KIM HIN JOO (MALAYSIA) BERHAD ("KHJ" OR THE "COMPANY")

PROPOSED INTERNAL REORGANISATION BY WAY OF A MEMBERS' SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE COMPANIES ACT 2016 ("ACT") COMPRISING THE FOLLOWING:-

(I) PROPOSED SHARES EXCHANGE OF ALL ORDINARY SHARES IN KHJ WITH NEW ORDINARY SHARES OF ARVEX BERHAD ("ARVEX"); AND

(II) PROPOSED ASSUMPTION OF THE LISTING STATUS OF KHJ BY ARVEX AS WELL AS THE ADMISSION OF ARVEX TO AND WITHDRAWAL OF KHJ FROM THE OFFICIAL LIST OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("OFFICIAL LIST")

(COLLECTIVELY REFERRED TO AS THE "PROPOSED INTERNAL REORGANISATION")

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1. INTRODUCTION

On behalf of the Board of Directors ("**Board**") of KHJ, UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) ("**UOBKH**") wishes to announce that the Company proposes to undertake the Proposed Internal Reorganisation comprising the following:-

(i) proposed shares exchange of 380,000,000 ordinary shares in KHJ ("**KHJ Share(s)**"), representing the entire issued share capital of KHJ with 380,000,000 new ordinary shares in Arvex (including treasury shares, if any) ("**Arvex Share(s)**") on the basis of 1 new Arvex Share for every 1 existing KHJ Share held on an entitlement date to be determined later ("**Entitlement Date**") ("**Proposed Shares Exchange**"); and

(ii) proposed assumption of the listing status of KHJ by Arvex as well as the admission of Arvex to and withdrawal of KHJ from the Official List with the listing of and quotation for all Arvex Shares on the ACE Market of Bursa Securities ("**ACE Market**") ("**Proposed Transfer of Listing Status**").

In conjunction with the Proposed Internal Reorganisation, KHJ had, on 10 October 2025, entered into a conditional scheme agreement with Arvex, a newly incorporated company established to serve as the holding company of KHJ, to facilitate of the implementation of the Proposed Internal Reorganisation ("**Scheme Agreement**"). The salient terms of the Scheme Agreement are set out in **Appendix I** of this announcement.

The Proposed Internal Reorganisation aligns with KHJ's long-term objectives to establish a more flexible corporate structure that enables KHJ and its subsidiaries ("**KHJ Group**") to pursue growth initiatives and business expansion in a more efficient and scalable manner. The establishment of Arvex as the new holding company will provide an adaptable platform to support future corporate exercises and expansion plans. It will also enhance resource allocation, risk management and strategic focus. Further details on the Proposed Internal Reorganisation are set out in the ensuing sections of this announcement.

2. DETAILS ON THE PROPOSED INTERNAL REORGANISATION

The Proposed Internal Reorganisation will be implemented by way of the scheme of arrangement, comprising the Proposed Shares Exchange and Proposed Transfer of Listing Status. It is pertinent to note that Arvex is a newly incorporated company established to serve as the holding company of KHJ for the purpose of facilitating the Proposed Internal Reorganisation.

2.1 Proposed Shares Exchange

Under the Proposed Shares Exchange, all shareholders of KHJ as at the Entitlement Date ("**Entitled Shareholders**") will exchange their respective KHJ Shares with Arvex Shares on the basis of 1 new Arvex Share for every 1 existing KHJ Share held.

The issued share capital of KHJ is RM31,128,118 comprising 380,000,000 KHJ Shares as at 6 October 2025, being the latest practicable date prior to the date of this announcement ("**LPD**"). Pursuant to the Proposed Shares Exchange, the Entitled Shareholders will receive such number of Arvex Shares which is equivalent to their respective shareholdings in KHJ as at the Entitlement Date and KHJ shall become a wholly-owned subsidiary of Arvex upon completion of the Proposed Shares Exchange. In addition, the existing Board will be appointed as the board of directors of Arvex ("**Arvex's Board**") upon completion of the Proposed Shares Exchange.

The new Arvex Shares to be issued pursuant to the Proposed Shares Exchange will rank *pari passu* in all respects with each other and with the 2 existing Arvex Shares. The 2 existing Arvex Shares will continue to be held by the existing shareholders of Arvex, namely Pang Kim Hin and Pang Fu Wei. Further information on Arvex is set out in **Section 2.3** of this announcement.

