interested Shareholders in relation to the Proposed SCR, as set out in Part B of this Document
Interested Directors	:	Collectively, Tsai Ming Ti; Tsai Yi Ting; Tsai, Hung-Chuan; Tsai Pei Chen and Tsai, Chia-Yen
Interested Shareholders	Major	Collectively, Allrich; Richard Holdings; Tsai, Hung-Chuan; Tsai, Jane-Rong; Tsai Ming Ti; Tsai Yi Ting and Tsai Pei Chen
Joint Offerors	:	Collectively, Allrich and Richard Holdings
Joint Ultimate Offerors	:	Collectively, Tsai, Hung-Chuan; Tsai, Jane-Rong; Tsai Ming Ti; Tsai Yi Ting; and Tsai Pei Chen
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities and any amendments made thereto from time to time
Lodgement Date or Effective Date	:	The date of which the office copy of the High Court Order has been lodged with the Registrar of Companies, Malaysia pursuant to Section 116(6) of the Act, being also the date that the Proposed SCR becomes effective, which will also coincide with the Entitlement Date
LPD	:	5 October 2026, being the latest practicable date prior to the date of this Document
LTD	:	5 August 2026, being the last full trading day prior to the receipt of the Proposal Letter by the Board
Market Day(s)	:	Any day between Monday to Friday (inclusive), which is not a public holiday and a day on which Bursa Securities is open for the trading of securities
Mercury Securities or Independent Adviser	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
NA	:	Net assets
NBV	:	Net book value
Non-Entitled Shareholders	:	Collectively, the Joint Offerors, the Joint Ultimate Offerors and their PAC(s)
Non-Interested Directors	:	Collectively, Tan Ban Leong, Datin Nik Haslinda Binti Nik Mohd Hashim, Rohaiza Binti Mohamed Basir and Soon Gim Wooi
Non-Interested Shareholders	:	All the shareholders of Tong Herr save for the Non-Entitled Shareholders
Offer Price	:	RM2.55 per Tong Herr Share, being the cash consideration to be paid for each existing Tong Herr Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities

DEFINITIONS (CONT'D)

PAC(s)	: Person(s) acting in concert with the Joint Offerors and the Joint Ultimate Offerors in relation to the Proposed SCR pursuant to subsections 216(2) and 216(3) of the CMSA. As at the LPD, the persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors, who have direct and indirect interest in Tong Herr are Tsai Liao Chin Yeh; Tsai Chia Chen and Yang, Sheng-Chun
PAT	: Profit after tax
PBR	: Price-to-book ratio
PBT	: Profit before tax
PER	: Price-to-earnings ratio
Proposal Letter	: The proposal letter dated 6 August 2026 issued by the Joint Offerors to the Board requesting Tong Herr to undertake the Proposed SCR
Proposed SCR	: Proposed privatisation of Tong Herr by way of a proposed selective capital reduction and repayment exercise pursuant to Section 116 of the Act to be undertaken by Tong Herr
Record of Depositors	: A record of depositors established and maintained by Bursa Depository under the Rules of Bursa Depository
RHB Investment Bank or Principal Adviser	: RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P))
Richard Holdings	: Richard Holdings Limited (Company No. 1925083), being a company incorporated in BVI
RM and sen	: Ringgit Malaysia and sen, respectively
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC and any amendments made thereto from time to time
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991 and any amendments made thereto from time to time
SC	: Securities Commission Malaysia
Share Registrar	: The share registrar of Tong Herr, namely Vistra Investor & Issuing House Services Sdn Bhd (<i>formerly known as Tricor Investor & Issuing House Services Sdn Bhd</i>) (Registration No. 197101000970 (11324-H))

DEFINITIONS (CONT'D)

- Special Resolution : The special resolution in respect of the Proposed SCR to be tabled at the Company's forthcoming EGM which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules, 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
- Tong Herr or Company : Tong Herr Resources Berhad (Registration No. 199701016642 (432139-W))
- Tong Herr Group or Group : Collectively, Tong Herr and its subsidiaries
- Tong Herr Share(s) or Share(s) : Ordinary shares in Tong Herr
- USD : United States Dollar
- VWAP : Volume weighted average market price

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

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. References to persons shall include corporations, unless otherwise specified.

Any reference in this Document to the provisions of any statute, rules, regulations, enactments or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulations, enactments 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, regulations, enactments or rules of stock exchange for the time being in force.

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

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

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.

DEFINITIONS (CONT'D)

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 Company operates and certain other matters.

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PART A

CIRCULAR TO SHAREHOLDERS OF TONG HERR IN RELATION TO THE PROPOSED SCR



TONG HERR RESOURCES BERHAD
(Registration No. 199701016642 (432139-W))
(Incorporated in Malaysia)

Registered Office

Suite S-21-H, 21st Floor,
Menara Northam,
55, Jalan Sultan Ahmad Shah,
10050 George Town, Pulau Pinang

12 October 2026

Board of Directors

Tsai Ming Ti (*Executive Chairman*)
Tsai Yi Ting (*Executive Director/Managing Director*)
Tan Ban Leong (*Executive Director*)
Tsai Pei Chen (*Non-Independent Non-Executive Director*)
Tsai, Hung-Chuan (*Non-Independent Non-Executive Director*)
Tsai, Chia-Yen (*Non-Independent Non-Executive Director*)
Datin Nik Haslinda Binti Nik Mohd Hashim (*Independent Non-Executive Director*)
Rohaiza Binti Mohamed Basir (*Independent Non-Executive Director*)
Soon Gim Wooi (*Independent Non-Executive Director*)

To : Our shareholders

Dear Sir/Madam,

**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**

1. INTRODUCTION

On 6 August 2026, our Company announced that our Board had, on even date, received the Proposal Letter from the Joint Offerors, informing our Board of the Joint Offerors' and the Joint Ultimate Offerors' intention to privatise our Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Act and accordingly, requesting our Company to undertake the Proposed SCR. Upon completion of the Proposed SCR, the Non-Entitled Shareholders will hold 100.00% of the equity interest in our Company.

On 12 August 2026, RHB Investment Bank had, on behalf of our Board, announced that our Company had appointed RHB Investment Bank as the Principal Adviser to our Company for the Proposed SCR.

On 19 August 2026, in accordance with paragraph 3.06 of the Rules, our Non-Interested Directors had appointed Mercury Securities as the Independent Adviser to provide comments, opinions, information and recommendation on the Proposed SCR to the Non-Interested Directors and the Non-Interested Shareholders of Tong Herr. The IAL is set out in **Part B** of this Document.

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

On 7 September 2026, RHB Investment Bank had, on behalf of our Company, announced that the Non-Interested Directors had deliberated on the contents of the Proposal Letter and after taking into consideration the advice of the Independent Adviser, had resolved to table the Proposed SCR to the Non-Interested Shareholders at our forthcoming EGM for their consideration and approval.

The SC had, vide its letter dated 9 October 2026, notified that it has no further comments on this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the Non-Interested Directors or the Independent Adviser or that the 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 PROPOSED SCR, AND TO SEEK YOUR APPROVAL FOR THE PROPOSED SCR VIA THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY 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. YOU SHOULD CONSIDER THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SCR

2.1 Proposed SCR

The Proposed SCR involves our 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 the Entitled Shareholders on the Entitlement Date.

Pursuant to the Proposed SCR, the Entitled Shareholders will receive a cash consideration of RM2.55 for each Tong Herr Share held on the Entitlement Date.

As at the LPD, the issued share capital of our Company is RM185,930,000 comprising 157,430,000 Tong Herr Shares (including 3,912,300 treasury shares held by our 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 our Company). The direct and indirect interest of the Joint Offerors, the Joint Ultimate Offerors and the PACs 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	-	-

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
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
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
Total	114,376,402	74.50	-	-

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our 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 our 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 our Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being a close relative of Tsai Yi Ting and the spouse of Tsai Ming Ti. Deemed PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being the spouse of Tsai Ming Ti and a close relative of Tsai Yi Ting and Tsai Pei Chen.
- (6) Deemed interested by virtue of her spouse, Yang, Sheng-Chun's shareholdings in our 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 our Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of him being the brother-in-law of Tsai Yi Ting. Deemed PAC pursuant to paragraph 216(3)(f) of the CMSA by virtue of him being the son-in-law of Tsai Ming Ti, and the brother-in-law of Tsai Yi Ting and Tsai Pei Chen.

As at the LPD, 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 our 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 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 and they, together with the persons connected with them, if any, will abstain from voting in respect of their respective direct and/or indirect shareholdings, if any, on the Special Resolution to be tabled at the forthcoming EGM.

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 our 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 our 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. Please refer to Sections 6 and 7.2, Part A of this Document for the resultant shareholding structure of Tong Herr.

In compliance with subparagraph 6.03(2) of the Rules, the Joint Offerors, Joint Ultimate Offerors and the PACs have not acquired or agreed to acquire any Tong Herr Shares at a price higher than the Offer Price during the period commencing three (3) months prior to 6 August 2026, being the date of the Proposal Letter.

Should the Joint Offerors, Joint Ultimate Offerors and the PACs acquire any Tong Herr Shares at a price higher than the Offer Price during the period commencing from the date of the Proposal Letter until the completion of the Proposed SCR, the Offer Price will be revised accordingly to the higher price paid by the Joint Offerors, Joint Ultimate Offerors and/or the PACs, pursuant to Note 1 to paragraph 12.03 of the Rules.

The dealings in Tong Herr Shares by the Joint Offerors, Joint Ultimate Offerors and the PACs during the past six (6) months prior to 6 August 2026, being the date of the Proposal Letter and up to the LPD are set out in Section 2 of **Appendix I** of this Document.

As at the LPD, the Joint Offerors, Joint Ultimate Offerors and the PACs have not received any irrevocable undertaking from any of the Non-Interested Shareholders to vote in favour of or against the Special Resolution.

As at the LPD, save for the Proposal Letter, our Company has not received any alternative offer for Tong Herr Shares or any offer to acquire our Company's assets and liabilities.

2.2 Tong Herr's covenants pursuant to the Proposal Letter

From the date of our Non-Interested Directors' acceptance of the terms of the Proposal Letter until the earlier of the date on which the Proposed SCR completes or lapses or is otherwise withdrawn with the prior written consent of the SC, our Company undertakes to the Joint Offerors that:

- (i) save for the financing arrangements to fund the Proposed SCR as set out in Section 2.5, Part A of this Document, our 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) our Company shall not acquire any of our own Shares pursuant to our share buy-back mandate;
- (iii) save for the financing arrangements to fund the Proposed SCR as set out in Section 2.5, Part A of this Document, our 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) our 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) our Company will not make any alteration to the provisions of the constitution of our Company or any of our subsidiaries within our Group unless it is in relation to the Proposed SCR or to facilitate the Proposed SCR;
- (vi) our 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 our Company or any of our subsidiaries within our Group; and
- (vii) our 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 our Group or any privatisation proposal involving our Company or any of our subsidiaries within our Group at any time until the completion of the Proposed SCR,

without the Joint Offerors' prior written consent.

Our Company also undertakes that, as from the date of the Proposal Letter until the completion of the Proposed SCR, we shall (and we shall use reasonable endeavours to cause and procure that each of our subsidiaries) 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 its relationships with all parties and our 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.

2.3 Basis of arriving at the Offer Price

The Offer Price was arrived at after taking into consideration the following closing price and VWAP of the Tong Herr Shares up to and including the 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 Offer Price represents the following:

- (i) a premium of 4.08% over the closing price of Tong Herr Shares as at the LPD of RM2.45 and a premium of 4.15% over the 5-day VWAP of Tong Herr Shares up to and including the LPD of RM2.4484.

(ii) NA per Tong Herr Share and PBR

	NA per Share RM	PBR ⁽¹⁾ times	PBR based on Offer Price 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.

(iii) EPS and PER

	EPS sen	PER ⁽¹⁾ times	PER based on Offer Price 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.

2.4 Distribution

If our Company declares, makes and/or pays any dividend and/or other 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 our Company on or after the date of the Proposal Letter.

2.5 Funding Arrangements

The Proposed SCR is expected to be funded via our Group's internally generated funds and/or bank borrowings to be obtained by our Company. For the avoidance of doubt, the actual proportion of internally generated funds and bank borrowings to be obtained by our Company which will be used to fund the Proposed SCR has not been determined at this juncture.

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

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

2.6 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 Securities upon the completion of the Proposed SCR. Accordingly, the Joint Offerors and the Joint Ultimate Offerors will request our Company to submit an application to Bursa Securities pursuant to Paragraph 16.08 of the Listing Requirements to de-list Tong Herr and withdraw our listing status from the Official List upon the completion of the Proposed SCR.

In the event that the Proposed SCR is unsuccessful and is not implemented due to, among others, failure to fulfil the conditions precedent of the Proposed SCR 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

The settlement of the Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend Accounts duly registered with Bursa Depository within ten (10) days from the Lodgement Date. For the Entitled Shareholders who do not maintain eDividend Accounts, 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 Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk within ten (10) days from the Lodgement Date.

Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which our Company may otherwise be, or claim to be, entitled against the Entitled Shareholders. For the avoidance of doubt, if the last date of payment falls on a public holiday, the payment shall be made on the next Market Day.

Entitled Shareholders who are not residents of Malaysia are advised that the settlement of the Offer Price will be made in RM. Such Entitled Shareholders 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 PROPOSED SCR

The Proposed SCR is undertaken pursuant to the Proposal Letter. Our Non-Interested Directors take cognisance and wish to highlight the Joint Offerors' and the Joint Ultimate Offerors' rationale for the Proposed SCR is as follows:

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

The Proposed SCR would provide the Non-Entitled Shareholders greater flexibility in managing and developing the existing businesses of our Group. As a private company, Tong Herr will be subject to less public scrutiny, including from our 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 our 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 our Company to trade the Shares on Bursa Securities. For further information, please refer to Section 8.2, Part A of this Document.

As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to immediately exit and realise their investments in our 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 our Company at a premium over the prevailing market price of the Shares. As set out in Section 2.3, Part A of this Document, 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 two (2) years up to the LTD.

Premised on the above, the Non-Interested Directors are of the view that the privatisation of our Company will provide greater flexibility for our Company to manage and develop the existing businesses of our Group, and the Proposed SCR represents an opportunity for the Entitled Shareholders to realise their holdings in our Company at a premium of 4.08% and 4.15% over the closing price of Tong Herr Shares as at the LPD and 5-day VWAP of Tong Herr Shares up to and including the LPD, respectively, as set out in Section 2.3, Part A of this Document.

5. FUTURE PLANS FOR TONG HERR GROUP AND EMPLOYEES

Our Non-Interested Directors have taken note of the Joint Offerors' and the Joint Ultimate Offerors' intention in respect of the business and employees of our Group after the completion of the Proposed SCR and the future plans as set out below:

(i) Continuation of the Tong Herr Group's businesses

The Joint Offerors and the Joint Ultimate Offerors intend to continue with the existing businesses and operations of our Group and do not have any immediate plans and/or intention to liquidate any companies within our Group. However, the Joint Offerors and the Joint Ultimate Offerors may review the business and operations of our Group and make such arrangements, rationalisation and reorganisation as the Joint Offerors and the Joint Ultimate Offerors consider suitable and in the best interests of our Group.

(ii) No major changes to the Tong Herr Group's businesses

The Joint Offerors and the Joint Ultimate Offerors do not have any immediate plans to introduce or effect major changes to the existing businesses, dispose of any major assets or undertake any major redeployment of the fixed assets of our Group upon the completion of the Proposed SCR, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of our Group or to improve the utilisation of resources, prospects and future growth of our Group.

(iii) Employees

As at the LPD, the Joint Offerors and the Joint Ultimate Offerors do not have any immediate plans to dismiss or make redundant any of the existing employees of our Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of the subsequent reviews (if any) by the Joint Offerors and the Joint Ultimate Offerors based on our Group's human resources requirements, employment structure, role of individual employees, rationalisation of business activities and/or direction to further improve productivity and efficiency of the operations of our Group.

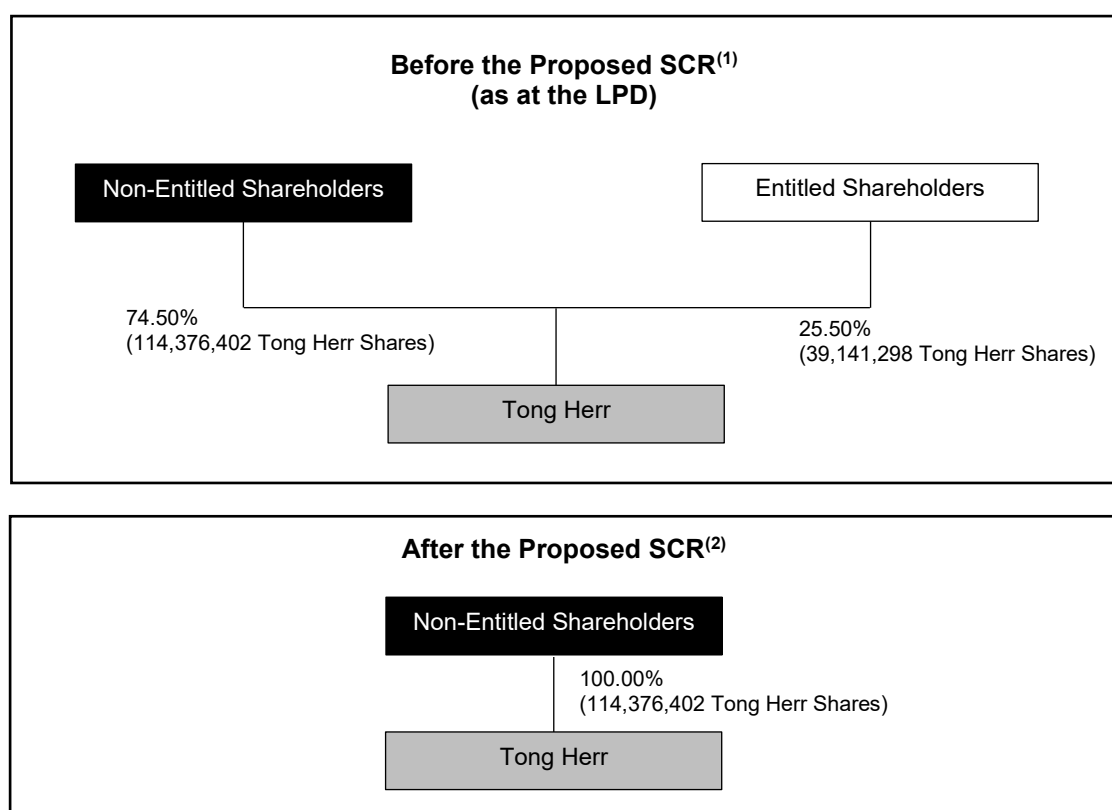
Notwithstanding the above, the Joint Offerors and the Joint Ultimate Offerors shall retain the flexibility to consider any options or explore potential opportunities as they consider suitable and in the best interest of our Group which may include strategic investments and acquisitions, rationalisation and/or restructuring of our Group.

For the avoidance of doubt, as at the LPD, the Joint Offerors and the Joint Ultimate Offerors have not entered into any negotiation, arrangement or understanding with any third party with regard to any significant changes in the business, assets or shareholding structure of our Group.

Our Non-Interested Directors are of the view that the rationale for the Proposed SCR as set out in Section 4, Part A of this Document and the Joint Offerors' and the Joint Ultimate Offerors' intended future plans for our Group and the employees of our Group are not detrimental to our Group.

6. SHAREHOLDING STRUCTURE

The shareholding structure of our Company before and after the completion of the Proposed SCR is set out below:



Notes:

- (1) *Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.*
- (2) *Based on 114,376,402 Shares in issue after the Proposed SCR. For the avoidance of doubt, the 3,912,300 treasury shares held by our Company will be cancelled after the Proposed SCR.*

7. EFFECTS OF THE PROPOSED SCR**7.1 Issued share capital**

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

	No. of Shares	RM
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 our Company	(3,912,300)	-
Resultant issued share capital after the Proposed SCR	114,376,402	86,119,690

Note:

- (1) *Including 3,912,300 treasury shares held by our Company.*

All Tong Herr Shares rank equally in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions (including any capital distributions) which may be declared, made or paid to shareholders.

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7.2 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	No. of Shares	% ⁽²⁾	No. of Shares
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⁾	2,020,402	1.77	50,178,357 ⁽³⁾
Tsai Liao Chin Yeh	1,134,050	0.74	51,064,709 ⁽⁴⁾	1,134,050	0.99	51,064,709 ⁽⁴⁾
Tsai Yi Ting	198,000	0.13	49,044,307 ⁽⁵⁾	198,000	0.17	49,044,307 ⁽⁵⁾
Tsai Pei Chen	731,100	0.48	49,044,307 ⁽⁵⁾	731,100	0.64	49,044,307 ⁽⁵⁾
Tsai Hung-Chuan	-	-	61,191,043 ⁽⁶⁾	-	-	61,191,043 ⁽⁶⁾
Tsai, Jane-Rong	-	-	61,191,043 ⁽⁶⁾	-	-	61,191,043 ⁽⁶⁾
Total	114,318,902	74.47	-	114,318,902⁽⁷⁾	99.95	-

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.
- (2) Based on 114,376,402 Shares in issue after the Proposed SCR. For the avoidance of doubt, the 3,912,300 treasury shares held by our Company will be cancelled 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 our 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 our 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.*
- (7) *Upon the completion of the Proposed SCR, our Company will be wholly-owned by the Non-Entitled Shareholders, after taking into account the 51,300 and 6,200 Tong Herr Shares held by Tsai Chia Chen and Yang, Sheng-Chun, respectively.*

Upon the completion of the Proposed SCR, our Company will be wholly-owned by the Non-Entitled Shareholders as a result of the cancellation of all Tong Herr Shares held by the Entitled Shareholders pursuant to the Proposed SCR.

7.3 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 our Group based on the latest audited and unaudited consolidated financial statement of financial position of our Company as at 31 December 2025 and 30 June 2026, respectively, 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	Unaudited as at 30 June 2026	After the Proposed SCR
	RM'000	RM'000	RM'000	RM'000
Share capital	185,930	86,120	185,930	86,120
Treasury shares	(8,190)	-	(8,190)	-
Statutory reserve	10,129	10,129	10,129	10,129
Currency translation reserve	35,446	35,446	23,422	23,422
Retained profits	309,224	307,624 ⁽¹⁾	317,183	315,583 ⁽¹⁾
Equity attributable to owners of our Company/NA	532,539	439,319	528,474	435,254
No. of Tong Herr Shares in issue ('000)	153,518 ⁽²⁾	114,376	153,518 ⁽²⁾	114,376
NA per Tong Herr Share (RM)	3.47	3.84	3.44	3.81
Total borrowings (RM'000)	26,287	26,287	15,872	15,872
Total cash and cash equivalents	157,362	157,362	112,383	112,383
Gearing (times) ⁽³⁾	0.05	0.06	0.03	0.04

Notes:

- (1) *After taking into account the estimated expenses of approximately RM1.60 million which consists of, among others, professional fees, fees payable to the relevant authorities, costs of convening the EGM, stamp duty and miscellaneous expenses in relation to the Proposed SCR.*
- (2) *Excluding 3,912,300 treasury shares held by our Company.*
- (3) *Computed based on the total borrowings divided by the NA.*

7.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the earnings of our 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. The cost of financing for the Proposed SCR is estimated at 4.45% per annum.

For the avoidance of doubt, the actual proportion of internally generated funds and bank borrowings to be obtained by our Company which will be used to fund the Proposed SCR has not been determined at this juncture.

For illustrative purposes, based on the latest audited and unaudited consolidated statements of profit or loss and other comprehensive income of our Group for the FYE 31 December 2025 and FPE 30 June 2026, respectively, and assuming that the Proposed SCR had been effected at the beginning of the said financial year/period, the pro forma effects of the Proposed SCR on the EPS of our Group are set out below:

	Audited for the FYE 31 December 2025	After the Proposed SCR	Unaudited for the FPE 30 June 2026	After the Proposed SCR
Profit after tax attributable to owners of our Company (RM'000)	5,756	4,156 ⁽¹⁾	13,025	11,425 ⁽¹⁾
No. of Tong Herr Shares in issue ('000)	153,518 ⁽²⁾	114,376 ⁽³⁾	153,518 ⁽²⁾	114,376 ⁽³⁾
EPS (sen) ⁽⁴⁾	3.75	3.63	8.48	9.99

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 our Company.*
- (3) *After taking into consideration the cancellation of 3,912,300 treasury shares held by our Company pursuant to the Proposed SCR.*
- (4) *Computed based on the profit after tax attributable to owners of our Company divided by the number of Tong Herr Shares in issue.*

7.5 Convertible securities

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

8. HISTORICAL SHARE PRICES AND TRADING LIQUIDITY OF TONG HERR SHARES

8.1 Historical share prices

The closing price of Tong Herr Shares as at the last Market Day of each month and the monthly highest and lowest closing price of Tong Herr Shares as traded on the Main Market of Bursa Securities from February 2026 to August 2026, being the period commencing six (6) months prior to the date of the Proposal Letter and ending on the LPD are set out below:

	High	Low	Closing price as at the last Market Day of the month
	RM	RM	RM
2026			
February	1.42	1.35	1.35
March	1.35	1.22	1.23
April	1.27	1.18	1.19
May	1.76	1.18	1.55
June	1.62	1.52	1.58
July	1.69	1.50	1.60
August	2.39	1.60	2.39
September	2.45	2.38	2.45
October ⁽¹⁾	2.45	2.45	2.45
Last transacted market price as at the LTD			1.80
Last transacted market price as at 4 September 2026 (<i>being the last trading day prior to the announcement made pursuant to our Non-Interested Directors' deliberation on the Proposed SCR on 7 September 2026</i>)			2.38
Last transacted market price as at the LPD			2.45

Note:

(1) 1 October 2026 up to the LPD.

(Source : Bloomberg)

During the six (6) months preceding the date of the Proposal Letter and up to the LPD:

- (i) the highest closing price of Tong Herr Shares was RM2.45, which was transacted on 18 September 2026, 21 September 2026, 22 September 2026, 23 September 2026, 24 September 2026, 28 September 2026, 30 September 2026, 1 October 2026, 2 October 2026 and 5 October 2026; and
- (ii) the lowest closing price of Tong Herr Shares was RM1.18, which was transacted on 21 April 2026, 22 April 2026, 23 April 2026, 24 April 2026 and 4 May 2026.

8.2 Historical trading liquidity

For information purposes, the monthly trading volume of Tong Herr Shares from September 2025 (being 12 months prior to the receipt of the Proposal Letter by our Board) to September 2026 (being the last full trading month prior to the LPD) and up to the LPD are as follows:

	Monthly volume traded	Monthly volume traded over free float ⁽¹⁾ %
2025		
September	144,300	0.37
October	112,400	0.29
November	165,500	0.42
December	466,173	1.19
2026		
January	436,650	1.12
February	241,200	0.62
March	250,801	0.64
April	385,900	0.99
May	1,450,000 ⁽²⁾	3.71
June	146,900	0.38
July	385,900	0.99
August	3,190,000 ⁽²⁾	8.16
September	1,980,000 ⁽²⁾	5.06
October ⁽³⁾	140,000	0.36
Simple average	678,266	1.74
Simple average (excluding outliers)	261,429	0.67

(Source: Bloomberg)

Notes:

- (1) Free float of Tong Herr Shares refers to the total Tong Herr Shares held by the public shareholders, excluding 3,912,300 treasury shares held by our Company and Tong Herr Shares held by our Director. As at the LPD, the free float of Tong Herr Shares was 39,096,298 Tong Herr Shares.
- (2) Denotes an outlier based on extreme deviation from the average and hence excluded from the computation of the simple average. The trading volume of the Tong Herr Shares in May 2026 was unusually high, which may have been materially impacted by the announcement of our Company's annual result on 24 April 2026. The trading volume of the Tong Herr Shares in August and September 2026 were also unusually high, which may have been materially impacted by the announcement of the receipt of the Proposal Letter on 6 August 2026.
- (3) 1 October 2026 up to the LPD.

9. 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 our forthcoming EGM, 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 the High Court Order confirming the reduction of the issued share capital of Tong Herr pursuant to Section 116 of the Act giving effect to the Proposed SCR, followed by the lodgement of an office copy of the High Court Order with the Registrar of Companies ("**Lodgement**"); and
- (iii) approval and/or consent of our Company's existing financiers and/or creditors, if required.

As at the LPD, we confirm that there are no approvals or consents required from any relevant government or regulatory authorities for the Proposed SCR.

The Proposed SCR will become effective on the Lodgement Date. 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 our Company.

