

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed and approved by Kenanga Investment Bank Berhad, the Listing Sponsor and Principal Adviser to Mobilia Holdings Berhad for the Proposals.

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MOBILIA HOLDINGS BERHAD
(Registration No. 202001004249 (1360569-P))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF SHARES OF 300,000,000 NEW ORDINARY SHARES IN MOBILIA ("MOBILIA SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF 3 BONUS SHARES FOR EVERY 4 EXISTING MOBILIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("BONUS SHARES ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES"); AND**
- (II) **PROPOSED ISSUANCE OF UP TO 175,000,000 FREE WARRANTS IN MOBILIA ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING MOBILIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("WARRANTS ENTITLEMENT DATE") ("PROPOSED FREE WARRANTS ISSUE")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Kenanga Investment Bank Berhad
Registration No.: 197301002193 (15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Mobilia Holdings Berhad ("**Company**") will be held on a fully virtual basis and entirely via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at <https://tiah.online> on Wednesday, 20 October 2021 at 10.00 a.m., or at any adjournment thereof. The Notice of the EGM and the Form of Proxy are enclosed herein. Please refer to Administrative Guide issued to all shareholders of the Company on the conduct of the EGM.

A member entitled to attend and vote remotely at the EGM via the Remote Participation and Voting facilities provided is entitled to appoint a proxy or proxies to attend and vote on his/her behalf.

The Form of Proxy should be completed and lodged to the Share Registrars of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via TIIH Online website at <https://tiah.online>, not less than forty-eight (48) hours before the time and date indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Monday, 18 October 2021 at 10.00 a.m.
Date and time of the EGM	:	Wednesday, 20 October 2021 at 10.00 a.m.
Venue of the EGM	:	Online Meeting Platform at https://tiah.online provided by Tricor Investor & Issuing House Services Sdn. Bhd. Malaysia

This Circular is dated 5 October 2021

DEFINITIONS

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

Act	:	Companies Act 2016, as may be amended, supplemented or modified from time to time
Announcement	:	The announcement dated 16 August 2021 in relation to Proposals
Board	:	Board of Directors of Mobilia
Bonus Shares Entitlement Date	:	An entitlement date to be determined and announced later for the Proposed Bonus Issue of Shares
Bonus Shares Entitled Shareholders	:	Shareholders of Mobilia whose names appear in the Record of Depository of the Company at the close of business on the Bonus Shares Entitlement Date
Bonus Shares	:	300,000,000 new ordinary shares in Mobilia to be issued pursuant to the Proposed Bonus Issue of Shares
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to the shareholders dated 5 October 2021
Deed Poll	:	The deed poll constituting the Warrants
Director(s)	:	A natural person who holds directorship in the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
FYE(s)	:	Financial year ended/ ending 31 December, as the case may be
Kenanga IB	:	Kenanga Investment Bank Berhad
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	29 September 2021, being the latest practicable date prior to the printing of this Circular
Market Day(s)	:	Any day between Monday and Friday (inclusive of both days) on which Bursa Securities is open for trading of securities
MCO	:	Movement Control Order
NA	:	Net assets attributable to the owners of the Company
Mobilia or Company	:	Mobilia Holdings Berhad
Mobilia Group or Group	:	Mobilia and its subsidiaries, collectively
Mobilia Shares or Shares	:	Ordinary shares in Mobilia
Official List	:	Official List of the ACE Market of Bursa Securities

DEFINITIONS (Cont'd)

Proposed Bonus Issue of Shares	:	Proposed bonus issue of shares of 300,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 4 existing Mobilia Shares held on the Bonus Shares Entitlement Date
Proposed Free Warrants Issue	:	Proposed issuance of up to 175,000,000 Warrants in Mobilia on the basis of 1 Warrant for every 4 existing Mobilia Shares held on the Warrants Entitlement Date
Proposals	:	Collectively, Proposed Bonus Issue of Shares and Proposed Free Warrants Issue
Record of Depositors	:	A record of securities holders established and maintained by Bursa Malaysia Depository Sdn. Bhd.
RM and sen	:	Ringgit Malaysia and sen, respectively
TEBP	:	Theoretical ex-bonus share price
VWAP	:	Volume weighted average market price
Warrants	:	Up to 175,000,000 free warrants in Mobilia to be issued pursuant to the Proposed Free Warrants Issue
Warrants Entitlement Date	:	An entitlement date to be determined and announced later for the Proposed Free Warrants Issue
Warrants Shareholders Entitled	:	Shareholders of Mobilia whose names appear in the Record of Depository of the Company at the close of business on the Warrants Entitlement Date

References to “we”, “us”, “our” and “ourselves” mean our Company, or where the context otherwise requires, our Group.