For the avoidance of doubt, the Proposed Shares Exchange will not result in any change or variation to the current voting rights of KHJ's shareholders as Arvex will adopt all the relevant provisions contained in the current Constitution of KHJ into the Constitution of Arvex.

2.2 Proposed Transfer of Listing Status

Upon completion of the Proposed Shares Exchange, Arvex will become the new holding company of KHJ Group and will assume the listing status of KHJ.

Accordingly, it is proposed that KHJ be delisted from the Official List and Arvex be admitted to the Official List in place of KHJ with the listing of and quotation for the entire number of issued shares of 380,000,002 Arvex Shares on the ACE Market.

The reference price of the newly listed Arvex Shares on Bursa Securities shall be the last closing price of KHJ Shares on the market day prior to the suspension of trading on Bursa Securities.

2.3 Information on Arvex

Arvex (Registration No.: 202501045449 (1646857-P)) was incorporated in Malaysia under the Act as a public company limited by shares under its current name on 29 September 2025 to facilitate the implementation of the Proposed Internal Reorganisation. As at the LPD, Arvex does not have any subsidiary or associate company. Upon completion of the Proposed Internal Reorganisation, KHJ will become a wholly-owned subsidiary of Arvex.

As at the LPD, Arvex has an issued share capital of RM2, comprising 2 Arvex Shares. Arvex is currently dormant and the intended principal activity of Arvex is investment holding activities. Arvex does not have any business operations, profit or dividend record as at the LPD.

The directors of Arvex are Pang Fu Wei, Goh Poh Teng and Chang Kim Win as at the LPD. During the implementation of the Proposed Shares Exchange, the existing director of Arvex (i.e. Chang Kim Win) shall resign and the directors of KHJ (save for Pang Fu Wei and Goh Poh Teng, who are the directors of Arvex as at the LPD) shall be appointed to mirror the Board.

The shareholders of Arvex and their respective shareholdings in Arvex as at the LPD are as follows:-

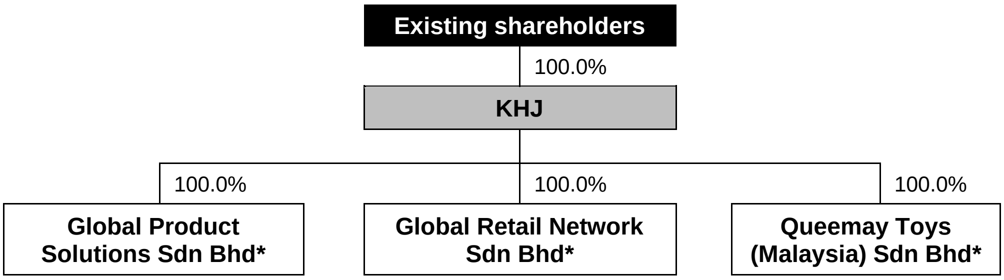
		Direct		Indirect	
Name	**Nationality**	**No. of Arvex Shares**	**%**	**No. of Arvex Shares**	**%**
Pang Kim Hin	Singaporean	1	50.0	-	-
Pang Fu Wei	Singaporean	1	50.0	-	-

3. **RATIONALE AND JUSTIFICATION FOR THE PROPOSED INTERNAL REORGANISATION**

As at the LPD, KHJ is designated as the listed investment holding company of KHJ Group. It is also the operating company, principally engaged in the retailing of maternity, baby and children's wear and product.

The shareholding structure and corporate structure of KHJ Group as at the LPD are set out as follows:-

