

MOBILIA HOLDINGS BERHAD (“MOBILIA” OR THE “COMPANY”)

PROPOSED FREE WARRANTS ISSUE

1. INTRODUCTION

On behalf of the Board of Directors of Mobilia (“**Board**”), Hong Leong Investment Bank Berhad (“**HLIB**”) wishes to announce that the Company proposes to undertake a free warrants issue of up to 218,749,782 free warrants B in the Company (“**Warrants B**”) on the basis of 1 Warrant B for every 4 existing ordinary shares in Mobilia (“**Mobilia Shares**” or “**Shares**”) held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later (“**Entitlement Date**”) (“**Entitled Shareholders**”) (“**Proposed Free Warrants Issue**”).

2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE

2.1 Basis and number of Warrants B to be issued

The Proposed Free Warrants Issue entails the issuance of up to 218,749,782 Warrants B on the basis of 1 Warrant B for every 4 existing Shares held by the Entitled Shareholders on the Entitlement Date.

As at 30 April 2024, being the latest practicable date prior to the date of this announcement (“**LPD**”), Mobilia has a total issued share capital of RM36,696,001 comprising 699,999,992 Shares and does not have any treasury shares.

In addition, as at the LPD, the Company has 174,999,136 outstanding warrants 2021/2024 (“**Warrants A**”). The Warrants A are constituted by the deed poll dated 20 October 2021 (“**Deed Poll A**”) and each Warrant A carries the entitlement to subscribe for 1 new Share during the 3-year exercise period up to 8 November 2024 at an exercise price of RM0.28 per Warrant A.

For illustration purposes, throughout this announcement, the effects of the Proposed Free Warrants Issue shall be illustrated based on the following 2 scenarios:

Minimum Scenario : Based on the total issued share capital of 699,999,992 Shares and assuming none of the outstanding Warrants A as at the LPD are exercised into new Shares prior to the Entitlement Date.

Under the Minimum Scenario, a total of up to 174,999,998 Warrants B will be issued pursuant to the Proposed Free Warrants Issue.

Maximum Scenario : Based on the total issued share capital of 699,999,992 Shares and assuming all the outstanding Warrants A as at the LPD are exercised into new Shares prior to the Entitlement Date.

Under the Maximum Scenario, a total of up to 218,749,782 Warrants B will be issued pursuant to the Proposed Free Warrants Issue.

The actual number of Warrants B to be issued under the Proposed Free Warrants Issue will depend on the number of Mobilia Shares in issue on the Entitlement Date.

The basis of the entitlement ratio of 1 Warrant B for every 4 existing Shares was determined after taking into consideration, amongst others, the following:

- (i) the potential dilutive effect on the consolidated earnings per share (“**EPS**”) of the Company upon exercise of the Warrants B; and
- (ii) compliance with Paragraph 6.50 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), which states that the number of new Mobilia Shares arising from the exercise of all outstanding convertible equity securities, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

In this respect, the Proposed Free Warrants Issue complies with the Paragraph 6.50 of the Listing Requirements.

Fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date by the Board upon receipt of all relevant approvals. The Proposed Free Warrants Issue will be implemented in a single tranche and is not intended to be implemented in stages over a period of time.

2.2 Indicative salient terms of the Warrants B

The indicative salient terms of the Warrants B are set out as follows:

Terms	Details
Issuer	: Mobilia
Issue size	: Up to 218,749,782 Warrants B
Form and denomination	: The Warrants B will be issued in registered form and constituted by a deed poll to be executed by the Company and as may be supplemented from time to time (“ Deed Poll B ”).
Tenure	: 3 years commencing from and inclusive of the date of the issuance of the Warrants B (“ Issue Date ”).
Exercise Period	: The Warrants B may be exercised at any time within the Tenure of the Warrants B commencing from and including the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date. Any Warrants B which have not been exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.
Exercise Price	: The exercise price of the Warrants B shall be determined and fixed by the Board and announced at a later date, after obtaining the relevant approvals. The basis of determining the exercise price of the Warrants B is set out in Section 2.3 below. The Exercise Price and the number of outstanding Warrants B shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll B during the Exercise Period.
Exercise Rights	: Each Warrant shall entitle its holders of Warrant B (“ Warrant B Holder(s) ”) to subscribe for 1 new Mobilia Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll B.