All references to “you” in this Circular means the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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NOTICE OF EGM	ENCLOSED
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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

Key information	Summary	Reference in Circular
Summary of the Proposals	The Proposed Bonus Issue of Shares entails the issuance of 300,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 4 existing Mobilia Shares held by the Bonus Shares Entitled Shareholders. The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration the following: (i) dilutive effects arising from the issuance of the Bonus Shares on the EPS and NA per Share of the Company; and (ii) Rule 6.31(1A) of the Listing Requirements of Bursa Securities. The price of Mobilia Shares will be adjusted after the completion of the Proposed Bonus Issue of Shares. The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. The Proposed Free Warrants Issue will entail the issuance of up to 175,000,000 Warrants on the basis of 1 Warrant for every 4 existing Mobilia Shares held by the Warrants Entitled Shareholders. The actual number of Warrants to be issued will be determined based on the total number of issued shares in Mobilia on the Warrants Entitlement Date. It is also the intention of the Company to implement the Proposed Free Warrants Issue after the implementation of the Proposed Bonus Issue of Shares. The entitlement basis for the Proposed Free Warrants Issue was determined after taking into consideration the following: (i) the Warrants will be issued at no cost to the Warrants Entitled Shareholders; (ii) the enlarged number of Mobilia Shares in issue upon exercise of the Warrants; (iii) the dilutive effect on Mobilia's EPS upon exercise of the Warrants; and (iv) Rule 6.51 of the Listing Requirements. The Proposed Free Warrants Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.	Section 2

Key information	Summary	Reference in Circular
Rationale for the Proposals	The Board intends to undertake the Proposed Bonus Issue of Shares to reward the existing shareholders of the Company in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue of Shares will: (i) increase the number of Mobilia Shares held by the Company's shareholders at no cost to be incurred by the shareholders, (ii) potentially result in an improved trading liquidity of Mobilia Shares on Bursa Securities; and (iii) encourage greater participation by investors as well as potentially broadening the shareholder base of the Company. The Proposed Free Warrants Issue will: (i) reward the existing shareholders of the Company by enabling them to participate in convertible securities of the Company which are issued at no cost to them and are tradable on Bursa Securities; (ii) strengthen the Group's capital base and shareholders' funds as well as potentially provide funds for the Group to finance its working capital requirements; (iii) will allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and (iv) provide the existing shareholders of the Company with an opportunity to increase their equity in the Company at a predetermined price during the tenure of the Warrants.	Section 4
Approvals required	(i) Bursa Securities for the (a) admission of up to 175,000,000 Warrants to the Official List of Bursa Securities; (b) listing of and quotation for up to 175,000,000 Warrants on the ACE Market of Bursa Securities; and (c) listing of 300,000,000 Bonus Shares, and up to 175,000,000 new Mobilia Shares arising from the exercise of up to 175,000,000 Warrants, on the ACE Market of Bursa Securities; (ii) the shareholders of Mobilia at the forthcoming EGM; and (iii) any other relevant authorities or parties, if required.	Section 6
Directors' statement and recommendation	Having considered all aspects of the Proposals, including the rationale and effects of the Proposals, the Board is of the opinion that the Proposals are in the best interest of the Company and recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.	Section 11

MOBILIA HOLDINGS BERHAD
(Registration No. 202001004249 (1360569-P))
(Incorporated in Malaysia)

Registered Office:

No. 7 (1st Floor),
Jalan Pesta 1/1,
Taman Tun Dr. Ismail 1,
Jalan Bakri,
84000 Muar, Johor

5 October 2021

Board of Directors

Datin Siah Li Mei (*Independent Non-Executive Chairman*)
Quek Wee Seng (*Managing Director*)
Quek Wee Seong (*Executive Director*)
Tajul Arifin Bin Mohd Tahir (*Independent Non-Executive Director*)
Lim See Tow (*Independent Non-Executive Director*)
Quek Yan Song (*Alternate Director to Quek Wee Seng*)

To: The shareholders of Mobilia Holdings Berhad

Dear Sir/Madam,

**(I) PROPOSED BONUS ISSUE OF SHARES; AND
(II) PROPOSED FREE WARRANTS ISSUE**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On 16 August 2021, Kenanga IB, on behalf of the Board, announced the Proposals.

On 28 September 2021, Kenanga IB, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 28 September 2021, resolved to approve the following:

- (a) admission of up to 175,000,000 Warrants to the Official List of Bursa Securities;
- (b) listing of and quotation for up to 175,000,000 Warrants; and
- (c) listing of and quotation for 300,000,000 Bonus Shares, and up to 175,000,000 new Mobilia Shares arising from the exercise of up to 175,000,000 Warrants, on the ACE Market of Bursa Securities.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS TOGETHER WITH BOARD’S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1. Proposed Bonus Issue of Shares

2.1.1. Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares entails the issuance of 300,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 4 existing Mobilia Shares held by the Bonus Shares Entitled Shareholders.

As at the LPD, the issued share capital of Mobilia is approximately RM37,396,001 comprising 400,000,000 Shares and Mobilia does not hold any treasury shares.

Based on the number of Mobilia Shares in issue of 400,000,000 Shares, there will be 300,000,000 Bonus Shares to be issued.

The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration, amongst others, the following:

- (i) dilutive effects arising from the issuance of the Bonus Shares on the EPS and NA per Share of the Company; and
- (ii) Rule 6.31(1A) of the Listing Requirements of Bursa Securities, where a listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.20 based on the daily VWAP during the 3-month period before the date of application to Bursa Securities.

The price of Mobilia Shares will be adjusted after the completion of the Proposed Bonus Issue of Shares. For illustrative purposes, based on the 5-day VWAP of Mobilia Shares up to and including the LPD as well as the lowest daily VWAP of Mobilia Shares during the 3-month period up to and including 18 August 2021, being the last trading day prior to the date of application to Bursa Securities, the TEBP of Mobilia Shares are as follows:

	VWAP before the Proposed Bonus Issue of Shares RM	TEBP after the Proposed Bonus Issue of Shares RM
5-Day VWAP up to and including the LPD	0.4598	0.2627
Lowest daily VWAP during the 3-month period up to and including 18 August 2021, being the last trading day prior to the date of application to Bursa Securities	0.3760	0.2149

Based on the above, the Board confirms that the Proposed Bonus Issue of Shares is and complies with Rule 6.31(1A) of the Listing Requirements.

