

HSS ENGINEERS BERHAD ("HEB" OR THE "COMPANY")

PROPOSED PRIVATE PLACEMENT OF UP TO 49,590,000 NEW ORDINARY SHARES IN THE COMPANY, REPRESENTING UP TO 10% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY

1. INTRODUCTION

On behalf of the Board of Directors of HEB ("**Board**"), M & A Securities Sdn Bhd ("**M&A Securities**") wishes to announce that the Company proposes to undertake a private placement of up to 49,590,000 new ordinary shares in the Company, representing up to 10% of the issued and paid-up share capital of the Company ("**HEB Shares**" or "**Shares**") (excluding treasury shares, if any), at any point in time ("**Proposed Private Placement**").

The Proposed Private Placement will be undertaken pursuant to the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**") which was approved by the shareholders of HEB at the 8th Annual General Meeting ("**AGM**") convened on 8 June 2023, which authorised the Directors of the Company to issue and allot new ordinary shares in HEB, not exceeding 10% of the total number of issued Shares for the time being ("**Shareholders' Mandate**").

Further details of the Proposed Private Placement are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at 16 November 2023, being the latest practicable date for this announcement ("**LPD**"), HEB has an issued share capital of RM283,688,051 comprising 495,980,118 Shares.

As such, the Proposed Private Placement will entail the issuance of up to 49,590,000 new Shares ("**Placement Shares**"), representing not more than 10.0% of the total number of issued Shares.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued shares of the Company on a date to be determined and announced later, after receipt of all relevant approvals for the Proposed Private Placement.

Subject to prevailing market conditions and depending on investors' interest at the point of implementation, the Proposed Private Placement may be implemented in multiple tranches, if required, within 6 months from the date of approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities. Subsequently, any extension of time for the implementation of the Proposed Private Placement will be subject to Bursa Securities' approval. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation.

M&A Securities has also been appointed as the Placement Agent for the Proposed Private Placement.

2.1 Basis of arriving at the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. The Board will take into consideration amongst others, the prevailing market conditions and the provisions of Paragraph 6.04(a) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), in determining the issue price of the Placement Shares.

For illustrative purposes, assuming the Placement Shares are issued at an indicative issue price of RM1.04 per Placement Share, based on the volume weighted average market price of Shares for the 5 market days ("**5D-VWAP**") of HEB Shares up to and including the LPD the Proposed Private Placement is expected to raise gross proceeds of up to **RM51.57 million**. The mechanism to determine the issue price of each tranche of the Placement Shares shall be in accordance with market-based principles.

2.2 Placement arrangement

The Placement Shares are proposed to be placed to independent investor(s) ("**Placees**") to be identified at a later date. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (i) The director, major shareholder or chief executive of HEB or a holding company of HEB (if applicable), or person(s) connected with such director, major shareholder or chief executive; and
- (ii) Nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Additionally, Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon issuance and allotment, rank equally in all respects with the existing issued Shares, save and except that the Placement Shares shall 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, for which the relevant entitlement date is prior to the date of issuance and allotment of the Placement Shares. The Placement Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

2.4 Listing of and quotation for the Placement Shares

HEB shall make an application to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

2.5 Utilisation of proceeds

Based on the indicative issue price of RM1.04 per Placement Share, the Company is expected to raise gross proceeds of up to RM51.57 million from the Proposed Private Placement, which are expected to be utilised by HEB and its subsidiaries ("**HEB Group**" or "**Group**") in the following manner:

Details	RM'000	Expected timeframe of utilisation from the listing of the Placement Shares
Expansion of business ⁽¹⁾	24,434	Within 24 months
Working capital requirements ⁽²⁾	12,000	Within 12 months
Repayment of loans ⁽³⁾	14,000	Within 12 months
Estimated expenses in relation to the Proposed Private Placement ⁽⁴⁾	1,140	Within 1 month
Total	51,574	

Notes:

- (1) The Group has been seeking for suitable and viable business projects/investment opportunities in high growth sectors such as the digital technology sector as well as pursuing geographical expansion to countries outside Malaysia such as Indonesia, the Philippines, India, and the United Kingdom and to expand our venture into recurring income and long-term based contracts focused within the renewable energy, water and Operations and Maintenance / Facilities Management Service Contract (Highly Skilled Engineering) sectors, to grow and complement its existing business. In line with the above, up to RM24,434,000 of the proceeds raised from the Proposed Private Placement shall be utilised to finance any suitable and viable business project(s)/investment(s), within 24 months from completion of the Proposed Private Placement. The amount allocated is intended to serve as a "war-chest" for the Company to embark on future business projects, acquisitions and/or investments.