10. 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 our Company with a direct interest of 39.86% in our Company;
- (ii) Richard Holdings, being one (1) of the Joint Offerors and the Non-Entitled Shareholder, is a major shareholder of our Company with a direct interest of 31.95% in our Company;
- (iii) Tsai, Hung-Chuan, being one (1) of the Joint Ultimate Offerors, is the Non-Independent Non-Executive Director and indirect major shareholder of our 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, being one (1) of the Joint Ultimate Offerors, is the Executive Chairman and major shareholder of our Company with direct interest of 1.31% and indirect interest of 32.69% by virtue of his interest in Richard Holdings and his spouse, Tsai Liao Chin Yeh's interest in our 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, being one (1) of the Joint Ultimate Offerors, is the Executive Director and Managing Director, and major shareholder of our 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, being one (1) of the Joint Ultimate Offerors, is the Non-Independent Non-Executive Director and major shareholder of our 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. She is presumed a person acting in concert with the Joint Offerors in relation to the Proposed SCR pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being the sister of Tsai, Hung-Chuan. She is also presumed a person acting in concert with the Joint Ultimate Offerors in relation to the Proposed SCR pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being the sister of Tsai, Hung-Chuan and Tsai, Jane-Rong. For information, she does not hold any direct or indirect shareholding in our Company;
- (viii) Tsai, Jane-Rong, being one (1) of the Joint Ultimate Offerors, is the indirect major shareholder of our 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 pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being the spouse of Tsai Ming Ti and the mother of Tsai Yi Ting. She is also presumed a PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA 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 pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being the sister of Tsai Yi Ting. She is also presumed a PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA 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 pursuant to paragraph 216(3)(b) of the CMSA by virtue of him being the brother-in-law of Tsai Yi Ting. He is also presumed a PAC pursuant to paragraph 216(3)(f) of the CMSA by virtue of him being 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 spouse of Tsai Chia Chen and the son-in-law of Tsai Liao Chin Yeh.

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 our Company's forthcoming EGM. They will also ensure that persons connected with them including the persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors in relation to the Proposed SCR, 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 our Company's forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the required approvals and consent as set out in Section 9, Part A of this Document being obtained, the Proposed SCR is expected to be completed in the 1st quarter of 2027.

The tentative timetable for the implementation of the Proposed SCR is as follows:

Tentative date⁽¹⁾	Event
12 October 2026	• Despatch of this Document to the shareholders of our Company
3 November 2026	• EGM for the Proposed SCR • Announcement on outcome of the EGM
Early November 2026	• Filing of application for confirmation from the High Court for the reduction of the issued share capital of our Company under Section 116 of the Act
Early February 2027	• Hearing date for High Court confirmation of the reduction of the issued share capital of our Company under Section 116 of the Act • Expected receipt of the High Court Order and announcement thereto
Mid February 2027	• Announcement of Entitlement Date • Announcement of notice of suspension in relation to the trading of Tong Herr Shares
End February 2027	• Entitlement Date⁽²⁾ • Lodgement of an office copy of High Court Order with the Registrar of Companies, Malaysia • Announcement of the Effective Date
Early March 2027	• Cash payment to the Entitled Shareholders at the Offer Price⁽³⁾ • Completion of the Proposed SCR • Submission of de-listing application to Bursa Securities
Mid March 2027	• De-listing of Tong Herr from the Official List

Notes:

- (1) *This is an indicative timetable and the actual timing will depend on, among others, 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 Tong Herr Shares on the Main Market of Bursa Securities will be suspended one (1) Market Day prior to the Entitlement Date.*
- (3) *The settlement of the Offer Price will be effected within ten (10) days from the Effective Date as set out in Section 3, Part A of this Document.*

In the event there is any change to the timetable, we will make an announcement on the website of Bursa Securities.

12. OUTSTANDING PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposed SCR, there are no outstanding corporate proposals which have been announced by our Company 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 19 August 2026, appointed Mercury Securities as the Independent Adviser to provide comments, opinions, information and recommendation to our Non-Interested Directors and Non-Interested Shareholders in respect of the Proposed SCR. Mercury Securities had on 21 August 2026, declared their independence to the SC as the Independent Adviser in relation to the Proposed SCR.

Please refer to **Part B** of this Document for the IAL in relation to the Proposed SCR. The Non-Interested Shareholders are advised to read and carefully consider the contents of the IAL before voting on the Special Resolution at our forthcoming EGM.

14. NON-INTERESTED DIRECTORS' RECOMMENDATION

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

- (i) the rationale for the Proposed SCR, the premium represented by the Offer Price over the historical market traded prices of Tong Herr Shares and the trading liquidity of Tong Herr Shares, as set out in Section 4, Part A of this Document and the intentions of the Joint Offerors and the Joint Ultimate Offerors 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 as set out in **Part B** of this Document that they are of the view that the Proposed SCR is deemed **not fair but reasonable**; and
- (iii) the Independent Adviser's recommendation for the Non-Interested Shareholders to vote in favour of the Special Resolution to be tabled at the forthcoming EGM as set out in **Part B** of this Document,

are of the opinion that the Proposed SCR is deemed **not fair but reasonable** and is in the best interest of the Non-Interested Shareholders.

Accordingly, our Non-Interested Directors concur with the evaluation and recommendation of the Independent Adviser that the Proposed SCR is deemed **NOT FAIR BUT REASONABLE**, and recommend that the Non-Interested Shareholders **VOTE IN FAVOUR** of the Special Resolution at our forthcoming EGM.

As at the LPD, our Executive Director, Tan Ban Leong, holds 45,000 Tong Herr Shares, representing 0.03% of the total number of Tong Herr Shares. He intends to **VOTE IN FAVOUR** of the Special Resolution in respect of his direct shareholding in our Company.

For the avoidance of doubt, the remaining Non-Interested Directors, namely Datin Nik Haslinda Binti Nik Mohd Hashim, Rohaiza Binti Mohamed Basir and Soon Gim Wooi, do not hold any direct or indirect shareholding in our Company.

15. EGM

The EGM, the notice of which is enclosed in this Document, will be held physically at Bendera 2, Level 2, Holiday Inn & Suites Penang Prai, 1919, Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang on Tuesday, 3 November 2026 at 2.30 p.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the Special Resolution to give effect to the Proposed SCR. The Administrative Guide for the EGM can be downloaded from our website at <https://tong.com.my/investor-relations> or Bursa Securities' website.

If you are unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The Form of Proxy should be lodged with the Company's Share Registrar, Vistra Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. You may submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> on or before the time and the date indicated above. You may also submit the Form of Proxy electronically via the Share Registrar's email at is.enquiry@vistra.com on or before the time and the date indicated above. For further information on electronic lodgement of the Form of Proxy, please refer to the Administrative Guide for the EGM.

The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

16. FURTHER INFORMATION

For further information, please refer to the attached appendices which form part of this Document.

Yours faithfully,
For and on behalf of the Board of
TONG HERR RESOURCES BERHAD

ROHAIZA BINTI MOHAMED BASIR
Independent Non-Executive Director

PART B

IAL FROM MERCURY SECURITIES TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

EXECUTIVE SUMMARY

Unless otherwise stated, all defined terms and abbreviations used in this Executive Summary shall carry the same meaning as those defined in the “Definitions” section of this Document.

All references to “we”, “us” and “our” are to Mercury Securities, being the Independent Adviser for the Proposed SCR. All references to “you” and “your” are to Tong Herr’s Non-Interested Shareholders.

THE PURPOSE OF THIS IAL IS TO PROVIDE THE NON-INTERESTED DIRECTORS AND YOU WITH OUR INDEPENDENT EVALUATION ON THE PROPOSED SCR, TOGETHER WITH OUR RECOMMENDATION ON WHETHER YOU SHOULD VOTE IN FAVOUR OF OR AGAINST THE SPECIAL RESOLUTION AT THE FORTHCOMING EGM, SUBJECT TO THE SCOPE OF OUR ROLE AND LIMITATIONS AS SPECIFIED IN SECTION 3 OF THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF OUR EVALUATION OF THE PROPOSED SCR. YOU ARE ADVISED TO READ AND UNDERSTAND OUR IAL IN ITS ENTIRETY, TOGETHER WITH THE CIRCULAR IN PART A OF THIS DOCUMENT (INCLUDING ALL ACCOMPANYING APPENDICES) FOR ALL RELEVANT INFORMATION. YOU SHOULD NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY TO FORM AN OPINION ON THE PROPOSED SCR.

YOU SHOULD ALSO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH PART A AND PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION AT THE FORTHCOMING EGM.

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 6 August 2026, Tong Herr announced that the Board had on even date received the Proposal Letter from the Joint Offerors, informing the Board of their intention to privatise the Company by way of the Proposed SCR.

The Proposed SCR, if approved and implemented, will result in the Non-Entitled Shareholders holding 100% equity interest in Tong Herr upon the completion of the Proposed SCR. Please refer to **Section 2** of this IAL and **Section 2 of Part A** of this Document for further details on the salient terms of the Proposed SCR.

On 19 August 2026, RHB Investment Bank had, on behalf of the Board, announced that, the Non-Interested Directors had, pursuant to paragraph 3.06 of the Rules, appointed Mercury Securities as the Independent Adviser to provide its comments, opinions, information and recommendation to the Non-Interested Directors and the Non-Interested Shareholders, in relation to 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 for an extension of time until 5.00 p.m. on 4 October 2026 for Tong Herr to respond to the Joint Offerors on its decision as to whether to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval. The extension of time request was approved by the Joint Offerors on even date.

On 7 September 2026, RHB Investment Bank had, on behalf of the Board, announced that the Non-Interested Directors had deliberated on the contents of the Proposal Letter and resolved to table the Proposed SCR to the Non-Interested Shareholders at the forthcoming EGM for their consideration and approval.

Pursuant to subparagraph 2(a) under Schedule 3 of the Rules, the SC had, *vide* its letter dated 9 October 2026, notified that it has no further comments on the contents of this IAL. Nevertheless, such notification shall not be taken to suggest that the SC recommends the Proposed SCR, or that the SC agrees with our recommendation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

2. VOTING CONDITIONS OF THE PROPOSED SCR

2.1 Voting conditions

The Proposed SCR is subject to the approval of the Non-Interested Shareholders, whereby, as provided under subparagraph 2(f) Schedule 3 of the Rules, to give effect of the Proposed SCR, the Special Resolution:

- (i) must be approved by a majority in number of the Non-Interested Shareholders and at least 75% in value to the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and
- (ii) the value of the votes cast against the Special Resolution at the forthcoming EGM is not more than 10% in value of the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders.

Upon fulfilling the above conditions, the Proposed SCR will be binding on all shareholders of Tong Herr, even if there may have been some Non-Interested Shareholders who either:

- (i) voted against or abstained from voting on the Special Resolution; or
- (ii) opted not to or were unable to attend the forthcoming EGM.

As at the LPD, the Joint Offerors, Joint Ultimate Offerors and the persons acting in concert with them have not received any irrevocable undertaking from any of the Non-Interested Shareholders to vote in favour of or against the Special Resolution.

As at the LPD, save for the Proposal Letter, the Company has confirmed that it has not received any alternative offer for Tong Herr Shares or any offer to acquire the assets and liabilities of the Company. For further details, please refer to **Section 2 of Part A** of this Document.

2.2 Persons abstained from voting on the Special Resolution

You are advised to note that:

- (i) the Interested Directors and 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 at the forthcoming EGM;
- (ii) the Interested Directors and Interested Major Shareholders will ensure that all persons connected with them, which includes the persons acting in concert, will also abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, if any, on the Special Resolution at the forthcoming EGM; and
- (iii) the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of Tong Herr in relation to the Proposed SCR.

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3. EVALUATION OF THE PROPOSED SCR

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

- (i) the term “**fair and reasonable**” is analysed as 2 distinct criteria, i.e. whether the Proposed SCR is “**fair**” and whether the Proposed SCR is “**reasonable**”, rather than as a composite term;
- (ii) the Proposed SCR 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 Tong Herr Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of Tong Herr Shares, the Proposed SCR is considered as “**not fair**”. In making the assessment, the value of Tong Herr Shares is determined based on the assumption that 100% of the issued share capital of Tong Herr is being acquired;
- (iii) in considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of Tong Herr Shares. Generally, the Proposed SCR would be considered “**reasonable**” if it is “**fair**”. Nevertheless, an independent adviser may view the Proposed SCR to be “**reasonable**” despite it being “**not fair**”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the Proposed SCR in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, the Proposed SCR should be regarded as “**not reasonable**” and thus, the recommendation would be to reject the offer; and
- (iv) in the event the independent adviser concluded that the Proposed SCR 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 to this conclusion; and
 - (c) the course of action that the Non-Interested Shareholders are recommended to take pursuant to the conclusion.

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3.1 Fairness of the Proposed SCR

In evaluating the fairness of the Proposed SCR, we had compared the Offer Price against the estimated fair value of Tong Herr Shares. Our assessment is as follows:

Our evaluation

Selection of valuation methodology : The Tong Herr Group is principally involved in the manufacturing business involving industrial products (i.e. stainless steel fasteners and aluminium products). In view of the broadly similar nature of its business operations, products and economic characteristics, we had evaluated the equity value of the Tong Herr Group as a single business unit in the manufacturing industry and did not adopt the sum-of-parts valuation to estimate the fair value of Tong Herr Shares. For information purposes, sum-of-parts valuation is mostly used to value a subject company that operates more than 1 business segments with different industry characteristics.

RNAV valuation : In arriving at the equity value of Tong Herr Group, we had primarily relied on the revalued net assets valuation ("**RNAV**") methodology.

The RNAV valuation methodology is an asset-based valuation whereby it seeks to appraise the fair value of a subject company based on the estimated market value of its underlying assets. In evaluating the equity value of Tong Herr Group, each material asset of the Tong Herr Group is valued and the total net revaluation surplus or deficit derived therefrom are added onto the Tong Herr Group's latest NA, so to arrive at its estimated RNAV. Thereafter, the estimated fair value of Tong Herr Share is calculated by dividing the estimated RNAV of the Tong Herr Group with the total number of Tong Herr Shares in issue, excluding 3,912,300 treasury shares held by Tong Herr as at the LPD.

Calculation of estimated fair value of Tong Herr Shares : Based on our evaluation in **Section 5.5** of this IAL, we derived that the estimated fair value per Tong Herr Share is approximately RM4.13, calculated as follows:

RNAV Valuation Analysis	RM'000
Tong Herr Group's unaudited NA as at 30 June 2026	528,474
Add Net revaluation surplus/(deficit) from revaluation of the Tong Herr Group's material property assets	105,621
Estimated RNAV of the Tong Herr Group	634,095
Estimated fair value per Tong Herr Share (RM)	(a)4.13

Note:

(a) Calculated based on Tong Herr's total issued shares as at the LTD of 153,517,700 Tong Herr Shares, excluding 3,912,300 treasury shares.

Our view : Premised on the above, we view the Proposed SCR as **NOT FAIR** as the Offer Price of RM2.55 is at a **discount of RM1.58 or 38.3%** to the estimated fair value of each Tong Herr Share of RM4.13. In addition, we also note that the Offer Price represents:

- (i) a discount of approximately RM0.89 or 25.9% to the unaudited consolidated NA per Share of Tong Herr as at 30 June 2026 of RM3.44; and
- (ii) a discount of approximately RM0.92 or 26.5% to the audited consolidated NA per Share of Tong Herr as at 31 December 2025 of RM3.47.

Please refer to **Section 5** of this IAL for further details.

3.2 Reasonableness of the Proposed SCR

In evaluating the reasonableness of the Proposed SCR, we have considered the following key factors:

Our evaluation

Historical market prices of Tong Herr shares : The Proposed SCR represents an opportunity for you to monetise your investment in the Tong Herr Shares for cash at the Offer Price, considering the Offer Price represents **premium of:**

- (i) **41.7%** over the last transacted market price of the Tong Herr Share as at the LTD;
- (ii) **between 37.3% and 75.8%** over the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs of Tong Herr Shares up to and including the LTD;
- (iii) **4.1%** over the last transacted market price of Tong Herr Share as at the LPD; and
- (iv) **4.1%** over the 5-day VWAP of Tong Herr Share up to and including the LPD.

Accordingly, the Proposed SCR represents an exit opportunity which may not have been otherwise available to you, given that, for the past 3 years up to and including the LTD, the Tong Herr Shares had not traded above the Offer Price, save for the intermittent period between 7 August 2023 to 17 October 2023, where the closing market price of Tong Herr Shares ranged between RM2.56 to RM2.67, for approximately 23 market days or 3.6% of the total market days during the periods under review of 643 days.

Historical trading liquidity of Tong Herr Shares : The Tong Herr Shares were **relatively illiquid** considering that, for the past 12-month period up to July 2026 (being the last full trading month prior to the LTD), the Tong Herr Shares merely recorded:

- (a) a simple average monthly trading volume of 363,419 Shares or 264,639 Shares (excluding outlier); and
- (b) a simple average monthly trading volume to free float shares of 0.93% or 0.68% (excluding outlier).

Given the historically low trading liquidity of Tong Herr Shares during the periods under review, you may have difficulty to monetise your investment in Tong Herr Shares in the open market.

Expected market price if the Proposed SCR is unsuccessful : Based on precedent transactions for the past 2 years as set out in **Section 6.3** of this IAL, market price of offeree's shares generally become lower than their respective offer price when the privatisation proposal does not subsequently take place.

Hence, you are advised to note that, in the event the Proposed SCR is unsuccessful, there is no certainty that the Tong Herr Shares will continue to trade at its current price levels. As such, in the event the Proposed SCR is not approved and implemented, the market price of Tong Herr Shares may potentially fall below the Offer Price following Tong Herr's announcement of such outcome of the Proposed SCR. In such scenario, you may have limited opportunity to monetise your investment in the Tong Herr Shares in the future at the Offer Price.

Our evaluation

No alternative proposal : As at the LPD, Tong Herr has not received any alternative offer for the Tong Herr Shares or any offer to acquire the assets and liabilities of Tong Herr Group.

Further, as set out in **Section 2.2 of Part A** of the Circular, as part of the covenant in the Proposal Letter, Tong Herr shall not enter into any discussion or negotiation, or agreement, with any other party in respect to the sale of the assets and liabilities of the Tong Herr Group or any privatisation proposal involving Tong Herr Group at any time until the completion of the Proposed SCR without the Joint Offerors' prior written consent.

As such, unless the Joint Offerors provide their consents, any alternative proposal is unlikely to succeed.

Level of control : As at the LPD, the Non-Entitled Shareholders collectively hold an aggregate of 114,376,402 Tong Herr Shares, which represents a collective controlling stake of 74.5% equity interest in Tong Herr.

Thus, the Non-Entitled Shareholders are able to exercise significant influence over the outcome of Tong Herr's shareholders' resolution(s) through casting of their votes, as they are able to:

- (i) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and
- (ii) oppose any special resolutions (requiring approval from at least 75% of the total votes cast).

Accordingly, unless the Non-Entitled Shareholders are required to abstain from voting on resolution(s) sought at general meeting(s) of Tong Herr, any alternative proposal is not expected to be successful without their support.

Our view : Based on the above, we are of the view that the Proposed SCR is **REASONABLE**.

Please refer to **Section 6** of this IAL for further details.

4. RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules as set out in **Section 2** above.

Based on our evaluation as set out in **Sections 5 and 6** of this IAL (the summary of which are set out in **Sections 3.1 and 3.2** above), while the Offer Price represents a discount of RM 1.58 or 38.3% to the estimated fair value per Tong Herr Share of RM4.13, the Proposed SCR presents an opportunity for you to monetise your investment in Tong Herr Shares at the Offer Price, which represents significant premiums of between 37.3% to 75.8% to the historical average market prices of the Shares for the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs up to and including the LTD.

In this regard, we view the Proposed SCR as **NOT FAIR BUT REASONABLE**. Accordingly, we recommend that you **VOTE IN FAVOUR** of the Special Resolution to be tabled at the forthcoming EGM.

Head Office
L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

12 October 2026

To: The Non-Interested Directors and Non-Interested Shareholders of Tong Herr Resources Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS OF TONG HERR IN RELATION TO THE PROPOSED SCR

This IAL has been prepared for inclusion in **Part B** of this Document and should be read in conjunction with **Part A** of this Document. Unless otherwise stated, all defined terms and abbreviations used in this IAL shall carry the same meaning as those defined in the "Definitions" section of this Document.

All references to "we", "us" and "our" are to Mercury Securities, being the Independent Adviser for the Proposed SCR. All references to "you" and "your" are to the Non-Interested Shareholders.

1. INTRODUCTION

On 6 August 2026, Tong Herr announced that the Board had on even date received the Proposal Letter from the Joint Offerors, informing the Board of their intention to privatise the Company by way of the Proposed SCR.

The Proposed SCR, if approved and implemented, will result in the Non-Entitled Shareholders holding 100% equity interest in Tong Herr upon the completion of the Proposed SCR. Please refer to **Section 2** of this IAL and **Section 2 of Part A** of this Document for further details on the salient terms of the Proposed SCR.

On 19 August 2026, RHB Investment Bank had, on behalf of the Board, announced that the Non-Interested Directors had, pursuant to paragraph 3.06 of the Rules, appointed Mercury Securities as the Independent Adviser, to provide its comments, opinions, information and recommendation to the Non-Interested Directors and the Non-Interested Shareholders, in relation to 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 for an extension of time until 5.00 p.m. on 4 October 2026 for Tong Herr to respond to the Joint Offerors on its decision as to whether to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval. The extension of time request was approved by the Joint Offerors on even date.

On 7 September 2026, RHB Investment Bank had, on behalf of the Board, announced that the Non-Interested Directors had deliberated on the contents of the Proposal Letter and resolved to table the Proposed SCR to the Non-Interested Shareholders at the forthcoming EGM for their consideration and approval.

Butterworth - 1, Jalan Todak 5, Seberang Jaya, 13700 Prai, Penang. Tel: 04-3838990 / 03-6203 7227 Fax: 04-3866255 / 03-6203 7117 E-mail: mercury@mersec.com.my Website: www.mercurysecurities.com.my
Kuala Lumpur - L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara 50480 Kuala Lumpur. Tel: 03-62037227 Fax: 03-62037117 E-mail: mercurykl@mersec.com.my
Melaka - No. 81, Ground Floor, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka. Tel: 06-2921898 Fax: 06-2926898
Penang - 2nd Floor, 2, Lebuh Pantai, 10300 Penang. Tel: 04-2639118 Fax: 04-2612118
Johor Bahru - Menara Pelangi, Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor. Tel: 07-3316992 Fax: 07-3322693

As provided under subparagraph 2(f) Schedule 3 of the Rules, to give effect of the Proposed SCR, the Special Resolution:

- (i) must be approved by a majority in number of the Non-Interested Shareholders and at least 75% in value to the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and
- (ii) the value of the votes cast against the Special Resolution at the forthcoming EGM is not more than 10% in value of the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders.

Upon fulfilling the above conditions, the Proposed SCR will be binding on all shareholders of Tong Herr, even if there may have been some Non-Interested Shareholders who either:

- (i) voted against or abstained from voting on the Special Resolution; or
- (ii) opted not to or were unable to attend the forthcoming EGM.

The purpose of this IAL is to provide the Non-Interested Directors and you with our independent evaluation on the Proposed SCR, together with our recommendation on whether you should vote in favour of or against the Special Resolution at the forthcoming EGM, subject to the scope of our role and limitations as specified in **Section 3** of this IAL.

Pursuant to subparagraph 2(a) under Schedule 3 of the Rules, the SC had, *vide* its letter dated 9 October 2026, notified that it has no further comments on the contents of this IAL. Nevertheless, such notification shall not be taken to suggest that the SC recommends the Proposed SCR, or that the SC agrees with our recommendation or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

YOU ARE ADVISED TO READ AND UNDERSTAND THIS IAL IN ITS ENTIRETY AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH PART A AND PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

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.

2. DETAILS OF THE PROPOSED SCR

2.1 Salient terms of the Proposed SCR

Salient terms of the Proposed SCR are as follows:

Consideration to the Entitled Shareholders	As at the LPD, the Non-Interested Shareholders collectively hold an aggregate of 39,141,298 Tong Herr Shares, which represents approximately 25.5% of the total Tong Herr Shares in issue, excluding the 3,912,300 treasury shares held by Tong Herr. Pursuant to the Proposed SCR, the Entitled Shareholders will receive total capital repayment of approximately RM99.8 million, which represents a cash repayment of RM2.55 for each Tong Herr Share held by the Entitled Shareholders on the Entitlement Date. For clarity, the Non-Entitled Shareholders will not be entitled to the capital repayment under the Proposed SCR and they will abstain from voting in respect of their respective direct and/or indirect shareholdings, if any, on the Special Resolution.
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Consideration to the Entitled Shareholders (cont'd)	If Tong Herr declares, makes and/or pays any dividends and/or other distribution of any other nature whatsoever (collectively, "Distribution(s)"), during the period commencing from the date of the Proposal Letter up to the completion date of the Proposed SCR and that 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 Tong Herr on or after the date of the Proposal Letter. For further details, please refer to Sections 2.1 and 2.4 of Part A of this Document.
Mode and timing of the settlement	The settlement of the Offer Price will take effect <i>via</i> electronic remittance to the Entitled Shareholders' eDividend Accounts duly registered with Bursa Depository within 10 days from the Lodgement Date. For Entitled Shareholders who do not maintain eDividend Accounts, settlement of the Offer Price will take effect <i>via</i> remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to such Entitled Shareholders (or their designated agents, as they may direct) at their respective registered address last maintained with Bursa Depository at their own risk within 10 days from the Lodgement Date. Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which the Company may otherwise be, or claim to be, entitled against the Entitled Shareholders. For avoidance of doubt, if the last date of payment falls on a non-Market Day, the payment shall be made on the next Market Day. Entitled Shareholders who are not residents of Malaysia are advised that settlement of the Offer Price will be made in RM. Entitled Shareholders 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 financial institutions. For further details, please refer to Section 3 of Part A of this Document.

Voting conditions of the Proposed SCR	The Proposed SCR is subject to the approval of the Non-Interested Shareholders, whereby, as provided under subparagraph 2(f) Schedule 3 of the Rules, the Special Resolution: (i) must be approved by a majority in number of the Non-Interested Shareholders and at least 75% in value to the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and (ii) the value of votes cast against the Special Resolution at the forthcoming EGM is not more than 10% in value of the votes attached to the Tong Herr Shares held by the Non-Interested Shareholders. The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of Tong Herr in relation to the Proposed SCR. The Interested Directors and 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. The Interested Directors and Interested Major Shareholders will ensure that all persons connected with them, which includes the persons acting in concert, will also abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, if any, on the Special Resolution. For further details, please refer to Section 10 of Part A of this Document.
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 <i>via</i> the Special Resolution (please refer to the abovementioned voting conditions of the Proposed SCR for more details); (ii) the grant of the High Court Order confirming the reduction of the issued share capital of Tong Herr pursuant to Section 116 of the Act giving effect to the Proposed SCR, followed by the Lodgement; and (iii) approval and/or consent of the Company's existing financiers and/or creditors, if required. As at the LPD, no approvals or consents are required from any relevant government or regulatory authorities for the Proposed SCR.

Conditions of the Proposed SCR (cont'd)	The Proposed SCR will become effective on the Lodgement Date. In this respect, the Proposed SCR shall be binding on all shareholders of Tong Herr notwithstanding that there may have been Non-Interested Shareholders who voted against the Special Resolution. For clarity, the Proposed SCR is not conditional upon any other corporate exercise undertaken or to be undertaken by Tong Herr. For further details, please refer to Section 9 of Part A of this Document.
Sources of funding for the Proposed SCR	The Proposed SCR is expected to be funded <i>via</i> the Tong Herr Group's internally-generated funds and/or bank borrowings, the proportion of which has not been determined at this juncture. Notwithstanding the above, the Joint Offerors, the Joint Ultimate Offerors and the Board has confirmed that the Proposed SCR will not fail by reason of insufficient financial capability of Tong Herr, and that every Entitled Shareholder will be paid in full by cash. In addition, RHB Investment Bank, being the Principal Adviser to Tong Herr for the Proposed SCR, is satisfied that the Proposed SCR will not fail by reason of insufficient financial capability of Tong Herr, and that every Entitled Shareholder will be paid in full by cash. For further details, please refer to Section 2.5 of Part A of this Document.

As at the LPD, the Joint Offerors, Joint Ultimate Offerors and the persons acting in concert with them have not received any irrevocable undertaking from any of the Non-Interested Shareholders to vote in favour of or against the Special Resolution.

As at the LPD, save for the Proposal Letter, the Company has confirmed that it has not received any alternative offer for Tong Herr Shares or any offer to acquire the assets and liabilities of the Company. For further details, please refer to **Section 2 of Part A** of this Document.