<u>As at the LPD</u>

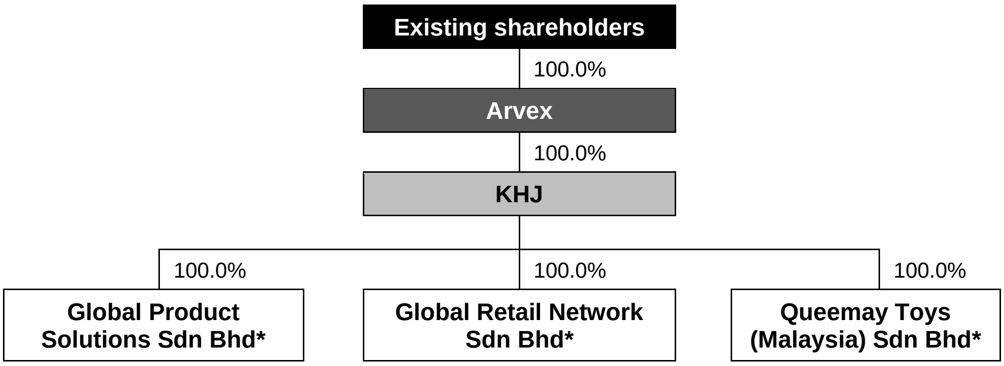


Note:-

* *Dormant companies.*

Through the Proposed Internal Reorganisation, the investment holding function and the operating business will be separated, where Arvex will become the investment holding vehicle assuming the listing status of KHJ, whilst KHJ will continue to operate its existing businesses as illustrated below:-

<u>After the Proposed Internal Reorganisation</u>



Note:-

* *Dormant companies.*

The Proposed Internal Reorganisation is in line with KHJ's long term strategic objectives, and is undertaken in consideration of the following factors:-

(i) Establish a more flexible corporate structure

The creation of an additional level of investment holding company above KHJ will provide KHJ Group with a flexible and efficient corporate structure. This structure will facilitate the rebranding of KHJ Group's corporate identity and image under Arvex. In addition, Arvex, as a newly incorporated entity, will offer greater flexibility in implementing future corporate exercises, including mergers and acquisitions as well as divestments, without disrupting the operations of the listed entity. This will enable Arvex group of companies ("**Arvex Group**") to respond promptly to business opportunities, including the expansion into new business segments or streamlining of existing ones.

(ii) Facilitate future expansion and growth

The proposed structure of Arvex Group will enable Arvex Group to pursue growth initiatives and business expansion in a more efficient and scalable manner, particularly where new subsidiaries or joint ventures are to be incorporated under a holding company structure. Companies within Arvex Group can also consolidate similar operations or assets under a single entity within Arvex Group, thereby eliminating redundancies and achieving economies of scale in the future.

(iii) Enhance financial and operational efficiency

The Proposed Internal Reorganisation allows for more efficient allocation of resources and capital within Arvex Group, while facilitating improved cash flow management among subsidiaries. It will also strengthen risk management practices by creating clearer structural boundaries between subsidiaries. In addition, the new structure enhances Arvex Group's ability to segregate core and non-core businesses for sharper strategic focus. This flexibility allows any new business segment to be developed and scaled independently, without disrupting the operations of the existing business.

Accordingly, the Board is of the view that the Proposed Internal Reorganisation is expected to enhance the Group's long-term resilience and competitiveness, while positioning Arvex Group for sustainable growth and value creation for its shareholders.

4. EFFECTS OF THE PROPOSED INTERNAL REORGANISATION

4.1 Share capital

The Proposed Internal Reorganisation will not have any effect on the issued share capital of KHJ as there are no issuance of new KHJ Shares involved.

For illustrative purposes, the pro forma effects of the Proposed Internal Reorganisation on the issued share capital of Arvex are as follows:-

	No. of Arvex Shares	RM
Issued share capital as at the LPD(1)	2	2
New Arvex Shares to be issued pursuant to the Proposed Shares Exchange	(2)380,000,000	72,112,090
Enlarged issued share capital of Arvex	**380,000,002**	(3)**72,112,092**

Notes:-

(1) Based on the issued share capital of RM2 comprising 2 Arvex Shares as at the LPD.

(2) Based on 380,000,000 KHJ Shares in issue as at the LPD.

*(3) The enlarged share capital of Arvex will be based on the latest audited net asset ("**NA**") of KHJ as at the 31 December 2024 after taking into account the adjustments for subsequent events as well as the existing 2 Arvex Shares, as illustrated in **Section 4.2** of this announcement.*

4.2 NA per share and gearing

The NA and gearing of Arvex Group will not be significantly different from NA and gearing of KHJ Group prior to and after the implementation of the Proposed Internal Reorganisation. For illustrative purposes, the pro forma effects of the Proposed Internal Reorganisation on the NA per share and gearing of the consolidated Arvex Group based on the latest audited consolidated financial statements of KHJ as at 31 December 2024 are as set out below:-