These potential projects, acquisitions and/or investments may include those relating to the Group's existing business, or such other businesses and/or assets which the Board may deem beneficial and are complementary to the Group's existing businesses.

Currently, the Group is in the midst of discussions with several prospective partners, investors and business associates relating to viable business projects/investment opportunities. The Company will make the necessary announcements as and when any contract or agreement is signed with these prospective investments.

In addition to the above acquisition/investment costs, the business expansion may also involve essential start-up costs including but not limited to expenses in regulatory compliance, office set-up costs, marketing initiatives, employee training, staff costs and operational expenses.

Apart from the above, if the Company has not identified other new project/investments, the Board has decided to earmark the proceeds from the Proposed Private Placement at this juncture as standby funds to fund its future acquisitions, business projects and/or participation of new potential business ventures.

The Company shall make the requisite announcements and/or shall seek shareholders' approval in accordance with the Listing Requirements as and when new investment(s) are identified and the terms of negotiations are finalised.

However, in the event our Group is unable to identify any suitable and viable investment opportunities within the permitted timeframe, the proceeds earmarked for business projects/investment opportunities will continue to be placed as deposits with licensed financial institutions or short-term money market instruments, until such time when our management is able to identify a suitable and viable investment opportunity. Any interest income earned from such deposits or instruments will be used to fund the working capital of the Group.

Alternatively, if no suitably investment opportunities materialise, and the Board wishes to vary the utilisation of proceeds for any other purpose of the Group, HEB shall make the necessary announcements and/ or seek the approval of its shareholders in accordance with Paragraph 8.22 of the Listing Requirements in the event of a material variation.

- (2) The Company proposes to utilise up to RM12,000,000 of the proceeds from the Proposed Private Placement for working capital requirements of its day-to-day operations, including to fund the working capital requirements of the Group's ongoing and newly secured projects such as acting as Lead Consultant for the preparation, submission and approval of the amendment to the master layout plan of Lapangan Terbang Sultan Abdul Aziz Shah and the subsequent infrastructure works and associated works for Malaysia Airports Sdn Bhd Phase 2 and Phase 3, in data centre projects which includes a Data Centre at Cyberjaya for an Infinaxis Data Centre, and the "Owners Engineer Services For Life Extension Program of Sungai Perak Hydroelectric Station During Project Implementation" contract agreement with TNB Power Generation Sdn. Bhd. The costs in regard to these projects include but are not limited to, design and tender stages to construction, handing over and defects liability period.

For the avoidance of doubt, the quantum and cost of each project will vary depending on its specific circumstances and requirements (such as, exact milestones, additional services and unforeseen circumstances). Therefore, the Group is unable to determine the breakdown per project at this juncture.

- (3) A secured term loan was granted to the Company for the purposes of part-financing the cash consideration for the acquisition of its subsidiary, SMHB Engineering Sdn. Bhd. The Company proposes to utilise RM14,000,000 of the total gross proceeds from the Proposed Private Placement to fully repay its secured term loan which is expected to record an annual interest savings of approximately RM475,000 based on the interest rate of 5.8% per annum.
- (4) The estimated expenses comprise fees payable to the relevant authorities, advisory and placement fees to be incurred. Any excess or deficit in the amount allocated for estimated expenses will be adjusted against the utilisation for the working capital requirements of the Group.

The actual proceeds to be raised from the Proposed Private Placement will be dependent on the issue price of the Placement Shares and actual number of Placement Shares issued. In the event that the actual proceeds raised are lower/higher than the amount budgeted, the shortfall/excess will be adjusted from/allocated to the working capital requirements of the Group.

Pending full utilisation of the proceeds, the Company will place such proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. Interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for the Group's working capital requirements.

In the event that the actual proceeds raised are lower, the actual proceeds will firstly be utilised for item (4) followed by item (3) above. The balance, if any, will be utilised for item (1) followed by item (2) above.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable the Group to raise additional funds for such purposes, as set out in Section 2.5, which is expected to contribute positively to the Group's earnings potential in the future. The proposed expansion is also in line with HEB's objective of pursuing mega infrastructure projects in high-growth sectors, extending its presence beyond the Malaysian region such as Indonesia, the Philippines, India, and the United Kingdom, and establishing a long-term income stream.