2.2 Potential outcome in respect of the Proposed SCR

(i) In the event the Proposed SCR is approved and implemented

In the event the approval of Non-Interested Shareholders for the Proposed SCR *via* the Special Resolution is obtained, Tong Herr may proceed to implement the Proposed SCR.

As set out in **Section 2.6 of Part A** of this Document, the Joint Offerors and the Joint Ultimate Offerors **do not intend** to maintain the listing status of Tong Herr on the Main Market of Bursa Securities upon the completion of the Proposed SCR.

Accordingly, after cash payment to the Entitled Shareholders at the Offer Price, the Joint Offerors and the Joint Ultimate Offerors will request Tong Herr to submit an application to Bursa Securities pursuant to Paragraph 16.08 of the Listing Requirements, to de-list Tong Herr from the Official List upon the completion of the Proposed SCR.

As set out in **Section 7.1 of Part A** of this Document, effects of the Proposed SCR on the issued share capital and issued Shares of Tong Herr are as follows:

	No. of Shares	RM
Issued share capital of Tong Herr as at the LPD	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 Tong Herr	(3,912,300)	-
Resultant issued share capital after the Proposed SCR	114,376,402	86,119,690

Upon completion of the Proposed SCR:

(a) Changes in issued share capital

The issued share capital of Tong Herr will reduce from RM185.9 million as at the LPD to RM86.1 million, of which the reduction is due to total capital repayment of RM99.8 million by Tong Herr pursuant to the Proposed SCR, which also represents a cash repayment of **RM2.55 for each Tong Herr Share** held by the Entitled Shareholders on the Entitlement Date.

(b) Issued Shares

All Tong Herr Shares held by the Entitled Shareholders as well as the 3,912,000 treasury shares held by Tong Herr, will be cancelled.

Accordingly, upon completion of the Proposed SCR, the remaining 114,376,402 Tong Herr 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% equity interest in Tong Herr.

For further details, please refer to **Sections 7.1 and 7.2** of Part A of this Document for the pro forma effects of the Proposed SCR.

(ii) In the event the Proposed SCR is not approved and implemented

In the event the approval of Non-Interested Shareholders for the Proposed SCR via the Special Resolution is not obtained, the Proposed SCR will not be proceeded. Accordingly, Tong Herr will remain listed on the Main Market of Bursa Securities and that the Proposed SCR will not take place.

3. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED SCR

We are not and were not involved in the formulation, deliberations and negotiations of the terms and conditions pertaining to the Proposed SCR. Our scope as the Independent Adviser is limited to expressing our independent comments, opinions, information and recommendation on the Proposed SCR as to whether the Proposed SCR is fair and reasonable insofar as you are concerned, based on the information and documents provided to us or which are available to us and after making enquiries as were reasonable in the circumstances. In performing our evaluation, we have relied on the following sources of information:

- (i) information contained in **Part A** of this Document and the accompanying appendices;
- (ii) valuation reports for the material property assets of Tong Herr Group as set out in **Section 5.5.1 note (a)** of this IAL, as issued by Nawawi Tie Leung Property Consultants Sdn Bhd ("**Independent Property Valuer**"), the independent property valuer appointed by Tong Herr;
- (iii) the audited consolidated financial statements of Tong Herr for the past 3 financial years up to the FYE 31 December 2025;
- (iv) the latest unaudited consolidated financial statements of Tong Herr for the 6-month FPE 30 June 2026;
- (v) relevant information, documents, confirmations and/or representations furnished to us by the Board and management of Tong Herr ("**Management**"); and
- (vi) other publicly available information which we deem relevant.

In preparing this IAL, we have considered various factors which we believe are of relevance and importance to our assessment of the Proposed SCR and therefore, are of general concern to you.

In carrying out our evaluation, we have relied on the Board and the Management to take due care to ensure that all information, documents, confirmations and representations furnished to us are accurate, valid and complete in all material aspects. We have obtained confirmation from the Board that all relevant material facts and information required for the purposes of our evaluation of the Proposed SCR have been disclosed to us and the Board has accepted the responsibility for the accuracy of the information provided to us.

After making all reasonable enquiries, we are satisfied that sufficient information has been obtained and we have no reason to believe that the information provided to us or which are available to us is unreliable, incomplete, misleading and/or inaccurate as at the LPD. As such we are of the view that this IAL constitutes a full and true disclosure of all material facts concerning the Proposed SCR.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Non-Interested Shareholders as a whole and not for any specific group of Non-Interested Shareholders. Hence, in carrying out our evaluation, we have not taken into consideration the specific investment objectives, financial situation, risk profile or particular needs of any individual Non-Interested Shareholder or any specific group of Non-Interested Shareholders. We therefore recommend that any of you who are in doubt as to the action to be taken in relation to the Proposed SCR in the context of your individual investment objectives, financial situation, risk profile or particular needs should consult your respective stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion are based on, amongst others, equity capital market, economic, industry, regulatory and other prevailing conditions, and the information/documents made available to us as at the LPD or such other period specified herein. Such conditions may change significantly over a short period of time.

We shall immediately disclose to the SC in writing and notify you by way of a press notice and announcement before 9.00 a.m. on the next market day 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, we shall despatch a supplementary IAL to you in accordance with subparagraphs 11.07(2) and 11.07(3) of the Rules.

4. EVALUATION OF THE PROPOSED SCR

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

- (i) the term **“fair and reasonable”** is analysed as 2 distinct criteria, i.e. whether the Proposed SCR is **“fair”** and whether the Proposed SCR is **“reasonable”**, rather than as a composite term;
- (ii) the Proposed SCR 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 Tong Herr Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of Tong Herr Shares, the Proposed SCR is considered as **“not fair”**. In making the assessment, the value of Tong Herr Shares is determined based on the assumption that 100% of the issued share capital of Tong Herr is being acquired;
- (iii) in considering whether the Proposed SCR is **“reasonable”**, we have taken into consideration matters other than the valuation of Tong Herr Shares. Generally, the Proposed SCR would be considered **“reasonable”** if it is **“fair”**. Nevertheless, an independent adviser may view the Proposed SCR to be **“reasonable”** despite it being **“not fair”**, if the independent adviser is of the view that there are sufficiently strong reasons to accept the Proposed SCR in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, the Proposed SCR should be regarded as **“not reasonable”** and thus, the recommendation would be to reject the offer; and
- (iv) in the event the independent adviser concluded that the Proposed SCR 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 to this conclusion; and
 - (c) the course of action that the Non-Interested Shareholders are recommended to take pursuant to the conclusion.

In evaluating the Proposed SCR, we have considered the following key factors:

Fairness	Section in this IAL
– Valuation of Tong Herr Shares	5
Reasonableness	Section in this IAL
– Historical market prices of Tong Herr Shares	6.1
– Historical trading liquidity of Tong Herr Shares	6.2
– Expected market price if the Proposed SCR is unsuccessful	6.3
– No alternative proposal	6.4
– Level of control by the Joint Offerors	6.5

5. FAIRNESS OF THE PROPOSED SCR

5.1 Business overview and historical financial analysis

The Tong Herr Group is principally involved in the business of manufacture and sale of stainless steel fasteners (“**Fasteners Segment**”) and aluminium products (“**Aluminium Segment**”).

Set out below is a summary of the Tong Herr Group’s historical financial performance for the past 3 FYEs and during its latest announced financial quarter (i.e. 6-month FPE 30 June 2026):

	Audited			Unaudited	
	FYE	FYE	FYE	6-month FPE	6-month FPE
	31 Dec 2023	31 Dec 2024	31 Dec 2025	30 June 2025	30 June 2026
	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue ^(a)	598,033	536,380	560,763	298,495	246,185
Gross profits	31,663	29,455	33,455	20,474	26,021
PBT	15,506	10,496	9,676	9,401	20,195
PAT	9,788	7,623	8,711	7,834	17,404

(Source: Annual reports and quarterly financial report of Tong Herr)

Note:

(a) Set out below is a summary of the Tong Herr Group’s segmental revenue analysis:

- **By business segment**

	Audited					
Business segment	FYE		FYE		FYE	
	31 Dec 2023		31 Dec 2024		31 Dec 2025	
	RM’000	%	RM’000	%	RM’000	%
Fasteners Segment	452,260	75.6	373,915	69.7	415,803	74.1
Aluminium Segment	145,773	24.4	162,465	30.3	144,960	25.9
Total	598,033	100.0	536,380	100.0	560,763	100.0

	Unaudited			
Business segment	6-month FPE		6-month FPE	
	30 June 2025		30 June 2026	
	RM’000	%	RM’000	%
Fasteners Segment	227,701	76.3	160,842	65.3
Aluminium Segment	70,794	23.7	85,343	34.7
Total	298,495	100.0	246,185	100.0

- **By geographical location**

Geographical location	Audited					
	FYE		FYE		FYE	
	31 Dec 2023		31 Dec 2024		31 Dec 2025	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	124,110	20.7	148,278	27.6	130,218	23.2
Overseas						
– USA	126,045	21.1	140,685	26.2	176,591	31.5
– Taiwan	152,930	25.6	84,221	15.7	109,162	19.5
– Thailand	17,673	3.0	20,268	3.8	16,433	2.9
– Others	177,275	29.6	142,928	26.7	128,359	22.9
Total	598,033	100.0	536,380	100.0	560,763	100.0

Geographical location	Unaudited			
	6-month FPE		6-month FPE	
	30 June 2025		30 June 2026	
	RM'000	%	RM'000	%
Malaysia	63,675	21.3	75,892	30.8
Overseas				
– USA	95,986	32.2	66,037	26.8
– Taiwan	55,682	18.6	44,489	18.1
– Thailand	10,709	3.6	6,460	2.6
– Others	72,443	24.3	53,307	21.7
Total	298,495	100.0	246,185	100.0

FYE 31 December 2024 vs FYE 31 December 2023

The Tong Herr Group recorded total revenue of RM536.4 million in the FYE 31 December 2024, a decrease of approximately RM61.7 million or 10.3% as compared to the FYE 31 December 2023. The overall decrease in revenue was mainly due to lower average selling prices of fasteners, mainly resulting from competitive business environment.

The Tong Herr Group recorded a total GP of RM29.5 million in the FYE 31 December 2024, a decrease of approximately RM2.2 million or 7.0% as compared to the FYE 31 December 2023. The overall decrease in GP was mainly due to lower revenue recorded.

Overall, the Tong Herr Group recorded a PAT of RM7.6 million in the FYE 31 December 2024, a decrease of approximately RM2.2 million or 22.1% as compared to the FYE 31 December 2023. The overall decrease in PAT was mainly due to lower GP recorded as a result of segment loss recorded by the Fasteners Segment.

FYE 31 December 2025 vs FYE 31 December 2024

The Tong Herr Group recorded total revenue of RM560.8 million in the FYE 31 December 2025, an increase of approximately RM24.4 million or 4.5% as compared to the FYE 31 December 2024. The overall increase in revenue was mainly due to higher sales of Fasteners Segment.

In tandem with the increase in revenue, the Tong Herr Group recorded a higher GP of RM33.5 million in the FYE 31 December 2025, representing an increase of approximately RM4.0 million or 13.6% as compared to the FYE 31 December 2024. The overall increase in GP was also driven by higher GP margin recorded of approximately 6.0% in the FYE 31 December 2025 as compared to 5.5% in the FYE 31 December 2024, of which the increased GP margin was mainly due to economies of scale from higher production activities.

Notwithstanding the Tong Herr Group's GP grew by approximately RM4.0 million in the FYE 31 December 2025, it recorded a narrower increase in PAT by approximately RM1.1 million, mainly due to higher administrative and general expenses incurred by RM3.3 million, coupled with higher finance costs incurred by RM2.1 million. However, these cost increases were partially offset by higher other income by RM1.8 million, coupled with lower tax expenses incurred by RM1.9 million in the FYE 31 December 2025. The lower tax expenses incurred was mainly due to recognition of higher non-taxable income in the FYE 31 December 2025.

6-month FPE 30 June 2026 vs 6-month FPE 30 June 2025

The Tong Herr Group recorded total revenue of RM246.2 million in the 6-month FPE 30 June 2026, a decrease of approximately RM52.3 million or 17.5% as compared to the 6-month FPE 30 June 2025. The overall decrease in revenue was mainly due to lower sales volumes and lower average selling price of fasteners, mainly resulting from competitive business environment.

Notwithstanding the Tong Herr Group recorded a lower revenue in the 6-month FPE 30 June 2026, it recorded an increase in GP by RM5.5 million or 27.1% as compared to the 6-month FPE 30 June 2025, mainly driven by higher GP margin recorded of approximately 10.6% in the 6-month FPE 30 June 2026 as compared to 6.9% in the 6-month FPE 30 June 2025, of which, the increased GP margin was mainly due to higher economies of scale from the Aluminium Segment.

Overall, the Tong Herr Group recorded a higher PAT of RM17.4 million in the 6-month FPE 30 June 2026, an increase of RM9.6 million or 122.2% as compared to the 6-month FPE 30 June 2025. The increase in PAT was mainly due to higher GP recorded as well as higher other income recorded by RM2.3 million and lower finance costs incurred by RM1.3 million. In addition, the increased PAT was also due to better cost control and economies of scale from higher sales in Aluminium Segment.

5.2 Assets and liabilities of the Tong Herr Group

Please refer to **Section 7 of Appendix V** of this Document for further details of the Tong Herr's Group assets and liabilities for the past 2 FYEs and as at its latest announced unaudited consolidated statement of financial position as at 30 June 2026.

5.3 Valuation Methodology

As set out in **Section 5.1** above, the Tong Herr Group is principally involved in the manufacturing business involving industrial products. In view of the broadly similar nature of its business operations, products and economic characteristics, we had evaluated the equity value of the Tong Herr Group as a single business unit and therefore, we did not adopt the sum-of-parts valuation to estimate the fair value of Tong Herr Shares. For information purposes, sum-of-parts valuation is mostly used to value a subject company that operates more than 1 business segments with different industry characteristics.

In selecting the most appropriate valuation methodology, we have considered, amongst others, the Tong Herr Group's nature of business, its assets composition, and the following commonly used key business valuation methodologies:

Valuation methodology	Our assessment
Discounted cash flows	- This valuation methodology seeks to value a subject company based on its estimated future free cash flows, discounted to present value. As this valuation methodology seeks to appraise the subject company's valuation based on its estimated future free cash flows, it is most suitable for valuing a business that is able to generate long-term and predictive future free cash flows. - Based on our discussions with the Management, we noted that, over the past 3 FYEs and up to the LPD, the Tong Herr Group generates its revenue mostly from the purchase orders issued by its customers. Hence, in the absence of long-term secured sales contract, projection over the Tong Herr Group's future free cash flows would require high degree of subjective assumptions and estimates. Hence, we do not consider this valuation methodology to be the most suitable.
Earnings-based valuation multiple	- This valuation methodology seeks to value a subject company based on its earnings value and the valuation multiples of its selected comparable companies. This valuation methodology is most suitable for valuing a subject company that is able to generate positive and sustainable level of earnings. - Given that the Tong Herr Group has been profitable over the past 3 FYEs and during the 6-month FPE 30 June 2026, the earnings-based valuation multiple valuation methodology can be deemed as a suitable valuation methodology.
Revalued net assets valuation ("RNAV")	- This valuation methodology seeks to appraise the fair value of a subject company based on the estimated market value of its underlying assets. Under this methodology, material assets of the subject company are separately valued and the total net revaluation surplus or deficit derived therefrom are added onto the subject company's latest NA, so to arrive at its estimated fair value. Hence, this valuation methodology is most suitable for valuing a subject company that has substantial tangible assets. - As the Tong Herr Group recorded a high NA value of RM528.5 million as at 30 June 2026 (FYE 31 December 2025: RM532.5 million), we are of the view that the RNAV valuation methodology can be deemed as a suitable valuation methodology.

5.4 Earnings-based valuation multiple analysis

We had performed the earnings-based valuation multiple methodology to appraise the estimated fair value of Tong Herr Shares. However, based our evaluation as set out in **Attachment I** of this IAL, we derived that the estimated fair value of Tong Herr Share, valued under the earnings-based valuation multiple methodology, is lower than the latest consolidated unaudited NA per Share of Tong Herr as at 30 June 2026 of RM3.44. The lower valuation derived under earnings-based valuation approach as compared to the Tong Herr Group's latest NA per Share is predominantly due to the Tong Herr Group having recorded a high NA value relative to earnings.

As a check, based on the latest audited consolidated financial statements of Tong Herr, during the FYE 31 December 2025, the Tong Herr Group recorded an audited PAT of RM8.7 million (FYE 31 December 2024: RM7.6 million) and an audited NA of RM532.5 million (FYE 31 December 2024: RM536.7 million), which implies an average return rate on equity of 1.6% (FYE 31 December 2024: 1.4%).

In view of the above, considering that the Tong Herr Group is asset-intensive, earnings-based valuation approach may not be the most suitable valuation methodology to be performed, as it may not account for the Tong Herr Group's underlying assets held. As such, we are of the view that an asset-based valuation approach, i.e. the RNAV valuation methodology, is the most suitable valuation methodology to appraise the estimated fair value of Tong Herr Shares. Accordingly, we had primarily adopted the RNAV valuation methodology as set out in **Section 5.5** below to ascribe the estimated fair value of Tong Herr Shares.

5.5 RNAV valuation analysis

In applying the RNAV valuation methodology, we had made the following key assumptions which, in our view, are appropriate and reasonable in appraising the estimated fair value of Tong Herr Shares on a fully revalued basis:

- (i) the Tong Herr Group will continue to operate on a going concern basis and is expected to sustain its operations in perpetuity;
- (ii) there will not be any material increase in the Tong Herr Group's operating costs which may have a material adverse effect on its financial results, cash flows or business prospects;
- (iii) there will be ready and committed buyers for each asset of the Tong Herr Group at its fully revalued basis and that the sales of Tong Herr Group's assets, if any, can be conducted in an orderly manner and without any material transaction costs, save for the associated taxes;
- (iv) there will not be any material changes to the existing agreements, contracts, approvals, licenses, permits and regulations governing the business activities of the Tong Herr Group;
- (v) there will not be any compulsory acquisition of the Tong Herr Group's lands by the relevant state authorities pursuant to the Land Acquisition Act 1960;
- (vi) insurable risks relating to the Tong Herr Group's business are and will continue to be appropriately covered by the relevant insurance policies and the sums insured are adequate;
- (vii) the current accounting policies adopted by the Tong Herr Group will remain relevant and there will not be any significant changes in the accounting policies of Tong Herr which may have a material adverse impact on its financial performance and financial position;
- (viii) there will not be any significant or material changes to the Tong Herr Group's business risks and effective measures will continue to be implemented to mitigate risks known to the Tong Herr Group; and

- (ix) there will be no significant or material changes in 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 which may have an adverse effect on the financial performance and financial position of the Tong Herr Group.

5.5.1 Analysis of assets composition

Based on Tong Herr's latest announced consolidated statement of financial position as at 30 June 2026, we noted that, as at that date, the Tong Herr Group's assets comprise the following:

		Unaudited as at 30 Jun 2026	
Assets composition	RNAV analysis	RM'000	%
<u>Material assets</u>			
– Material property assets	(a)	73,985	11.5
– Plant and equipment	(b)	50,759	7.9
– Inventories	(c)	327,952	51.1
– Receivables	(d)	58,972	9.2
– Cash and cash equivalents	(e)	112,383	17.5
		624,051	97.2
<u>Other assets</u>			
– Other property assets	(f)	1,530	0.2
– Other assets	(g)	16,816	2.6
Total		642,397	100.0

In carrying out our RNAV valuation methodology, we had reviewed the carrying value of the Tong Herr Group's material assets. Our assessment is as follows:

(a) Material property assets

Comprise the following property assets of the Tong Herr Group, where we consider them to be material given that their respective carrying value is approximately 0.5% or more over the total assets value of Tong Herr Group:

Description	Carrying value as at 30 Jun 2026 RM'000
(i) <u>A double-storey semi-detached factory</u> Address: No. 14, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor Darul Tazim	1,888
(ii) <u>An individual detached industrial premise</u> Address: No. 1058, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	14,456
(iii) <u>An individual detached industrial premise</u> Address: No. 2515, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	11,564
(iv) <u>An individual designed industrial premise</u> Address: No. 700/553, Moo 7, Don Hua Lo Sub-district, Muang Chonburi District, Chonburi Province, Thailand	6,742
(v) <u>An individual detached industrial premise</u> Address: No. 150/69, Moo 9, Nong Kham Sub-district, Sriracha District, Chonburi Province, Thailand	34,765

Description	Carrying value as at 30 Jun 2026
	RM'000
(vi) <u>A double-storey detached house</u> Address: No. 319/1, Moo 3, Inside Panya Resort Project, Mueang Sub-district, Muang Chonburi District, Chonburi Province, Thailand	4,570
Total	73,985

Generally, property assets will appreciate in value over time. Hence, in carrying out our RNAV analysis, we have evaluated the market value of the abovesaid material property assets. Please refer to **Section 5.5.2** of this IAL for our evaluation and analysis.

(b) Plant and equipment

Comprise mainly plant, machinery, tools and electrical installation of the Tong Herr Group. The carrying value of these assets are stated at historical costs less accumulated depreciation and any impairment losses, where applicable.

As plant and machinery are operating machineries with finite useful life, they generally do not appreciate in value over time as compared to property assets. Hence, we view that its carrying value, which had accounted for reasonable depreciation costs and impairment, is an appropriate approximation to fair value. Hence, we did not impute any impairment or revaluation adjustment to the carrying value.

(c) Inventories

Comprise the following:

Inventories	Carrying value as at 30 Jun 2026
	RM'000
– Raw materials	106,766
– Work-in-progress	49,384
– Finished goods	96,700
– Consumables	34,354
– Goods-in-transit	40,748
Total	327,952

The Tong Herr Group's inventories are stated at the lower of cost (determined principally on the weighted average basis) and net realisable value (which refers to the estimated selling price in ordinary course of business, less the estimated costs of completion and costs necessary to make the sales).

In estimating the expected selling prices of inventories, the Management will take into account, amongst others, recent sales transactions, current market conditions, prevailing selling prices of similar products and anticipated future demand.

We further noted that the Tong Herr Group recorded a fairly consistent inventory turnover period for the past 3 FYEs as follows:

	31 Dec 2023	31 Dec 2024	31 Dec 2025
	RM'000	RM'000	RM'000
Opening inventories	386,581	335,317	327,612
Ending inventories	335,317	327,612	307,069
Average Inventories	360,949	331,465	317,341
Cost of goods sold	566,370	506,925	527,308
Inventory turnover period (days)⁽¹⁾	233	239	220

Note:

- (1) Computed based on the average inventories as at year end, divided by the cost of goods sold for the respective financial years, multiplied by 365 days, and rounded up to nearest 1 day.

Given that the Tong Herr Group has an on-going business activity and that it has been able to achieve a fairly consistent inventory turnover period for the past 3 FYEs, we are of the view that the carrying value of its inventories as at 30 June 2026 is expected to be realisable in its ordinary course of business. As such, we are satisfied that its carrying value is a reasonable approximation to fair value. Hence, we did not impute any impairment or revaluation adjustment to the carrying value.

(d) Receivables

Comprise mainly trade receivables, which are recorded at its transactional value net of impairment and allowances for expected credit loss.

Based on our discussion with the Management, the Tong Herr Group normally regards a trade receivable as credit-impaired when the credit customer is experiencing significant financial difficulty and has defaulted in payments. Hence, the Tong Herr Group generally will estimate a loss allowance for trade receivable that has past due for more than 90 days. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery.

We further noted that the Tong Herr Group recorded a fairly consistent receivables turnover period for the past 3 FYEs as follows:

	31 Dec 2023	31 Dec 2024	31 Dec 2025
	RM'000	RM'000	RM'000
Opening receivables	45,517	48,471	55,055
Ending receivables	48,471	55,055	43,534
Average receivables	46,994	51,763	49,295
Revenue	598,033	536,380	560,763
Receivables turnover period (days)⁽¹⁾	29	35	32

Note:

- (1) Computed based on the average receivables as at year end, divided by the revenue for the respective financial years, multiplied by 365 days, and rounded up to nearest 1 day.

Given that the Tong Herr Group has an on-going business activity and that it performs a periodic review of the impairment and allowances for expected credit loss of its trade receivables, we are of the view that the carrying value of its trade receivables as at 30 June 2026 is expected to be realisable in its ordinary course of business. As such, we are satisfied that its carrying value is a reasonable approximation to fair value. Hence, we did not impute any impairment or revaluation adjustment to the carrying value.

(e) **Cash and cash equivalents**

Comprise the following:

Cash and cash equivalents	Carrying value as at 30 Jun 2026
	RM'000
• Cash and bank balances	44,345
• Deposits with licensed financial institutions	8,128
• Short-term money market instruments	59,910
Total	112,383

The Tong Herr Group's cash and cash equivalents are liquid financial assets. Hence, their respective carrying value is a close approximation to fair value.

(f) **Other property assets**

Comprise 6 residential property assets of the Tong Herr Group, which are not for the direct manufacturing business use of the Tong Herr Group. Please refer to **Attachment II** of this IAL for the details of these immaterial property assets.

We note that the individual carrying value of these property assets comprises less than 0.1% of the Tong Herr Group's total assets value (or collectively, comprise approximately 2.0% of the Tong Herr Group's total property assets value). Thus, we are of the view that these property assets are immaterial. Hence, any revaluation surplus or deficits to be derived from the revaluation of these assets are not expected to have a material impact to the estimated equity value of the Tong Herr Group. Accordingly, we did not rely on a revaluation analysis and had adopted their respective carrying value as fair value.

(g) **Other assets**

Comprise mainly prepayment, derivatives and tax assets, which are not subject to revaluation. In addition, given that the Tong Herr Group has on-going business activities, the carrying value of these assets are expected to be realisable in its ordinary course of business and hence, approximates to its fair value.

5.5.2 Revaluation analysis of material property assets

We wish to note to you that Tong Herr had commissioned the Independent Property Valuer to appraise the market value of its material property assets. Hence, in carrying our RNAV valuation analysis on the Tong Herr Group, we had reviewed the valuation reports issued by the Independent Property Valuer for the material property assets set out in **Section 5.5.1 Note (a)** above. We wish to highlight the following salient information to you:

(i) **Basis of valuation**

The basis of valuation adopted is "**Market Value**", which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This basis of valuation is appropriate and reasonable as it is within arm's length principle.

(ii) Valuation Standards

The valuation reports have been prepared in accordance with the Asset Valuation Guidelines issued by the SC and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. These valuation standards are appropriate and reasonable as they are commonly used valuation standards.

(iii) Valuation Date

The valuation date adopted was 30 June 2026, which is a rather recent date of valuation and less than 6 months from the LTD and LPD. Hence, the selected date of valuation is appropriate and reasonable.

(iv) Valuation methodology

The following primary valuation methodologies, where applicable, have been applied by the Independent Property Valuer to compute the estimated market value of the Tong Herr Group's material property assets:

Methodology	Description		
Comparison method	Under the comparison approach, the subject property's market value is arrived at based on transacted valuation of recent sales of similar properties and after making relevant adjustment for key differences between the subject property and the selected comparable such as location, time, size, tenure and other relevant factors. This methodology is a commonly used valuation methodology for valuing a commercial property when there are adequate number of suitable comparable for the valuer to extrapolate the estimated market value of the subject property.		
Cost approach	Under the cost approach, the subject property's market value is arrived at based on the aggregate market values of its land and buildings. Under this valuation methodology, market value of the subject property's land and buildings are separately valued using a different valuation methodology, as follows: <table><tr><td>Land</td><td> The Independent Property Valuer had adopted the comparison approach to estimate the market value of the subject property's land. Under the comparison approach, the market value of land is arrived at based on valuation of recent sales/offer for sales of similar lands, and after making relevant adjustment for the key differences between the subject land and its comparable such as location, time, size, tenure and other relevant factors. Improvement on the site, if any, will also be accounted for in arriving at the estimated market value of the subject property's land. </td></tr></table>	Land	The Independent Property Valuer had adopted the comparison approach to estimate the market value of the subject property's land. Under the comparison approach, the market value of land is arrived at based on valuation of recent sales/offer for sales of similar lands, and after making relevant adjustment for the key differences between the subject land and its comparable such as location, time, size, tenure and other relevant factors. Improvement on the site, if any, will also be accounted for in arriving at the estimated market value of the subject property's land.
Land	The Independent Property Valuer had adopted the comparison approach to estimate the market value of the subject property's land. Under the comparison approach, the market value of land is arrived at based on valuation of recent sales/offer for sales of similar lands, and after making relevant adjustment for the key differences between the subject land and its comparable such as location, time, size, tenure and other relevant factors. Improvement on the site, if any, will also be accounted for in arriving at the estimated market value of the subject property's land.		

