

**NI HSIN GROUP BERHAD (FORMERLY KNOWN AS NI HSIN RESOURCES BERHAD)
("NI HSIN" OR THE "COMPANY")**

**OEM MANUFACTURING AGREEMENT BETWEEN DONGGUAN TAILING ELECTRIC VEHICLE
CO., LTD. AND NI HSIN EV TECH SDN. BHD.**

1. INTRODUCTION

Reference is made to announcement dated 15 October 2021 in relation to the Product Development Agreement between Dongguan Tailing Electric Vehicle Co., Ltd. ("**TAILG**") and Ni Hsin EV Tech Sdn. Bhd. ("**NH EV TECH**").

The Board of Directors ("**Board**") of the Company is pleased to announce that NH EV TECH, a wholly-owned subsidiary of the Company had on 23 March 2022 entered into an OEM Manufacturing Agreement ("**Agreement**") with TAILG for the purpose of appointing TAILG to manufacture customised eBixon EV Bike, an electric scooter based on TAILG's existing electric scooter Model D-80 ("**Products**") on Original Equipment Manufacturing ("**OEM**") basis and sell to NH EV TECH upon the terms and conditions of the Agreement.

2. SALIENT TERMS OF THE AGREEMENT

- 2.1** NH EV TECH appoints TAILG to manufacture the Products on OEM basis and deliver to NH EV TECH in Semi-Knocked Down components including spare parts and software delivered to NH EV TECH's factory for assembly, testing, quality control and commissioning subject to the terms and conditions of the Agreement.
- 2.2** TAILG agrees to collaborate with NH EV TECH to exclusively manufacture and sell the Products to NH EV TECH.
- 2.3** TAILG shall not develop the products that are identical or similar to the Products for itself or for any other of its clients which will potentially compete with the Products in Malaysia.
- 2.4** TAILG shall be responsible for obtaining certifications from Economic Commission for Europe and Malaysian Standard 2413 with all the E types active safety equipment and its documentation and certification within three months from the date of the Agreement.
- 2.5** TAILG shall be responsible for obtaining the export permits and approvals from the appropriate regulatory authorities in China for the export of the Products to Malaysia.
- 2.6** NH EV TECH shall be responsible for filing and obtaining of import permits and the required approvals from the appropriate authorities in Malaysia for the import of the Products to Malaysia. TAILG shall provide NH EV TECH with the necessary data, drawings and specifications required for filing the application of import permits and approvals.
- 2.7** TAILG shall upon NH EV TECH's request and at no charge, provide instructors and the necessary instructional material of Supplier's standard format to train NH EV TECH's personnel in the installation, planning and practices, operation, maintenance and repair of Products supplied under this Agreement.
- 2.8** TAILG shall also provide technical support to NH EV TECH for assembling of the Products in accordance with the provisions of the Agreement.
- 2.9** The Agreement shall be valid for a term of two (2) years from the date of the Agreement and may be further extended by mutual agreement by both Parties unless otherwise terminated in accordance with the provisions of the Agreement.

3. FINANCIAL EFFECTS OF THE AGREEMENT

The Agreement is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Company and its subsidiaries (“**Group**”) for the financial year ending 31 December 2022.

4. RATIONALE

The rationale of the Agreement is to fulfil the supply of customised electric bikes for the Group’s proprietary Mobile Beverage Machine Project which complements the Group’s food and beverages business segment, last mile delivery services and other commercial purposes.

5. RISK FACTORS

The Agreement is exposed to business risks inherent in the industry which include changes in political, economic and social conditions, government regulations and inflation.

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

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Agreement.

7. APPROVALS REQUIRED

The Agreement is not subject to approval of the shareholders of the Company and any relevant government authorities.

8. STATEMENT BY DIRECTORS

Having considered all aspects of the Agreement, the Board of Ni Hsin is of the opinion that the Agreement is in the best interest of the Group.

This announcement is dated 23 March 2022.