After due consideration of the various methods of fund raising, the Board opines that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement enables HEB to raise funds expeditiously without incurring interest costs as compared to conventional bank borrowings thereby minimising any potential cash outflow in respect of interest servicing costs.

4. DETAILS OF EQUITY FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

HEB has not undertaken any fund-raising exercise in the past 12 months prior to the announcement of the Proposed Private Placement.

5. OUTLOOK AND PROSPECTS

5.1 Overview and prospects of the Malaysian economy

The Malaysian economy expanded moderately in the second quarter of 2023 (2.9%; 1Q 2023: 5.6%), weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects and policy measures. On the supply side, the services and construction sectors continued to support growth. Meanwhile, production in the agriculture and mining sectors were affected by hot weather and plant maintenance. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5% (1Q 2023: 0.9%).

Headline inflation during the quarter continued to moderate to 2.8% (1Q 2023: 3.6%). The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation, while declining, remained elevated relative to its long-term average (2011-2019 average: 2.0%). The moderation in core inflation (2Q 2023: 3.4%; 1Q 2023: 3.9%) was largely contributed by selected services. These included food away from home, telephone and telefax services, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of Consumer Price Index (CPI) items recording monthly price increases moderated to 42.7% during the quarter (1Q 2023: 56.0%), below the second quarter long-term average (2011-2019) of 43.9%. Notably, inflation pervasiveness dropped in June after a transitory uptick in May following the festive season.

With the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. Tourist arrivals are expected to continue rising, which would support tourism-related activities. Governor Datuk Abdul Rasheed Ghaffour explained, "Risks to Malaysia's growth outlook is subject to downside risk stemming primarily from weaker-than-expected global growth. There are, however, upside risk factors such as stronger-than-expected tourism activity and faster implementation of projects."

(Source: Economic and Financial Developments in Malaysia in the 2nd Quarter of 2023, Bank Negara Malaysia)

5.2 Overview and outlook of the construction industry in Malaysia

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link (ECRL) and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

(Source: Economic Outlook 2024, Ministry of Finance)

The value of work done in the Construction sector continued to sustain its positive pace for the sixth quarters with year-on-year growth of 9.6 per cent in the third quarter of 2023 (Q2 2023: 8.1%). The momentum was driven by a double-digit growth in the Civil engineering sub-sector, which increased by 17.1 per cent (Q2 2023: 10.4%); and a surge in the Special trade activities by 16.2 per cent (Q2 2023: 9.8%). The Residential buildings also contributed to the growth by recording 7.9 per cent (Q2 2023: 6.9%). Meanwhile, the sub-sector of Non-residential buildings decreased marginally by 0.7 per cent, in contrast to the 5.7 per cent growth in the previous quarter.

Out of RM33.4 billion recorded in the third quarter of 2023, a total of RM13.5 billion or 40.5 per cent of the Construction work done value was in Civil engineering. The rise was mainly attributed to the Construction of roads and railways activity with 22.1 per cent or amounted to RM7.4 billion. Meanwhile, the value of work done for Non-residential buildings and Residential buildings was RM9.2 billion (27.5%) and RM7.3 billion (21.9%), respectively. The Special trade activities contributed RM3.4 billion (10.0%), primarily in Plumbing, heat and air-conditioning installation (RM1.1 billion); and Electrical installation (RM0.9 billion) activities.

The private sector continued as the main impetus to the growth in this quarter, with an increase of 8.6 per cent (Q2 2023: 17.3%) which came from Special trade activities (26.5%) and Civil engineering (10.2%). The value of work done by the private sector amounted to RM19.6 billion or 58.5 per cent of the total construction work done value. On the other hand, the public sector, with a 41.5 per cent share or RM13.9 billion, rebounded strongly, recording a double-digit growth of 10.9 per cent compared to a decline of 4.8 per cent in the previous quarter. This rebound was fuelled by Civil engineering (19.2%) and Residential buildings (14.8%) activities, totalling RM10.6 billion and RM0.5 billion, respectively.