	KHJ Group		**After the Proposed Internal Reorganisation**		
	Audited consolidated as at 31 December 2024 (RM'000)	**[(1)]Subsequent adjustment up to the LPD (RM'000)**	**KHJ Group (RM'000)**	**Arvex (RM'000)**	**Consolidated Arvex Group (RM'000)**
Share capital	31,128	31,128	31,128	[(3)]72,112	[(3)]72,112
Reorganisation reserve	-	-	-	-	[(4)](40,984)
Retained earnings	41,714	41,334	[(2)]40,984	-	40,984
Shareholder's equity/ NA	**72,842**	**72,462**	**72,112**	**72,112**	**72,112**
No. of ordinary shares	380,000,000	380,000,000	380,000,000	380,000,002	380,000,002
NA per share (RM)	0.19	0.19	0.19	0.19	0.19
Total borrowings (RM'000)	-	-	-	-	-
Gearing (times)	-	-	-	-	-

Notes:-

*(1) After adjusting for the final single tier dividend of 0.1 sen per KHJ Share for the financial year ended ("**FYE**") 31 December 2024 amounting to RM0.38 million, which was paid on 18 August 2025.*

(2) After deducting the estimated expenses of approximately RM0.35 million in relation to the Proposed Internal Reorganisation.

(3) The enlarged share capital of Arvex will be based on the latest audited NA of KHJ as at 31 December 2024 after taking into account the adjustment for subsequent event and the existing 2 Arvex Shares.

(4) Being the difference between the share capital of Arvex after taking into account the adjustment for subsequent event and the value of the existing 2 Arvex Shares, and the share capital of KHJ, the computation of which is set out below:-

	(RM'000)
Share capital of KHJ	*31,128*
(Less): share capital of Arvex after taking into account the adjustment to subsequent event and the value of existing 2 Arvex Shares	*(72,112)*
Reorganisation reserve	***(40,984)***

4.3 Earnings and earnings per share ("EPS")

The Proposed Internal Reorganisation will not have any material effect on the consolidated EPS of KHJ Group *vis-à-vis* the consolidated EPS of Arvex Group upon completion of the Proposed Internal Reorganisation in view that the Proposed Shares Exchange will be implemented on the basis of 1 new Arvex Share for every 1 existing KHJ Share held as at the Entitlement Date.

4.4 Substantial shareholders' shareholdings

The Entitled Shareholders will, upon completion of the Proposed Internal Reorganisation, cease to be shareholders of KHJ and will instead hold Arvex Shares in proportion to their respective shareholdings in KHJ as at the Entitlement Date. For illustrative purposes, the pro forma effects of the Proposed Internal Reorganisation on the shareholdings of the substantial shareholders as at the LPD are set out below:-

	Shareholdings as at the LPD				After the Proposed Internal Reorganisation			
	Direct		Indirect		Direct		Indirect	
Name	**No. of KHJ Shares**	**(1)%**	**No. of KHJ Shares**	**(1)%**	**No. of Arvex Shares**	**(2)%**	**No. of Arvex Shares**	**(2)%**
Kim Hin International Pte Ltd	235,600,000	62.00	-	-	235,600,000	62.00	-	-
Pang Kim Hin	11,280,700	2.97	(3)235,600,000	62.00	11,280,701	2.97	(3)235,600,000	62.00

Notes:-

(1) Based on 380,000,000 KHJ Shares in issue as at the LPD.

(2) Based on 380,000,002 Arvex Shares in issue after the Proposed Internal Reorganisation.

(3) Deemed interested by virtue of his shareholdings held through Kim Hin International Pte Ltd pursuant to Section 8 of the Act.

4.5 Convertible securities

KHJ does not have any outstanding convertible securities as at the LPD.

For information purposes, the Company had on 18 June 2021, established an employees' share option scheme ("**ESOS**") of up to 15.0% of the total number of KHJ Shares at any point in time throughout the duration of the ESOS. No ESOS options have been granted as at the LPD.