Terms	Details
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the third anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediate preceding market day.
Mode of exercise	: The Warrant B Holders must complete and sign the exercise notice (which shall be irrevocable) and deliver the duly completed and executed exercise notice to the Company's share 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 in Malaysia or electronic transmission in accordance with the Deed Poll B.
Board Lot	: For the purpose of trading on Bursa Securities, a board lot of the Warrants B shall be one hundred (100) Warrants B unless otherwise revised by the relevant authorities.
Adjustment in the Exercise Price and/or the number of Warrants B	: The Exercise Price and/or the number of Warrants B held by each Warrant B Holder may from time to time be adjusted subject to adjustments under certain circumstances in accordance with the provisions as set out in the Deed Poll B.
Modification of rights of Warrant B Holders	: The Company may, from time to time, without the consent or sanction of the Warrant B Holders but in accordance with the Deed Poll B, modify the Deed Poll B, if such modification made does not materially prejudice the interests of the Warrant B 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 B 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 B Holders sanctioned by special resolution and must be effected only by the Deed Poll B and expressed to be supplemental and comply with the requirements of the Deed Poll B.
Rights of Warrant B Holders	: The Warrants B do not entitle the Warrant B Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant B Holders become shareholders of the Company by exercising their Warrant B for new Mobilia Shares in accordance with the terms and provisions of the Deed Poll B.

Terms	Details
Rights in the event of winding up, liquidation, compromise or an event of default	<p>: If a resolution has been passed for a members' 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 reconstruction of the Company or the amalgamation of the Company with one or more companies, then:-</p> <p>(i) for the purpose of such winding-up, compromise or scheme of arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant B Holders, or some persons designated by them for such purpose by a special resolution, will be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant B Holders; or</p> <p>(ii) in any other case and to the extent permitted by law, every Warrant B Holder shall be entitled, upon and subject to the terms and conditions of the Warrants B at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants B to the Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights attached to such Warrants B 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 B shall lapse and cease to be valid for any purpose.</p>
Cancellation of Warrants B	<p>: Subject to passing of special resolution, the Company may call for a compulsory exchange, surrender or cancellation of unexercised Warrants B 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.</p>
Listing	<p>: The Warrants B will be listed on the Main Market of Bursa Securities.</p>
Transferability	<p>: The Warrants B shall be transferable in accordance with the provisions of the Deed Poll B, subject to the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.</p>
Governing Law	<p>: Laws of Malaysia.</p>

2.3 Basis and justification for the Exercise Price of the Warrants B

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

The Exercise Price of the Warrants B will be determined by the Board at a later date after all relevant approvals have been obtained, and after taking into consideration the following:

- (i) the historical price movement of Mobilia Shares;
- (ii) the 5-day volume weighted average market price (“**5D-VWAMP**”) of Mobilia Shares and prevailing market conditions; and
- (iii) the future funding requirements of the Company and its subsidiaries (“**Group**”).

In any event, the Exercise Price of the Warrants B shall not be priced at a discount of more than 10.00% to the 5D-VWAMP of Mobilia Shares up to and including the date prior to the price-fixing date. As at the LPD, the 5D-VWAMP of Mobilia Shares is RM0.1604. For the purpose of illustration only, assuming the indicative exercise price of the Warrants B is at RM0.15 per Warrant B, this represents a discount of RM0.0104 or 6.48% to the said 5D-VWAMP of Mobilia Shares (“**Assumed Exercise Price**”).

The Board wishes to emphasise that the Assumed Exercise Price should not be taken as an indication of or reference to the actual Exercise Price of the Warrants B, as it will only be determined and announced at a later date.

2.4 Ranking of the Warrants B and the new Mobilia Shares to be issued arising from the exercise of the Warrants B

The Warrant B Holders will not be entitled to any voting rights or right to participate in any form of distribution and/or offer of further securities in Mobilia (save as disclosed in the Deed Poll B) until and unless such Warrant B Holders exercise their Warrants B into new Mobilia Shares.