Methodology	Description		
Cost approach (Cont'd)	<table border="1"> <tr> <td>Building</td><td> The Independent Property Valuer adopted the replacement cost approach to estimate the market value of the subject property's building. Under the replacement cost approach, the Independent Property Valuer will estimate the total current construction costs required to re-construct a similar building as new, whilst making due allowances for obsolescence, and physical condition of the building. </td></tr> </table> This valuation methodology is a commonly used valuation methodology for valuing commercial properties that has sizeable land with re-development potential.	Building	The Independent Property Valuer adopted the replacement cost approach to estimate the market value of the subject property's building. Under the replacement cost approach, the Independent Property Valuer will estimate the total current construction costs required to re-construct a similar building as new, whilst making due allowances for obsolescence, and physical condition of the building.
Building	The Independent Property Valuer adopted the replacement cost approach to estimate the market value of the subject property's building. Under the replacement cost approach, the Independent Property Valuer will estimate the total current construction costs required to re-construct a similar building as new, whilst making due allowances for obsolescence, and physical condition of the building.		

In addition to the above primary valuation methodology, the Independent Property Valuer had also adopted the following valuation methodology as the check method:

Methodology	Description
Investment method of income approach	- Under the investment method of income approach, the subject property's market value is being arrived at based on its estimated net annual rental income and prevailing yield rate. - In estimating the subject property's net annual rental income, outgoings, such as property taxes, repairs and maintenance costs, insurance and management fees will be deducted from the estimated gross annual rental income. Thereafter, the estimated net annual rental income is capitalised at a selected yield rate, to which the subject property's market value will then be arrived at. - In our view, as the Tong Herr Group's material property assets are currently held for its on-going manufacturing business use instead of holding it as an investment asset, the application of investment method of income approach, which values the properties from an investment income perspective, as the check method is acceptable as it mainly serves as a cross-check to the primary valuation method.

We had reviewed the valuation reports prepared by the Independent Property Valuer for the Tong Herr Group's material property assets.

Based on the valuation reports prepared by the Independent Property Valuer, we are of the view that the valuation methodologies, including the key bases and assumptions used by the Independent Property Valuer in arriving the estimated market value of the Tong Herr Group's material property assets are reasonable and consistent with generally applied valuation methodologies. Accordingly, we are satisfied with the reasonableness of the Independent Property Valuer's assessment and had relied upon such valuation for the purpose of computing the RNAV of Tong Herr Group.

Set out below is our revaluation analysis:

No.	Description	Valuation methods and the resultant valuation derived	(A)		(B)		(C)=(A)-(B)		(D)		(E)=(C)-(D)		(F)	
			Market value	Unaudited carrying value as at 30 June 2026	Gross revaluation surplus / (deficit)	Deferred tax	Net revaluation surplus / (deficit)	Herr's share of net revaluation surplus / (deficit)						
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(1)	Brief description	: A double-storey semi-detached factory	4,500	1,888	2,612	(aa)261	2,351						959	
	Lot/Title No.	: Lot 66390, PN 13615, Mukim of Pulai, District of Johor Bahru, State of Johor												
	Property address	: No. 14, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor Darul Tazim												
	Registered owner	: ACME Aluminium Sdn Bhd, a 40.80%-owned subsidiary of Tong Herr												
	Gross land area	: Approximately 21,786 sq. ft.												
	Gross floor area	: Approximately 11,448 sq. ft.												
	Category of Land use	: "Perusahaan"/ Industrial												
	Tenure	: 991-year leasehold, expiring on 3 September 2911												
	Date of acquisition	: 21 February 2006												
	Date of valuation	: 30 June 2026												
	Occupancy	: Occupied as the warehouse for trading of aluminium extrusion products and parts												
	Endorsement	: "Lot untuk Bumiputera"												

No.	Description	Valuation methods and the resultant valuation derived	(A)		(B)		(C)=(A)-(B)		(D)		(E)=(C)-(D)		(F)	
			Market value	RM'000	Unaudited carrying value as at 30 June 2026	RM'000	Gross revaluation surplus / (deficit)	RM'000	Deferred tax	RM'000	Net revaluation surplus / (deficit)	RM'000	Herr's share of net revaluation surplus / (deficit)	RM'000
(2)	Brief description	: An individually designed detached industrial premise		37,000	14,456	22,544								
	Lot/Title No.	: Lot Nos. 3151 and 3150 registered upon Nos. PN 2528, and PN 2521, Mukim 06, District of Seberang Perai Tengah, State of Pulau Pinang												
	Postal address	: No. 1058, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang												
	Registered owner	: (i) PN 2528: Tong Heer Aluminium Industries Sdn Bhd, a 51%-owned subsidiary of Tong Herr. (ii) PN 2521: Hwang Shin Industrial (M) Sdn Bhd, a 51%-owned subsidiary of Tong Herr.												
	Gross land area	: Approximately 375,046 sq. ft. in total												
	Gross floor area	: Approximately 172,256 sq. ft. in total												
	Category of Land use	: "Perusahaan" / Industrial												
	Tenure	: (i) PN 2528: 60-year leasehold expiring on 11 May 2052 (ii) PN 2521: 60-year leasehold expiring on 21 February 2052												
	Date of acquisition	: 21 November 2003 for both lots												
	Date of valuation	: 30 June 2026												
	Occupancy	: Occupied as plant for extrusion and fabrication of aluminium products												

No.	Description	Valuation methods and the resultant valuation derived	(A)	(B)	(C)=(A)-(B)	(D)	(E)=(C)-(D)	(F)
			Market value	Unaudited carrying value as at 30 June 2026	Gross revaluation surplus / (deficit)	Deferred tax	Net revaluation surplus / (deficit)	Herr's share of net revaluation surplus / (deficit)
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(3)	Brief description	: An individually designed detached industrial premises	92,000	11,564	80,436	(aa)8,044	72,392	72,392
	Lot/Title No.	: Lot PT 2721 (Surveyed Lot 4827) and Lot 6349 registered upon Nos. HSD 38793 and PN 9350, Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang						
	Property address	: No. 2515, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang						
	Registered owner	: Tong Heer Fasteners Co. Sdn Bhd, a wholly-owned subsidiary of Tong Herr						
	Gross land area	: Approximately 769,371 sq. ft. (surveyed 769,769 sq. ft.) in total						
	Gross floor area	: Approximately 507,191 sq. ft. in total						
	Category of Land use	: "Perusahaan" / Industrial						
	Tenure	: (i) HSD 38793: 60-year leasehold expiring on 11 June 2049 (ii) PN 9350: 99-year leasehold expiring on 7 November 2049						
	Date of acquisition	: (i) HSD 38793: 22 January 2002 (ii) PN 9350: 18 April 2014						
	Date of valuation	: 30 June 2026						
	Occupancy	: Occupied as plant for manufacturing of stainless steel fasteners						

No.	Description	Valuation methods and the resultant valuation derived	(A)		(B)		(C)=(A)-(B)		(D)		(E)=(C)-(D)		(F)	
			Market value		Unaudited carrying value as at 30 June 2026		Gross revaluation surplus / (deficit)		Deferred tax		Net revaluation surplus / (deficit)		Herr's share of net revaluation surplus / (deficit)	
			RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
(4)	Brief description	: An individually designed industrial premises	(ee)21,500		6,742		14,758		(bb)2,952		11,806		11,805	
	Lot/Title No.	: Lot No. 103, No. 6035												
	Property address	: No. 700/553, Moo 7, Don Hua Lo Sub-district, Muang Chonburi District, Chonburi Province, Thailand												
	Registered owner	: Tong Heer Fasteners (Thailand) Company Limited, a 99.99% owned subsidiary of Tong Herr												
	Gross land area	: Approximately 270,561 sq. ft.												
	Gross floor area	: Approximately 151,427 sq. ft.												
	Category of Land use	: "Perusahaan" / Industrial												
	Tenure	: Perpetuity (i.e. freehold)												
	Date of acquisition	: 27 December 2004												
	Date of valuation	: 30 June 2026												
	Occupancy	: Occupied as plant for manufacturing of stainless steel fasteners												

No.	Description	Valuation methods and the resultant valuation derived	(A)		(B)		(C)=(A)-(B)		(D)		(E)=(C)-(D)		(F)	
			Market value		Unaudited carrying value as at 30 June 2026		Gross revaluation surplus / (deficit)		Deferred tax		Net revaluation surplus / (deficit)		Herr's share of net revaluation surplus / (deficit)	
			RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
(5)	Brief description	: An individually designed industrial premise	(ee)49,000		34,765		14,235		(bb)2,847		11,388		11,387	
	Lot/Title No.	: Lot No. 5167, No. 162076												
	Property address	: No. 150/69, Moo 9, Nong Kham Sub-district, Sriracha District, Chonburi Province, Thailand												
	Registered owner	: Tong Heer Fasteners (Thailand) Company Limited, a 99.99% owned subsidiary of Tong Herr												
	Gross land area	: Approximately 1,296,286 sq. ft.												
	Gross floor area	: Approximately 274,819 sq. ft.												
	Category of Land use	: "Perusahaan" / Industrial												
	Tenure	: Perpetuity (i.e. freehold)												
	Date of acquisition	: 2 September 2011												
	Date of valuation	: 30 June 2026												
	Occupancy	: Occupied as plant for manufacturing of stainless steel fasteners												

No.	Description	Valuation methods and the resultant valuation derived	(A)		(B)		(C)=(A)-(B)		(D)		(E)=(C)-(D)		(F)	
			Market value	RM'000	Unaudited carrying value as at 30 June 2026	RM'000	Gross revaluation surplus / (deficit)	RM'000	Deferred tax	RM'000	Net revaluation surplus / (deficit)	RM'000	Herr's share of net revaluation surplus / (deficit)	RM'000
(6)	Brief description	: 1 unit of double-storey detached house	(ee)3,300		4,570		(1,270)		-		(1,270)		(1,270)	
	Lot/Title No.	: Lot No. 690, No. 187153												
	Property address	: No. 319, Moo 3, Inside Panya Resort Project, Mueang Sub-district, Muang Chonburi District, Chonburi Province, Thailand												
	Registered owner	: Tong Heer Fasteners (Thailand) Company Limited, a 99.99%-owned subsidiary of Tong Herr												
	Gross land area	: Approximately 18,342 sq. ft.												
	Gross floor area	: Approximately 6,545 sq. ft.												
	Category of Land use	: Residential												
	Tenure	: Perpetuity (i.e. freehold)												
	Date of acquisition	: 7 Nov 2015												
	Date of valuation	: 30 June 2026												
	Occupancy	: Occupied as workers' accommodation												
	Total		207,300		73,985		133,315		16,358		116,957		105,621	

Notes:

- (aa) In Malaysia, a 10% real property gains tax will be levied on a Malaysia corporate for sale of property assets held for more than 6 years (Source: PWC Worldwide Tax Summaries).

As the Tong Herr Group has owned these property assets for more than 6 years, a 10% real property gains tax has been imputed onto the gross revaluation surplus.

- (bb) In Thailand, unless otherwise specified, all capital gains earned by a Thai corporate are generally treated as ordinary revenue for tax purposes (Source: PWC Worldwide Tax Summaries).

Hence, a 20% statutory corporate tax rate of Thailand has been imputed onto the gross revaluation surplus.

- (cc) Being Tong Herr's proportionate share of the net revaluation surplus / (deficit), which was computed based on Tong Herr's effective interest in the registered owner of the respective properties held.

- (dd) The differences in valuation between the primary and check method valuation for the property assets is mainly due to differences in the parameters and the set of comparable used to infer valuation under the primary method (which is based on valuation of comparable property that are recently sold or offered for sale) and the check method (which is based on current rental rate of comparable property within the vicinity of the subject property and capitalised at a selected yield rate).

Given that these property assets are currently held by Tong Herr Group for its existing business use, instead of holding it for investment or rental purposes, we are of the view that the primary methodology of valuation, which is the cost approach, is viewed to be a more suitable valuation methodology to arrive at the market value of the respective property asset.

- (ee) The derived market value was translated into the RM based on the stipulated exchange rate of THB8.3048/RM as at the valuation date of 30 June 2026. For reference, the market value of the respective properties in THB is as follows:

No.	Properties	THB'000
(1)	<u>An individual designed industrial premises</u> No. 700/553, Moo 7, Don Hua Lo Sub-district, Muang Chonburi District, Chonburi Province, Thailand	178,553
(2)	<u>An individual detached industrial premise</u> No. 150/69, Moo 9, Nong Kham Sub-district, Sriracha District, Chonburi Province, Thailand	406,935
(3)	<u>A double-storey detached house</u> No. 319, Moo 3, Inside Panya Resort Project, Mueang Sub-district, Muang Chonburi District, Chonburi Province, Thailand	27,406

- (ff) For clarity, there was no check method being performed for the valuation of this property as it was developed as a custom-built asset. Hence, the Independent Property Valuer had only considered the cost approach to be the only suitable valuation methodology.

5.5.3 Estimated fair value of Tong Herr Shares under the RNAV valuation methodology

Based on the above, we derived that the estimated fair value of each Tong Herr Share, valued under the RNAV valuation methodology, is approximately RM4.13 per Share, as follows:

RNAV Valuation Analysis	RM'000
The Tong Herr Group's unaudited NA as at 30 June 2026	528,474
Add: Net revaluation surplus / (deficit) arising from revaluation of the following material property assets:	
– No. 14, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor Darul Tazim	959
– No. 1058, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	10,348
– No. 2515, Tingkat Perusahaan 4A, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	72,392
– No. 700/553, Moo 7, Don Hua Lo Sub-district, Muang Chonburi District, Chonburi Province, Thailand	11,805
– No. 150/69, Moo 9, Nong Kham Sub-district, Sriracha District, Chonburi Province, Thailand	11,387
– No. 319, Moo 3, Inside Panya Resort Project, Mueang Sub-district, Muang Chonburi District, Chonburi Province, Thailand	(1,270)
	105,621
Estimated RNAV of the Tong Herr Group	634,095
Estimated fair value per Tong Herr Share (RM)	(a)4.13

Note:

- (a) Calculated based on Tong Herr's total issued shares as at the LTD of 153,517,700 Tong Herr Shares, excluding 3,912,300 treasury shares.

5.6 Our assessments and comments on the fairness of the Proposed SCR

Based on the above, we view the Proposed SCR as **NOT FAIR** as the Offer Price represents a discount of approximately 38.3% to our estimated fair value of each Tong Herr Share of RM4.13 as follows:

Estimated fair value per Tong Herr Share	RM4.13
Offer Price	RM2.55
Discount represented by the Offer Price	
• RM	1.58
• %	38.3

In addition, we also note that the Offer Price represents:

- a discount of approximately RM0.89 or 25.9% to the unaudited consolidated NA per Share of Tong Herr as at 30 June 2026 of RM3.44; and
- a discount of approximately RM0.92 or 26.5% to the audited consolidated NA per Share of Tong Herr as at 31 December 2025 of RM3.47.

Notwithstanding the above, we wish to note to you that, as set out in **Section 5.5.1** above, the Tong Herr Group's assets comprise mainly inventories, property assets and cash and cash equivalents. The Tong Herr Group's material property assets are currently in use by the Tong Herr Group for its day-to-day business operations and not for investment purposes. Thus, the estimated market value of its material property assets may not represent its immediate realisable value as the monetisation of such properties, if any, would require the Tong Herr Group to consider, among others, the continuity of its existing operations and the availability of alternative premises.

Further, we note from **Section 5 of Part A** of this Document that the Joint Offerors do not have any plan to liquidate any companies within the Tong Herr Group, nor to dispose any major assets or to undertake any major redeployment of the fixed assets of the Tong Herr Group. Hence, the estimated fair value of Tong Herr Shares may not necessarily represent its immediate value in cash. For information, the Tong Herr Group's net cash per Share as at 30 June 2026 is approximately ^(a)RM0.63, which represents approximately 24.7% of the Offer Price of RM2.55.

Premised on the above consideration, you are advised to also consider other evaluation as set out in this IAL for a comprehensive assessment of the Proposed SCR, and not to rely on the valuation of Tong Herr Shares as the sole criteria in evaluating the Proposed SCR.

Note:

(a) Calculated as follows:

As at 30 June 2026	RM'000
Total cash and cash equivalents	112,383
Less: Total bank borrowings	(15,872)
Net cash	96,511
 No. of issued Shares (excluding 3,912,300 treasury shares) ('000)	 153,518
 Net cash per Share (RM)	 0.63

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6. REASONABLENESS OF THE PROPOSED SCR

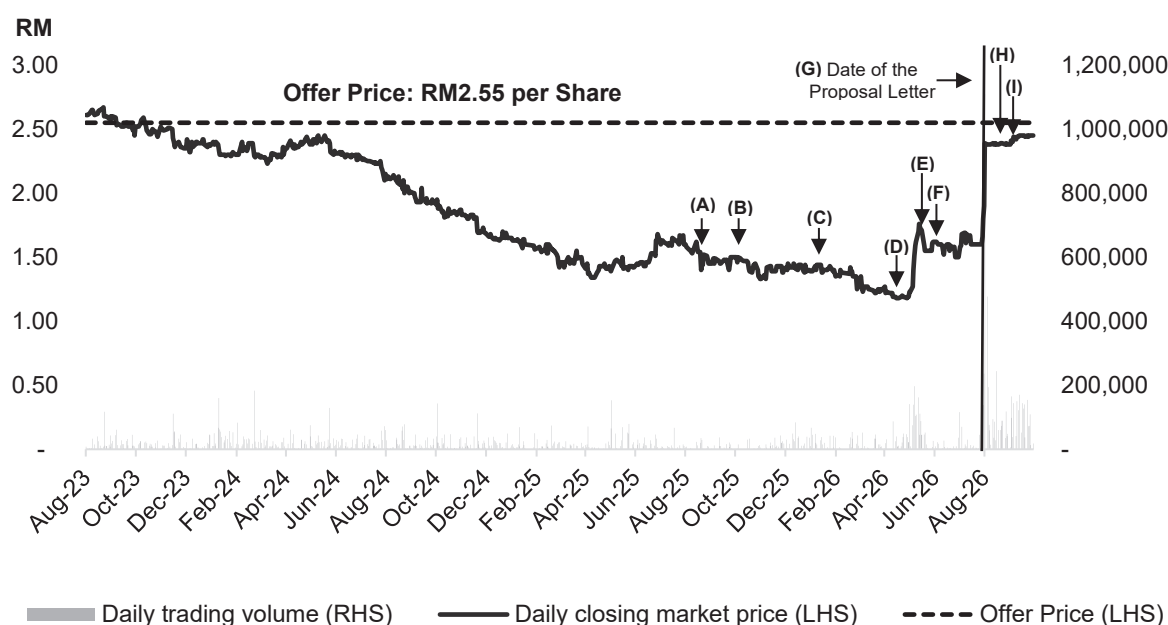
6.1 Historical market prices of Tong Herr Shares

We noted that the Offer Price is yielding the following premiums over the following historical closing market prices/ VWAPs of Tong Herr Shares:

	Market Price/ VWAP	Premium of the Offer Price over the Market Price/VWAP	
	RM	RM	%
Up to and including the LTD:			
– Last traded market price	1.8000	0.7500	41.7
– 5-day VWAP	1.6716	0.8784	52.6
– 1-month VWAP	1.6283	0.9217	56.6
– 3-month VWAP	1.5616	0.9884	63.3
– 6-month VWAP	1.4672	1.0828	73.8
– 1-year VWAP	1.4506	1.0994	75.8
– 2-year VWAP	1.5539	0.9961	64.1
– 3-year VWAP	1.8569	0.6931	37.3
Up to and including the LPD:			
– Last traded market price	2.4500	0.1000	4.1
– 5-day VWAP	2.4484	0.1016	4.1

(Source: Bloomberg L.P.)

In evaluating the Offer Price, we had considered the historical market price performances of the Tong Herr Shares. The graph below sets out the historical daily closing market price of the Tong Herr Shares relative to the Offer Price for the past 3 years prior to the LTD and up to and including the LPD:



(Source: Bloomberg L.P.)

Based on the above, we observed that, for the past 3 years up to and including the LTD, the Tong Herr Shares were generally trading below the Offer Price, save for the intermittent period between 7 August 2023 to 17 October 2023, where the closing market price of Tong Herr Shares ranged between RM2.56 to RM2.67, for approximately 23 market days or 3.6% of the total market days during the periods under review of 643 days.

We further noticed that, for the past 3 years up to and including the LTD, Tong Herr has not undertaken any material corporate exercises that requires the approvals of its shareholders, and there have been no fundamental changes to the principal business activities of the Tong Herr Group over the said period under review. Further, save for Tong Herr's announcements relating to its annual and quarterly financial results, there were no other significant announcements made by Tong Herr that relates to its business for the past 3 years up to and including the LTD. Hence, fluctuations in the market prices of Tong Herr Shares over the past 3 years up to and including the LTD may have been largely attributable due to market factors such as financial performance and prospects of the Tong Herr Group, liquidity of the Tong Herr Shares, market sentiments, economic outlook, industry prospects and/or other relevant macroeconomic and company specific factors.

For information purposes, the significant announcements made by Tong Herr, which may have a material impact on the recent market price of Tong Herr Shares for the past 12 months prior to the LTD and up to and including the LPD are as follows:

Annotation	Date	Significant announcement
(A)	25 August 2025	Announcement of the Tong Herr Group's unaudited financial results for the 6-month FPE 30 June 2025, whereby the Tong Herr Group recorded a quarterly PAT of RM0.9 million as compared to a PAT of RM3.8 million in the preceding year corresponding period.
(B)	21 November 2025	Announcement of the Tong Herr Group's unaudited financial results for the 9-month FPE 30 September 2025, whereby the Tong Herr Group recorded a quarterly PAT of RM1.3 million as compared to a loss after tax (" LAT ") of RM7.8 million in the preceding year corresponding period.
(C)	26 February 2026	Announcement of the Tong Herr Group's unaudited financial results for the FYE 31 December 2025, whereby the Tong Herr Group recorded a quarterly LAT of RM0.4 million as compared to a PAT of RM7.1 million in the preceding year corresponding period.
(D)	24 April 2026	Announcement of Tong Herr's 2025 annual report, whereby the Tong Herr Group recorded an audited PAT of RM8.7 million in the FYE 31 December 2025 as compared to a PAT of RM7.6 million in the FYE 31 December 2024.

Annotation	Date	Significant announcement
(E)	25 May 2026	Announcement of: (i) the Tong Herr Group's unaudited financial results for the 3-month FPE 31 March 2026, whereby the Tong Herr Group recorded a quarterly PAT of RM6.7 million as compared to a PAT of RM7.0 million in the preceding year corresponding period; and (ii) outcome of 29th Annual General Meeting ("AGM") of Tong Herr, where the following resolutions were duly approved by the shareholders of Tong Herr: • Approval of the payment of a final single-tier dividend of RM0.033 per share for the FYE 31 December 2025; • Re-election of Mr. Tsai Yi Ting, Datin Nik Haslinda Binti Nik Mohd Hashim and Mr. Soon Gim Wooi as a Director of Tong Herr. • Re-appointment of Messrs. Crowe Malaysia PLT as Auditors for the FYE 31 December 2026 and authorisation for the Board to determine their remuneration. • Approval of Directors' fees and benefits amounting to RM150,000 from this AGM up to the date of the next AGM. • Approval of the authority to issue shares and waiver of pre-emptive rights. • Renewal of the authority for the Company to purchase its own shares. • Renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature. All resolutions were passed with 100% voting for.
(F)	3 June 2026	Ex-date for the final single tier dividend of RM0.033 per Tong Herr Share for the FYE 31 December 2025.
(G)	6 August 2026	Announcement of receipt of the Proposal Letter.
(H)	24 August 2026	Announcement of the Tong Herr Group's unaudited financial results for the 6-month FPE 30 June 2026, whereby the Tong Herr Group recorded a quarterly PAT of RM10.7 million as compared to a PAT of RM0.9 million in the preceding year corresponding period.
(I)	7 September 2026	Announcement of the Proposed SCR.

(Source: Bursa Securities)

Save as disclosed above, there were no other material announcements made by Tong Herr Group that may have contributed to the movement in the market price of Tong Herr Shares.

Based on the above historical market price analysis of the Tong Herr Shares for the past 3 years up to and including the LTD, the Proposed SCR represents an opportunity for you to realise your investment in the Tong Herr Shares for cash at the Offer Price, whereby the Offer Price represents **a premium of:**

- (i) **41.7%** over the last transacted market price of the Tong Herr Share as at the LTD;
- (ii) **between 37.3% and 75.8%** over the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs of Tong Herr Shares up to and including the LTD;
- (iii) **4.1%** over the last transacted market price of Tong Herr Share as at the LPD; and
- (iv) **4.1%** over the 5-day VWAP of Tong Herr Share up to and including the LPD.

Accordingly, the Proposed SCR represents an exit opportunity which may not have been otherwise immediately available to you, given that the Tong Herr Shares had not traded above the Offer Price for the past 3 years up to and including the LTD, save for the intermittent period between 7 August 2023 to 17 October 2023, whereby the closing market price of Tong Herr Shares ranged between RM2.56 to RM2.67, for approximately 23 market days or 3.6% of the total market days during the periods under review of 643 days.

6.2 Historical trading liquidity of Tong Herr Shares

6.2.1 Average monthly volume traded over free float of Tong Herr Shares for the past 3 years up to July 2026 (being the last full trading month prior to the LTD)

We observed that the Tong Herr Shares were thinly traded for the past 3 years up to July 2026 (being the last full trading month prior to the LTD), as it merely recorded an average monthly volume traded over free float of between 0.9% to 1.0%, over the said periods under review, as summarised below:

Periods	Total volume traded	Average monthly volume traded	Average monthly volume traded over free float %
12-months			
• August 2023 – July 2024	4,869,352	405,779	1.04
• August 2024 – July 2025	4,101,717	341,810	0.87
• August 2025 – July 2026	4,360,320	363,419	0.93
3-years			
August 2023 – July 2026	13,331,389	370,316	0.95

The low trading liquidity of Tong Herr Shares for the past 3 years up to and including the LTD may potentially be due to the relatively low number of free float shares. For illustrative purposes, as at the LTD, there were 157,430,000 Tong Herr Shares in issue, of which 3,912,300 Shares were held as treasury shares by Tong Herr and a total of 114,421,402 Shares were held by Tong Herr's Directors, substantial shareholders and persons connected to them. In this regard, the total number of free float Shares stood at 39,096,298 Shares, which represents approximately 25.5% of the total number of Tong Herr Shares in issue, excluding 3,912,300 treasury shares.

Given the historically low trading liquidity of Tong Herr Shares over the periods under review, you may have difficulty to monetise your investment in the Tong Herr Shares. Hence, the Proposed SCR represents an exit opportunity for you to monetise your investment in Tong Herr Shares at the Offer Price, which is at premiums to the historical market prices of the Tong Herr Shares as set out in **Section 6.1** of this IAL.

6.2.2 Average monthly volume traded over free float of Tong Herr Shares as compared to Bursa Malaysia's Industrial Products and Services Index ("KLPRO Index"), being the listing sector of Tong Herr

To further assess the historical trading liquidity of the Tong Herr Shares, we had compared the monthly volume traded over free float shares of the Tong Herr Shares, against the KLPRO Index.

Set out below is the analysis of the monthly volume traded over free float shares of the Tong Herr Shares the past 12-month period up to July 2026 (being the last full trading month prior to the LTD):

Month	^(a)Monthly volume traded	Monthly volume traded over ^(b)free float %
<u>2025</u>		
– August	175,300	0.45
– September	144,300	0.37
– October	112,400	0.29
– November	165,500	0.42
– December	466,173	1.19
<u>2026</u>		
– January	436,650	1.12
– February	241,200	0.62
– March	250,801	0.64
– April	385,900	0.99
– May	^(c) 1,450,000	3.71
– June	146,900	0.38
– July	385,900	0.99
Simple average	363,419	0.93
Simple average (excluding outlier)	264,639	^(c)0.68

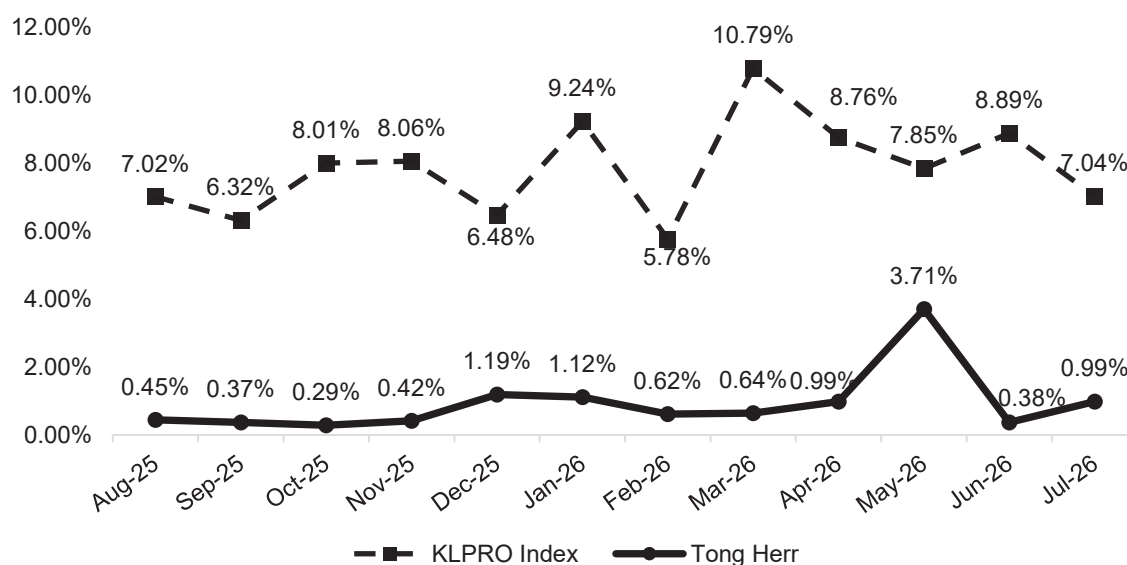
(Source: Bloomberg L.P.)