The Proposed Bonus Issue of Shares will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

2.1.2. No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Mobilia Shares in issue but will not increase the value of the share capital of the Company.

2.1.3. Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Mobilia Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares. For the avoidance of doubt, the Bonus Shares will be entitled to the Warrants.

2.1.4. Listing of and quotation for the Bonus Shares

The Bonus Shares to be issued will be listed and quoted on the ACE Market of Bursa Securities.

2.2. Proposed Free Warrants Issue

2.2.1. Basis and number of Warrants to be issued

The Proposed Free Warrants Issue will entail the issuance of up to 175,000,000 Warrants on the basis of 1 Warrant for every 4 existing Mobilia Shares held by the Warrants Entitled Shareholders.

As at the LPD, the issued share capital of Mobilia is approximately RM37,396,001 comprising 400,000,000 Shares.

The actual number of Warrants to be issued will be determined based on the total number of issued Mobilia Shares on the Warrants Entitlement Date which will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Free Warrants Issue.

It is also the intention of the Company to implement the Proposed Free Warrants Issue after the implementation of the Proposed Bonus Issue of Shares.

The entitlement basis for the Proposed Free Warrants Issue was determined after taking into consideration the following:

- (i) the Warrants will be issued at no cost to the Warrants Entitled Shareholders;
- (ii) the enlarged number of Mobilia Shares in issue upon exercise of the Warrants;
- (iii) the dilutive effect on Mobilia's EPS upon exercise of the Warrants; and
- (iv) Rule 6.51 of the Listing Requirements, where a listed corporation must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The Proposed Free Warrants Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

2.2.2. Basis and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to the Warrants Entitled Shareholders.

The Board has fixed the exercise price of the Warrants at RM0.28 per Warrant after taking into consideration the following:

- (i) the historical price movement of Mobilia Shares;
- (ii) the 5-day VWAP of Mobilia Shares; and
- (iii) prevailing market conditions.

The exercise price of the Warrants of RM0.28 per Warrant, represents:

- (i) a discount of approximately 48.12% from the 5-day VWAP of Mobilia Shares up to and including 13 August 2021, being the last trading date prior to the date of the Announcement, of RM0.5397 per Mobilia Share; and
- (ii) a discount of approximately 9.21% from the TEBP of RM0.3084 based on the 5-day VWAP of Mobilia Shares up to and including 13 August 2021, being the last trading date prior to the date of the Announcement, of RM0.5397 per Mobilia Share.

2.2.3. Ranking of the Warrants and the new Mobilia Shares to be issued arising from the exercise of the Warrants

The Warrants shall rank equally in all respects with one another.

The holders of the Warrants will not be entitled to any voting rights or participation in any form of dividends, distributions and/or offer of securities in Mobilia until and unless such holders of the Warrants exercise their Warrants into new Mobilia Shares.

The new Mobilia Shares, arising from the exercise of the Warrants will, upon allotment and issuance, rank equally with the then existing Mobilia Shares save and except that the new Mobilia Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Mobilia Shares.

2.2.4. Listing of and quotation for the Warrants and the new Mobilia Shares to be issued arising from the exercise of the Warrants

The Warrants to be issued will be admitted to the Official List of the ACE Market as well as be listed and quoted on the ACE Market of Bursa Securities.

2.2.5. Use of proceeds

The Proposed Free Warrants Issue is not expected to raise any funds immediately as the Warrants will be issued at no cost to the Warrants Entitled Shareholders.

The proceeds that may be raised by Mobilia upon the exercise of the Warrants will depend on the actual number of Warrants exercised during the tenure of the Warrants. Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of the proceeds. The breakdown for the use of the proceeds cannot be determined at this juncture.

Assuming the full exercise of all 175,000,000 Warrants at the exercise price of RM0.28 each, the proceeds to be raised by the Company is approximately RM49 million. Such proceeds are intended to be utilised by the Group for its working capital which may include, amongst others, payment of utilities expenses, rental, trade and other payables and/or administrative and operating expenses. The administrative and operating expenses consist of, amongst others, salaries, Employees' Provident Fund and Social Security Organization contributions and other staff related expenses. The proceeds to be utilised for each component of working capital are subject to the Group's operating requirements at the time of use and therefore cannot be determined at this juncture.

2.2.6. Salient terms of the Warrants

Terms	Details
Issue size	: Up to 175,000,000 Warrants.
Form and denomination	: The Warrants shall be issued in registered form and constituted by a deed poll (" Deed Poll ").
Tenure	: 3 years from the date of issuance of Warrants.
Exercise Price	: RM0.28 per Warrant.
Exercise Rights	: Each Warrant shall entitle the holder (" Warrant Holder ") to subscribe for 1 new Mobilia Share (" New Shares ") at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	: The Warrants may be exercised at any time within the period of 3 years commencing on, and inclusive of, the issue date of the Warrants and ending at the close of business at 5:00 p.m. in Malaysia on Expiry Date. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Expiry Date	: The close of business at 5:00 p.m. in Malaysia on the last day prior to the 3 rd anniversary of the Warrants' issue date and if such date is not a market day, then it shall be the market day immediately preceding the said non-market day.
Mode of Exercise	: The Warrant Holder must complete and sign the exercise notice (which shall be irrevocable) and deliver the duly completed and executed exercise notice to the Registrar together with a remittance by way of banker's draft or cashier's order or money order or postal order drawn by a bank or post office operating in Malaysia or electronic transmission in accordance with the Deed Poll.
Board Lot	: For the purpose of trading on Bursa Securities, a board lot of the Warrants shall be One Hundred (100) Warrants unless otherwise revised by the relevant authorities.
Participating Rights of the Warrant Holders	: New Mobilia Shares resulting from the exercise of the Exercise Rights represented by any Warrant will upon allotment and issue rank equally in all respect with the existing Shares, save and except that they will not be