The new Mobilia Shares to be issued pursuant to the exercise of the Warrants B shall, upon allotment, issuance and full payment of the Exercise Price, rank equally in all respects with the existing Mobilia Shares, save and except that the new Mobilia Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement of which is prior to the date of allotment and issuance of the new Mobilia Shares.

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

An application will be made to Bursa Securities for:

- (i) the admission of the Warrants B to the Official List of Bursa Securities; and
- (ii) the listing and quotation of the Warrants B and new Shares to be issued arising from the exercise of the Warrants B on the Main Market of Bursa Securities.

2.6 Utilisation of proceeds from the exercise of Warrants B

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

The eventual proceeds to be raised from the exercise of the Warrants B (if any) is dependent on the number of Warrants B exercised during the Tenure of the Warrants B as well as the Exercise Price of the Warrants B, which will be determined and fixed at a later date.

As such, the exact timeframe and the breakdown for the utilisation of the proceeds are not determinable at this juncture. The Company expects to utilise the proceeds from the exercise of Warrants B within 24 months from the date of receipt of the proceeds.

For illustration purposes, the gross proceeds to be raised upon full exercise of the Warrants B based on the Assumed Exercise Price are set out below:

	No. of Warrants B exercised	Total gross proceeds to be raised assuming full exercise of Warrants B (RM)
Minimum Scenario	174,999,998	26,250,000
Maximum Scenario	218,749,782	32,812,467

The Company intends to utilise the proceeds arising from the exercise of the Warrants B, if any, for the Group's working capital requirements. The proceeds raised from the exercise of the Warrants B will be utilised to finance the Group's 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 allocation of proceeds to be utilised for each component of working capital are subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

Pending utilisation of the proceeds to be raised as and when the Warrants B are exercised, the proceeds shall be placed in deposits with licensed financial institutions and/or short-term money market instruments. Any interest derived from such deposits or gains arising from such short-term money market instruments will be used as additional funds for the working capital requirements (as mentioned above) of the Group.

3. DETAILS OF EQUITY FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS

Mobilia has not undertaken any other equity fund-raising exercise in the past 12 months before the announcement of the Proposed Free Warrants Issue.

4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED FREE WARRANTS ISSUE

After due consideration of various methods, the Board is of the view that the Proposed Free Warrants Issue is an appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Free Warrants Issue will:

- (i) enable existing shareholders of Mobilia to participate in convertible securities of the Company, which are tradable on the Main Market of Bursa Securities, without incurring any cost;
- (ii) provide existing shareholders of Mobilia with an opportunity to increase their equity participation in the Company at a pre-determined Exercise Price over the Tenure of the Warrants B;
- (iii) allow existing shareholders of Mobilia to further participate in the future growth of the Company when the Warrants B are exercised;
- (iv) strengthen the capital base and shareholders' funds of the Company as well as provide additional working capital for the Group, as and when the Warrants B are exercised.

5. OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy continued to expand in 2023 despite external headwinds. The Malaysian economy grew by 3.7% despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities. On the external front, exports declined due to subdued global demand, lower commodity prices and shifts towards services spending. Additionally, improving labour market conditions coupled with supportive policy measures helped household spending, especially among the vulnerable households affected by higher cost of living. Private sector capital spending drove overall investment activity, particularly in information technology and electrical and electronics. In tandem with external trade performance, export-oriented industries saw some moderation in growth. Nonetheless, all sectors continued to expand in 2023.

Headline inflation moderated in 2023 to an average of 2.5% (2022: 3.3%), largely on account of lower food, non-alcoholic beverages and fuel inflation. Meanwhile, core inflation averaged at 3% (2022: 3%). The more gradual disinflation pace was partly due to persistent demand pressure, particularly in the first half of 2023. Core inflation steadily converged to its long-term average in the second half.

The Malaysian economy is projected to grow between 4%–5% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand. Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports. Tourism is expected to improve further, while the implementation of new and ongoing multi-year projects by both the private and public sectors would support investment activity. Nevertheless, domestic growth remains subject to downside risks from both external and domestic factors. External factors include a weaker-than-expected global growth and further escalation of geopolitical conflict. Domestically, more severe shocks on commodity production and the implementation of subsidy rationalisation could also weigh on the growth outlook, although this could be partially offset by targeted cash assistance from the Government. Greater spillover from the tech upcycle, stronger-than-expected tourism activity, and faster implementation of existing and new investment projects would provide upside risks to the domestic growth.