Summarising the performance of the Construction work done for the first three quarters of 2023, registered a value of RM98.0 billion, reflecting a 9.0 per cent increase compared to the corresponding period in 2022 (Q1 to Q3 2023: 6.6%). Notably, the positive growth was propelled by the significant contribution of Civil engineering activities (14.9%).

(Source: Construction Statistics Third Quarter 2023, Ministry of Economy Department of Statistics Malaysia)

5.3 Prospects of the Group

HEB Group recorded exceptional financial performance, especially during the second half of FY2022 with great strides made in projects related to Project Management Consultancy (PMC) and Engineering Services. HEB Group surpassed its historical track record by securing total new orders of RM1.1 billion in FY2022, which is its highest level on annual basis in corporate history. These included undertakings such as Project Management Consultant for MRT3, upgrading of Sungai Marang bridge in Marang, Terengganu and the extended appointment for a water treatment plant upgrade by Kedah State Government. At the same time, the Group made progress in various mega infrastructure projects in its order book.

The Group achieved a net profit for FY2022 of RM15.1 million compared to RM3.0 million in the previous financial year ended 31 December 2021 (FY2021) on a favourable product mix. Revenue increased to RM186.0 million from RM164.7 million previously. The expanded revenue and enhanced service mix prompted a significant 51.8% jump in gross profit to RM60.7 million in FY2022 versus RM40.0 million previously. The topline expansion outpaced the increase of administration expenses to RM23.0 million from RM20.2 million previously, while operating expenses reduced to RM7.2 million from RM8.4 million in the year before. Finance costs moderated to RM3.2 million in FY2022 compared to RM3.5 million, denoting the Group's prudence. The Group's noteworthy bottomline performance sets the tone for a strong trajectory in the foreseeable future.

HEB Group is optimistic of its outlook for the upcoming years, buoyed by the government's apparent commitment to developing progressive policies conducive for long-term economic expansion. To this end, the government has given its commitment that infrastructure projects awarded through open tender will not be reviewed with affirmation that critical projects that require immediate action will not be aborted as it steers the nation's economic development towards post pandemic recovery. For instance, the steady progress for Phase 1A of Pan Borneo Highway Sabah has prompted the Government to potentially expedite the subsequent Phase 1B of the project in order to harness its economic multiplier effects on the surrounding community. HEB's current involvement as Project Management Consultant in Phase 1A of the project lends us a competitive edge to potentially reprise our role in the subsequent phases.

As part of the unity government's socio-economic development to ensure inclusivity to bring widespread benefits to all levels of society, the agenda of improving the water and rural infrastructure programmes notably in the state of Sarawak and Sabah is anticipated to gain pace as Sarawak gears up to be an economic powerhouse in the near future. It is worth noting that the first regulated forest carbon project commenced in Sarawak in the first quarter of 2023 in line with the state's effort in mitigating climate change.

Further, the recent Revised Budget 2023 tabled on 24 February 2023 saw a higher allocation of development expenditure amounting to RM97 billion, the biggest allocation to date compared to RM93 billion in the earlier Budget 2023 (RM75.6 billion in 2022), which augurs well for the infrastructure sector. HEB is equally optimistic on our outlook overseas, especially after forming preferred partnerships with leading Japanese engineering consultancy firms to collaborate on projects in ASEAN, India, and any other developing countries. HEB is also tapping into emerging industries of data centres and renewable energy. HEB's preferred partnership with Shizen International Inc. specifically targets the renewable energy sector with technology for up to a cumulative capacity of 250MW to be explored within three years. The strategic tie-up with Shizen sets HEB on the path of establishing its recurring revenue stream, as it explores investing into assets that will provide longer-term sight on earnings.

Premised on the above as well as the overview and outlook of the construction industry in Malaysia as set out in section 5.2 above, the Board is optimistic of the future prospects of HEB moving forward.

(Source: Management of HEB)

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are set out below:

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at LPD	495,980,118	283,688,051
Placement Shares to be issued pursuant to the Proposed Private Placement	49,590,000	⁽¹⁾ 51,573,600
Enlarged issued share capital	<u>545,570,118</u>	<u>335,261,651</u>

Note:

⁽¹⁾ Based on the indicative issue price of RM1.04 per Placement Share.