Terms	Details
	entitled to any rights, allotments, dividends and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the New Mobilia Shares issued arising from the exercise of the Warrants. The Warrant Holders are not entitled to any voting rights or right to participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant Holders exercise their Warrants into new Mobilia Shares and receive such new Mobilia Shares prior to such entitlement date in relation to the distribution and/or offer.
Adjustment in the Exercise Price and/ or number of Warrants	: The Exercise Price and/or the number of Warrants in issue shall from time to time be adjusted subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
Modifications	: The Company may, from time to time, without the consent or sanction of the Warrant Holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.
	Subject to the above and the approval of any relevant authority, any other modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed by the Company, shall be subject to the approval of any relevant authority as required under the law in Malaysia and the approval of the Warrant Holders sanctioned by special resolution and must be effected only by the Deed Poll and expressed to be supplemental and comply with the requirements of the Deed Poll.
Rights of the Warrant Holders in the Event of Winding-up, Liquidation, Compromise or Arrangement	: If a resolution has been passed for a member's voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then: (i) for the purposes of such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purposes by a special resolution, will be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant Holders; or (ii) in any other case, every Warrant Holder shall be entitled (upon and subject to the conditions) at any time within six (6) weeks after the passing of such resolution for a members' voluntary

Terms	Details
	winding-up of the Company or within six (6) weeks from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants to the Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights attached to such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all Exercise Rights of the Warrants shall lapse and cease to be valid for any purpose.
Cancellation of Warrants	: Subject to passing of special resolution, the Company may call for a compulsory exchange, surrender or cancellation of unexercised Warrant(s) in return for shares, other warrants, debentures or other securities or for any other consideration (whether in the Company or in any other company or corporation) (whether incorporated) upon such terms and conditions which the Company deems fit. Any such modification shall be subject to the approval of any relevant authorities, where required.
Listing Status	: The Warrants will be listed on the ACE Market of Bursa Securities.
Governing Law	: The laws of Malaysia.

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3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Bonus Issue of Shares

The Board intends to undertake the Proposed Bonus Issue of Shares to reward the existing shareholders of the Company in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue of Shares will:

- (i) increase the number of Mobilia Shares held by the Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage of equity shareholding held in the Company;
- (ii) potentially result in an improved trading liquidity of Mobilia Shares on Bursa Securities without affecting the size of the market capitalisation of the Company; and
- (iii) encourage greater participation by investors as well as potentially broadening the shareholder base of the Company.

3.2 Proposed Free Warrants Issue

The Proposed Free Warrants Issue will:

- (i) reward the existing shareholders of the Company by enabling them to participate in convertible securities of the Company which are issued at no cost to them and are tradable on Bursa Securities;
- (ii) strengthen the Group's capital base and shareholders' funds as well as potentially provide funds for the Group to finance its working capital requirements, as and when the Warrants are exercised without incurring interest cost, as compared to bank borrowings;
- (iii) will allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (iv) provide the existing shareholders of the Company with an opportunity to increase their equity in the Company at a predetermined price during the tenure of the Warrants.

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4. INDUSTRY OVERVIEW AND OUTLOOK AND PROSPECTS OF MOBILIA

4.1 Overview and Outlook of the Malaysian Economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under Phase 1 of the Full Movement Control Order (“**FMCO**”). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index, recorded a sharp increase to 4.1% during the quarter (1Q 2021: +0.5%), driven mainly by transitory factors. In particular, as expected, the elevated headline inflation was largely due to base effects from the low domestic retail fuel prices last year, as well as the lapse in the effect from the tiered electricity tariff rebate.

In terms of the monthly trajectory, headline inflation peaked at 4.7% in April 2021. Following this, headline inflation remained elevated during the quarter, but moderated to 4.4% and 3.4% in May and June 2021, respectively.

(Source: Quarterly Bulletin Second Quarter of 2021, Bank Negara Malaysia)

The impact of the various stimulus packages is anticipated to have spill-over effects and provide an additional boost to the economy in 2021. With the anticipated improvement in global growth and international trade, the Malaysian economy is projected to rebound between 6.5% and 7.5% in 2021 (2020: -5.6%). Growth will continue to be supported by strong economic fundamentals and a well-diversified economy. However, the favourable outlook hinges on two major factors – the successful containment of the pandemic and sustained recovery in external demand.

(Source: Economic Outlook 2021, Chapter 1, Ministry of Finance Malaysia)

4.2 Overview and outlook of the furniture manufacturing industry

Exports of wooden and rattan furniture for the period of January - March 2021 increased by 33% to RM3.1 billion from RM2.3 billion in the previous corresponding period.