Headline inflation is expected to average between 2% and 3.5% in 2024. Headline inflation is expected to remain moderate amid contained cost pressures from easing global supply conditions. Core inflation is also expected to moderate, but remaining above its long-term average. Inflation outlook remains highly subject to upside risks due to potential price adjustments on food and energy items, as well as external pressures from exchange rate and global commodity price developments.

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

5.2 Overview and prospects of the furniture industry in Malaysia

Exports of wooden furniture for the month of October 2023 increased by 10% to RM859.0 million. However, the export of wooden furniture for the cumulative period January to October 2023 recorded an export value worth RM7.3 billion, a decrease of 23% from RM9.5 billion in its corresponding period in 2022.

Export of wooden furniture to ASEAN (Association of Southeast Asian Nations) expanded by 11% worth RM1.0 billion from RM913.5 million in its corresponding period in 2022. Export to Singapore increased by 31% to RM627.9 million. Similarly, export to Indonesia rose by 21% to RM96.1 million, however export to the Philippines declined by 15% to RM179.6 million for the stated period.

Moving to the East Asia region, exports were down by 24% to RM525.9 million from RM690.9 million year-on-year in 2022. Japan remained the highest buyer with export valued at RM398.4 million despite a reduction in its buying by 20%. Similarly, exports both to China and Taiwan decreased by 14% to RM42.6 million and by 49% to RM41.2 million, respectively over its corresponding period in 2022.

Export to West Asia expanded by 12% to RM410.1 million from RM365.3 million in its corresponding period in 2022. Export to the UAE (United Arab Emirates), the largest buyer in the region, improved by 29% to RM212.8 million. Similarly, exports to Saudi Arabia increased by 15% to RM141.7 million, however export to Kuwait declined by 50% to RM15.5 million, respectively.

Moving to the South Asia region, export of wooden furniture to the region decreased by 46% to RM106.6 million for the month. Amongst South Asia countries, India recorded the highest intake with export valued at RM96.3 million despite a decrease in intake by 48%. Similarly, exports to Bangladesh were also down by 29% to RM1.2 million. Conversely, export to Maldives improved by 14% to RM8.6 million for the month.

Export to the Central Asia region were down by 3% to RM3.7 million with intake from Kazakhstan reduced by 26% worth RM2.5 million. Meanwhile, import from Armenia increased by 192% worth RM515,706 while Uzbekistan resumed its intake with RM459,410 for the stated period.

Exports to the European Union (“EU”) recorded a decrease of 14% to RM278.6 million from RM324.2 million over its corresponding period in 2022. France as the highest buyer in the bloc reduced its buying by 23% to RM29.6 million followed by Germany with exports down by 38% to RM32.0 million. Nevertheless, export to Belgium showed an improvement by 8% to RM31.5 million. Outside the EU, the United Kingdom was recorded as the largest buyer with an increase of buying by 2% to RM333.0 million from RM327.0 million over its corresponding period in 2022. Similarly, exports to Turkey and Switzerland increased by 57% to RM8.6 million and by 92% to RM9.2 million respectively.

Meanwhile, export to the North America region dropped by 33% to RM3.9 billion from RM5.9 billion in its corresponding period in 2022. Despite the USA being Malaysia’s largest wooden furniture buyer, the country recorded a reduction in sales by 34% to RM3.6 billion from RM5.4 billion in its corresponding period in 2022. Similarly, exports to Canada and Puerto Rico declined by 11% to RM266.7 million and 36% to RM49.8 million respectively.

(Source: MASKAYU, Volume 11, November 2023, Malaysian Timber Industry Board)

5.3 Prospects of the Group

The Group will emphasise continuous enhancement of operational efficiency to increase competitiveness among global furniture players. This includes implementing a transformation program focused on increasing production efficiency and enhancing product quality. Additionally, ongoing production automation efforts will further improve product precision.

In tandem, the Group will expand its market reach through participation in international trade fairs, overseas sales visits, and development of new products to attract and retain customers, thereby securing new sales orders.