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

The pro forma effect of the Proposed Private Placement on the consolidated NA per Share and gearing on the Group is set out below:

	<u>Audited as at 31 December 2022</u>	<u>⁽¹⁾After subsequent events</u>	<u>⁽²⁾After the Proposed Private Placement</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Share capital	254,291	283,688	335,262
Warrant reserve	29,195	-	-
Translation reserve	171	171	171
Accumulated losses	(40,660)	(45,223)	(46,363)
Shareholders' fund/ NA	<u>242,997</u>	<u>238,636</u>	<u>289,070</u>
No. of Shares in issue ('000)	495,862	495,980	545,570
NA per Share (RM)	0.49	0.48	0.53
Total interest bearing borrowings (RM'000)	60,970	60,970	46,970 ⁽³⁾
Gearing level (times)	0.25	0.26	0.16

Notes:

⁽¹⁾ After accounting for dividend declared and paid (RM4.56 million), exercise of 118,100 warrants and reversal of warrant reserve from expiry of remaining warrants:

	<u>RM</u>
No. of warrants exercised	118,100
Exercise price	1.70
	<u>200,770</u>
Warrant reserve attributable to exercised warrants	72,041
	<u>272,811</u>
Warrant reserve b/f	29,195,903
Warrant reserve attributable to exercised warrants	(72,041)
	<u>29,123,862</u>
Dividend declared and paid	4,563,016

- (2) Accounting for estimated expenses in relation to the Proposed Private Placement:

Description	RM'000
Advisory and placement fees	1,100
Fees to authorities	24
Miscellaneous/contingency costs	16
Total	1,140

- (3) After the adjustment of repayment of borrowing of RM14.00 million as disclosed in Section 2.5.

6.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the shareholdings of the existing shareholders of the Company are as follows:

	As at LPD				After Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial shareholders	'000		'000		'000		'000	
Flamingo Works Sdn. Bhd.	90,000	18.15	-	-	90,000	16.50	-	-
Victech Solutions Sdn. Bhd.	108,208	21.82	-	-	108,208	19.83	-	-
Tan Sri Ir. Kunasingam A/L V.Sittampalam	-	-	108,208 ⁽¹⁾	21.82	-	-	108,208 ⁽¹⁾	19.83
SK Capital Management Sdn. Bhd.	-	-	90,000 ⁽²⁾	18.15	-	-	90,000 ⁽²⁾	16.50
Shantamalar A/P C.Sivasubramaniam	-	-	90,000 ⁽³⁾	18.15	-	-	90,000 ⁽³⁾	16.50
Datuk Ir. Teo Chok Boo	33,516	6.76	16,994 ⁽⁴⁾	3.43	33,516	6.14	16,994 ⁽⁴⁾	3.11
Placees, collectively	-	-	-	-	49,590	9.09	-	-

Notes:

- (1) Deemed interest by virtue of his interests in Victech Solutions Sdn. Bhd.
- (2) Deemed interest by virtue of its interests in Flamingo Works Sdn. Bhd.
- (3) Deemed interest by virtue of her direct interests in SK Capital Management Sdn. Bhd.
- (4) Deemed interest is by virtue of the shareholdings of his spouse and son.

6.4 Convertible securities

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

7. APPROVALS REQUIRED

The Proposed Private Placement is subject to the approvals being obtained from the following:

- (a) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities; and
- (b) any other relevant parties and/or authorities, if required.

On 8 June 2023, the Company had obtained the approval from the shareholders of HEB at the 8th AGM convened on 8 June 2023 authorising the Directors to issue and allot new HEB Shares not exceeding 10% of the total number of issued Shares for the time being pursuant to Sections 75 and 76 of the Act. The approval is valid, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of HEB. Therefore, the Proposed Private Placement does not require another specific approval from the shareholders of HEB.

The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company. As at LPD, there is no other corporate proposal which has been announced but is pending implementation.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of HEB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement. The Placement Shares are proposed to be placed to independent investors.

9. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects of the Proposed Private Placement), is of the opinion that the Proposed Private Placement is in the best interest of HEB.

10. PRINCIPAL ADVISER AND PLACEMENT AGENT

M&A Securities has been appointed as Principal Adviser and Placement Agent to the Company for the Proposed Private Placement.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the application to Bursa Securities in relation to the Proposed Private Placement is expected to be made within one month from the date of this announcement. Subject to the relevant approvals being obtained and barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the fourth quarter of 2023.

This announcement is dated 17 November 2023.