5. APPROVALS REQUIRED

The Proposed Internal Reorganisation is subject to the following approvals being obtained:-

(i) Bursa Securities for the following:-

(a) Proposed Transfer of Listing Status; and

(b) admission, listing of and quotation for the entire enlarged issued share capital of Arvex on the Official List;

(ii) the shareholders of KHJ at a court convened meeting ("**CCM**") and extraordinary general meeting ("**EGM**") to be convened for the Proposed Internal Reorganisation;

(iii) the order of the High Court of Malaya ("**High Court**") sanctioning the scheme of arrangement;

(iv) the directors and shareholders of Arvex for the Proposed Internal Reorganisation as well as the allotment and issuance of new Arvex Shares to the Entitled Shareholders pursuant to the Proposed Shares Exchange;

(v) the approval/consents of the financiers/creditors of KHJ, if required; and

(vi) the approval, consent and/or sanction of any other relevant authorities/ parties/ counterparties to contracts entered into by KHJ Group, if required.

The Proposed Shares Exchange and Proposed Transfer of Listing Status are inter-conditional upon each other.

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

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and chief executive of KHJ, and persons connected with them have any interest, direct or indirect, in the Proposed Internal Reorganisation other than their respective entitlements, if any, under the Proposed Shares Exchange as shareholders of KHJ, to which all other shareholders of KHJ are similarly entitled.

7. DIRECTORS' STATEMENT

After taking into consideration all aspects of the Proposed Internal Reorganisation, including but not limited to the rationale and justifications, salient terms of the Scheme Agreement and effects of the Proposed Internal Reorganisation, the Board is of the opinion that the Proposed Internal Reorganisation is in the best interest of KHJ.

8. ADVISER

UOBKH has been appointed by the Company to act as the adviser for the Proposed Internal Reorganisation.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the requisite approvals being obtained, the Proposed Internal Reorganisation is expected to be completed within a period of 6 months from the date of this announcement.

10. APPLICATION TO RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the applications to the relevant authorities for the Proposed Internal Reorganisation are expected to be submitted within 2 months from the date of this announcement.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Scheme Agreement will be made available for inspection at the registered office of KHJ at Wisma Pang Cheng Yean, Lot 5205C, Jalan Perindustrian Balakong Jaya 1/3, Kawasan Perindustrian Balakong Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan during normal business hours between Monday and Friday (except public holidays) for a period of 3 months commencing from the date of this announcement.

This announcement is dated 10 October 2025.

SALIENT TERMS OF THE SCHEME AGREEMENT

The salient terms of the Scheme Agreement are as follows:-

1. CONDITIONS PRECEDENT

The obligations of KHJ and Arvex under the Scheme Agreement are conditional upon the following conditions precedent being fulfilled or waived within 6 months from 10 October 2025 ("**Conditional Period**"), or within a further period of 1 month or such longer period as may be agreed between KHJ and Arvex commencing immediately after the expiration of the Conditional Period:-

(i) the approval of the shareholders of KHJ at the EGM and CCM for the Proposed Internal Reorganisation pursuant to Section 366 of the Act;

(ii) the order of the High Court sanctioning the scheme of arrangement;

(iii) the approval of Bursa Securities for the Proposed Transfer of Listing Status and all conditions, if any, imposed by Bursa Securities in respect of the Proposed Internal Reorganisation;

(iv) the approval of the directors and shareholders of Arvex for the Proposed Internal Reorganisation and allotment and issuance of new Arvex Shares to the Entitled Shareholders pursuant to the Proposed Shares Exchange;

(v) the approvals and/or consent of the financiers and/or creditors of KHJ Group, if applicable;

(vi) the written approval, consent or sanction from the relevant authorities and all other relevant licensing authorities, if applicable;

(vii) the written approval or consent from counterparties to contracts entered into by KHJ Group, if required; and

(viii) the approvals, consent and/or sanction of any other relevant parties, if required.

2. COMPLETION

On the 21st business day from the date all conditions precedent of the Scheme Agreement are fulfilled or waived, or such other date KHJ and Arvex may mutually agree in writing:-

(i) Arvex will allot and issue new Arvex Shares to the Entitled Shareholders in exchange for their KHJ Shares in accordance with the basis prescribed by the Proposed Shares Exchange;

(ii) KHJ will become a wholly-owned subsidiary of Arvex as a result of the Proposed Shares Exchange; and

(iii) Arvex will assume the listing status of KHJ with the listing of and quotation for the entire issued share capital of Arvex on the ACE Market.

3. RANKING OF THE NEW ARVEX SHARES

The new Arvex Shares to be allotted and issued to the Entitled Shareholders are free from any encumbrance and will rank *pari passu* in all respects with each other and with the existing Arvex Shares.