Notes:

- (a) Based on announcements made by Tong Herr to Bursa Securities for the past 3 years up to July 2026, we observed that there have been no trading of Tong Herr Shares by Tong Herr's Directors and its substantial shareholders, as well as persons connected with them.
- (b) Free float of Tong Herr Shares refers to the total number of Tong Herr Shares in issue, excluding 3,912,300 Shares held by Tong Herr as treasury shares and the total number of Tong Herr Shares held by Tong Herr's Directors and substantial shareholders as well as persons connected to them as at the end of the respective month. As at the LTD, the total number of free float Shares stood at 39,096,298 Share.
- (c) Excludes the monthly volume traded over free float in the month of May 2026, due to its extreme deviation from the simple average value.

Please also refer to **Section 6.1** above for information on the significant announcements made by Tong Herr, which may have a material impact on the recent market price and trading liquidity of Tong Herr Shares for the past 12 months prior to the LTD and up to and including the LPD.

Set out below is the comparative analysis between Tong Herr's historical monthly volume traded over free float shares vis-à-vis the KLPRO Index's historical monthly volume traded over free float shares for the past 12 months up to July 2026 (being the last full trading month prior to the LTD):



(Source: Bloomberg L.P.)

Based on the above comparative analysis, we noted that the Tong Herr Shares exhibited relatively low trading liquidity, with a simple average monthly trading volume over free float of merely 0.93% or 0.68% (excluding outlier), over the last 12 months up to July 2026 (being the last full trading month prior to the LTD), as compared to 7.85% for the KLPRO Index over the same period.

We wish to highlight that our evaluation above is based on historical trading volume and levels of free floats of the Tong Herr Shares. The past trading liquidity of Tong Herr Shares, particularly for the period after the announcement of receipt of the Proposal Letter and up to the LPD, should not be relied upon in any way as an indication of the future liquidity of the Tong Herr Shares. In this regard, you should note that there is no certainty that the future liquidity of Tong Herr Shares will remain at the same level in the event the Proposed SCR is not successful. In addition, if the Joint Ultimate Offerors and the PACs increase their shareholdings via purchases from the open market, the liquidity of the Tong Herr Shares and the ability of the Non-Interested Shareholders to dispose of their Tong Herr Share in the open market may be further constrained.

6.3 Expected market price if the Proposed SCR is unsuccessful

As illustrated in **Section 6.1** above, we noted that the Tong Herr Shares were trading close to the Offer Price subsequent to Tong Herr's announcement of its receipt of the Proposal Letter. Such recent uptrend in the market price of Tong Herr Shares may have been largely due to market sentiments over the Proposed SCR and therefore, may not be an indication of the future market price performance of Tong Herr Shares. To assess this, we have analysed share price performance of listed offeree in Malaysia for the past 2 years, where the privatisation proposal (i.e. the offeror(s) have no intention to maintain the offeree's listing status) was unsuccessful:

Share price performance										
Before the receipt of take-over notice/ proposal letter				After the closing date of the offer						
Offeree	Offeror / Non-Entitled Shareholder(s)	Offer Price RM	Date of Offer Document/ Circular	Mode of take-over	Last trading date prior to the date of take-over notice/ proposal letter	Premium of the offer price over the last traded market price	1 day after the closing date of the offer	Variance of the share price and the offer price	3 months after the closing date of the offer	Variance of the share price and the offer price
Grand Enterprises Berhad	Tan Chee Hoe & Sons Sdn Bhd and Hotel Grand Central Limited	0.460	12 August 2024	Conditional Voluntary	0.370	24.32 %	0.465	1.09 %	0.370	(19.57) %
Kim Hin Industry Berhad	Kim Hin (Malaysia) Sdn Bhd and Chua Seng Huat	0.850	25 July 2025	Unconditional Voluntary	0.460	84.78	0.825	(2.94)	0.800	(5.88)
FACB Industries Incorporated Berhad	Magni Vantage Limited	1.600	11 August 2025	Conditional Voluntary	1.130	41.59	1.600	0.00	1.600	0.00
Genting Malaysia Berhad	Genting Berhad	2.350	3 November 2025	Unconditional Voluntary	2.140	9.81	2.250	(4.26)	2.100	(10.64)
DKSH Holdings (Malaysia) Berhad	DKSH Resources (Malaysia) Sdn Bhd	6.150	9 March 2026	Selective capital reduction	5.270	16.70	5.600	(8.94)	6.160	0.16
IJM Corporation Berhad	Sunway Berhad	3.150	3 February 2026	Conditional Voluntary	2.750	14.55	2.280	(27.62)	2.290	(27.30)

Based on the above precedent transactions analysis, it can be viewed that the market prices of the offeree's shares generally become lower than their respective offer price when the privatisation proposal does not subsequently take place. Hence, you are advised to note that, in the event the Proposed SCR is not approved and undertaken, there is no certainty that the Tong Herr Shares will continue to trade at its current price levels.

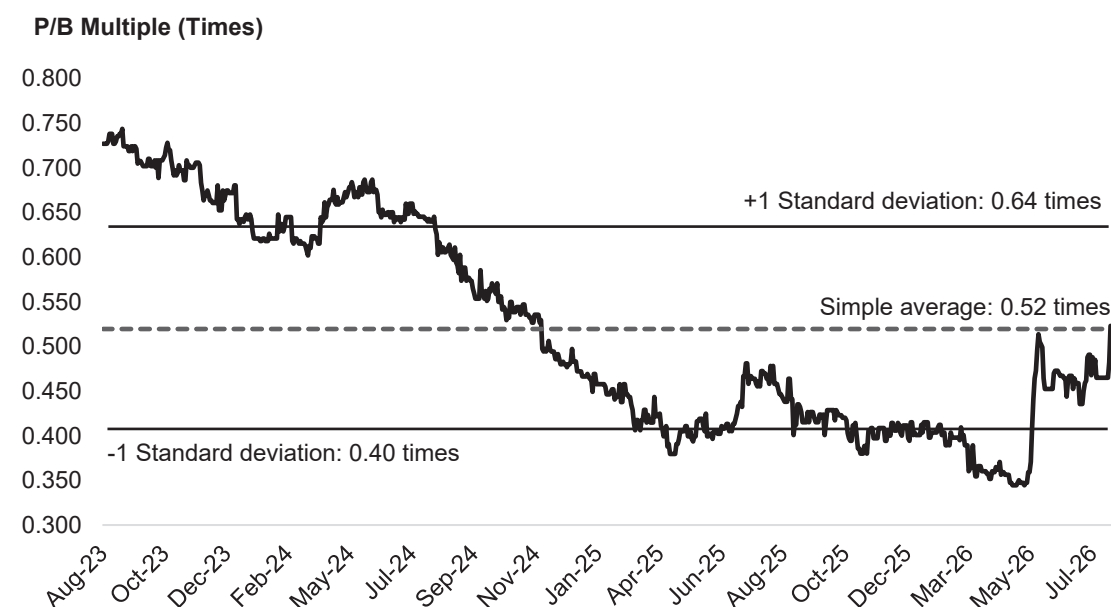
Pursuant to subparagraph 5(d) of Schedule 2: Part III of the Rules, we had evaluated the expected market price of Tong Herr Shares in the event that the Proposed SCR is unsuccessful.

In performing this evaluation, we had considered, amongst others, the historical market price performance of Tong Herr Shares for the past 3 years up to and including the LTD as well as historical financial results of the Tong Herr Group for the past 3 FYEs. As illustrated below, we noted that, over the past 3 FYEs, the Tong Herr Group recorded a rather stable and high NA value, as compared to its EPS which was rather erratic:

Parameters	Audited		
	FYE	FYE	FYE
	31 December 2023	31 December 2024	31 December 2025
	RM	RM	RM
NA per share	3.61	3.50	3.47
EPS	0.042	0.011	0.038

Considering that the Tong Herr Group has been able to record a stable and high NA value, we are of the view that an asset-based valuation approach would be a more objective perspective to estimate the expected market price of Tong Herr Shares, as compared to an earnings-based valuation approach, considering that Tong Herr Group's historical annual EPS were volatile, which in turn may result in anomalies valuation results.

Accordingly, we had relied on the Tong Herr Group's historical price-to-book valuation for the past 3 years up to and including the LTD, to estimate the expected market price of Tong Herr Shares in the event the Proposed SCR is not successful. Set out below is an analysis of the historical price-to-book multiple ("P/B Multiple") of the Tong Herr Group:



(Source: Bloomberg L.P.)

Based on the above, we note that for the past 3 years up to and including the LTD, the Tong Herr Shares were traded at an average P/B Multiple of 0.52 times, with a statistical range of 0.64 times (1 standard deviation up from the simple average of 0.52 times) and 0.40 times (1 standard deviation down from the simple average of 0.52 times).

As set out in the precedent transaction analysis above, we noted that the market price of offeree's shares generally become lower than their respective offer price, when the privatisation proposal does not subsequently take place. Thus, with reference to these precedent transactions, in the event the Proposed SCR is unsuccessful, the Tong Herr Shares may similarly lack support to maintain its current price levels and therefore, may potentially regress to its historical price levels.

Accordingly, based on historical P/B Multiple of the Tong Herr Shares for the past 3 years up to and including the LTD of between 0.4 times to 0.64 times, in the event the Proposed SCR is unsuccessful, the estimated market price of Tong Herr Shares may range between RM1.38 to RM2.20 within 1 day to 3 months from the date of Tong Herr's announcement of such outcome of its EGM, calculated as follows.

	<u>Low range</u>	<u>High range</u>
	RM	RM
Tong Herr Group's unaudited NA per Share as at 30 June 2026	^(a) 3.44	^(a) 3.44
Statistical range of P/B Multiple (times)	0.40	0.64
Estimated market price	1.38	2.20

Note:

- (a) Calculated based on Tong Herr Group's unaudited NA as at 30 June 2026 of RM528.5 million divided by total issued shares as at the LTD of 153,517,700 Tong Herr Shares, excluding 3,912,300 treasury shares.

Premised on the foregoing, given that the estimated market prices of Tong Herr Shares under such scenario may be lower than the Offer Price, the Proposed SCR offers an exit opportunity for you to monetise your investment in Tong Herr Shares at the Offer Price in cash, of which the Offer Price represents various premiums to historical average market prices of the Shares over the past 3 years up to and including the LTD as evaluated in **Section 6.1** above.

We wish to highlight that the above expected market price analysis is derived based on historical market prices of Tong Herr Shares as well as the historical P/B Multiple of the Tong Herr Shares and that such analysis is presented for reference and illustrative purposes only. You should note that the actual future market price of the Tong Herr Shares following the Proposed SCR may vary, potentially materially, due to a range of factors including, but not limited to, prevailing market conditions, investor sentiment, the future financial performance and prospects of the Tong Herr Group, as well as broader economic and regulatory developments.

6.4 No alternative proposal

As at the LPD, save for the Proposal Letter, Tong Herr has not received any alternative offer for the Tong Herr Shares or any offer to acquire the Tong Herr Group's assets and liabilities.

In addition, as set out in **Section 2.2 of Part A** of the Circular, as part of the covenant in the Proposal Letter, Tong Herr shall not enter into any discussion or negotiation, or agreement, with any other party in respect to the sale of the assets and liabilities of the Tong Herr Group or any privatisation proposal involving Tong Herr Group at any time until the completion of the Proposed SCR without the Joint Offerors' prior written consent. As such, unless the Joint Offerors provide their consents, any alternative proposal is unlikely to succeed.

We note that the Proposed SCR was undertaken in view of the voluntary request by the Joint Offerors to privatise Tong Herr by way of the Proposed SCR. Pursuant to the covenant in the Proposal Letter, any alternative proposal in respect of the privatisation of Tong Herr or sale of the Tong Herr Group's assets and liabilities is unlikely to succeed, unless the Joint Offerors provide their consents.

6.5 Level of control by the Joint Offerors

As set out in **Section 2.1 of Part A** of the Circular, as at the LPD, the Joint Offerors, Joint Ultimate Offerors and the PACs collectively hold an aggregate of 114,376,402 Tong Herr Shares, which represent a collective controlling stake of 74.5% equity interest in Tong Herr.

In view of the foregoing, the Non-Entitled Shareholders are able to exercise significant influence over the outcome of Tong Herr's shareholders' resolution(s) through casting of their votes, as they are able to:

- (i) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and
- (ii) oppose any special resolutions (requiring approval from at least 75% of the total votes cast),

unless they are required to abstain from voting on resolution(s) sought at general meeting(s) of Tong Herr.

Accordingly, as the Non-Entitled Shareholders hold a collective controlling stake of 74.5% in Tong Herr as at the LPD, any alternative proposal, including any proposal to acquire the assets and liabilities of the Tong Herr Group or to wind up the Tong Herr Group, is not expected to be successful without their support, unless they are required to abstain from voting on such resolution sought at the general meeting of Tong Herr.

Hence, in the absence of an alternative proposal, the Proposed SCR enable you to realise your investment in the Tong Herr Shares for cash at the Offer Price, which is at premiums to the historical market prices of the Tong Herr Shares for the past 2 years up to and including the LTD as set out in **Section 6.1** of this IAL, an option which may not readily be available due to the low trading liquidity of the Tong Herr Shares.

For information, as set out in **Section 2.1** of this IAL, the Interested Directors and Interested Major Shareholders will abstain and will ensure that all persons connected with them, which includes the persons acting in concert, will also abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, if any, on the Special Resolution.

6.6 Our view on the reasonableness of the Proposed SCR

Premised on our evaluation in **Sections 6.1 to 6.5** of this IAL, we are of the view that the Proposed SCR is **REASONABLE** as it provides an opportunity for you to realise your investment in Tong Herr Shares for cash at the Offer Price, of which the Offer Price represents **a premium of:**

- (i) **41.7%** over the last transacted market price of the Tong Herr Share as at the LTD;
- (ii) **between 37.3% and 75.8%** over the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs of Tong Herr Shares up to and including the LTD;
- (iii) **4.1%** over the last transacted market price of Tong Herr Share as at the LPD; and
- (iv) **4.1%** over the 5-day VWAP of Tong Herr Share up to and including the LPD.

Accordingly, the Proposed SCR represents an exit opportunity which may not otherwise have been available to you considering that, **for the past 3 years up to and including the LTD:**

- (i) the Tong Herr Shares had not traded above the Offer Price, save for the intermittent period between 7 August 2023 to 17 October 2023, where the closing market price of Tong Herr Shares ranged between RM2.56 to RM2.67, for approximately 23 market days or 3.6% of the total market days during the periods under review of 643 days; and
- (ii) the Tong Herr Shares exhibited low trading liquidity, which may have constrained your ability to monetise your investment in the Tong Herr Shares in the open market.

In addition, we also observed from precedent transactions as set out in **Section 6.3** of this IAL, market price of the offeree's shares generally become lower than their respective offer price when the privatisation proposal does not subsequently take place. Hence you should note that, in the event the Proposed SCR is not approved, there is no certainty that the Tong Herr Shares will continue to trade at its current price levels. As such, in the event the Proposed SCR is not approved and implemented, the market price of Tong Herr Shares may potentially fall below the Offer Price following Tong Herr's announcement of such outcome of the Proposed SCR. In such scenario, you may have limited opportunity to monetise your investment in the Tong Herr Shares in the future at the Offer Price.

Further, as at the LPD, there is no alternative offer for the Tong Herr Shares or any offer to acquire the assets and liabilities of Tong Herr Group. Moreover, as set out in **Section 2.2 of Part A** of the Circular, as part of the covenant in the Proposal Letter, Tong Herr shall not enter into any discussion or negotiation, or agreement, with any other party in respect to the sale of the assets and liabilities of the Tong Herr Group or any privatisation proposal involving Tong Herr Group at any time until the completion of the Proposed SCR without the Joint Offerors' prior written consent. As such, unless the Joint Offerors provide their consents, any alternative proposal is unlikely to succeed.

You should also note that, as at the LPD, the Non-Entitled Shareholders collectively hold an aggregate of 114,376,402 Tong Herr Shares, which represents a collective controlling stake of 74.5% equity interest in Tong Herr. Thus, the Non-Entitled Shareholders are able to exercise significant influence over the outcome of Tong Herr's shareholders' resolution(s) through casting of their votes as they are able to:

- (i) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and
- (ii) oppose any special resolutions (requiring approval from at least 75% of the total votes cast).

Accordingly, unless the Non-Entitled Shareholders are required to abstain from voting on resolution(s) sought at general meeting(s) of Tong Herr, any alternative proposal is not expected to be successful without their support.

7. RATIONALE FOR THE PROPOSED SCR

We note from **Section 4 of Part A** of this Document that the Proposed SCR is undertaken at the voluntary request of the Joint Offerors to privatise the Company. The rationale for the Joint Offerors to undertake the Proposed SCR are further detailed in **Section 4 of Part A** of this Document.

Our comments

Although the Proposed SCR will result in Tong Herr being privatised by the Joint Offerors, the Proposed SCR, on the other hand, offers a opportunity for you to realise your investment in Tong Herr Shares for cash at the Offer Price, considering that the Offer Price represents significant premiums to the historical market prices of the Tong Herr Shares for the majority of the past 3 years up to and including the LTD as set out in **Section 6.1** of this IAL.

We also noted that the Tong Herr Shares were thinly traded for the past 3 years up to July 2026 (being the last full trading month prior to the LTD), as it merely recorded an average monthly volume traded over free float of between 0.9% to 1.0%, over the said periods under review.

In addition, we also observed that the Tong Herr Shares exhibited relatively low trading liquidity, with a simple average monthly trading volume over free float of merely 0.93% or 0.68% (excluding outlier), over the last 12 months up to July 2026 (being the last full trading month prior to the LTD), as compared to 7.85% for the KLPRO Index over the same period. Given the low trading volume of the Tong Herr Shares, in the absence of the Proposed SCR, you may have limited opportunity to monetise your investment in Tong Herr Shares, especially those holding a significant block of Tong Herr Shares, in the open market.

We further observed that Tong Herr has not undertaken any equity fund raising exercises in the past 10 years. This may indicate that the Company's listing status has not been significant to itself in capital acquisition. Hence, the Proposed SCR, if successfully implemented, would enable Tong Herr to continue operating as a private company and therefore, dispense with the need of complying with the additional regulatory requirements as a listed company.

In this regard, the Joint Offerors' intention to undertake the Proposed SCR in order to accord the Tong Herr Group with greater flexibility to continue its business objectives, including any proposal to streamline its corporate structure to enhance its operational efficiency without the need to allocate resources to comply with the additional regulatory requirements as a listed company, is deemed to have reasonable ground of commercial justifications.

For avoidance of doubt, you are advised to note that in the event the Proposed SCR is unsuccessful 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, Tong Herr will remain listed on the Main Market of Bursa Securities.

8. FUTURE PLANS FOR THE TONG HERR GROUP

We note from **Section 5 of Part A** of this Document that, after completion of the Proposed SCR, the Non-Entitled Shareholders:

- (i) intend to continue with the existing businesses and operations of the Tong Herr Group and they do not have any immediate plans and/or intention to liquidate any companies within the Tong Herr Group. Nevertheless, the Non-Entitled Shareholders may, from time to time, review the businesses of the Tong Herr Group and make such necessary arrangements, rationalisation and reorganisation as they deem suitable and in the best interests of the Tong Herr Group;

- (ii) do not have any immediate plans to introduce any major changes to the existing businesses of Tong Herr Group, dispose of any major assets or undertake any major redeployment of the fixed assets of the Tong Herr Group, except where such change, disposal and/or redeployment is deemed necessary as part of the process to rationalise the business activities and/or directions of the Tong Herr Group or to improve the utilisation of resources, prospects and future growth of the Tong Herr Group; and
- (iii) do not have any immediate plans to dismiss or make redundant any existing employees of the Tong Herr Group by way of retrenchment exercise as a direct consequence of the Proposed SCR. However, there may be some changes in staff employment and redeployment of staff as a result of subsequent reviews, if any, by the Non-Entitled Shareholders based on the Tong Herr Group's human resources requirements, employment structure, role of individual employees, rationalisation of business activities and/or direction to further improve productivity and efficiency of the operations of the Tong Herr Group.

Notwithstanding the above, the Non-Entitled Shareholders shall retain the flexibility to consider any options or explore potential opportunities as they consider suitable and in the best interest of the Tong Herr Group which may include strategic investments and acquisition, rationalisation and/or restructuring of the Tong Herr Group.

Our comments

Premised on the foregoing, we are of the view that the businesses and management of Tong Herr is expected to remain the same in all material respects and that the Tong Herr Group is expected to continue as a going concern given the Non-Entitled Shareholders' intention to continue with the Tong Herr Group's existing businesses and operations and there is no immediate plan and/or intention to dispose of any major assets of the Tong Herr Group or to liquidate any company within the Tong Herr Group.

We further noted that, as at the LPD, the Non-Entitled Shareholders have not entered into any negotiations or arrangement or understanding with any third party in relation to any significant changes in the businesses, assets or shareholding structure of the Tong Herr Group.

9. HISTORICAL DIVIDEND YIELD OF TONG HERR SHARES

For information purposes, below is a summary of historical dividend distributions of Tong Herr for the past 3 financial years from FYE 31 December 2023 to FYE 31 December 2025:

	FYE 31 December 2023	FYE 31 December 2024	FYE 31 December 2025
	RM	RM	RM
Dividends per Share	^(a) 0.075	^(b) 0.033	^(c) 0.033
Average share price ^(d)	2.771	2.139	1.487
Dividend yield ^(e)	2.7%	1.5%	2.2%

(Source: Bloomberg L.P. and Tong Herr's announcements)

Notes:

- (a) The dividend announcement was made on 25 April 2024 and the entitlement date for the dividend was 4 June 2024.
- (b) The dividend announcement was made on 24 February 2025 and the entitlement date for the dividend was 4 June 2025.
- (c) The dividend announcement was made on 26 February 2026 and the entitlement date for the dividend was 4 June 2026.

- (d) Calculated based on average daily closing market price of the Tong Herr Shares for the respective financial year.
- (e) Calculated based on dividend per Tong Herr Shares divided by the average share price of the Tong Herr Shares. For clarity, given that the dividend yield is calculated based on average market share price during the respective financial years, such dividend yield has not taken into account any capital gains or losses that may arise.

Our comments

Based on our discussion with the Management, we noted that Tong Herr does not have a fixed dividend policy and that the Board's decision to declare dividends is based on various commercial considerations, such as the Tong Herr Group's prevailing financial position, results of operations, level of retained earnings and free cash flows as well as prevailing and future capital requirements. Accordingly, you are advised to note that as Tong Herr does not have a fixed dividend policy, there is no certainty that Tong Herr will continue to distribute dividends in the future.

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

Please refer to **Section 10 of Part A** of this Document for information on the interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them, together with their course of actions in relation to the Proposed SCR.

11. DIRECTORS' SHAREHOLDINGS AND INTENTION TO VOTE

As at the LPD, the Directors' interests, direct and indirect, in Tong Herr Shares are as follows:

Name	Direct		Indirect	
	No. of Shares	(a)%	No. of Shares	(a)%
<u>Interested Directors</u>				
– Tsai Ming Ti	2,020,402	1.31	(b)50,178,357	(b)32.69
– Tsai Yi Ting	198,000	0.13	(c)49,044,307	(c)31.95
– Tsai Pei Chen	731,100	0.48	(c)49,044,307	(c)31.95
– Tsai, Hung-Chuan	-	-	(d)61,191,043	(d)39.86
– Tsai, Chia-Yen	-	-	-	-
<u>Non-Interested Directors</u>				
– Tan Ban Leong	45,000	0.03	-	-
– Datin Nik Haslinda Binti Nik Mohd Hashim	-	-	-	-
– Rohaiza Binti Mohamed Basir	-	-	-	-
– Soon Gim Wooi	-	-	-	-

Notes:

- (a) Based on 153,517,700 Shares in issue, excluding 3,912,300 Shares held by Tong Herr as treasury shares as at the LPD.
- (b) 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 Tong Herr pursuant to subsection 59(11) of the Act.
- (c) Deemed interested by virtue of his/her shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act.
- (d) Deemed interested by virtue of his/her shareholdings in Allrich pursuant to subsection 8(4) of the Act.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR and will also abstain from voting in respect of their direct and/or indirect shareholdings in Tong Herr, on the Special Resolution to be tabled at the forthcoming EGM.

After taking into consideration our evaluation and recommendation as set out in this IAL and in line with the recommendation of the Non-Interested Directors to you to **vote in favour** of the Special Resolution to be tabled at the forthcoming EGM, the Non-Interested Director with interest in Tong Herr Shares, namely Tan Ban Leong, intends to **vote in favour** of the Special Resolution in respect of his interest in Tong Herr Shares.

For clarity, the other Non-Interested Directors with no interest in Tong Herr Shares, namely, Datin Nik Haslinda Binti Nik Mohd Hashim, Rohaiza Binti Mohamed Basir and Soon Gim Wooi, have no intention to purchase/dispose (if any) of the Tong Herr Shares.

12. FURTHER INFORMATION

You are advised to refer to the views and recommendation of the Non-Interested Directors as set out in **Section 14 of Part A** of this Document, accompanying appendices and other relevant information in this Document for further details in relation to the Proposed SCR.

13. CONCLUSION AND RECOMMENDATION

Before arriving at the decision to vote on the Proposed SCR at the forthcoming EGM, it is imperative that the Non-Interested Shareholders consider all relevant issues and implications raised in this IAL carefully, as well as those highlighted by the Board in its letter to shareholders of Tong Herr in relation to the Proposed SCR, as set out in **Part A** of this Document together with the accompanying appendices.

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

- (i) the term **"fair and reasonable"** is analysed as 2 distinct criteria, i.e. whether the Proposed SCR is **"fair"** and whether the Proposed SCR is **"reasonable"**, rather than as a composite term;
- (ii) the Proposed SCR 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 Tong Herr Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of Tong Herr Shares, the Proposed SCR is considered as **"not fair"**. In making the assessment, the value of Tong Herr Shares is determined based on the assumption that 100% of the issued share capital of Tong Herr is being acquired;
- (iii) in considering whether the Proposed SCR is **"reasonable"**, we have taken into consideration matters other than the valuation of Tong Herr Shares. Generally, the Proposed SCR would be considered **"reasonable"** if it is **"fair"**. Nevertheless, an independent adviser may view the Proposed SCR to be **"reasonable"** despite it being **"not fair"**, if the independent adviser is of the view that there are sufficiently strong reasons to accept the Proposed SCR in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, the Proposed SCR should be regarded as **"not reasonable"** and thus, the recommendation would be to reject the offer; and

- (iv) in the event the independent adviser concluded that the Proposed SCR 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 to this conclusion; and
 - (c) the course of action that the Non-Interested Shareholders are recommended to take pursuant to the conclusion.

We have assessed and evaluated the fairness and reasonableness of the Proposed SCR based on all relevant and pertinent factors as set out in **Sections 5 and 6** of this IAL.

