

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only reviewed Part A of the Circular in relation to the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature, on a limited review basis pursuant to the provisions of Practice Note 18 of the Bursa Securities' Main Market Listing Requirements ("**Listing Requirements**").

Bursa Securities has not reviewed Part B of this Circular/Statement prior to its issuance as they are prescribed as an exempt documents pursuant to Practice Note 18 of the Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, 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 Circular/Statement.



JHM CONSOLIDATION BERHAD
[Company No.: 200501009101 (686148-A)]
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES

The above proposals will be tabled as Special Business at the Twentieth Annual General Meeting ("**20th AGM**") of JHM Consolidation Berhad ("**JHM**" or "**the Company**") to be held at Marjorie 2, Level 11, Iconic Marjorie Hotel, No. 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang, Malaysia on Wednesday, 28 May 2025 at 2.30 p.m. or at any adjournment thereof. The Notice of 20th AGM together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial year ended 31 December 2024.

A member entitled to attend, participate, speak and vote at the 20th AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote on his/her behalf. In such event, the Form of Proxy must be lodged at our Registered Office at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the stipulated time appointed for holding the 20th AGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting at the 20th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 26 May 2025 at 2.30 p.m.

Date and time of the 20th AGM : Wednesday, 28 May 2025 at 2.30 p.m.

DEFINITIONS

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

| | | |
|------------------------|---|---|
| “20 th AGM” | : | Twentieth Annual General Meeting of the Company |
| “2024 Annual Report” | : | Annual Report of JHM issued for the financial year ended 31 December 2024 |
| “Act” | : | Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force |
| “AGM” | : | Annual General Meeting |
| “Audit Committee” | : | The Audit Committee and Risk Management Committee of JHM |
| “Board” | : | The Board of Directors of JHM |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad [200301033577 (635998-W)] |
| “Circular” | : | Circular to Shareholders in relation to the Proposals |
| “Code” | : | The Malaysian Code on Take-overs and Mergers 2016 (as amended from time to time and includes any re-enactment thereof) |
| “Constitution” | : | Constitution of JHM |
| “Director(s)” | : | Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of JHM or any other company which is a subsidiary of JHM or a holding Company of JHM |
| “EPS” | : | Earnings Per Share |
| “JHM” or “Company” | : | JHM Consolidation Berhad [200501009101 (686148-A)] |
| “JHM Group” or “Group” | : | JHM and its subsidiary companies |
| “JHM Dekai” | : | JHM Dekai Auto Lighting Sdn. Bhd. [202101027032 (1427332-A)] |
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time |
| “LPD” | : | 3 April 2025, being the latest practicable date prior to the printing of this Circular |
| “Main Market” | : | Main Market of Bursa Securities |

DEFINITIONS (Cont'd)

| | |
|---|--|
| “Major Shareholder(s)” | : Means a person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is: (a) 10% or more of the total number of all the voting shares in the Company; or (b) 5% or more of the total number of all the voting shares in Company where such person is the largest shareholder of the Company, and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act |
| “Market Day” | : A day which Bursa Malaysia Berhad is open for trading in securities, which may include a Surprise Holiday |
| “NA” | : Net assets attributable to ordinary equity holders of JHM |
| “Proposed New Shareholders’ Mandate” | : Proposed new shareholders’ mandate for JHM Group to enter into RRPTs of a revenue or trading nature |
| “Proposed Renewal of Share Buy-Back Authority or Proposed Share Buy-Back” | : Proposed renewal of share buy-back authority for JHM to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company |
| “Proposals” | : Proposed New Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority |
| “Purchased Shares” | : Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority |
| “Related Party(ies)” | : Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) |
| “RRPT(s)” | : A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries |
| “RM” and “sen” | : Ringgit Malaysia and sen, respectively |
| “Share(s)” | : Ordinary share(s) in JHM |
| “Share Buy-Back Authority” | : The authority conferred by our shareholders on 27 May 2024 for JHM to purchase its own Ordinary Shares of up to 10% of the total number of issued shares of the Company. |
| “Shareholders” | : Shareholders of JHM |

DEFINITIONS (Cont'd)

“Substantial Shareholder(s)” : A person who has an interest or interests in one or more voting Shares in the Company and the number or the aggregate number of those Shares is not less than 5% of the total number of all the voting Shares in the Company as defined under Section 136 of the Act

Surprise Holiday : A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year

All references to “our Company” or “JHM” in this Circular/Statement are to JHM Consolidation Berhad, and references to “our Group” or “JHM Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and, where the context requires otherwise, our subsidiaries.