United States of America (“**USA**”) as a major buyer of wooden furniture increased purchases by 47% to RM1.9 billion from RM1.3 billion in the corresponding period in 2020. In Europe, shipments to Germany increased by 17% to RM15.7 million, while exports to the Greece decreased by 9% to RM6.6 million from RM7.2 million compared to the previous corresponding period. Exports to the Netherlands also increased by 49% to RM10.0 million compared to RM6.7 million in the previous year. Exports to France and Poland also increased by 39% and 29% to RM14.9 million and RM9.4 million respectively compared to the previous corresponding period.

(Source: eMaskayu Volume 4, April 2021, Malaysian Timber Industry Board)

The export performance of the timber sector for 2020 has shown good performance even though the COVID-19 pandemic is not over yet. The value of exports recorded was RM22.02 billion with a decrease of 2 percent compared to RM22.5 billion in the same period in 2019.

Export value of timber products started to increase on a monthly basis from May to December 2020 which was during the recovery phase. Companies producing wood-based products particularly furniture, plywood, moulding, and joinery revived their operations to meet orders from the export market.

The performance of high-value-added products such as furniture, joinery and moulding registered an 11 per cent growth with export value of RM12.3 billion compared with RM11.1 billion in 2019. Out of this, wooden furniture remained as the major product with an export growth of 16% to RM10.6 billion, from RM9 billion in 2019.

The major markets for timber products which recorded growth were the USA and China. Both markets accounted for 44% of Malaysia's total exports. The US recorded an increase of 50% to RM7.4 billion, compared with RM5 billion in 2019. The growth was influenced by the US government's economic stimulus for the construction industry during the COVID-19 pandemic and growth in e-commerce, which led to the increase in demand for Malaysia's timber products.

The ministry is confident the export performance is able to achieve RM23 billion in 2021 especially with the availability of the vaccines which are expected to ease the COVID-19 transmission.

(Source: Media Press Release 21 February 2021, Ministry of Plantation Industries and Commodities)

4.3 Prospects of Mobilia

Mobilia's operations has been disrupted by the ongoing COVID-19 virus and the imposition of Movement Control Order and its numerous variations. In response to the surge in the COVID-19 infections nationwide, the Government had imposed a Third Movement Control Order ("**MCO 3.0**") effective from 12 May 2021, followed by a FMCO effective from 1 June 2021 and subsequently Phase One of the Movement Control under the National Recovery Plan ("**Phase One of NRP**"). During the MCO 3.0, the Group was required to reduce its workplace presence limit to 60% manpower and subsequently during the FMCO and Phase One of NRP, the Group's manufacturing activities were temporarily not in operations. The said temporary disruption to the Group's operations during the MCO 3.0, FMCO and Phase One of NRP may affect the Group's ability to fulfil its orders and result in production backlogs. The Group's manufacturing activities are operating in full capacity since 20 September 2021.

In response to the COVID-19 virus, the Group has established a safety protocol committee to oversee the adherence of infection control measures based on the guidelines and SOP issued by the Government. The infection control measures include, amongst others:

- (i) Wearing of face masks in work places;
- (ii) Mandatory check-in via the MySejahtera mobile application or manual records of all movement in and out of the work premises;
- (iii) Taking and recording of body temperature on a daily basis before entering the work places;
- (iv) Sanitising hands before entering work places and all employees are encouraged to sanitise and wash their hands with soap and water frequently throughout the day;
- (v) Installation of a sanitising gate at the main entrance;
- (vi) Sanitising all common areas of work places 3 times a day (i.e. before commencement of work, after lunch and after close of business);

- (vii) Practising 1 metre social distancing at work places. The Group has also segregate its factory workers according to its factory premises to ensure they do not mingle (including during lunch time). Further, to minimise contact, the Group encourages all workers to communicate only to their designated supervisors, who are encouraged to communicate to other parties, including their superiors via phone calls;
- (viii) Avoidance of unnecessary face-to-face meetings, where possible;
- (ix) Ensuring all of its foreign workers are fully vaccinated under the Program Immunisasi Industri COVID-19 Kerjasama Awam-Swasta; and
- (x) Implementation of social distancing and sanitising measures twice a day in foreign workers' hostel made available by the Group.

The 4th quarter of 2021 is expected to remain challenging in view of the ongoing COVID-19 pandemic and the unforeseen circumstances arising from it. To ensure the Group remains competitive within the industry, the Group will continue its effort on design and development to expand its range of home furniture, as well as the marketing efforts to expand its customer base and export markets.

The Group will also continue its effort to expand its market reach and presence especially in online segment of the business in view of the accelerating growth of the online businesses globally. The growth of online businesses is expected to create more demand and opportunities for businesses within the industry.

(Source: Management of Mobilia)

5. EFFECTS OF THE PROPOSALS

5.1 Issued share capital

The effects of the Proposals on the issued share capital of the Company are set out below:

	No. of Shares	RM
Issued share capital as at the LPD	400,000,000	37,396,001
Proposed Bonus Issue of Shares	300,000,000	-
	<u>700,000,000</u>	<u>37,396,001</u>
Assuming full exercise of the outstanding Warrants	175,000,000 ⁽¹⁾	49,000,000 ⁽¹⁾
Enlarged issued share capital	<u>875,000,000</u>	<u>86,396,001</u>

Note:

- (1) Assuming all 175,000,000 Warrants are exercised into new Mobilia Shares at the exercise price of RM0.28 per Warrant.