Considering the prevailing global economic uncertainties, the Group is proactively planning and implementing measures to mitigate risks and challenges, while closely monitoring business performance.

Barring any unforeseen circumstances, the Board is cautiously optimistic of the future prospects of the Group.

(Source: Management of Mobilia)

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6. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE

6.1 Issued share capital

The pro forma effects of the Proposed Free Warrants Issue on the issued share capital of Mobilia as at the LPD are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	699,999,992	36,696,001	699,999,992	36,696,001
Assuming full exercise of Warrants A	-	-	174,999,136	⁽¹⁾ 48,999,758
	699,999,992	36,696,001	874,999,128	85,695,759
Assuming full exercise of Warrants B	174,999,998	⁽²⁾ 26,250,000	218,749,782	⁽²⁾ 32,812,467
Enlarged issued share capital	874,999,990	62,946,001	1,093,748,910	118,508,226

Notes:

- (1) Assuming all the outstanding Warrants A as at the LPD are exercised at the exercise price of RM0.28 per Warrant A.
- (2) Assuming the Warrants B are exercised at the Assumed Exercise Price.

6.2 Net assets ("NA") per Share and gearing

The pro forma effects of the Proposed Free Warrants Issue on the NA per Share and gearing of the Group based on its audited consolidated statements of financial position as at 31 December 2023 are as follows:

Minimum Scenario

	Audited as at 31 December 2023	(I)	(II)
		After the Proposed Free Warrants Issue	After (I) and assuming full exercise of Warrants B
	RM'000	RM'000	RM'000
Share capital	36,696	36,696	⁽²⁾ 62,946
Re-organisation reserve	(22,496)	(22,496)	(22,496)
Retained profits	55,659	⁽¹⁾ 55,409	55,409
Total equity/ NA	69,859	69,609	95,859
No. of Shares in issue ('000)	700,000	700,000	875,000
NA per Share (RM)	0.10	0.10	0.11
Total borrowings (RM'000)	29,552	29,552	29,552
Gearing ratio (times)	0.42	0.42	0.31

Notes:

- (1) After deducting estimated expenses of approximately RM0.25 million relating to the Proposed Free Warrants Issue which will be funded via internally generated funds.

(2) Assuming all 174,999,998 Warrants B are exercised at the Assumed Exercise Price.

Maximum Scenario

		(I)	(II)	(III)
	Audited as at 31 December 2023	Assuming full exercise of Warrants A	After (I) and the Proposed Free Warrants Issue	After (II) and assuming full exercise of Warrants B
	RM'000	RM'000	RM'000	RM'000
Share capital	36,696	⁽¹⁾ 85,696	85,696	⁽³⁾ 118,508
Re-organisation reserve	(22,496)	(22,496)	(22,496)	(22,496)
Retained profits	55,659	55,659	⁽²⁾ 55,409	55,409
Total equity/ NA	69,859	118,859	118,609	151,421
No. of Shares in issue ('000)	700,000	874,999	874,999	1,093,749
NA per Share (RM)	0.10	0.14	0.14	0.14
Total borrowings (RM'000)	29,552	29,552	29,552	29,552
Gearing ratio (times)	0.42	0.25	0.25	0.20

Notes:

- (1) Assuming all the outstanding Warrants A are exercised at the exercise price of RM0.28 per Warrant A.
- (2) After deducting estimated expenses of approximately RM0.25 million relating to the Proposed Free Warrants Issue which will be funded via internally generated funds.
- (3) Assuming all 218,749,782 Warrants B are exercised at the Assumed Exercise Price.

6.3 Earnings and earnings per Share ("EPS")

The Proposed Free Warrants Issue will not have any material effect on the earnings of the Group for the financial year ending 31 December 2024. However, the EPS of the Group is expected to be diluted as a result of the increase in the number of Shares arising from the exercise of Warrants B.

The effects of the Proposed Free Warrants Issue on the future earnings and EPS of the Company cannot be ascertained at this juncture as it would depend on, among others, the actual Exercise Price of the Warrants B, the number of Shares issued pursuant to the exercise of Warrants B at any point in time, the potential benefits from the utilisation of proceeds and the Company' future earnings.