All references to “you” in this Circular/Statement are to the shareholders of our Company.

Words denoting the singular number 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.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to time of day and date of this Circular/Statement is a reference to Malaysian time and date, unless otherwise stated.

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PART A

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



[Company No.: 200501009101 (686148-A)]
(Incorporated in Malaysia)

Registered Office
Suite 16.06, MWE Plaza
No. 8, Lebuhr Farquhar
10200 George Town
Pulau Pinang

Date: 29 April 2025

Board of Directors:

Lim Chun Thang (*Independent Non-Executive Chairman*)
Dato' Seri Tan King Seng (*Executive Director/ Group Chief Executive Officer*)
Cheah Choon Ghee (*Executive Director*)
Low Soo Kim (*Executive Director*)
Wong Chi Yeng (*Independent Non-Executive Director*)
Lai Fah Hin (*Independent Non-Executive Director*)
Khor Cheng Kwang (*Independent Non-Executive Director*)

To : The Shareholders

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 21 April 2025, the Board of JHM had announced that the Company has proposed to seek its shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming 20th AGM.

The purpose of this Circular is to provide you with the relevant information of the Proposed New Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 20th AGM. The Notice convening the 20th AGM of JHM and the Form of Proxy are enclosed in the 2024 Annual Report of the Company.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING 20TH AGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is

equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,
- whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular relating to shareholders' mandate for new RRPT must be submitted to Bursa Securities together with a checklist showing compliance with such information;
 - (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
 - (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal Activities of JHM Group

The principal activities of JHM consist of investment holding, while its subsidiary companies are involved in manufacturing and assembling of electronic components, design and manufacturing of precision miniature engineering metal parts, precision mechanical parts, die casting and assembling and dealing of testing measuring equipment. The details of JHM's subsidiaries as well as their principal activities as at the LPD are set out in the table below:

| Name of Company | Effective Equity Interest (%) | Principal activities |
|---|-------------------------------|---|
| <u>Subsidiaries:</u> | | |
| Morrissey Technology Sdn. Bhd. | 100 | Design and manufacture of precision miniature engineering metal parts and components. |
| Morrissey Assembly Solution Sdn. Bhd. | 100 | Manufacturing and assembling of electronic components. |
| JH Morrissey Sdn. Bhd. | 100 | International procurement office and research and development center. |
| Morrissey Integrated Dynamics Sdn. Bhd. | 100 | Manufacturing precision mechanical parts, die casting, moulding of precision plastic lens and modular assembly. |
| Mace Instrumentation Sdn. Bhd. | 100 | Manufacturing, assembling and dealing of testing measuring equipment |

| | | |
|------------------------------------|-----|---|
| Mace Hermetic Components Sdn. Bhd. | 100 | Design and manufacture of mechanical parts (lenses and etc), electronic components and electrical products (cameras, connectors and etc) and products assembly for optical instruments, process control equipment, lighting and other industrial equipment. |
| Morrissey Aerosystems Sdn. Bhd. | 80 | Manufacturing of machined metal parts, secondary processes, sub-assemblies and assembly of LED lighting for aerospace industry. Currently, the company has not commenced operations. |
| JHM Dekai Auto Lighting Sdn. Bhd. | 52 | Manufacture and module assembly for electronics and electrical components |

Due to the diversity of JHM Group, it is anticipated that JHM Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed New Shareholders' Mandate for the JHM Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below, provided such transactions are entered into at arm's length and on transaction prices and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

2.3 Validity Period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming 20th AGM and shall continue to be in force until :

- (a) the conclusion of the next AGM of JHM following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of mandate for JHM Group to enter into RRPTs of revenue or trading nature.