5.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of the Company as at 31 December 2020, the effects of the Proposals on the NA per Share and gearing ratio of the Group are set out below:

	Audited as at 31 December 2020 (RM'000)	(I) Subsequent event up to the LPD (RM'000)	(II) After (I) and Proposed Bonus Issue of Shares (RM'000)	(III) After (II) and Proposed Free Warrants Issue (RM'000)	(IV) After (III) and exercise of all Warrants (RM'000)
Share capital	23,596	37,396 ⁽¹⁾	37,396	37,396	86,396 ⁽⁵⁾
Merger deficit	(22,496)	(22,496)	(22,496)	(22,496)	(22,496)
Retained profit	31,133	29,340 ⁽¹⁾	29,140 ⁽³⁾	29,140	29,140
Shareholder funds / NA	32,233	44,240	44,040	44,040	93,040
No. of Shares in issue (‘000)	340,000	400,000 ⁽¹⁾	700,000 ⁽⁴⁾	700,000	875,000 ⁽⁵⁾
NA per Share (RM)	0.09	0.11	0.06	0.06	0.11
Total borrowings (RM'000)	27,454	25,654 ⁽²⁾	25,654	25,654	25,654
Gearing (times)	0.85	0.58	0.58	0.58	0.28

Notes:

- (1) The Company issued 60,000,000 new ordinary Shares at an issue price of RM0.23 per ordinary share in its initial public offering in conjunction with the listing of the Company on the ACE Market of Bursa Securities on 23 February 2021 (“**Listing**”). It includes the adjustment for share issuance expenses arising from the Listing exercise of approximately RM1.79 million.
- (2) After the repayment of borrowings of RM1.80 million.
- (3) After deducting estimated expenses of approximately RM0.20 million relating to the Proposals.
- (4) After the issuance of 300,000,000 Bonus Shares pursuant to the Proposed Bonus Issue of Shares.
- (5) Assuming all 175,000,000 Warrants are exercised at the exercise price of RM0.28 per Warrant.

5.3 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Shares will not have any effect on the substantial shareholders' percentage of shareholdings in the Company as the Bonus Shares will be allotted on a pro rata basis to all Bonus Shares Entitled Shareholders. However, the number of Mobilia Shares held by the substantial shareholders will increase proportionately pursuant to the Proposed Bonus Issue of Shares.

The Proposed Free Warrants Issue will not have any immediate effect on the substantial shareholders' shareholdings in the Company until such time when the Warrants are exercised as the Warrants will be allotted on a pro rata basis to all Warrants Entitled Shareholders. The number of Mobilia Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

For illustrative purposes, the effects of the Proposals on the substantial shareholders' shareholdings are as follows:

Name of substantial shareholders	As at the LPD				(I) After Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Exelient Sdn. Bhd.	272,000	68.00	-	-	476,000	68.00	-	-
Quek Wee Seng	1,760	0.44	276,740 ⁽¹⁾	69.18	3,080	0.44	484,294 ⁽¹⁾	69.18
Quek Wee Seong	1,760	0.44	276,480 ⁽²⁾	69.12	3,080	0.44	483,840 ⁽²⁾	69.12

Name of substantial shareholders	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares '000	%	No. of Shares '000	%
Exelient Sdn. Bhd.	595,000	68.00	-	-
Quek Wee Seng	3,850	0.44	605,368 ⁽¹⁾	69.18
Quek Wee Seong	3,850	0.44	604,800 ⁽²⁾	69.12

Notes:

(1) Deemed interested through the direct interests of Exelient Sdn. Bhd., his brother, Quek Wee Seong and his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy.

(2) Deemed interested through the direct interests of Exelient Sdn. Bhd., his brother, Quek Wee Seng and his father, Quek Gim Hong @ Keh Gim Hong.

5.4 Earnings and EPS

The Proposals are not expected to have any material effect on the earnings of Mobilia for the FYE 31 December 2021. However, assuming that the earnings of Mobilia remain unchanged, the EPS of the Company will be proportionately diluted as a result of the increase in the number of Mobilia Shares in issue pursuant to the Proposed Bonus Issue of Shares, and as and when the Warrants are exercised into new Mobilia Shares.

The potential effects of the exercise of the Warrants on the future earnings and EPS of the Company will depend upon, amongst others, the number of Warrants exercised at any point in time. Although the EPS of the Company may be diluted as a result of the increase in the number of Mobilia Shares as and when the Warrants are exercised, the use of proceeds arising therefrom may contribute positively to the future earnings of the Company.

5.5 Convertible securities

As at the LPD, Mobilia does not have any convertible securities.

6. APPROVALS REQUIRED AND INTER-CONDITIONALITY

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) admission of up to 175,000,000 Warrants to the Official List of Bursa Securities;
 - (b) listing of and quotation for up to 175,000,000 Warrants on the ACE Market of Bursa Securities; and
 - (c) listing of 300,000,000 Bonus Shares, and up to 175,000,000 new Mobilia Shares arising from the exercise of up to 175,000,000 Warrants, on the ACE Market of Bursa Securities;

The approval of Bursa Securities was obtained vide its letter dated 28 September 2021 and is subject to the following conditions:

Conditions	Status of Compliance
(i) Mobilia and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals	Noted
(ii) Mobilia and Kenanga IB to inform Bursa Securities upon the completion of the Proposals;	To be complied
(iii) Mobilia and Kenanga IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
(iv) Mobilia and Kenanga IB are required to make the relevant announcements pursuant to Rules 6.36(2)(a)&(b) and 6.36(4) of the ACE LR in respect of the Proposed Bonus Issue of Shares;	To be complied

(v) Mobilia to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(vi) Submission of written confirmation letter by Kenanga IB to Bursa Malaysia Depository Sdn Bhd (" Bursa Depository ") that all conditions imposed by Bursa Securities which are required to be met before the listing and quotation of the securities have been fully complied with and/ or fulfilled together with submission of the share certificate by Mobilia and a cover letter containing the summary of the Proposed Bonus Issue of Shares and Proposed Free Warrants Issue to Bursa Depository before 10.00 a.m on the market day prior to the listing date.	To be complied

- (ii) the shareholders of Mobilia at the forthcoming EGM; and
- (iii) any other relevant authorities or parties, if required.