Summarised below are our evaluation of the Proposed SCR, to which you should carefully consider before voting on the Special Resolution to be tabled at the forthcoming EGM:

Fairness	We view the Proposed SCR as NOT FAIR as the Offer Price represents a discount of: (i) <u>RM1.58 or 38.3%</u> to our estimated fair value of each Tong Herr Share of RM4.13; (ii) <u>RM0.89 or 25.9%</u> to the unaudited consolidated NA per Share of Tong Herr as at 30 June 2026 of RM3.44; and (iii) <u>RM0.92 or 26.5%</u> to the audited consolidated NA per Share of Tong Herr as at 31 December 2025 of RM 3.47. However, we wish to note to you that the Tong Herr Group’s assets comprise mainly inventories, property assets and cash and cash equivalents. In addition, the Tong Herr Group’s material property assets are currently in use by the Tong Herr Group for its day-to-day business operations, and not for investment purposes. Thus, the estimated market value of its material property assets may not represent its immediate realisable value as the monetisation of such properties, if any, would require the Tong Herr Group to consider, among others, the continuity of its existing operations and the availability of alternative premises. In addition, as set out in Section 5 of Part A of this Document, the Joint Offerors do not have any immediate plan to liquidate any companies within the Tong Herr Group, nor to dispose any major assets or to undertake any major redeployment of the fixed assets of the Tong Herr Group. Thus, as there is currently no plan for sale of the Tong Herr Group’s assets, the estimated fair value of Tong Herr Shares may not necessarily represent its immediate value in cash. For information, the Tong Herr Group’s net cash per Share as at 30 June 2026 is approximately RM0.63, which represents approximately 24.7% of the Offer Price of RM2.55. Accordingly, you are advised to also consider other evaluation as set out in this IAL for a comprehensive assessment of the Proposed SCR, and not to rely on the valuation of Tong Herr Shares as the sole criteria in evaluating the Proposed SCR.
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Reasonableness	We view the Proposed SCR as REASONABLE for the following reasons: (i) Historical market prices of Tong Herr Shares The Proposed SCR represents an opportunity for you to monetise your investment in the Tong Herr Shares for cash at the Offer Price, considering the Offer Price represents <u>premium of:</u> (a) <u>41.7%</u> over the last transacted market price of the Tong Herr Share as at the LTD; (b) <u>between 37.3% and 75.8%</u> over the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs of Tong Herr Shares up to and including the LTD; (c) <u>4.1%</u> over the last transacted market price of Tong Herr Share as at the LPD; and (d) <u>4.1%</u> over the 5-day VWAP of Tong Herr Share up to and including the LPD. Accordingly, this represents an exit opportunity which may not have been otherwise available to you, given that for the past 3 years up to and including the LTD: ➤ the Tong Herr Shares had not traded above the Offer Price, save for the intermittent period between 7 August 2023 to 17 October 2023, where the closing market price of Tong Herr Shares ranged between RM2.56 to RM2.67, for approximately 23 market days or 3.6% out of the total market days during the periods under review of 643 days; (ii) Historical trading liquidity of Tong Herr Shares The Tong Herr Shares were relatively illiquid, considering that, for the past 12-month period up to July 2026 (being the last full trading month prior to the LTD), the Tong Herr Shares merely recorded: (a) a simple average monthly trading volume of 363,419 Shares or 264,639 Shares (excluding outlier); and (b) a simple average monthly trading volume to free float shares of 0.93% or 0.68% (excluding outlier). Given the historically low trading liquidity of Tong Herr Shares during the periods under review, you may have difficulty to monetise your investment in Tong Herr Shares in the open market;
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Reasonableness (cont'd)	(iii) Expected market price if the Proposed SCR is unsuccessful Based on precedent transactions for the past 2 years as set out in Section 6.3 above, market price of offeree's shares generally become lower than their respective offer price when the privatisation proposal does not subsequently take place. Hence, you should note that, in the event the Proposed SCR is unsuccessful, there is no certainty that the Tong Herr Shares will continue to trade at its current price levels. As such, in the event the Proposed SCR is not approved and implemented, the market price of Tong Herr Shares may potentially fall below the Offer Price following Tong Herr's announcement of such outcome of the Proposed SCR. In such scenario, you may have limited opportunity to monetise your investment in the Tong Herr Shares in the future at the Offer Price; (iv) No alternative proposal As at the LPD, Tong Herr has not received any alternative offer for the Tong Herr Shares or any offer to acquire the assets and liabilities of Tong Herr Group. Further, as set out in Section 2.2 of Part A of the Circular, as part of the covenant in the Proposal Letter, Tong Herr shall not enter into any discussion or negotiation, or agreement, with any other party in respect to the sale of the assets and liabilities of the Tong Herr Group or any privatisation proposal involving Tong Herr Group at any time until the completion of the Proposed SCR without the Joint Offerors' prior written consent. As such, unless the Joint Offerors provide their consents, any alternative proposal is unlikely to succeed; and (v) Level of control by the Joint Offerors As at the LPD, the Non-Entitled Shareholders collectively hold an aggregate of 114,376,402 Tong Herr Shares, which represents a collective controlling stake of 74.5% equity interest in Tong Herr. Thus, the Non-Entitled Shareholders are able to exercise significant influence over the outcome of Tong Herr's shareholders' resolution(s) through casting of their votes, as they are able to: (a) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and (b) oppose any special resolutions (requiring approval from at least 75% of the total votes cast). Accordingly, unless the Non-Entitled Shareholders are required to abstain from voting on resolution(s) sought at general meeting(s) of Tong Herr, any alternative proposal is not expected to be successful without their support.
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Based on the above, it is pertinent for you to note that while the Offer Price represents a discount of RM 1.58 or 38.3% to the estimated fair value per Tong Herr Share of RM4.13, the Proposed SCR presents an opportunity for you to monetise your investment in Tong Herr Shares at the Offer Price, which represents significant premiums of between 37.3% to 75.8% to the historical average market prices of the Shares for the 5-day, 1-month, 3-month, 6-month, 1-year, 2-year and 3-year VWAPs up to and including the LTD. In this regard, we view the Proposed SCR as **NOT FAIR BUT REASONABLE**. Accordingly, we recommend that you **VOTE IN FAVOUR** of the Special Resolution to be tabled at the forthcoming EGM.

Notwithstanding our recommendation above, we wish to note to you that the decision to be made would rest on your individual risk appetite and specific investment requirements. If you wish and if the trading liquidity so permits, you may consider disposing your Tong Herr Share in the open market in the event the market price of Tong Herr Shares are higher than the Offer Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price. Further, in the event you wish to dispose off your holding of Tong Herr Shares in the open market, you should take note of the estimated timeframe for completion of the Proposed SCR as set out in **Section 11 of Part A** of this Document, as well as all relevant announcements by Tong Herr pertaining to the Proposed SCR.

You are also advised to closely monitor the market price and trading volume of Tong Herr Shares, as well as any announcement made in connection with the Proposed SCR before making a decision on the course of action to be taken in respect of the Proposed SCR.

Our advice as contained in this IAL is addressed to the Non-Interested Shareholders at large and not to any particular Non-Interested Shareholders. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives, financial situation, risk profile and particular needs of any individual Non-Interested Shareholders or any specific group of Non-Interested Shareholders. We recommend that any Non-Interested Shareholders who may require advice in the context of their investment objectives, financial situation, risk profile and particular needs should consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

YOU ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR TO BE TABLED AT THE FORTHCOMING EGM.

Yours faithfully,
For and on behalf of
MERCURY SECURITIES SDN BHD

CHEW SING GUAN
Managing Director

YIP KAH WENG, CFA
Head/Director, Corporate Finance

EARNINGS-BASED VALUATION OF TONG HERR SHARES

1. Earnings-based valuation multiple analysis

As set out earlier, the earnings-based valuation multiple methodology refers to the process of ascribing the equity value of a subject company based on its earnings value and the valuation multiples of its identified comparable companies.

2. Selection of earnings-based valuation multiple

In performing this analysis, we had adopted the following earnings-based valuation multiple:

Valuation multiple	Description
P/E Multiple	Price-to-earnings multiple ("P/E Multiple") is an earnings-based relative valuation method that illustrates the ratio of a company's market capitalisation to its net profit attributable to shareholders. A higher P/E Multiple may indicate that investors are willing to pay more for an RM worth of earnings of the subject company.
EV/EBITDA Multiple	Enterprise value ("EV") to earnings before interest, tax, depreciation and amortisation ("EBITDA") ("EV/EBITDA Multiple") is also an earnings-based valuation multiple where it illustrates the ratio of the subject company's EV to its EBITDA. As compared to the P/E Multiple, the EV/EBITDA Multiple is a capital structure neutral valuation multiple which is not affected by differences in financial leverage, interest, taxation, depreciation and amortisation charges among the comparable companies.

3. Selection of comparable companies

In selecting the comparable companies of Tong Herr, we had adopted the following selection criterion which in our view, are suitable and appropriate in identifying a company that is deemed broadly comparable to the Tong Herr Group:

- (i) the selected comparable company has total market capitalisation of between RM250.0 million to RM500.0 million. This criterion was determined after due consideration of Tong Herr's market capitalisation of approximately RM276.3 million as at the LTD;
- (ii) the selected comparable company was profitable over the past 2 financial years and more than 50.0% of its total revenue derived from manufacturing and sales of fasteners;
- (iii) the selected comparable company is listed in Malaysia.

Based on our search, there were no listed companies in Malaysia that have met the above criterion. In this regard, to arrive at a more meaningful comparison, we have expanded our selection criteria to include companies listed in Asia and applied country risk adjustments to account for the valuation differences across the regional bourses.

EARNINGS-BASED VALUATION OF TONG HERR SHARES (cont'd)

Based on the foregoing, we had selected the following companies for purposes of this valuation:

Comparable companies	(a) Market capitalisation as at the LTD	Country of stock exchange listing	Principal business activities/ comparable revenue	(b) Comparable revenue as a % of total revenue
	RM'000			%
Tong Herr	276, 332	Malaysia	Manufacture and sale of bolts, nuts, and screws of all types of iron and steel.	74.2
Wise Holdings Co., Ltd.	307,133	Japan	Manufacture and sale of metal products as well as cross-recessed head screws for automobile and electric appliance makers and screw-related products and health-care equipment.	65.0
PT Garuda Metalindo Tbk	430,917	Indonesia	Manufacture and sale of fasteners such as bolts, nuts, rivets, and washers.	100.0
Sheh Fung Screws Co., Ltd	252,218	Taiwan	Manufacture and sale of self drilling screws, drywall screws, chipboard screws, self tapping screws, decking screws, tainless steel screws, and other products.	99.3

(Source: Bloomberg L.P.)

Notes:

- (a) Market capitalisation as at the LTD of the respective comparable companies are calculated as follows:

	(A)	(B)	(C) = (A)/(B)
Comparable companies	Market capitalisation as at the LTD (in local currency)	Exchange rate as at the LTD	Market capitalisation as at the LTD
			RM'000
Wise Holdings Co., Ltd.	JPY 11.84 billion	JPY38.55/RM	307,133
PT Garuda Metalindo Tbk	IDR 1.89 trillion	IDR4,386/RM	430,917
Sheh Fung Screws Co., Ltd	TWD 1.99 billion	TWD7.89/RM	252,218

(Source: Bloomberg L.P. and Bank Negara Malaysia)

EARNINGS-BASED VALUATION OF TONG HERR SHARES (cont'd)

- (b) Based on latest audited financial year end of the respective comparable companies as follows:

Comparable companies	Financial year end
Wise Holdings Co., Ltd.	31 March 2026
PT Garuda Metalindo Tbk	31 December 2025
Sheh Fung Screws Co., Ltd	31 December 2025
(Source: Bloomberg L.P.)	

4. Trading valuation multiple of the comparable companies

We wish to highlight that notwithstanding the abovementioned companies fall within our selection criteria, the selected comparable companies may not be directly comparable to the Tong Herr Group due to differences in terms of, amongst others, marketability and liquidity of shares, size of operations, asset base, financial performance, operating and financial leverage, accounting and taxation policies, risk profile and future prospects. Hence, differences in the valuation multiples between the selected comparable companies and the Tong Herr Group may arise.

In this regard, to arrive at a more meaningful comparative analysis, we had adopted the average P/E Multiple and EV/EBITDA Multiple of the comparable companies to arrive at the estimated fair value of Tong Herr Shares. The use of average value is appropriate and reasonable in our view, as average statistical value helps to normalise extreme deviation in value that may arise. Set out below is a summary of the trading multiples of the selected comparable companies as at the LTD:

Companies	Unadjusted		(c)Adjusted	
	(a)P/E Multiple (times)	(b)EV/EBITDA Multiple (times)	P/E Multiple (times)	EV/EBITDA Multiple (times)
Tong Herr	15.1	6.6	-	-
Wise Holdings Co., Ltd.	30.6	8.8	19.0	6.8
PT Garuda Metalindo Tbk	11.9	7.5	11.5	10.1
Sheh Fung Screws Co., Ltd	9.8	11.9	4.8	6.3
Simple average			11.8	7.7

(Source: Bloomberg L.P.)

EARNINGS-BASED VALUATION OF TONG HERR SHARES (cont'd)**Note:**

(a) Calculated as follows:

P/E Multiple calculation	Wise Holdings Co., Ltd.	PT Garuda Metalindo Tbk	Sheh Fung Screws Co., Ltd
	RM'000	RM'000	RM'000
Market capitalisation as at the LTD	307,133	430,917	252,218
Trailing 12-month PAT	10,024	36,212	25,708
P/E Multiple (times)	30.6	11.9	9.8

(Source: Bloomberg L.P.)

(b) Calculated as follows:

EV/EBITDA Multiple calculation	Wise Holdings Co., Ltd.	PT Garuda Metalindo Tbk	Sheh Fung Screws Co., Ltd
	RM'000	RM'000	RM'000
Market capitalisation as at the LTD	307,133	430,917	252,218
Less: Cash and cash equivalents as at latest financial results announced	(102,579)	(10,032)	(33,841)
Add: Non-controlling interests as at latest financial results announced	15,698	36,891	-
Total debt and borrowings as at latest financial results announced	39,986	81,917	165,388
EV	260,238	539,693	383,765
Trailing 12-month of EBITDA	29,541	72,003	32,320
EV/EBITDA Multiple (times)	8.8	7.5	11.9

(Source: Bloomberg L.P.)

EARNINGS-BASED VALUATION OF TONG HERR SHARES (cont'd)

- (c) As the selected comparable companies domicile and operate in a foreign country, we had adjusted the trading multiples of the selected comparable companies, based on the relative trading multiples of the stock exchange indices of the foreign country where the respective selected comparable companies is listed vis-à-vis Malaysia, as follows:

Country	Indices	Formula	As at the LTD	
			P/E Multiple	EV/EBITDA Multiple
			(times)	(times)
Malaysia	FTSE Bursa Malaysia KLCI	(A)	15.0	10.4
Japan	Nikkei 225	(B)	24.1	13.5
Indonesia	Jakarta Stock Exchange Composite Index	(C)	15.4	7.7
Taiwan	Taiwan Stock Exchange Capitalisation Weighted Stock Index	(D)	30.8	19.5

(Source: Bloomberg L.P.)

Hence, the country risk adjustment is derived as follows:

Country	Formula	Country risk adjustment	
		P/E Multiple	EV/EBITDA Multiple
		(times)	(times)
Japan	(A)/(B)	0.62	0.77
Indonesia	(A)/(C)	0.97	1.35
Taiwan	(A)/(D)	0.49	0.53

Based on the above, the adjusted trading valuation multiples of the selected comparable companies were derived by multiplying their respective unadjusted valuation multiples with their respective country risk adjustment factors.

For information, the country risk adjustment was made with reference to an academic literature "International Journal for Traffic and Transport Engineering, 2015, 5(1):17-28, Title: Market Multiples Adjustments for Differences in Risk Profile – An Airline Company Example", whereby adjustment for market differences can be carried out through, among others, relative ratios between multiples.

5. Valuation analysis

The estimated fair value of each Tong Herr Shares, valued under the earnings-based valuation multiple methodology, is as follows:

- Via the P/E Multiple**

P/E Multiple valuation analysis	RM'000
Tong Herr Group's trailing 12-month PAT as at 30 June 2026	18,281
Average adjusted P/E Multiple of the comparable companies (times)	11.8
Estimated equity value of Tong Herr Group	215,716
Estimated fair value per Tong Herr Share (RM)	(a)1.41

EARNINGS-BASED VALUATION OF TONG HERR SHARES (cont'd)

- **Via the EV/EBITDA Multiple**

EV/EBITDA Multiple valuation analysis	RM'000
Tong Herr's trailing 12-month EBITDA up to 30 June 2026	36,255
Average EV/EBITDA Multiple of the comparable companies (times)	7.7
Indicative EV	279,164
Add: Cash and cash equivalents as at 30 June 2026	112,383
Less: Non-controlling interests as at 30 June 2026	(61,057)
Total loans and borrowings as at 30 June 2026	(15,872)
Estimated equity value of Tong Herr Group	314,618
Estimated fair value per Tong Herr Share (RM)	(a)2.05

Note:

- (a) Calculated based on Tong Herr's total issued shares as at the LTD of 153,517,700 Tong Herr Shares, excluding 3,912,300 treasury shares.

6. Conclusion and assessment

Based on above, we derived that the estimated fair value of each Tong Herr Share, valued under the earnings-based valuation multiple valuation methodology, ranged between RM1.41 (valued under the P/E Multiple) to RM2.05 (valued under the EV/EBITDA Multiple) per Share.

Notwithstanding the above, given that the derived values are lower than the latest consolidated unaudited NA per Share of Tong Herr as at 30 June 2026 of RM3.44, we therefore do not consider the earnings-based valuation multiple methodology to be the most suitable valuation methodology. Hence, we did not ascribe the estimated fair value of Tong Herr Shares based on the earnings-based valuation multiple methodology.

OTHER PROPERTY ASSETS

Set out below are the details for the immaterial property assets of the Tong Herr Group under **Section 5.5.1 note (f)** of this IAL:

Details	Property 1	Property 2	Property 3
Brief description	6 units of 3-bedroom flats	8 units of double-storey terraced house	1 block of four-storey apartment building
Lot/Title No.	Lot No. 5797, PN 2208/M3/1/161, PN 2208/M3/1/162, PN 2208/M3/2/177, PN 2208/M3/2/178, PN 2208/M3/2/181 and PN 2208/M3/2/182	Lot Nos. 2383, 2479, 2814, 2806, 2833, 2613, 2590 and 2302, GRN 147071, GRN 147090, GM 2208, GM 2200, GM 2227, GRN 147149, GRN 147126 and GRN 147015	Lot No. 1860, No. 144718
Property address	Nos. 1-01, 1-02, 2-01, 2-02, 2-05 and 2-06 Blok T, Taman Pelangi, Jalan Pelangi 2, 13600 Perai, Pulau Pinang	No. 35, Jalan Nagasari 1, No. 36, Lorong Nagasari 8, Nos. 3, 19 & 36, Lorong Nagasari 12, Nos. 4 & 5, Lorong Nagasari 16 and No. 50, Lorong Nagasari 17, Taman Nagasari, 13600 Perai, Pulau Pinang	No. 92, Moo 7, Unnamed Road off from Soi Don Hua Lo 18, Don Hua Lo Sub-district, Muang Chonburi District, Chonburi Province, Thailand
Registered owner	(i) PN 2208/M3/1/161, PN 2208/M3/1/162, PN 2208/M3/2/177 and PN 2208/M3/2/178 is held through Tong Heer Aluminium Industries Sdn Bhd a 51%-owned subsidiary of Tong Herr (ii) PN 2208/M3/2/181 & PN 2208/M3/2/182 held through Tong Heer Fasteners Co. Sdn Bhd, a 100%-owned subsidiary of Tong Herr	Tong Heer Fasteners Co. Sdn Bhd, a 100%-owned subsidiary of Tong Herr	Tong Heer Fasteners (Thailand) Company Limited, a 99.99%-owned subsidiary of Tong Herr
Gross land area	-	Approximately 8,576 sq. ft.	Approximately 9,429 sq. ft.
Gross floor area	Approximately 4,134 sq. ft.	Approximately 10,598 sq. ft.	Approximately 23,134 sq. ft.
Category of Land use	Residential	Residential	Residential
Tenure	99-year leasehold interest, expiring on 22 April 2092	Perpetuity (i.e. freehold)	Perpetuity (i.e. freehold)
Net carrying value as at 30 June 2026 (RM'000)	^(a) 168/ 0.03% of the Tong Herr Group's total assets value as at 30 June 2026	^(a) 146/ 0.02% of the Tong Herr Group's total assets value as at 30 June 2026	^(a) 516/ 0.08% of the Tong Herr Group's total assets value as at 30 June 2026
Market value as at the valuation date of 30 June 2026 (RM'000)	740	1,940	2,340
Date of acquisition	28 May 2002	21 November 2013	5 April 2010
Occupancy	Workers' accommodation	Workers' accommodation	Workers' accommodation

OTHER PROPERTY ASSETS (cont'd)

Details	Property 4	Property 5	Property 6
Brief description	2 units of double-storey detached house	2 units of double-storey townhouse	1 unit of double-storey detached house
Lot/Title No.	Lot No. 780 and 788, No. 24243 and 24251	Lot No. 5687 and 5691, No. 167569 and 167573	Lot No. 927, No. 103354
Property address	No. 111/205 and 111/209, Moo 6, Suk Prayun Road, Nong Tam Lung Subdistrict, Panthong District, Chonburi Province, Thailand	No. 120/215 and 120/219, The Tree Project, Soi Sriracha-Nong Yai Bu 38, Sriracha-Nong Yai Bu Road, Moo 10, Nong Kham Subdistrict, Sriracha District, Chonburi Province, Thailand	No. 199/12, Moo 12, Soi King Kaew 19, King Kaew Road, Rachathewa Sub-district, Bangphli District, Samut Prakan Province, Thailand
Registered owner	Tong Heer Fasteners (Thailand) Company Limited, a 99.99%-owned subsidiary of Tong Herr	Tong Heer Fasteners (Thailand) Company Limited, a 99.99%-owned subsidiary of Tong Herr	Tong Heer Fasteners (Thailand) Company Limited, a 99.99%-owned subsidiary of Tong Herr
Gross land area	Approximately 4,368 sq. ft.	Approximately 2,066 sq. ft.	Approximately 2,260 sq. ft.
Gross floor area	Approximately 2,798 sq. ft.	Approximately 2,800 sq. ft.	Approximately 1,410 sq. ft.
Category of Land use	Residential	Residential	Residential
Tenure	Perpetuity (i.e. freehold)	Perpetuity (i.e. freehold)	Perpetuity (i.e. freehold)
Net carrying value as at 30 June 2026 (RM'000)	^(a) 154/ 0.02% of the Tong Herr Group's total assets value as at 30 June 2026	^(a) 310/ 0.05% of the Tong Herr Group's total assets value as at 30 June 2026	^(a) 236/ 0.04% of the Tong Herr Group's total assets value as at 30 June 2026
Market value as at the valuation date of 30 June 2026 (RM'000)	460	320	260
Date of acquisition	5 June 2009	1 April 2013	31 December 2006
Occupancy	Workers' accommodation	Workers' accommodation	Vacant

Note:

- (a) Being the historical cost value less accumulated depreciation as at 30 June 2026, being the unaudited consolidated statement of financial position of Tong Herr as at 30 June 2026.

Given that the individual carrying values of these property assets comprises less than 0.1% of the Tong Herr Group's total assets value (or collectively, comprise approximately 2.0% of the Tong Herr Group's total property assets value), as set out in **Section 5.5.1 note (f)** of this IAL, any revaluation surplus or deficits to be derived from these property assets are not expected to have a material impact to the estimated equity value of the Tong Herr Group.

FURTHER INFORMATION

1. SHARE CAPITAL**1.1 Issued Share Capital**

As at the LPD, Tong Herr has an issued share capital of RM185.9 million, comprising 157,430,000 Tong Herr Shares, including 3,912,300 Shares held by Tong Herr as treasury shares.

As at the LPD, there is only 1 class of shares in Tong Herr, i.e. Tong Herr Shares. All Tong Herr Shares rank equally in terms of voting rights and entitlements to all distributions, including capital distributions which may be declared, made or paid to its shareholders.

1.2 Changes in Issued Share Capital

There are no changes in Tong Herr's issued share capital since the end of the FYE 31 December 2025 up to the LPD.

1.3 Details of Convertible Securities

As at the LPD, Tong Herr does not have convertible securities in issue.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES**2.1 By Tong Herr****(i) Dealings in the securities of Tong Herr**

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

(ii) Disclosure of interests in the Joint Offerors

Tong Herr does not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of the Joint Offerors as at the LPD.

(iii) Dealings in the securities of the Joint Offerors

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

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FURTHER INFORMATION (cont'd)

2.2 By the Directors of Tong Herr

(i) Disclosure of interests in Tong Herr

As at the LPD, save as disclosed below, the Directors of Tong Herr do not have any other interest, direct or indirect, in any voting shares and/or convertible securities of Tong Herr:

Name	Direct		Indirect	
	No. of Shares	(a)%	No. of Shares	(a)%
<u>Interested Directors</u>				
– Tsai Ming Ti	2,020,402	1.31	^(b) 50,178,357	^(b) 32.69
– Tsai Yi Ting	198,000	0.13	^(c) 49,044,307	^(c) 31.95
– Tsai Pei Chen	731,100	0.48	^(c) 49,044,307	^(c) 31.95
– Tsai, Hung-Chuan	-	-	^(d) 61,191,043	^(d) 39.86
<u>Non-Interested Director</u>				
– Tan Ban Leong	45,000	0.03	-	-

Notes:

- (a) Based on 153,517,700 Shares in issue, excluding 3,912,300 treasury shares held by Tong Herr as at the LPD.
- (b) 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 Tong Herr pursuant to subsection 59(11) of the Act.
- (c) Deemed interested by virtue of his/her shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act.
- (d) Deemed interested by virtue of his shareholdings in Allrich pursuant to subsection 8(4) of the Act.

(ii) Dealings in the securities of Tong Herr

The Directors of Tong Herr have not dealt, directly or indirectly, in any voting shares and/or convertible securities of Tong Herr during the period beginning 6 months prior to the date of the Proposal Letter and ending on the LPD.

(iii) Disclosure of interests in the Joint Offerors

Save as disclosed below, the Directors of Tong Herr do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of the Joint Offerors as at the LPD:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Allrich</u>				
– Tsai, Hung-Chuan	800,000	80.00	-	-
<u>Richard Holdings</u>				
– Tsai Yi Ting	250	50.00	-	-
– Tsai Ming Ti	150	30.00	-	-
– Tsai Pei Chen	100	20.00	-	-

FURTHER INFORMATION (cont'd)

(iv) Dealings in the securities of the Joint Offerors

The Directors of Tong Herr have not dealt, directly or indirectly, in any voting shares and/or convertible securities of the Joint Offerors during the period beginning 6 months prior to the date of the Proposal Letter and ending on the LPD.

2.3 By persons with whom Tong Herr or any persons acting in concert with it has any arrangement over Tong Herr Shares and/or convertible securities of Tong Herr

As at the LPD, there are no persons with whom Tong Herr or any persons acting in concert with it has entered into an arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any arrangement or understanding, formal or informal, of whatever nature, relating to Tong Herr Shares which may be inducement to deal or to refrain from dealing.

2.4 By persons with whom Tong Herr or any persons acting in concert with it has borrowed or lent Tong Herr Shares

As at the LPD, there are no persons with whom Tong Herr or any persons acting in concert with it has borrowed or lent any voting shares and/or convertible securities of Tong Herr.

2.5 By Mercury Securities and any funds whose investments are managed by Mercury Securities on a discretionary basis ("Discretionary Funds")**(i) Disclosure of interests in Tong Herr**

As at the LPD, Mercury Securities and its Discretionary Funds do not have any interest, direct or indirect, in any voting shares and/or convertible securities of Tong Herr.

(ii) Dealings in the securities of Tong Herr

Mercury Securities and its Discretionary Funds have not dealt, directly or indirectly, in voting shares and/or convertible securities of Tong Herr during the period beginning 6 months prior to the date of the Proposal Letter and ending on the LPD.