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2.4 Classes of Related Parties and Nature of RRPTs for the Proposed New Shareholders' Mandate

The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking for Proposed New Shareholders' Mandate is as follows:

| Related Party & Its Principal Activities | JHM Group - Transacting Party | Nature of Transaction with JHM Group | Actual value transacted from 27 November 2024 to LPD ("Actual Value") # | Estimated value of transaction for the period from LPD to the forthcoming 20 th AGM ("Estimated Value") * | Estimated aggregate value of transaction for the period from the forthcoming 20 th AGM to the next AGM * | Nature of relationship between JHM Group and the Related Party |
|--|-------------------------------|---|---|--|---|--|
| Jiangsu Dekai Auto Parts Co. Ltd. - Design and manufacturing of automotive components | JHM Dekai | Purchase of tooling, assembly component / part, sub-assembly part by JHM Dekai from Jiangsu Dekai Auto Parts Co. Ltd. | 1,764 (RM'000) | 10,352 (RM'000) | 60,000 (RM'000) | <ul style="list-style-type: none"> JHM Dekai is 52% owned by JHM and 48% owned by Jiangxi Dekai Auto Lighting Co., Ltd., respectively. Jiangxi Dekai Auto Lighting Co., Ltd. is wholly owned by Jiangsu Dekai Auto Parts Co. Ltd. Jiangsu Dekai Auto Parts Co. Ltd. is owned by Mr. Dai, Shiwei (50%), Mr. Cheng, Xiaobing (25%), and Mr. Lin, Xilong (25%), respectively. Accordingly, by virtue of their shareholdings in Jiangsu Dekai Auto Parts Co. Ltd., Mr. Dai, Shiwei, Mr. Cheng, Xiaobing and Mr. Lin, Xilong are deemed major shareholders of JHM Dekai. |

Notes:

* The estimated values are calculated based on the historical data and best estimates by the Management. Accordingly, the actual value of the transaction may be varied from the estimated value disclosed above and subject to changes.

Jiangxi Dekai Auto Lighting Co., Ltd. became a major shareholder of JHM Dekai on 27 November 2024, holding a 48% equity interest in JHM Dekai. Accordingly, any transactions between Jiangsu Dekai Auto Parts Co. Ltd. and JHM Dekai will be regarded as related party transactions. The aforesaid transactions were not previously regarded as related party transactions until Jiangxi Dekai Auto Lighting Co., Ltd. became a major shareholder of JHM Dekai.

^ The Related Party(ies) includes any individual who, in the event of changes to the shareholder structure of Jiangsu Dekai Auto Parts Co. Ltd., holds not less than 20% of its shareholding.

- Mr. Dai, Shiwei, Mr. Cheng, Xiaobing, Mr. Lin, Xilong, Jiangsu Dekai Auto Parts Co. Ltd and Jiangxi Dekai Auto Lighting Co., Ltd do not have any interest in JHM.

The highest percentage ratio applicable to the Actual Value and Estimated Value pursuant to the Paragraph 10.02(g) of the Listing Requirements is approximately 0.55% and 3.23% respectively based on the latest consolidated audited financial statements of the Group for the financial year ended 31 December 2023. The aggregate of these percentage ratio is less than 5%.

The applicable percentage ratio of the RRPT from the date Jiangxi Dekai Auto Lighting Co., Ltd. became a major shareholder of JHM Dekai, i.e. 27 November 2024, up to the date of the forthcoming 20th AGM, is less than 5% pursuant to the Listing Requirements, based on the latest consolidated audited financial statements of the Group for the financial year ended 31 December 2024.

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2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

JHM Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with JHM Group's usual business practices and policies, on transaction prices and terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (i) The Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) The Management of the JHM Group is cognisant that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the terms of the transactions for the products or services will be in accordance with the usual business practice of JHM Group and at rates not more favourable to the Related Parties than those generally available to the public and is not detrimental to the Group;
- (iv) Where RRPT is one with a value equal to or in excess of RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), it will be reviewed by the Audit Committee and recommended to be approved by the Board of Directors who has no interest in the transaction. Where the RRPT is one with a value below RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), it will be reviewed and approved by any one (1) of the Executive Director or the Board who has no interest in the transaction;
- (v) If a member of the Board or of the Audit Committee has an interest, as the case may be, he/she shall declare their interest in transaction and abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (vi) The Audit Committee shall amongst others, review any RRPT and conflict of interest situation that may arise within the Group including any transaction procedures or course of conduct that raises questions of management integrity;
- (vii) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;
- (viii) The Audit Committee shall review on a quarterly basis any related party transaction that may arise within the Company or the Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and on terms not detrimental to the minority shareholders;

- (ix) The Audit Committee will consider, from time to time, whether the established guidelines and procedures for RRPTs have become inappropriate and/or it is unable to ensure that the transactions will be on normal commercial terms and/or will prejudice the interests of shareholders generally. Notwithstanding the above, the guidelines and procedures for RRPTs will be reviewed by the Audit Committee at least once in a financial year; and
- (x) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 Amount Due and Owing under Recurrent Related Party Transactions

As of the financial year ended 31 December 2024, there was no amount due and owing to JHM Group by its related parties arising from the RRPTs that exceeded the credit term.