6.4 Convertible securities

As at the LPD, save for the outstanding Warrants A, there are no other convertible securities issued by the Company. Based on the Deed Poll A, the Proposed Free Warrants Issue will not give rise to any adjustment to the exercise price and number of outstanding Warrants A.

6.5 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Free Warrants Issue on the shareholdings of the substantial shareholders of Mobilia based on the register of substantial shareholders of the Company as at the LPD are set out below:

Minimum Scenario

Substantial shareholders	As at the LPD				Assuming full exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Exelient Sdn Bhd	476,000,000	68.00	-	-	595,000,000	68.00	-	-
Quek Wee Seng	3,080,000	0.44	⁽³⁾ 484,294,475	69.18	3,850,000	0.44	⁽³⁾ 605,368,093	69.18
Quek Wee Seong	3,080,000	0.44	⁽⁴⁾ 483,840,000	69.12	3,850,000	0.44	⁽⁴⁾ 604,800,000	69.12

Notes:

- (1) Based on the total number of issued Shares of 699,999,992 as at the LPD.
- (2) Based on the enlarged number of issued Shares of 874,999,990, assuming full exercise of the Warrants B.
- (3) Deemed interest by virtue of his wife, Leong Yok Moy, his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seong and his direct interests in Exelient Sdn Bhd.
- (4) Deemed interest by virtue of his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seng and his direct interests in Exelient Sdn Bhd.

Maximum Scenario

Substantial shareholders	As at the LPD				(I) (6) Assuming full exercise of Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Exelient Sdn Bhd	476,000,000	68.00	-	-	476,000,000	54.40	-	-
Quek Wee Seng	3,080,000	0.44	(4)484,294,475	69.18	3,080,000	0.35	(4)484,294,475	55.35
Quek Wee Seong	3,080,000	0.44	(5)483,840,000	69.12	3,080,000	0.35	(5)483,840,000	55.30

Substantial shareholders	(II) After (I) and assuming full exercise of Warrants B			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Exelient Sdn Bhd	595,000,000	54.40	-	-
Quek Wee Seng	3,850,000	0.35	(4)605,368,093	55.35
Quek Wee Seong	3,850,000	0.35	(5)604,800,000	55.30

Notes:

- (1) Based on the total number of issued Shares of 699,999,992 as at the LPD.
- (2) Based on the enlarged number of issued Shares of 874,999,128, assuming full exercise of the Warrants A.
- (3) Based on the enlarged number of issued Shares of 1,093,748,910, assuming full exercise of the Warrants A and Warrants B.
- (4) Deemed interest by virtue of his wife, Leong Yok Moy, his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seong and his direct interests in Exelient Sdn Bhd.
- (5) Deemed interest by virtue of his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seng and his direct interests in Exelient Sdn Bhd.
- (6) The substantial shareholders of Mobilia do not hold any Warrants A as at the LPD.

7. APPROVALS REQUIRED

The Proposed Free Warrants Issue is subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) the admission of up to 218,749,782 Warrants B to the Official List of Bursa Securities;
 - (b) the listing and quotation of up to 218,749,782 Warrants B on the Main Market of Bursa Securities; and
 - (c) the listing and quotation of up to 218,749,782 new Mobilia Shares to be issued arising from the exercise of the Warrants B on the Main Market of Bursa Securities;
- (ii) the shareholders of Mobilia for the Proposed Free Warrants Issue at an extraordinary general meeting to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

8. INTER-CONDITIONALITY

The Proposed Free Warrants Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

None of the directors, major shareholders of the Company, chief executive and/or persons connected with them has any interest, direct and/or indirect, in the Proposed Free Warrants Issue, other than their respective entitlements as shareholders of the Company under the Proposed Free Warrants Issue, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

10. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Free Warrants Issue, including but not limited to the rationale and effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interest of the Company.

11. PRINCIPAL ADVISER

HLIB has been appointed by the Company to act as the Principal Adviser for the Proposed Free Warrants Issue.

12. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities will be made within 1 month from the date of this announcement.

13. TENTATIVE TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Free Warrants Issue is expected to be completed by the third quarter of 2024.

This announcement is dated 7 May 2024.