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FURTHER INFORMATION (cont'd)**3. DIRECTORS OF TONG HERR**

As at the LPD, the particulars of Directors of Tong Herr are as follows:

Name	Nationality	Date of appointment	Designation	Correspondence address
Tsai Ming Ti	Taiwanese	20 July 1999	Executive Chairman	No. 45, Lorong Kurau 1, Taman Chai Leng, 13700 Perai, Pulau Pinang
Tsai Yi Ting	Taiwanese	26 May 2010	Executive Director / Managing Director	No. 45, Lorong Kurau 1, Taman Chai Leng, 13700 Perai, Pulau Pinang
Tan Ban Leong	Malaysian	20 July 1999	Executive Director	TBP 5920, Sungai Puyu, 13400 Burtterworth, Pulau Pinang
Tsai Pei Chen	Taiwanese	29 August 2017	Non-Independent Non-Executive Director	No. 45, Lorong Kurau 1, Taman Chai Leng, 13700 Perai, Pulau Pinang
Tsai, Hung-Chuan	Taiwanese	27 February 2013	Non-Independent Non-Executive Director	88, East Changsheng Road, Jiaxing Economic Development Zone, Zhejiang, 314003, China
Tsai, Chia-Yen	Taiwanese	29 August 2017	Non-Independent Non-Executive Director	15F., No. 271, Meishu E. 2nd Rd., Gushan Dist., Kaohsiung City 804, Taiwan
Rohaiza Binti Mohamed Basir	Malaysian	22 May 2023	Independent Non-Executive Director	No. 23, Jalan BRP 3/3B, Sunway Rahman Putra, 40160 Sungai Buloh, Selangor
Datin Nik Haslinda Binti Nik Mohd Hashim	Malaysian	22 May 2023	Independent Non-Executive Director	No. 20, Jalan SS 3/8, Kelana Jaya, 47300 Petaling Jaya, Selangor
Soon Gim Wooi	Malaysian	22 May 2023	Independent Non-Executive Director	51, Lintang Penawar 1, Taman Jelutong Heights, 11600 George Town, Pulau Pinang

4. SERVICE CONTRACTS

As at the LPD, none of the Directors or proposed directors has any existing and/or proposed service agreement with Tong Herr, which has been entered into or amended within 6 months before the date of the Proposal Letter, or which is fixed term contracts with more than 12 months to run from the date of this IAL, or which is not expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAL.

FURTHER INFORMATION (cont'd)

5. ARRANGEMENT AFFECTING DIRECTORS

As at the LPD, there is none of the following arrangements affecting the Directors of Tong Herr:

- (i) payment or other benefits which will be made or given to any Directors of Tong Herr as compensation for loss of office or otherwise in connection with the Proposed SCR;
- (ii) agreement or arrangement between any Directors of Tong Herr and any other person which is conditional on or dependent upon the outcome of the Proposed SCR or otherwise connected with the outcome of the Proposed SCR; and
- (iii) material contract entered into by the Non-Entitled Shareholders in which any Directors of Tong Herr has a material personal interest.

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APPENDIX I – DISCLOSURE OF INTEREST AND DEALINGS IN TONG HERR SHARES

1. DISCLOSURE OF INTERESTS IN TONG HERR SHARES

There is only 1 class of shares in Tong Herr, being the ordinary shares. As at the LPD, the Company does not have any convertible securities in issue.

1.1 By the Joint Offerors and the Joint Ultimate Offerors

Save as disclosed below, as at the LPD, the Joint Offerors and the Joint Ultimate Offerors do not have any other interest, whether direct or indirect, in Tong Herr:

	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

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our 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 our 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.

1.2 By the directors of the Joint Offerors

Save as disclosed below, as at the LPD, none of the directors of the Joint Offerors have any interest, whether direct or indirect, in Tong Herr:

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Director of Allrich				
Tsai, Hung-Chuan	-	-	61,191,043 ⁽²⁾	39.86
Director of Richard Holdings				
Tsai Yi Ting	198,000	0.13	49,044,307 ⁽³⁾	31.95

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.
- (2) Deemed interested by virtue of his shareholdings in Allrich pursuant to subsection 8(4) of the Act.

APPENDIX I – DISCLOSURE OF INTEREST AND DEALINGS IN TONG HERR SHARES (CONT'D)

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

1.3 By the person(s) acting in concert with the Joint Offerors and the Joint Ultimate Offerors

Save as disclosed below, as at the LPD, none of the persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors in relation to the Proposed SCR have any interest, whether direct or indirect, in Tong Herr:

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
PACs				
Tsai Liao Chin Yeh	1,134,050	0.74	51,064,709 ⁽²⁾	33.26
Tsai Chia Chen	51,300	0.03	6,200 ⁽³⁾	— ⁽⁴⁾
Yang, Sheng-Chun	6,200	— ⁽⁴⁾	51,300 ⁽⁵⁾	0.03

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.
- (2) Deemed interested by virtue of her spouse, Tsai Ming Ti's shareholdings in Richard Holdings and in our Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of her being a close relative of Tsai Yi Ting and the spouse of Tsai Ming Ti. Deemed PAC pursuant to paragraphs 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being the spouse of Tsai Ming Ti and a close relative of Tsai Yi Ting and Tsai Pei Chen.
- (3) Deemed interested by virtue of her spouse, Yang, Sheng-Chun's shareholdings in our 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.
- (4) Less than 0.01%.
- (5) Deemed interested by virtue of his spouse, Tsai Chia Chen's shareholdings in our Company. Deemed PAC pursuant to paragraph 216(3)(b) of the CMSA by virtue of him being the brother-in-law of Tsai Yi Ting. Deemed PAC pursuant to paragraph 216(3)(f) of the CMSA by virtue of him being the son-in-law of Tsai Ming Ti, and the brother-in-law of Tsai Yi Ting and Tsai Pei Chen.

1.4 By persons who have irrevocably committed to vote in favour of or against the Proposed SCR

As at the LPD, the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR have not received any irrevocable undertakings from any Non-Interested Shareholders of Tong Herr to vote in favour of or against the Proposed SCR to be tabled at the forthcoming EGM.

1.5 By persons with whom the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them have any arrangement, agreement or understanding

As at the LPD, the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR 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 Tong Herr Shares which may be an inducement to deal or to refrain from dealing.

1.6 By persons with whom the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them have borrowed or lent Tong Herr Shares

As at the LPD, none of the Tong Herr Shares is being borrowed by the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR from another person, or lent by the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR to another person.

1.7 By persons with whom Tong Herr or any persons acting in concert with it have any arrangement, agreement or understanding

As at the LPD, Tong Herr or any persons acting in concert with it has 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 Tong Herr Shares which may be an inducement to deal or to refrain from dealing, in relation to the Proposed SCR.

1.8 By persons with whom Tong Herr or any persons acting in concert with it have borrowed or lent Tong Herr Shares

As at the LPD, there is no person with whom Tong Herr or any persons acting in concert with it has borrowed or lent any voting shares and/or convertible securities of Tong Herr.

2. DEALINGS IN TONG HERR SHARES

2.1 By Tong Herr and its Directors

The Company and its Directors have not dealt in Tong Herr Shares, directly or indirectly, commencing six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD. The Company and its Directors have complied and will continue to comply with the disclosure of dealings requirements under paragraph 19.05 of the Rules up to the Lodgement Date.

2.2 By Allrich and director of Allrich

Allrich and the director of Allrich have not dealt in Tong Herr Shares, directly or indirectly, commencing six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD. The Offeror and its director have complied and will continue to comply with the disclosure of dealings requirements under paragraph 19.05 of the Rules up to the Lodgement Date.

2.3 By Richard Holdings and director of Richard Holdings

Richard Holdings and the director of Richard Holdings have not dealt in Tong Herr Shares commencing six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD. The Offeror and its director have complied and will continue to comply with the disclosure of dealings requirements under paragraph 19.05 of the Rules up to the Lodgement Date.

2.4 By the persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors

The persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors in relation to the Proposed SCR have not dealt in Tong Herr Shares, directly or indirectly, commencing six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD. The persons acting in concert with the Joint Offerors and the Joint Ultimate Offerors in relation to the Proposed SCR have complied and will continue to comply with the disclosure of dealings requirements under paragraph 19.05 of the Rules up to the Lodgement Date.

2.5 By our advisers

RHB Investment Bank and Mercury Securities, being the Principal Adviser and Independent Adviser in respect of the Proposed SCR, respectively, have confirmed that the requirements under paragraph 19.05 of the Rules pertaining to the disclosure of dealings from the date of their appointment and up to the LPD have been complied with. RHB Investment Bank and Mercury Securities will continue to comply with the disclosure of dealings requirements under paragraph 19.05 of the Rules up to the Lodgement Date.

3. DISCLOSURE OF INTEREST IN THE JOINT OFFERORS BY TONG HERR AND ITS DIRECTORS

Save as disclosed below, as at the LPD, the Company and its Directors do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of the Joint Offerors:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Allrich				
Tsai, Hung-Chuan	800,000	80.00	-	-
Richard Holdings				
Tsai Yi Ting	250	50.00	-	-
Tsai Ming Ti	150	30.00	-	-
Tsai Pei Chen	100	20.00	-	-

4. DEALINGS IN THE SECURITIES OF THE JOINT OFFERORS BY TONG HERR AND ITS DIRECTORS

The Company and its Directors have not dealt in the securities of the Joint Offerors commencing six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD.

5. DISCLOSURE OF INTERESTS AND DEALINGS IN TONG HERR SHARES BY MERCURY SECURITIES

5.1 Disclosure of interest in Tong Herr

As at the LPD, Mercury Securities and any funds whose investments are managed by Mercury Securities on a discretionary basis ("**Discretionary Funds**") do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of Tong Herr.

5.2 Dealings in the securities of Tong Herr

Mercury Securities and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares and/or convertible securities of Tong Herr during the period beginning six (6) months prior to 6 August 2026, being the date of the Proposal Letter, and up to the LPD.

6. DIRECTORS SERVICE CONTRACTS

As at the LPD, none of the Directors or proposed directors has any existing and/or proposed service agreement with Tong Herr which has been entered into or amended within six (6) months before the date of the Proposal Letter, or which is fixed term contracts with more than 12 months to run from the date of this Document, or which is not expiring or determinable by the employing company without payment of compensation within 12 months from the date of this Document.

7. GENERAL DISCLOSURES

- 7.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Directors as compensation for loss of office or otherwise in connection with the Proposed SCR.
- 7.2 As at the LPD, there is no agreement, arrangement or understanding existing between the Joint Offerors, the Joint Ultimate Offerors or the persons acting in concert with them in relation to the Proposed SCR and any of the Directors or recent Directors (being such person who was, during the period of 6 months prior to 6 August 2026, being the date of the Proposal Letter, a Director), or any existing shareholders or recent shareholders of Tong Herr (being such person who was, during the period of six (6) months prior to 6 August 2026, being the date of the Proposal Letter, a shareholder of Tong Herr) having any connection with or dependence upon the Proposed SCR.
- 7.3 As at the LPD, there is no agreement, arrangement or understanding which is entered into by the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR whereby any Tong Herr Shares held by the Joint Offerors, the Joint Ultimate Offerors or the persons acting in concert with them in relation to the Proposed SCR upon completion of the Proposed SCR will be transferred to any other person.
- 7.4 As at the LPD, save for the Proposed SCR in which the Interested Directors are 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 Proposed SCR or otherwise connected with the outcome of the Proposed SCR.
- 7.5 As at the LPD, there are no material contracts and directors' service contracts of such nature as mentioned in Section 6 of this **Appendix I** entered into by the Joint Offerors, the Joint Ultimate Offerors and the persons acting in concert with them in relation to the Proposed SCR in which any Director has any material personal interest.

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APPENDIX II – INFORMATION ON ALLRICH

1. HISTORY AND PRINCIPAL ACTIVITIES

Allrich was incorporated in Samoa on 18 March 2016 as an international company under the name of Allrich Corp.

The principal activity of Allrich is investment holding.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, Allrich's issued share capital is USD1,000,000 comprising 1,000,000 ordinary shares.

2.2 Changes in share capital

On 18 March 2016, being the date of incorporation of Allrich, Allrich increased its issued share capital from USD1 to USD1,000,000 by way of issuance of 999,999 ordinary shares. There has been no change in the share capital of Allrich since then.

2.3 Convertible securities

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

3. SHAREHOLDERS

The shareholders of Allrich and their respective shareholdings in Allrich as at the LPD are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Tsai, Hung-Chuan	800,000	80.00	-	-
Tsai, Jane-Rong	200,000	20.00	-	-

Note:

(1) Computed based on 1,000,000 Allrich's shares as at the LPD.

4. BOARD OF DIRECTORS

As at the LPD, the sole director of Allrich and his shareholdings in Allrich are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Tsai, Hung-Chuan	800,000	80.00	-	-

Note:

(1) Computed based on 1,000,000 Allrich's shares as at the LPD.

APPENDIX II – INFORMATION ON ALLRICH (CONT'D)

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE COMPANIES

5.1 Subsidiaries of Allrich

As at the LPD, Allrich does not have any subsidiary.

5.2 Associate companies of Allrich

As at the LPD, the associate company of Allrich is set out below:

Name	Country of incorporation	Effective equity interest	Principal activities
		%	
Tong Herr	Malaysia	39.86	Investment holding. The principal activities of Tong Herr's subsidiaries are set out in Appendix V of this Document.

5.3 Joint venture companies of Allrich

As at the LPD, Allrich does not have any joint venture company.

6. PROFIT AND DIVIDEND RECORD

Pursuant to Section 115 of the International Companies Act 1988 of Samoa, the accounts of an international company may be prepared in accordance with such generally accepted accounting principles as may be directed by the members or as may be provided for in the articles. Further, subsection 117(a) of the International Companies Act 1988 of Samoa states that an international company need not appoint an auditor if the articles of the company so provide. In addition, Article 89 of the Articles of Association of Allrich provides that the directors shall cause proper accounting and other records to be kept.

Based on the above, the International Companies Act 1988 of Samoa does not require that accounts of Allrich to be audited or that the accounts to be filed with any authority.

In view thereof, Allrich does not have any published audited financial statements since its incorporation on 18 March 2016. The financial information of Allrich is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

For the shareholders' information, a summary of the profit and dividend record of Allrich based on its unaudited management accounts for the past three (3) FYE 31 December 2023 to 2025 is as follows:

	Unaudited for the FYE 31 December		
	2023	2024	2025
	RM'000	RM'000	RM'000
Revenue	12,238	4,589	2,029
PBT	12,232	4,589	1,997
PAT	12,232	4,589	1,997
Number of ordinary shares in issue ('000)	1,000	1,000	1,000
Basic EPS (RM)	12.23	4.59	2.00
Dividend per share (RM)	-	4.56	2.02

There were no material exceptional items noted in the unaudited management accounts of Allrich for the past three (3) FYE 31 December 2023 to 2025.

7. STATEMENT OF ASSETS AND LIABILITIES

As mentioned in Section 6 of this **Appendix II**, the International Companies Act 1988 of Samoa does not require that accounts of Allrich to be audited or that the accounts to be filed with any authority. Therefore, Allrich does not have any published audited financial statements since its incorporation on 18 March 2016. The financial information of Allrich is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

For the shareholders' information, the statement of assets and liabilities of Allrich based on its unaudited management accounts as at 31 December 2024 and 31 December 2025 are as follows:

	Unaudited as at 31 December	
	2024	2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Long-term investment	61,191	61,191
	61,191	61,191
Current assets		
Other receivables	47,117	47,117
Cash and cash equivalents	82	61
	47,199	47,178
TOTAL ASSETS	108,390	108,369
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Reserves and retained earnings	101,231	101,210
TOTAL EQUITY	101,231	101,210
Current liabilities		
Other payables	7,159	7,159
TOTAL LIABILITIES	7,159	7,159
TOTAL EQUITY AND LIABILITIES	108,390	108,369

8. MATERIAL CHANGES IN THE FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of Allrich since the date of Allrich's latest unaudited management accounts for the FYE 31 December 2025.

9. ACCOUNTING POLICIES

As mentioned in Section 6 of this **Appendix II**, the International Companies Act 1988 of Samoa does not require that accounts of Allrich to be audited or that the accounts to be filed with any authority. Therefore, Allrich does not have any published audited financial statements since its incorporation on 18 March 2016. The financial information of Allrich is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

The unaudited management accounts for the financial years presented have been prepared on a consistent basis and will not materially affect the comparability of the financial information presented in Sections 6 and 7 of this **Appendix II**.

APPENDIX II – INFORMATION ON ALLRICH (CONT'D)

10. RELATIONSHIP BETWEEN ALLRICH, RICHARD HOLDINGS, THE PACS AND TONG HERR

Name	Description of relationship between Allrich, Richard Holdings, the PACs and Tong Herr
Allrich	Allrich holds 39.86% of the issued shares in Tong Herr and serves as a corporate vehicle for Tsai, Hung-Chuan and Tsai, Jane-Rong.
Richard Holdings	Richard Holdings holds 31.95% of the issued shares in Tong Herr and serves as a corporate vehicle for Tsai Ming Ti, Tsai Yi Ting, and Tsai Pei Chen.
Tsai, Hung-Chuan	He is the sole director of Allrich and directly holds 80.00% of the issued shares in Allrich. He is also the sibling of Tsai, Jane-Rong and Tsai, Chia-Yen. He is the Non-Independent Non-Executive Director of our Company. Save for his indirect interest in our Company, he does not hold any direct interest in our Company.
Tsai, Jane-Rong	She directly holds 20.00% of the issued shares in Allrich. She is also the sibling of Tsai, Hung-Chuan and Tsai, Chia-Yen.
Tsai Ming Ti	He directly holds 30.00% of the issued shares in Richard Holdings. He is the spouse of Tsai Liao Chin Yeh; father of Tsai Yi Ting, Tsai Pei Chen and Tsai Chia Chen; and the father-in-law of Yang, Sheng-Chun. He is the Executive Chairman of our Company and holds 1.31% direct interest in our Company.
Tsai Yi Ting	He is the sole director of Richard Holdings and directly holds 50.00% of the issued shares in Richard Holdings. He is the son of Tsai Ming Ti and Tsai Liao Chin Yeh; sibling of Tsai Pei Chen and Tsai Chia Chen; and the brother-in-law of Yang, Sheng-Chun. He is the Executive Director and Managing Director of our Company and holds 0.13% direct interest in our Company.
Tsai Pei Chen	She directly holds 20.00% of the issued shares in Richard Holdings. She is the daughter of Tsai Ming Ti and Tsai Liao Chin Yeh; sibling of Tsai Yi Ting and Tsai Chia Chen; and the sister-in-law of Yang, Sheng-Chun. She is the Non-Independent Non-Executive Director of our Company and holds 0.48% direct interest in our Company.
Tsai Liao Chin Yeh	She is the spouse of Tsai Ming Ti; mother of Tsai Yi Ting, Tsai Pei Chen and Tsai Chia Chen; and the mother-in-law of Yang, Sheng-Chun. She holds 0.74% direct interest in our Company. She is presumed a PAC pursuant to paragraphs 216(3)(b), 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being the mother of Tsai Yi Ting and Tsai Pei Chen and spouse of Tsai Ming Ti.
Tsai Chia Chen	She is the daughter of Tsai Ming Ti and Tsai Liao Chin Yeh; sibling of Tsai Yi Ting and Tsai Pei Chen; and the spouse of Yang, Sheng-Chun. She holds 0.03% direct interest in our Company. She is presumed a PAC pursuant to paragraphs 216(3)(b), 216(3)(f) and 216(3)(h) of the CMSA by virtue of her being the daughter of Tsai Ming Ti and sibling of Tsai Yi Ting and Tsai Pei Chen.

APPENDIX II – INFORMATION ON ALLRICH (CONT'D)

Name	Description of relationship between Allrich, Richard Holdings, the PACs and Tong Herr
Yang, Sheng-Chun	He is the spouse of Tsai Chia Chen; brother-in-law of Tsai Yi Ting and Tsai Pei Chen; and the son-in-law of Tsai Ming Ti and Tsai Liao Chin Yeh. He holds 6,200 Tong Herr Shares. He is presumed a PAC pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA by virtue of him being the brother-in-law of Tsai Yi Ting and Tsai Pei Chen and son-in-law of Tsai Ming Ti.

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APPENDIX III – INFORMATION ON RICHARD HOLDINGS

1. HISTORY AND PRINCIPAL ACTIVITIES

Richard Holdings was incorporated in the British Virgin Islands on 4 October 2016 as a BVI business company under the name of Richard Holdings Limited.

The principal activity of Richard Holdings is investment holding.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, Richard Holdings' issued share capital is USD50,000 comprising 500 ordinary shares.

2.2 Changes in share capital

There is no change in the share capital of Richard Holdings since its incorporation on 4 October 2016.

2.3 Convertible securities

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

3. SHAREHOLDERS

The shareholders of Richard Holdings and their respective shareholdings in Richard Holdings as at the LPD are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Tsai Yi Ting	250	50.00	-	-
Tsai Ming Ti	150	30.00	-	-
Tsai Pei Chen	100	20.00	-	-

Note:

(1) Computed based on 500 Richard Holdings' shares as at the LPD.

4. BOARD OF DIRECTORS

As at the LPD, the sole director of Richard Holdings and his shareholdings in Richard Holdings are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Tsai Yi Ting	250	50.00	-	-

Note:

(1) Computed based on 500 Richard Holdings' shares as at the LPD.

APPENDIX III – INFORMATION ON RICHARD HOLDINGS (CONT'D)

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE COMPANIES

5.1 Subsidiaries of Richard Holdings

As at the LPD, Richard Holdings does not have any subsidiary.

5.2 Associate companies of Richard Holdings

As at the LPD, the associate company of Richard Holdings is set out below:

Name	Country of incorporation	Effective equity interest	Principal activities
		%	
Tong Herr	Malaysia	31.95	Investment holding. The principal activities of Tong Herr's subsidiaries are set out in Appendix V of this Document.

5.3 Joint venture companies of Richard Holdings

As at the LPD, Richard Holdings does not have any joint venture company.

6. PROFIT AND DIVIDEND RECORD

Section 98 of the BVI Business Companies Act provides that a company shall keep accounts and records in such form as are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. Further, while Article 19 of the Articles of Association of Richard Holdings allows shareholders to call for the accounts to be examined by auditors, the shareholders have not called for an audit since its incorporation on 4 October 2016.

Based on the above, the BVI Business Companies Act does not require that accounts of Richard Holdings to be audited or that the accounts to be filed with any authority.

In view thereof, Richard Holdings does not have any published audited financial statements since its incorporation on 4 October 2016. The financial information of Richard Holdings is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

For the shareholders' information, a summary of the profit and dividend record of Richard Holdings based on its unaudited management accounts for the past three (3) FYE 31 December 2023 to 2025 is as follows:

	Unaudited for the FYE 31 December		
	2023	2024	2025
	RM'000	RM'000	RM'000
Revenue	16,684	10,840	8,666
PBT	16,669	10,822	8,654
PAT	16,669	10,822	8,654
Number of ordinary shares in issue	500	500	500
Basic EPS (RM'000)	33	22	17
Dividend per share (RM)	-	-	-

APPENDIX III – INFORMATION ON RICHARD HOLDINGS (CONT'D)

There were no material exceptional items noted in the unaudited management accounts of Richard Holdings for the past three (3) FYE 31 December 2023 to 2025.

7. STATEMENT OF ASSETS AND LIABILITIES

As mentioned in Section 6 of this **Appendix III**, the BVI Business Companies Act does not require that accounts of Richard Holdings to be audited or that the accounts to be filed with any authority. Therefore, Richard Holdings does not have any published audited financial statements since its incorporation on 4 October 2016. The financial information of Richard Holdings is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

For the shareholders' information, the statement of assets and liabilities of Richard Holdings based on its unaudited management accounts as at 31 December 2024 and 31 December 2025 are as follows:

	Unaudited as at 31 December	
	2024	2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment and other financial assets	82,885	70,849
	82,885	70,849
Current assets		
Cash and cash equivalents	164,365	160,577
	164,365	160,577
TOTAL ASSETS	247,250	231,426
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Reserves and retained earnings	247,250	231,426
TOTAL EQUITY	247,250	231,426
TOTAL LIABILITIES	-	-
TOTAL EQUITY AND LIABILITIES	247,250	231,426

8. MATERIAL CHANGES IN THE FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of Richard Holdings since the date of Richard Holdings' latest unaudited management accounts for the FYE 31 December 2025.

9. ACCOUNTING POLICIES

As mentioned in Section 6 of this **Appendix III**, the BVI Business Companies Act does not require that accounts of Richard Holdings to be audited or that the accounts to be filed with any authority. Therefore, Richard Holdings does not have any published audited financial statements since its incorporation on 4 October 2016. The financial information of Richard Holdings is maintained solely in its unaudited management accounts, which has not been audited by an independent auditor and was not prepared in accordance with the International Financial Reporting Standards.

The unaudited management accounts for the financial years presented have been prepared on a consistent basis and will not materially affect the comparability of the financial information presented in Sections 6 and 7 of this **Appendix III**.

10. RELATIONSHIP BETWEEN RICHARD HOLDINGS, ALLRICH, THE PACS AND TONG HERR

Save as disclosed in Section 10 of **Appendix II** of this Document, Richard Holdings has confirmed that there are no other PACs.

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1. PARTICULARS OF THE JOINT ULTIMATE OFFERORS**1.1 Tsai, Hung-Chuan**

Tsai, Hung-Chuan, a Taiwanese, aged 49, holds a Master of Business Administration from the University of Washington, United States of America. He is the Non-Independent Non-Executive Director of our Company and was appointed to our Board on 27 February 2013. He has more than 20 years of experience in the fasteners and stainless-steel products industry.

Upon his graduation in 2003, he joined Tong Ming Enterprise Co., Ltd., a company listed on the Taiwan Stock Exchange, as a general manager. He was subsequently appointed as a director of Tong Ming Enterprise Co., Ltd. in 2007. As at the LPD, he is also a Director of one of our subsidiaries, namely Tong Heer Fasteners Co. Sdn Bhd, since 2013.

He is currently the sole director and a substantial shareholder of Allrich, the major shareholder of our Company, and is therefore deemed to be an indirect major shareholder of our Company.

1.2 Tsai, Jane-Rong

Tsai, Jane-Rong, a Taiwanese, aged 48, holds a Master of Science in Electronic Commerce from Carnegie Mellon University, United States of America. She has more than 20 years of experience in the technology, e-commerce, real estate, property management and hospitality industries.

Upon her graduation in 2000, she joined Ricoh Deutschland GmbH as a software engineer. In 2002, she joined Tong Ming Fasteners Co., Ltd., a subsidiary of Tong Ming Enterprise Co., Ltd., as an information technology manager. Subsequently, she joined Jiaying Fortune Real Estate Co., Ltd. as an executive director in 2006.

She is currently a substantial shareholder of Allrich, the major shareholder of our Company, and is therefore deemed to be an indirect major shareholder of our Company.

1.3 Tsai Ming Ti

Tsai Ming Ti, a Taiwanese, aged 66, is the Executive Chairman of our Company. He completed his education at a local junior high school in Chiayi County, Taiwan. He has more than 40 years of experience in the fasteners and stainless-steel products industry.

He is one of the founders of Tong Hwei Enterprise Co., Ltd., which was incorporated in Taiwan in 1978 and is principally involved in the production of stainless-steel bolts and screws. In 1988, he co-founded Tong Heer Fasteners Co. Sdn Bhd in Malaysia, which commenced operations in 1990. In 1995, he was appointed as a director of Tong Ming Enterprise Co., Ltd., a company listed on the Taiwan Stock Exchange. He was appointed to our Board as an Executive Director on 20 July 1999 and subsequently as Executive Chairman on 27 February 2013. As at the LPD, he is also a Director of the following subsidiaries of our Group:

- (i) Tong Heer Fasteners Co. Sdn Bhd, since 1989;
- (ii) Tong Heer Aluminium Industries Sdn Bhd, since 2010;
- (iii) Tong Heer Fasteners (Thailand) Co., Ltd., since 2004;
- (iv) Acme Aluminium Sdn Bhd, since 2010; and
- (v) Hwang Shin Industrial (M) Sdn Bhd, since 2021.

He is currently a substantial shareholder of Richard Holdings, the major shareholder of our Company, and is therefore deemed to be an indirect major shareholder of our Company.

1.4 Tsai Yi Ting

Tsai Yi Ting, a Taiwanese, aged 37, holds a Bachelor of Science degree from Purdue University, United States of America. He is the Executive Director and Managing Director of our Company. He has more than 10 years of experience in the fasteners and stainless-steel products industry.

Upon his graduation in 2010, he joined our subsidiary, Tong Heer Fasteners Co. Sdn Bhd, as an assistant to the managing director. He was appointed to our Board as an Executive Director on 26 May 2010. Subsequently, he was appointed as our Deputy Managing Director on 19 August 2011 and assumed the position of Managing Director since 29 August 2012. As at the LPD, he is also a Director of the following subsidiaries of our Group:

- (i) Tong Heer Fasteners Co. Sdn Bhd, since 2019;
- (ii) Tong Heer Aluminium Industries Sdn Bhd, since 2010; and
- (iii) Tong Heer Fasteners (Thailand) Co., Ltd., since 2019.

He is currently the sole director and a substantial shareholder of Richard Holdings, the major shareholder of our Company, and is therefore deemed to be an indirect major shareholder of our Company.

1.5 Tsai Pei Chen

Tsai Pei Chen, a Taiwanese, aged 39, holds a Bachelor of Science in Management from Case Western Reserve University, Ohio, United States of America. She is the Non-Independent Non-Executive Director of our Company. She has more than 10 years of experience in the fasteners and stainless-steel products industry.