2.7 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Section 2.5 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.5 above and is of the view that JHM has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner.

The Audit Committee is of the opinion that review procedures are sufficient to ensure that the RRPTs will be carried out at arms' length and in accordance with JHM Group's normal commercial terms and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of JHM. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

2.8 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with JHM Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Shareholders' Mandate had been obtained.

3. RATIONALE AND BENEFITS FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

(i) Rationale for the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate will enable the JHM Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

(ii) Benefits of the Proposed New Shareholders' Mandate

The benefits of transacting with Related Parties are as follows:

- a) Enhanced Coordination
Working with Jiangsu Dekai Auto Parts Co. Ltd. that directly supports Original Equipment Manufacturers ("OEMs") can improve the speed and quality of communication. Their expertise in design, engineering, and assembly allows for more effective problem-solving, rapid adjustments, and better overall project management.
- b) Tailored Solutions
Jiangsu Dekai Auto Parts Co. Ltd. can provide customized solutions, given their deep involvement in the product development cycle (from design to mass production). This enables a more adaptive response to specific needs, such as new product features or design modifications.
- c) Long-Term Partnership
The ability to offer high-quality, innovative products strengthens JHM Dekai's position as a strategic partner for Proton, which could lead to long-term contracts, further business opportunities, and deeper integration into Proton's supply chain.

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the Substantial Shareholders of JHM.

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

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders and/or person connected to Director and/or Major Shareholder in the Proposed New Shareholders' Mandate and the Related Party(ies)' direct and indirect shareholdings in JHM are as follows :

| Interested Major Shareholders of Subsidiary | Direct | | Indirect | |
|---|---------------|---|---------------|---|
| | No. of shares | % | No. of shares | % |
| Jiangxi Dekai Auto Lighting Co., Ltd. | - | - | - | - |
| Jiangsu Dekai Auto Parts Co. Ltd. | - | - | - | - |
| Dai, Shiwei | - | - | - | - |
| Cheng, Xiaobing | - | - | - | - |
| Lin, Xilong | - | - | - | - |

JHM Dekai is 52% owned by JHM and 48% owned by Jiangxi Dekai Auto Lighting Co., Ltd., respectively. Jiangxi Dekai Auto Lighting Co., Ltd. is wholly owned by Jiangsu Dekai Auto Parts Co. Ltd.. And Jiangsu Dekai Auto Parts Co. Ltd. is owned by Mr. Mr. Dai, Shiwei (50%), Mr. Cheng, Xiaobing (25%) and Mr. Lin, Xilong (25%), respectively. Accordingly, by virtue of their shareholdings in Jiangsu Dekai Auto Parts Co. Ltd., Mr. Dai, Shiwei, Mr. Cheng, Xiaobing, and Mr. Lin, Xilong are deemed major shareholders of JHM Dekai.

Jiangxi Dekai Auto Lighting Co., Ltd, Jiangsu Dekai Auto Parts Co. Ltd, Mr. Dai, Shiwei, Mr. Cheng, Xiaobing and Mr. Lin, Xilong are not persons connected to any Directors and/or major shareholders of JHM.

Mr. Dai, Shiwei, Mr. Cheng, Xiaobing, and Mr. Lin, Xilong are not directors of JHM Dekai.

Accordingly, Mr. Dai, Shiwei, Mr. Cheng, Xiaobing, and Mr. Lin, Xilong (“**Interested Parties**”) will abstain from voting in respect of his direct and/or indirect shareholdings (if any) in JHM at the forthcoming AGM on the resolution pertaining to the Proposed New Shareholders’ Mandate.

The persons connected to Interested Parties, namely Jiangxi Dekai Auto Lighting Co., Ltd. and Jiangsu Dekai Auto Parts Co. Ltd. should also abstain from voting in respect of their direct and/or indirect shareholdings (if any) in JHM at the forthcoming AGM on the resolution pertaining to the Proposed New Shareholders’ Mandate.

The above Interested Parties have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed New Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with the Directors or Major Shareholders have any interest, directly or indirectly in the Proposed New Shareholders’ Mandate.