The Proposed Bonus Issue of Shares and the Proposed Free Warrants Issue are not conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

There are no other corporate exercises which have been announced by the Company but have yet to be completed as at the LPD.

8. TENTATIVE TIMETABLE FOR THE IMPLEMENTATION OF THE PROPOSALS

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposals is expected to be completed by the 4th quarter of 2021.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of Mobilia Shares as traded on the ACE Market of Bursa Securities for the past 12 months are as follows:

	<u>High</u> (RM)	<u>Low</u> (RM)
<u>2020</u>		
October	_*	_*
November	_*	_*
December	_*	_*
<u>2021</u>		
January	_*	_*
February	0.760	0.380
March	0.455	0.360
April	0.495	0.370
May	0.460	0.370
June	0.460	0.375
July	0.550	0.405
August	0.575	0.470
September	0.485	0.405

The last transacted price of Mobilia Shares immediately before the announcement of the Proposals on 16 August 2021	0.5400
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The last transacted market price of Mobilia Shares as at the LPD	0.4600
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(Source: Bloomberg Finance L.P.)

**Mobilia was listed on 23 February 2021*

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

None of the Directors, major shareholders and/or the Chief Executive of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposals, save for their respective entitlements as the shareholders of the Company under the Proposals, the rights which are also available to all other entitled shareholders of the Company on the Bonus Shares Entitlement Date and Warrants Entitlement Date.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having reviewed and considered all aspects of the Proposals, including the rationale, justifications and effects of the Proposals, is of the opinion that Proposals is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held on a fully virtual basis and entirely via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at <https://tiih.online> on Wednesday, 20 October 2021 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend, speak and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited to the Share Registrars of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the stipulated time for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

13. DETAILS OF THE GROUP'S PREVIOUS FUND-RAISING EXERCISES

Save as disclosed below, Mobilia has not undertaken any equity fund-raising exercise in the past 12 months before the announcement of the Proposals.

On 23 February 2021, Mobilia was listed on ACE Market of Bursa Securities and raised proceeds amounting to RM13.80 million via the public issue of 60,000,000 new Mobilia Shares at RM0.23 per Share. As at the LPD, the details and status of the use of proceeds are as follows:

Details of use of proceeds	Proposed use of proceeds	Actual use of proceeds as at LPD	Balance unused	Estimated timeframe for use from listing date ⁽¹⁾
	RM'000	RM'000	RM'000	
Capital expenditure				
(a) Construction of office and showroom (Phase 1B) ⁽²⁾	2,500	-	2,500	Within 24 months
(b) Construction of Factory Blocks B and C (Phase 2) ⁽²⁾	3,300	-	3,300	Within 24 months
(c) Purchase of machineries ⁽³⁾	1,300	-	1,300	Within 24 months
	7,100	-	7,100	
Repayment of borrowings	1,800	(1,800)	-	Within 1 month
Working capital ⁽⁴⁾	1,900	(1,998)	-	Within 1 month
Estimated listing expenses ⁽⁴⁾	3,000	(2,902)	-	Within 1 month
	13,800	6,700	7,100	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 23 February 2021.
- (2) The indicative timeline for the construction of Phase 1B and Phase 2 of our manufacturing plant as disclosed in the Company's Prospectus dated 3 February 2021 in relation to the Listing ("**Prospectus**") was as follows:

	Description	Commencement of construction as disclosed in the Prospectus*	Target timeframe for completion
Phase 1B	Office and showroom	Commenced construction in July 2020	May 2022
Phase 2	Factory Blocks B and C	Expected to commence construction in May 2021 (this has been delayed and is expected to commence by December 2021, as explained below*)	May 2022

* Subsequent to the Listing of the Company on 23 February 2021, Malaysia has continually been placed under numerous variations of the MCO. This has adversely impacted the progress of the construction for the above properties. The construction of Phase 1B, which commenced in July 2020, has been slowed significantly after the Listing while the construction of the Phase 2 has been delayed and is expected to commence by December 2021. Due to the above, there were no progress claims made to Mobilia for the construction of Phase 1B and Phase 2 subsequent to the Listing. Consequently, as at the LPD, the Company has not used the proceeds from the Listing for the construction of Phase 1B and Phase 2. Nevertheless, the targeted timeframe for completion for Phase 1B and Phase 2 are not expected to be affected.

- (3) *RM1.30 million of the proceeds was allocated to acquire the following machineries and equipment:*

<i>Details</i>	<i>Units</i>	<i>Estimated costs RM'000</i>
- Numerically Controlled Machining Centre	1	990
- Automatic Panel Saw	1	110
- Automatic Fabric Spreading Machine	1	200
<i>Total</i>	<i>3</i>	<i>1,300</i>

Mobilia has yet to make any of the intended purchase of the above machineries due to the imposition of numerous MCOs subsequent to the Listing.