Upon her graduation in 2010, she joined our subsidiary, Tong Heer Fasteners Co. Sdn Bhd, as a general manager and was subsequently appointed as a Director of Tong Heer Fasteners Co. Sdn Bhd. She was appointed to our Board as an Executive Director on 29 August 2017 and was subsequently re-designated as the Non-Independent Non-Executive Director on 12 April 2019. As at the LPD, she is also a Director of the following subsidiaries of our Group:

- (i) Tong Heer Fasteners Co. Sdn Bhd, since 2010; and
- (ii) Tong Heer Aluminium Industries Sdn Bhd, since 2010.

She is currently a substantial shareholder of Richard Holdings, the major shareholder of our Company, and is therefore deemed to be an indirect major shareholder of our Company.

2. RELATIONSHIP BETWEEN THE JOINT ULTIMATE OFFERORS, ALLRICH, RICHARD HOLDINGS, THE PACS AND TONG HERR

Please refer to Section 10 of **Appendix II** of this Document for the further details of the relationship between the Joint Ultimate Offerors with Allrich, Richard Holdings, the PACs and Tong Herr.

APPENDIX V – INFORMATION ON TONG HERR

1. HISTORY AND PRINCIPAL ACTIVITIES

Tong Herr was incorporated in Malaysia on 20 May 1997 under the Companies Act, 1965 as a private limited company. It was subsequently converted to a public limited company on 29 September 1997. Tong Herr was listed on the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) on 3 November 1999.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are set out in Section 5 of this **Appendix V**.

2. SHARE CAPITAL

2.1 Issued share capital

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

2.2 Changes in share capital

Since the end of the FYE 31 December 2025 up to the LPD, there is no change in the share capital of Tong Herr.

2.3 Convertible securities

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

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Tong Herr and their respective shareholdings in Tong Herr as at the LPD are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Allrich	61,191,043	39.86	-	-
Richard Holdings	49,044,307	31.95	-	-
Tsai Ming Ti	2,020,402	1.31	50,178,357 ⁽²⁾	32.69
Tsai Liao Chin Yeh	1,134,050	0.74	51,064,709 ⁽³⁾	33.26
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
Tsai, Hung-Chuan	-	-	61,191,043 ⁽⁵⁾	39.86
Tsai, Jane-Rong	-	-	61,191,043 ⁽⁵⁾	39.86

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.
- (2) 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 our Company pursuant to subsection 59(11) of the Act.

APPENDIX V – INFORMATION ON TONG HERR (CONT'D)

- (3) *Deemed interested by virtue of her spouse, Tsai Ming Ti's shareholdings in Richard Holdings and in our Company.*
- (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 his/her shareholdings in Allrich pursuant to subsection 8(4) of the Act.*

4. BOARD OF DIRECTORS

The Directors of the Company as at the LPD are set out below:

Name	Designation	Nationality
Tsai Ming Ti	Executive Chairman	Taiwanese
Tsai Yi Ting	Executive Director/Managing Director	Taiwanese
Tan Ban Leong	Executive Director	Malaysian
Tsai Pei Chen	Non-Independent Non-Executive Director	Taiwanese
Tsai, Hung-Chuan	Non-Independent Non-Executive Director	Taiwanese
Tsai, Chia-Yen	Non-Independent Non-Executive Director	Taiwanese
Rohaiza Binti Mohamed Basir	Independent Non-Executive Director	Malaysian
Datin Nik Haslinda Binti Nik Mohd Hashim	Independent Non-Executive Director	Malaysian
Soon Gim Wooi	Independent Non-Executive Director	Malaysian

The Directors' respective shareholdings in Tong Herr as at the LPD are set out below:

Name	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
Tsai Ming Ti	2,020,402	1.31	50,178,357 ⁽²⁾	32.69
Tsai Yi Ting	198,000	0.13	49,044,307 ⁽³⁾	31.95
Tan Ban Leong	45,000	0.03	-	-
Tsai Pei Chen	731,100	0.48	49,044,307 ⁽³⁾	31.95
Tsai, Hung-Chuan	-	-	61,191,043 ⁽⁴⁾	39.86
Tsai, Chia-Yen	-	-	-	-
Rohaiza Binti Mohamed Basir	-	-	-	-
Datin Nik Haslinda Binti Nik Mohd Hashim	-	-	-	-
Soon Gim Wooi	-	-	-	-

APPENDIX V – INFORMATION ON TONG HERR (CONT'D)

Notes:

- (1) Based on 153,517,700 Shares in issue (excluding 3,912,300 treasury shares held by our Company) as at the LPD.
- (2) 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 our Company pursuant to subsection 59(11) of the Act.
- (3) Deemed interested by virtue of his/her shareholdings in Richard Holdings pursuant to subsection 8(4) of the Act.
- (4) Deemed interested by virtue of his shareholdings in Allrich pursuant to subsection 8(4) of the Act.

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE COMPANIES

As at the LPD, the subsidiaries of Tong Herr are set out below:

Name	Country of incorporation	Effective equity interest	Principal activities
		%	
Tong Heer Fasteners Co. Sdn Bhd	Malaysia	100.00	Manufacture and sale of stainless steel fasteners including nuts, screws and all other threaded items
Tong Heer Fasteners (Thailand) Co., Ltd	Thailand	99.99	Manufacture and sale of stainless steel fasteners including bolts, screws and all other threaded items
Tong Heer Aluminium Industries Sdn Bhd	Malaysia	51.00	Extrusion and fabrication of aluminium products
Subsidiaries of Tong Heer Aluminium Industries Sdn Bhd			
Acme Aluminium Sdn Bhd	Malaysia	40.80	Trading of aluminium extrusion products and parts
Hwang Shin Industrial (M) Sdn Bhd	Malaysia	51.00	Investment holding

As at the LPD, Tong Herr does not have any associate companies and joint venture companies.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Tong Herr based on its audited consolidated financial statements for the past three (3) financial years, i.e. FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 as well as its latest unaudited consolidated financial statements for the 6-month FPE 30 June 2026 are set out below:

	Audited for the FYE 31 December			Unaudited 6-month FPE 30 June
	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000
Revenue	598,033	536,380	560,763	246,185
PBT	15,506	10,496	9,676	20,195
PAT	9,788	7,623	8,711	17,404
Profit attributable to:				
- Owners of the Company	6,422	1,682	5,756	13,025
- Non-controlling interest	3,366	5,941	2,955	4,379
Weighted average number of Tong Herr Shares ('000)	153,518	153,518	153,518	153,518
Basic EPS (sen) ⁽¹⁾	4.18	1.10	3.75	8.48
Dividend per Tong Herr Share (sen)	7.50	3.30	3.30	-

Note:

- (1) Computed based on the profit attributable to owners of the Company over the weighted average number of Tong Herr Shares.

There were no material exceptional items noted in the audited consolidated financial statements of Tong Herr for the past three (3) financial years, i.e. FYE 31 December 2023 to FYE 31 December 2025 as well as the latest unaudited consolidated financial results for the 6-month FPE 30 June 2026.

Financial commentaries:
(a) FYE 31 December 2024 vs FYE 31 December 2023

For the FYE 31 December 2024, the revenue of our Group decreased by RM61.65 million or 10.31% to RM536.38 million (FYE 31 December 2023: RM598.03 million). The decrease was mainly attributable to lower revenue contribution from fasteners segment due to overall decrease in average selling prices for fasteners. Our Group's revenue from fasteners segment decreased by RM78.34 million or 17.32% to RM373.92 million (FYE 31 December 2023: RM452.26 million).

However, this was partially offset by an increase in revenue from aluminium segment by RM16.70 million or 11.45% to RM162.47 million (FYE 31 December 2023: RM145.77 million).

For the FYE 31 December 2024, our Group recorded a decrease in PBT by RM5.01 million or 32.31% to RM10.50 million (FYE 31 December 2023: RM15.51 million) as well as a decrease in PAT by RM2.17 million or 22.12% to RM7.62 million (FYE 31 December 2023: RM9.79 million). The decrease in both PBT and PAT was mainly due to segment loss recorded by fasteners segment of RM3.92 million during FYE 31 December 2024 as compared to segment profit of RM3.49 million in FYE 31 December 2023.

(b) FYE 31 December 2025 vs FYE 31 December 2024

For the FYE 31 December 2025, the revenue of our Group increased by RM24.38 million or 4.55% to RM560.76 million (FYE 31 December 2024: RM536.38 million). The increase was mainly attributable to higher revenue contribution from fasteners segment due to overall increase in demand for fasteners. Our Group's revenue from fasteners segments increased by RM41.88 million or 11.20% to RM415.80 million (FYE 31 December 2024: RM373.92 million).

However, this was partially offset by a decrease in revenue from aluminium segment by RM17.51 million or 10.77% to RM144.96 million (FYE 31 December 2024: RM162.47 million).

For the FYE 31 December 2025, our Group recorded a decrease in PBT by RM0.82 million or 7.81% to RM9.68 million (FYE 31 December 2024: RM10.50 million). The decrease in PBT was mainly attributable to higher administrative and general expenses, finance costs and loss on derecognition of financial assets measured at amortised cost.

For the FYE 31 December 2025, our Group recorded an increase in PAT by RM1.09 million or 14.27% to RM8.71 million (FYE 31 December 2024: RM7.62 million), primarily due to the recognition of higher non-taxable income during the FYE 31 December 2025.

(c) FPE 30 June 2026 vs FPE 30 June 2025

For the FPE 30 June 2026, the revenue of our Group decreased by RM52.31 million or 17.52% to RM246.19 million (FPE 30 June 2025: RM298.50 million). The decrease was mainly attributable to lower revenue contribution from the fasteners segment due to lower sales volume and lower average selling price. Our Group's revenue from fasteners segment decreased by RM66.86 million or 29.36% to RM160.84 million (FPE 30 June 2025: RM227.70 million).

However, this was partially offset by an increase in revenue contribution from the aluminium segment by RM14.55 million or 20.55% to RM85.34 million (FPE 30 June 2025: RM70.79 million).

For the FPE 30 June 2026, our Group recorded an increase in PBT by RM10.80 million or 114.82% to RM20.20 million (FPE 30 June 2025: RM9.40 million) as well as an increase in PAT by RM9.57 million or 122.16% to RM17.40 million (FPE 30 June 2025: RM7.83 million). The increase in both PBT and PAT was mainly due to better cost control and better absorption of production overheads arising from higher sales volume in aluminium segment.

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APPENDIX V – INFORMATION ON TONG HERR (CONT'D)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of Tong Herr based on its audited consolidated financial statements as at 31 December 2024 and 31 December 2025 as well as its latest unaudited consolidated financial statements as at 30 June 2026 are set out below:

	Audited as at 31 December		Unaudited as at
	2024	2025	30 June
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	122,067	116,789	109,778
Right-of-use assets	16,811	16,906	16,496
Other investment	1,532	-	-
Deferred tax assets	514	596	570
	140,924	134,291	126,844
Current assets			
Inventories	327,612	307,069	327,952
Receivables	55,055	43,534	58,972
Derivatives	472	-	67
Prepayments	28,238	9,066	14,744
Current tax assets	2,256	3,110	1,435
Cash and cash equivalents	129,797	157,362	112,383
	543,430	520,141	515,553
TOTAL ASSETS	684,354	654,432	642,397
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	185,930	185,930	185,930
Treasury shares	(8,190)	(8,190)	(8,190)
Statutory reserve	10,129	10,129	10,129
Currency translation reserve	39,984	35,446	23,422
Retained profits	308,820	309,224	317,183
	536,673	532,539	528,474
Non-controlling interests	55,573	56,818	61,057
TOTAL EQUITY	592,246	589,357	589,531
Non-current liabilities			
Deferred tax liabilities	3,121	2,275	2,330
Lease liabilities	538	1,066	944
Retirement benefits	1,515	2,025	-
	5,174	5,366	3,274
Current liabilities			
Payables	42,650	32,077	31,873
Loans and borrowings	41,177	26,287	15,872
Lease liabilities	112	282	295
Derivatives	-	93	-
Contract liabilities	2,004	765	147
Current tax liabilities	991	205	1,405
	86,934	59,709	49,592
TOTAL LIABILITIES	92,108	65,075	52,866
TOTAL EQUITY AND LIABILITIES	684,354	654,432	642,397

8. BORROWINGS

Based on the latest unaudited quarterly report of our Group as at 30 June 2026, our Group has total borrowings of approximately RM15.87 million, consisting of the following:

	<u>RM'000</u>
Short-term borrowings	
Unsecured	15,872
	<u>15,872</u>

9. LEASE LIABILITIES

Based on the latest unaudited quarterly report of our Group as at 30 June 2026, our Group has total outstanding lease liabilities of approximately RM1.24 million, consisting of the following:

	<u>RM'000</u>
Classified as:	
Current liabilities	295
Non-current liabilities	944
	<u>1,239</u>

10. CONTINGENT LIABILITIES

As at the LPD, there are no 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.

11. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments 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.

12. MATERIAL CHANGES IN THE FINANCIAL POSITION AND PROSPECTS

As at the LPD, there are no known material changes within the knowledge of our Board and the Non-Entitled Shareholders, in the financial position or prospects of our Group since the date on which our Company's last audited financial statements were laid before our Company's shareholders at our Annual General Meeting on 25 May 2026, other than as disclosed in announcements made by our Company on Bursa Securities, including quarterly financial results, from time to time.

13. ACCOUNTING POLICIES

The audited consolidated financial statements of our Group for the FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 and the unaudited consolidated financial statements of our Group for the 6-month FPE 30 June 2026 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on our Group's financial statements for the respective financial years and/or period under review.

APPENDIX V – INFORMATION ON TONG HERR (CONT'D)

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited consolidated financial statements of our Group for the FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 and the unaudited consolidated financial statements of our Group for the 6-month FPE 30 June 2026.

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1. RESPONSIBILITY STATEMENT

This Document has been seen and approved by our Board who collectively and individually accept full responsibility for the accuracy of the information contained in this Document and confirms that, after making all reasonable enquiries and to the best of their knowledge and belief:

- (i) they have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate and have been arrived at after due and careful consideration and that no material facts have been omitted;
- (ii) there are no false or misleading statements and/or information in this Document; and
- (iii) there are no other facts and/or information not contained in this Document, the omission of which would make any statement or information in this Document false or misleading.

All statements and information in relation to the Non-Entitled Shareholders and the PACs as disclosed in this Document were provided by the Non-Entitled Shareholders and the PACs. Any statement or information in relation to the Non-Entitled Shareholders and the PACs as disclosed in this Document has been 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 in relation to the Tong Herr Group that is provided to the Independent Adviser for its evaluation of the Proposed SCR has been accurately and completely disclosed to the Independent Adviser and that there are no material facts and/or omissions of which would make any information provided to the Independent Adviser false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST**(i) RHB Investment Bank**

RHB Investment Bank, being the Principal Adviser to our Company for the Proposed SCR, 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 they appear in this Document.

In addition, RHB Investment Bank, being the Principal Adviser to the Joint Offerors, the Joint Ultimate Offerors and persons acting in concert with them in relation to the Proposed SCR, has also advised the Joint Offerors on their obligations under the Rules in connection with the Proposed SCR and our Board is fully informed of RHB Investment Bank's role in advising the Joint Offerors, the Joint Ultimate Offerors and persons acting in concert with them in relation to the Proposed SCR.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad ("**RHB Bank**"), and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") form a diversified financial group. RHB Banking Group may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, among others, brokerage, securities trading, asset and fund management and credit transaction service businesses. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the role as set out in this Circular. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of our Company and/or our affiliates for their own accounts or their proprietary accounts.

Furthermore, in the ordinary course of business, RHB Banking Group may at any time offer or provide its services or engage in any transactions (whether on its own account or otherwise) with our Company and/or our affiliates and/or any other entity or person, hold long or short positions in the securities offered by our Company and/or our affiliates, make investments recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and/or our affiliates.

The businesses of RHB Banking Group generally acts independently of each other, and accordingly, there may be situations where parts of RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

As at the LPD, RHB Banking Group had extended various credit facilities amounting to RM14.10 million to Tong Herr Group. The credit facilities represent approximately 0.04% of the audited consolidated NA of RHB Bank of approximately RM34.15 billion as at 31 December 2025.

Notwithstanding the above, RHB Investment Bank is of the opinion that concerns of any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to our Company for the Proposed SCR is mitigated by the following:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser to our Company for the Proposed SCR is in the ordinary course of its business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser to our Company for the Proposed SCR;
- (ii) the credit facilities were approved by RHB Banking Group's relevant credit committee and granted on an arm's length basis and is not material when compared to the audited consolidated NA of RHB Bank of approximately RM34.15 billion as at 31 December 2025;
- (iii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iv) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the CMSA and RHB Banking Group's own internal controls which include, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

As at the LPD, save as disclosed above, RHB Investment Bank confirms that there is no other conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to our Company for the Proposed SCR.

(ii) Mercury Securities

Mercury Securities, being the Independent Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL and all references thereto in the form and context in which they appear in this Document.

Mercury Securities confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser for the Proposed SCR.

(iii) Nawawi Tie Leung Property Consultants Sdn Bhd ("Nawawi")

Nawawi, being the independent valuer for the properties of Tong Herr Group, 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 they appear in this Document.

Nawawi confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the independent valuer for the properties of Tong Herr Group for the Proposed SCR.

3. MATERIAL CONTRACTS

As at the LPD, Tong Herr Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding 6 August 2026, being the date of the Proposal Letter, and up to the LPD.

4. MATERIAL LITIGATION

As at the LPD, Tong Herr Group is 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 the Tong Herr Group and our Board confirms that there is no proceeding, pending or threatened, against the Tong Herr Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Tong Herr Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company at Suite S-21-H, 21st Floor, Menara Northam, 55 Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang during normal business hours on Mondays to Fridays from 8.00 a.m. to 5.00 p.m. (except public holidays) from the date of this Document up to and including the date of the EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of Tong Herr for the past three (3) financial years from FYE 31 December 2023 to FYE 31 December 2025 and our latest unaudited consolidated financial statements for the 6-month FPE 30 June 2026;
- (iii) the Proposal Letter;
- (iv) the valuation reports dated 6 August 2026 issued by Nawawi for the purpose of appraising the market value of the properties of Tong Herr Group; and
- (v) the letters of consent and declaration of conflict of interest referred to in Section 2 of this **Appendix VI**.



TONG HERR RESOURCES BERHAD
(Registration No. 199701016642 (432139-W))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Tong Herr Resources Berhad ("**Tong Herr**" or the "**Company**") will be held at Bendera 2, Level 2, Holiday Inn & Suites Penang Prai, 1919, Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang on Tuesday, 3 November 2026 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

SPECIAL RESOLUTION

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 ("ACT") ("PROPOSED SCR")

THAT, subject to the relevant approvals and/or consents being obtained from all relevant authorities and parties, where required, as well as the confirmation granted by the High Court of Malaya ("**High Court**") for the reduction of the issued share capital of the Company pursuant to Section 116 of the Act, approval be and is hereby given to the Company to undertake and effect the Proposed SCR in the following manner:

- (i) to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Act involving the cancellation of all ordinary shares in Tong Herr ("**Tong Herr Share(s)**" or "**Share(s)**") held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the entitlement date to be determined and announced later by the Board of Directors of the Company ("**Board**") ("**Entitlement Date**") ("**Entitled Shareholders**"), save for the shares held by Allrich Corp, Richard Holdings Limited, the joint ultimate offerors and persons acting in concert with them (collectively, the "**Non-Entitled Shareholders**");
- (ii) immediately upon completion of the Proposed SCR, to cancel all treasury Tong Herr Shares held by the Company; and
- (iii) to effect a capital repayment of RM2.55 in cash for each existing Share held by the Entitled Shareholders on the Entitlement Date which has been cancelled pursuant to the Proposed SCR.

AND THAT the Board be and is hereby authorised to take all such steps as it considers necessary, desirable and/or expedient in connection with the Proposed SCR including:

- (i) to determine and announce the Entitlement Date and the date of settlement of the capital repayment;
- (ii) to file an application to seek confirmation from the High Court for the reduction of the share capital of the Company pursuant to Section 116 of the Act;
- (iii) to lodge a copy of the High Court order confirming the reduction of share capital with the Registrar of Companies pursuant to Section 116(6) of the Act on such date as the Board may determine;
- (iv) subject to the High Court order being obtained and becoming effective in accordance with the Act, to effect the capital repayment of RM2.55 in cash for each Tong Herr Share held by the Entitled Shareholders on the Entitlement Date;

- (v) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as may be required by the relevant authorities, the High Court and/or the Registrar of Companies, or as the Board considers necessary or expedient in the best interests of the Company; and
- (vi) to do all such acts, deeds and things and to execute, sign and deliver all such documents as the Board may consider necessary, desirable and/or expedient to implement, finalise, complete and give full effect to the Proposed SCR.

By Order of the Board

ANGELINA CHEAH GAIK SUAN (MAICSA 7035272) (SSM PC No.: 202008002177)

LEE MEI-MEI (MAICSA 7062284) (SSM PC No.: 202008002962)

Company Secretaries

Pulau Pinang, Malaysia

12 October 2026

Notes:

1. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the EGM will be put to a vote by way of a poll.
2. In respect of deposited securities, only depositors whose names appear in the Record of Depositors as at 27 October 2026 shall be entitled to attend, participate, speak and vote thereat.
3. A member of the Company who is entitled to attend and vote at a meeting of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the meeting. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. Where a member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, 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.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed, or a duly certified copy of that power or authority, shall be deposited with the Share Registrar, not less than forty-eight (48) hours before the time fixed for holding the EGM or any adjournment thereof:

Mode of submission	Designated address
Hard copy	Vistra Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Electronic means	Through Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com ; or You may submit the Form of Proxy electronically via the Share Registrar's email at is.enquiry@vistra.com on or before the time and the date indicated above. For further information on electronic lodgement of the Form of Proxy, please refer to the Administrative Guide for the EGM

The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so, provided that a notice of termination of proxy authority in writing is given to and 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 Wilayah Persekutuan, Malaysia, or submitted electronically via email to the Share Registrar at is.enquiry@vistra.com, not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at this meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



TONG HERR RESOURCES BERHAD
Registration No. 199701016642 (432139-W)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE TO SHAREHOLDERS OF TONG HERR RESOURCES BERHAD (“TONG HERR” OR THE “COMPANY”) FOR THE EXTRAORDINARY GENERAL MEETING (“EGM” OR “MEETING”)

REGISTRATION ON THE DAY OF THE EGM

- The registration counter starts at 1.30 p.m. on Tuesday, 3 November 2026 and will open until the conclusion of the EGM or such time may be determined by the Chairman of the Meeting.
- Shareholders or proxies are requested to produce their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter. Please take note that no person is permitted to register on behalf of another individual, even if in possession of the original MyKAD or Passport of that individual.
- Upon verification, shareholders or proxies will also be given the identification wristbands for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

ENTITLEMENT TO PARTICIPATE IN THE EGM

- Only members whose names appear in the Record of Depositors of our Company as at 27 October 2026 shall be entitled to attend the EGM or appoint proxy(ies) to attend on his/her behalf.

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representative(s) in lieu of appointing a proxy, are required to deposit their original or duly certified Certificate of Appointment of Corporate Representative with Vistra Investor & Issuing House Services Sdn. Bhd. (“**VIIH**” or “**Share Registrar**”) on or before the EGM. Such document may be lodged physically or submitted electronically in accordance with the instructions prescribed by VIIH from time to time.
- Attorneys appointed under a power of attorney are required to deposit the original power of attorney with VIIH not later than 2.30 p.m. on Sunday, 1 November 2026, in order to attend and vote at the EGM.

LODGEMENT OF FORM OF PROXY

If you wish to participate in the EGM yourself, please do not submit any Form of Proxy for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you. Accordingly, the appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid:

In hard copy form

In case of an appointment made in hard copy form, the proxy form must 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 or alternatively, to be deposited in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

By electronic form

You may also submit or lodge the Form of Proxy electronically via Vistra Share Registry Portal ("The Portal") at <https://srmy.vistra.com> and the steps to submit are summarised below:

PROCEDURES FOR ELECTRONIC SUBMISSION OF FORM OF PROXY

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with The Portal	- Visit the website at https://srmy.vistra.com. - Click "Register" and select "Individual Holder" and complete the New User Registration Form. - For guidance, you may refer to the tutorial guide available on the homepage. - Once registration is completed, you will receive an email notification to verify your registered email address. - After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. - Once you receive the confirmation, activate your account by creating your password. <i>If you are already a user with VIIH Online, you are not required to register again.</i>
Proceed with submission of form of proxy	- After the release of the Notice of EGM by the Company, login with your username (i.e. email address) and password. - Select the corporate event: "TONG HERR RESOURCES BERHAD EGM". - Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". - Read and agree to the Terms and Conditions and confirm the Declaration. - Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. - Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairperson as your proxy. - Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. - Review and confirm your proxy(ies) appointment. - Print the form of proxy for your record.
ii. Steps for corporate or institutional shareholders	
Register as a User with The Portal	- Visit the website at https://srmy.vistra.com. - Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. - Complete the registration form with your personal details. - Once registration is completed, you will receive an email notification to verify your registered email address. - After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. - Once you receive the confirmation, activate your account by creating your password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Vistra if you need clarifications on the user registration.
Proceed with submission of form of proxy	- Login to https://srmy.vistra.com with your email address and password. - Select the corporate event: "TONG HERR RESOURCES BERHAD EGM". - Navigate to the icon ">" at the end of the corporate event. - Read and agree to the Terms and Conditions and confirm the Declaration. - Select the corporate holder's name. - Proceed to download the submission file. - Prepare the file for the appointment of proxy(ies) by inserting the required data. - Proceed to upload the duly completed proxy appointment file. - Select "Confirm" to complete your submission. - Print the confirmation report of your submission for your record.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining who shall be entitled to attend the EGM, the Company will request Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 27 October 2026. Only a depositor whose name appears in such Record of Depositors shall be entitled to attend the said meeting.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without prior written permission of the Company.

REFRESHMENT AND DOOR GIFT

There will be no distribution of door gift and refreshment during the EGM.

We thank you for your continuous support to the Company.

ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Vistra Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3,
Bangsar South No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

General Line
Nor Faeayzah

Damia Insyirah

Email

Telephone Number

603-2783 9299
603-2783 9274
nor.faeayzah@vistra.com
603-2783 7962
damia.insyirah@vistra.com
is.enquiry@vistra.com

TONG HERR RESOURCES BERHAD
(Registration No. 199701016642 (432139-W))
(Incorporated in Malaysia)

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									
				-			-			

I/We _____ (*NRIC No./ Company No. _____) (Email address: _____) of _____

being a member/members of TONG HERR RESOURCES BERHAD ("Tong Herr" or the "Company") hereby appoint *the Chairman of the meeting or any of the following person(s) as my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Bendera 2, Level 2, Holiday Inn & Suites Penang Prai, 1919, Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang on Tuesday, 3 November 2026 at 2.30 p.m. and at any adjournment thereof.

Full Name (in Block)	NRIC No./ Passport No.	Contact Number	Email address	Proportion of Shareholdings
1)				No. of Shares: %
2)				No. of Shares: %

* My/our proxy/proxies is/are to vote on a poll as indicated below with an "X".

SPECIAL RESOLUTION	*FOR	*AGAINST
1. 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		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

* strike out whichever is not desired

As witness my hand this day of....., 2026.

.....
Signature/Common Seal of Member

Notes:

- Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the EGM will be put to a vote by way of a poll.
- In respect of deposited securities, only depositors whose names appear in the Record of Depositors as at 27 October 2026 shall be entitled to attend, participate, speak and vote thereat.
- A member of the Company who is entitled to attend and vote at a meeting of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the meeting. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, 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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.



6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed, or a duly certified copy of that power or authority, shall be deposited with the Share Registrar, not less than forty-eight (48) hours before the time fixed for holding the EGM or any adjournment thereof:

Mode of submission	Designated address
Hard copy	Vistra Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Electronic means	Through Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com ; or You may submit the Form of Proxy electronically via the Share Registrar's email at is.enquiry@vistra.com on or before the time and the date indicated above. For further information on electronic lodgement of the Form of Proxy, please refer to the Administrative Guide for the EGM

The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so, provided that a notice of termination of proxy authority in writing is given to and 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 Wilayah Persekutuan, Malaysia, or submitted electronically via email to the Share Registrar at is.enquiry@vistra.com, not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at this meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**The Share Registrar of
TONG HERR RESOURCES BERHAD**
(Registration No. 199701016642 (432139-W))
Vistra Investor & Issuing House Services Sdn Bhd
(formerly known as Tricor Investor & Issuing House Services Sdn Bhd)
Unit 32-01, Level 32, Tower A
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