6. APPROVALS REQUIRED

The Proposed New Shareholders’ Mandate is conditional upon the approval of the Shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. DIRECTORS’ STATEMENT AND RECOMMENDATION

The Board having considered all aspects of the Proposed New Shareholders’ Mandate and after careful deliberation, are of the opinion that the Proposed New Shareholders’ Mandate is in the best interest of the Company. Accordingly, the Board recommended that the Shareholders vote in favour of the ordinary resolution pertaining to the Proposed New Shareholders’ Mandate to be tabled at the forthcoming AGM.

8. 20TH AGM

The ordinary resolution in respect of the Proposed New Shareholders’ Mandate as set out in the Notice of 20th AGM contained in the 2024 Annual Report, will be tabled at the 20th AGM to be held at Marjorie 2, Level 11, Iconic Marjorie Hotel, No. 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang, Malaysia on Wednesday, 28 May 2025 at 2.30 p.m..

If you are unable to attend and vote in person at the 20th AGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible in any event so as to arrive at our Registered Office at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not later than forty-eight (48) hours before the time fixed for holding the 20th AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the 20th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors of
JHM CONSOLIDATION BERHAD

DATO' SERI TAN KING SENG

Executive Director / Group Chief Executive Officer

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP
TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES**



[Company No.: 200501009101 (686148-A)]
(Incorporated in Malaysia)

Registered Office
Suite 16.06, MWE Plaza
No. 8, Lebuhr Farquhar
10200 George Town
Pulau Pinang

Date: 29 April 2025

Board of Directors:

Lim Chun Thang (*Independent Non-Executive Chairman*)
Dato' Seri Tan King Seng (*Executive Director/ Group Chief Executive Officer*)
Cheah Choon Ghee (*Executive Director*)
Low Soo Kim (*Executive Director*)
Wong Chi Yeng (*Independent Non-Executive Director*)
Lai Fah Hin (*Independent Non-Executive Director*)
Khor Cheng Kwang (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir/Madam,

STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

The Board had on 21 April 2025, announced the Company's intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming 20th AGM. The Notice convening the 20th AGM of JHM and the Form of Proxy are enclosed in the 2024 Annual Report of the Company.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 At the Nineteenth (19th) AGM held on 27 May 2024, the Company sought and obtained its shareholders' approval for the Company to purchase and/or hold in aggregate up to 10% of the total number of issued shares of the Company as quoted on Bursa Securities at any point of time. In accordance with the Listing Requirements governing the purchase of its own shares by a listed company, the existing Share Buy-Back Authority will continue in force until the conclusion of the forthcoming 20th AGM of the Company.

The Company is proposing to seek approval for renewal of Share Buy-Back Authority from the shareholders at the forthcoming 20th AGM of JHM to be convened on 28 May 2025 for the Company to purchase up to 10% of the total number of issued shares of the Company.

The Proposed Renewal of Share Buy-Back Authority will be effective immediately upon passing of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority by shareholders of JHM at the forthcoming 20th AGM and will continue to be in force until: -

- a) the conclusion of the next AGM of JHM following the 20th AGM at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
- b) the expiration of the period within which the next AGM of JHM after that date it is required by law to be held; or
- c) the authority is revoked or varied by ordinary resolution passed by the shareholders of JHM in a general meeting;

whichever occurs first.

2.2 As at LPD, the total number of issued shares of the Company is 606,000,000 Shares. Hence, the maximum number of Shares which may be purchased by the Company is limited to 10% of the total number of issued shares of the Company, which is up to 60,600,000 Shares.

2.3 Pursuant to Paragraph 12.10 of the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained profits account of the Company. The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-back Authority shall not exceed the retained profits of the Company.

Based on our audited financial Statements for the financial year ended 31 December 2024, the accumulated losses of the Company stood at RM8,240,005.00.

2.4 Pursuant to the Listing Requirements, the purchase price of Shares cannot be more than 15% above the weighted average market price of our Shares for the 5 Market Days immediately preceding the date of the purchase. In the case of a resale or transfer of the treasury shares on Bursa Securities, the Company may only resell or transfer any treasury shares at a price, which is:

- (a) not less than the weighted average market price of Shares for 5 Market Days immediately prior to the date of the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for Shares for 5 Market Days immediately prior to the date of the resale or transfer, provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.5 The Directors may deal with Shares so purchased in accordance with the Act in the following manner:-

- (a) cancel the Shares so purchased;
- (b) retain the Shares so purchased as treasury shares; or
- (c) retain part of the Shares so purchased as treasury shares and cancel the remainder.