- (4) *The surplus amount to defray listing expenses was reallocated for working capital of the Group.*

14. FURTHER INFORMATION

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully
For and on behalf of the Board
MOBILIA HOLDINGS BERHAD

Quek Wee Seng
Managing Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made 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 in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Kenanga IB, being the Principal Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Kenanga IB has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser for the Proposals.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company and/or the Group, and the Board is not aware of any proceedings pending or threatened against Mobilia Group or any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company and/or the Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

As at LPD, save for the capital commitment of RM8.50 million for the construction of office and factory buildings, the Board is not aware of any other material commitments incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the profits and/or NA of the the Group.

4.2 Contingent liabilities

As at LPD, the Board is not aware of any other contingent liabilities incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the profits and/or NA of the Group.

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5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor, during normal business hours (from 9.00 a.m. to 5.00 p.m.) from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (a) the Constitution of the Company;
- (b) the audited consolidated financial statements of Mobilia Group for the FYE 2020 as well as the latest unaudited results of the Group for the 6-months financial period ended 30 June 2021;
- (c) the letter of consent and declaration of conflict of interests referred to in **Section 2** of this Appendix I; and
- (d) the Deed Poll.

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MOBILIA HOLDINGS BERHAD
(Registration No. 202001004249 (1360569-P))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Mobilia Holdings Berhad (“**Mobilia**” or “**Company**”) will be held on a fully virtual basis and entirely via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at <https://tiih.online> on Wednesday, 20 October 2021 at 10.00 a.m. and at any adjournment thereof for the purpose of considering and if thought fit, passing the following resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF SHARES OF 300,000,000 NEW ORDINARY SHARES IN MOBILIA (“MOBILIA SHARES” OR “SHARES”) (“BONUS SHARES”) ON THE BASIS OF 3 BONUS SHARES FOR EVERY 4 EXISTING MOBILIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“BONUS SHARES ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE OF SHARES”)

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue 300,000,000 Bonus Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Bonus Shares Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of 3 Bonus Shares for every 4 existing Mobilia Shares held;

THAT The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Mobilia Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Shares with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE OF UP TO 175,000,000 FREE WARRANTS IN MOBILIA (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING MOBILIA SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“WARRANTS ENTITLEMENT DATE”) (“PROPOSED FREE WARRANTS ISSUE”).

“**THAT** subject to the approvals of all relevant authorities or parties (where required) being obtained for the Proposed Bonus Issue of Warrants, authority be and is hereby given to the Board to allot and issue up to 175,000,000 Warrants to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business at 5:00 p.m. on the Warrants Entitlement Date on the basis of 1 Warrants for every 4 existing Mobilia Shares held, in accordance with the provisions of the Deed Poll constituting the Warrants to be executed by the Company (“**Deed Poll**”);

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company subject to the provisions contained in the Deed Poll, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Mobilia Shares pursuant to the exercise of the Warrants or additional Warrants issued pursuant to adjustments as provided for under the Deed Poll by the Warrant holders, credited as fully paid, in accordance with the provisions of a Deed Poll;

THAT the new Mobilia Shares, arising from the exercise of the Warrants will, upon allotment and issuance, rank equally with the then existing Mobilia Shares save and except that the new Mobilia Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Mobilia Shares.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's common seal) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Free Warrants Issue with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company.”

By order of the Board

Tan Hui Khim (License Secretary No.: 0009936) (SSM Practicing Certificate No.: 201908000859)
Ng Mei Wan (MIA Member No.: 28862) (SSM Practicing Certificate No.: 201908000801)
Company Secretaries

5 October 2021

Notes:

1. **IMPORTANT NOTICE**

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Extraordinary General Meeting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of Extraordinary General Meeting and take note of Notes (2) to (8) below in order to participate remotely via RPV.**

2. Only depositors whose names appear in the Record of Depositors as at 12 October 2021 shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the Extraordinary General Meeting.

3. A shareholder shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Act. There shall be no restriction as to the qualification of the proxy. A member who has appointed a proxy or authorised representative at the Extraordinary General Meeting via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of Extraordinary General Meeting.**

4. Where a shareholder of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. Where a shareholder appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Proxy Form must be initialed by the shareholder.

7. In the event the shareholder(s) duly executes the proxy form but does not name any proxy, such shareholder(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy, have been duly completed by the shareholder(s).

8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via **TIIH Online** website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of Extraordinary General Meeting to be voted by way of poll. **For electronic lodgement please follow the Procedures for RPV which are set out in the Administrative Details of Extraordinary General Meeting.**

CDS Account No.	
No of shares held	

*I/We _____
[Full name in block and/or telephone number]

*NRIC No./Passport No./Company No. _____ of _____
_____ being a *Member/Members of Mobilia Holdings

Berhad ("Company"), hereby appoint _____
of _____

*and/or _____ of _____

_____ or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be conducted entirely on a fully virtual basis via Remote Participation and Voting facilities ("RPV") from the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at <https://tiih.online> on Wednesday, 20 October 2021 at 10.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1	Proposed Bonus Issue of Shares		
2	Proposed Free Warrants Issue		

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Proxy	No of Shares	Percentage
1		
2		
Total		100%

.....
Signature of Shareholder or Common Seal

Dated this day of 2021

Notes:

1. IMPORTANT NOTICE

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4. *Where a shareholder of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
5. *Where a shareholder appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Proxy Form must be initialed by the shareholder.*
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Fold this flap for sealing

Then fold here

The Share Registrar of
MOBILIA HOLDINGS BERHAD

AFFIX
STAMP

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

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