Where Shares so purchased are held as treasury shares, the Directors may deal with the treasury shares in the following manner: -

- (a) distribute the shares as dividends to shareholders, such dividends to be known as "share dividends";
- (b) resell the shares or any of the shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the shares, or any of the shares for the purpose of or under an employees' share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration;
- (e) cancel the shares or any of the shares; or

- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe.

Appropriate announcement(s) and/or notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the said Shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of the Shares. If the Board decides to retain the Purchased Shares as treasury shares, it may distribute the treasury shares as share dividends to the Company's shareholders and/or resell the Purchased Shares in accordance with the Listing Requirements and utilise the proceeds for any feasible investment opportunity arising in future as working capital.

- 2.6 The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned period using the internal funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors.

The actual number of Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits account and the financial resources available to the Company. In the event the Company purchases its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment would have no material effect on the cash flow of the Company.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority has the potential of benefiting JHM and its shareholders in the following manner:

- (a) JHM will have the avenue of stabilising the supply and demand of its Shares in the open market and thereby supporting the fundamental values of Shares, in particular to ensure, where possible, that the market share price is fair reflection of the value of the Company;
- (b) JHM may also utilise the treasury shares as future dividend payout to the Company's shareholders and/or resell the Shares in the open market to profit from future price appreciation of Shares; and
- (c) The Proposed Renewal of Share Buy-Back Authority is expected to enhance the value for shareholders from the resultant reduction in the number of Shares in the open market, all things remaining equal. The Proposed Renewal of Share Buy-Back Authority also signals the focus of the Board and management of JHM on returns to shareholders.

4. POTENTIAL ADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (a) The EPS of the JHM Group would be enhanced (all things being equal);
- (b) The Company may be able to reduce any unwarranted volatility of the Shares and assist to stabilise the supply, demand and price of the Shares in the open market, thereby supporting the fundamental value of the Shares;
- (c) If the Shares so purchased are retained as treasury shares, it will provide the Board an option to sell the treasury shares at a higher price and therefore make an exceptional gain for the Company. Alternatively, the treasury shares can be distributed as share dividends to shareholders;

- (d) Provides the Company with the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (e) Allows the Company to take preventive measures against speculations particularly when the Shares are undervalued which would in turn, stabilise the market price of the Shares and hence, enhance investors' confidence.

5. POTENTIAL DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will temporarily reduce the financial resources of the Company. This may result in the Company foregoing other investment opportunities that may emerge in the future or, at least, deprive the Company of interest income that can be derived from funds to be utilised for the Proposed Renewal of Share Buy-Back Authority.

It may also reduce the amount of resources available for distribution in the form of dividends to the shareholders as funds are utilised to purchase its own Shares. However, the financial resources of the Company may recover and increase upon the re-selling of the Purchased Shares held as treasury shares.

Notwithstanding the above, the Board is of the view that the Proposed Renewal of Share Buy-Back Authority is not expected to have any material disadvantage to the shareholders as well as the Company as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders and the Company.

6. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority are as follows:

6.1 Number of Issued Shares

The Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares of JHM if all of the Shares purchased are held as treasury shares. The Proposed Renewal of Share Buy-Back Authority will reduce the total number of issued Shares of the Company as follows if all of the Shares purchased are subsequently cancelled: -

| | No. of Shares |
|--|--------------------|
| Total number of issued Shares as at LPD | 606,000,000 |
| Less: Maximum number of Shares that may be purchased | (60,600,000) |
| Total number of issued Shares after the Proposed Renewal of Share Buy-Back Authority | <u>545,400,000</u> |

However, while the Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution or otherwise, are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of the Company's Shares or of a class of the Company's Shares for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

6.2 NA

The consolidated NA of the Company may increase or decrease depending on the number of Shares purchased under the Proposed Renewal of Share Buy-Back Authority, the purchase prices of its Shares, the effective cost of funding and the treatment of its Shares purchased under the Proposed Renewal of Share Buy-Back Authority.

The Proposed Renewal of Share Buy-Back Authority will reduce the consolidated NA per Share when the purchase price exceeds the consolidated NA per Share at the time of purchase. On the contrary, the consolidated NA per Share will increase when the purchase price is less than the consolidated NA per Share at the time of purchase.

If the Shares purchased under the Proposed Renewal of Share Buy-Back Authority are held as treasury shares and subsequently resold on Bursa Securities, the consolidated NA per Share would increase if the Company realises a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the Group's NA by the cost of the treasury shares.

6.3 Working Capital

Although the Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the JHM Group to the extent of the amount of funds utilised for the purchase of the Company's Shares, it is not expected to have a material effect on the working capital of the JHM Group.

The cash flow of the Company and of the JHM Group will be reduced and the extent of the cash flow reduction will depend on the number of Shares purchased and the purchase prices of the Shares.

6.4 Earnings

The effect of the Proposed Renewal of Share Buy-Back Authority on the consolidated EPS of the Company will depend on the purchase prices paid for its Shares, the effective funding cost to the Group to finance the purchases of its Shares or any loss in interest income to the Group, if internally generated funds are utilised to finance the purchase of its Shares. Further, the purchase of Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

Assuming that any Purchased Shares are retained as treasury shares and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

6.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, it may reduce the amount of distributable reserves available for payment of dividend as the funds to be allocated for the purchase of the Shares are utilised from the Company's retained earnings account.

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6.6 Directors and Substantial Shareholders' shareholdings

The direct and indirect shareholdings of the Directors and Substantial Shareholders of the Company as at LPD are set out as follows:

| | As at the LPD | | | | After the Proposed Renewal of Share Buy-Back authority ^(iv) | | | |
|---------------------------------|---------------|--------|---------------------------|--------|--|--------|---------------------------|--------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Directors | | | | | | | | |
| Lim Chun Thang | - | - | - | - | - | - | - | - |
| Dato' Seri Tan King Seng | 192,130,000 | 31.705 | 50,000 ⁽ⁱⁱⁱ⁾ | 0.008 | 192,130,000 | 35.227 | 50,000 ⁽ⁱⁱⁱ⁾ | 0.009 |
| Cheah Choon Ghee | 1,830,000 | 0.302 | 67,441,452 ⁽ⁱ⁾ | 11.129 | 1,830,000 | 0.336 | 67,441,452 ⁽ⁱ⁾ | 12.366 |
| Wong Chi Yeng | 30,000 | 0.005 | - | - | 30,000 | 0.006 | - | - |
| Lai Fah Hin | 40,000 | 0.007 | 60,000 ⁽ⁱⁱ⁾ | 0.010 | 40,000 | 0.007 | 60,000 ⁽ⁱⁱ⁾ | 0.011 |
| Khor Cheng Kwang | 39,400 | 0.007 | - | - | 39,400 | 0.007 | - | - |
| Low Soo Kim | 50,000 | 0.008 | - | - | 50,000 | 0.009 | - | - |
| | | | | | | | | |
| Substantial Shareholders | | | | | | | | |
| Dato' Seri Tan King Seng | 192,130,000 | 31.705 | 50,000 ⁽ⁱⁱⁱ⁾ | 0.008 | 192,130,000 | 35.227 | 50,000 ⁽ⁱⁱⁱ⁾ | 0.009 |
| Noble Matters Sdn Bhd | 67,441,452 | 11.129 | - | - | 67,441,452 | 12.366 | - | - |
| Cheah Choon Ghee | 1,830,000 | 0.302 | 67,441,452 ⁽ⁱ⁾ | 11.129 | 1,830,000 | 0.336 | 67,441,452 ⁽ⁱ⁾ | 12.366 |
| Ong Hock Seong | - | - | 67,441,452 ⁽ⁱ⁾ | 11.129 | - | - | 67,441,452 ⁽ⁱ⁾ | 12.366 |

Notes:

- ⁽ⁱ⁾ Deemed interested by virtue of his shareholdings of not less than 20% in Noble Matters Sdn. Bhd. pursuant to Section 8 of the Act.
- ⁽ⁱⁱ⁾ Deemed interest held through his spouse pursuant to Section 59(11)(c) of the Act.
- ⁽ⁱⁱⁱ⁾ Deemed interest held through his son pursuant to Section 59(11)(c) of the Act.
- ^(iv) Assuming the Proposed Renewal of Share Buy Back is implemented in full.

Save for the proportionate increase in the percentage shareholdings including, amongst others, the voting rights as shareholders in the Company, none of our Directors, substantial shareholders and persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Shares transacted for the 12 months from April 2024 to March 2025 are as follows:

| | High (RM) | Low (RM) |
|-------------|--------------|-------------|
| <u>2024</u> | | |
| April | 0.615 | 0.550 |
| May | 0.745 | 0.575 |
| June | 0.695 | 0.620 |
| July | 0.675 | 0.605 |
| August | 0.625 | 0.490 |
| September | 0.545 | 0.470 |
| October | 0.500 | 0.400 |
| November | 0.465 | 0.360 |
| December | 0.520 | 0.355 |
| <u>2025</u> | | |
| January | 0.505 | 0.385 |
| February | 0.425 | 0.340 |
| March | 0.420 | 0.365 |

| | |
|--|---------|
| The last transacted market price of the Shares as at LPD | RM0.400 |
|--|---------|

8. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the requirement of 25% public shareholding spread under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of our Company based on the total issued Shares of 606,000,000 Shares was 56.82%. Our Board will ensure that the Company complies with the minimum public spread in implementing the Proposed Renewal of Share Buy-Back Authority.

9. IMPLICATION OF THE CODE

As at LPD, Dato' Seri Tan King Seng holds approximately 31.705% of the voting shares in the Company. The future purchase by the Company of its own shares pursuant to the Proposed Share Buy-Back may cause the voting interest of Dato' Seri Tan King Seng in the Company to increase to more than 33% (the effect of such purchase on the shareholdings of Dato' Seri Tan King Seng in the Company are set out in Section 6.6 above). In such event, Dato' Seri Tan King Seng will be required to undertake a mandatory offer pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission Malaysia under the Code, subject to the affected substantial shareholder complying with certain conditions.

In this respect, the Company shall endeavour to carry out the Proposed Share Buy-Back in such a manner as to ensure that it does not trigger any mandatory offer obligation under the Code for its substantial shareholders. In the event that the obligations relating to the Code are expected to be triggered as a result of the Proposed Share Buy-Back, the affected substantial shareholder can apply to the Securities Commission Malaysia for an exemption from undertaking the mandatory offer under the Code.

10. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF PURCHASED SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase, resale, transfer or cancellation of its own Shares in the twelve (12) months preceding the date of this Statement. As at LPD, no treasury shares were held by the Company.

11. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of JHM at the forthcoming 20th AGM of JHM.

12. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings of the Directors and Substantial Shareholders in the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors or Substantial Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of the treasury shares, if any.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all the aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that it is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

14. THE 20th AGM

The 20th AGM, the notice of which is enclosed in the 2024 Annual Report of JHM, will be held at Marjorie 2, Level 11, Iconic Marjorie Hotel, No. 239A, Jalan Sultan Azlan Shah, 11900 Bayan Lepas, Penang, Malaysia on Wednesday, 28 May 2025 at 2.30 p.m. for the purpose of considering and if thought fit, approving, inter alia, with or without modifications, the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority under the agenda of Special Business as set out in the 2024 Annual Report of JHM.

If you are unable to attend and vote in person at the 20th AGM, you are requested to complete, sign and return the Form of Proxy, a copy can find in the 2024 Annual Report, and to follow the instructions printed therein as soon as possible and in any event, so as to arrive at the registered office of the Company at Suite 16.06, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang, not later than forty-eight (48) hours before the time set for holding of the 20th AGM. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the 20th AGM should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors of
JHM CONSOLIDATION BERHAD

DATO' SERI TAN KING SENG
Executive Director / Group Chief Executive Officer

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Directors of JHM who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACTS

Save as disclosed below, JHM and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- a) On 6 September 2024, JHM entered into a Sale and Purchase Agreement with Megaready Industries Sdn. Bhd. for the acquisition of an industrial property held under HS(D) 120719 PT 96588, Bandar Sungai Petani, Daerah Kuala Muda, Kedah, measuring approximately 12,140.6 square meters, for a total cash consideration of Ringgit Malaysia Twenty Million Nine Hundred Thousand (RM20,900,000.00) only (“**Acquisition**”).

The Acquisition was completed on 14 March 2025.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at LPD, JHM Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceeding which is pending or threatened against JHM 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 Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the Shareholders of JHM at the Registered Office of JHM at Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 20th AGM:

- (a) The Company's Constitution; and
- (b) The audited financial statements of JHM for the past two (2) financial years ended 31 December 2023 and 2024;
- (c) The latest unaudited quarterly results for the period ended 31 December 2024; and
- (d) The material contracts referred to in Section 2 of this Appendix I.

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