

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 advisers immediately.

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This Circular has been reviewed by M & A Securities Sdn Bhd, who is the Adviser to Tex Cycle Technology (M) Berhad ("**TCTB**" or the "**Company**") for the Proposed ESOS and Proposed Amendments (as defined herein).



TEX CYCLE TECHNOLOGY (M) BERHAD

(Registration No. 200401004116 (642619-P))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF TCTB (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF TCTB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES, IF ANY) ("PROPOSED ESOS")

PART B

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF THE COMPANY FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED TRANSFER") ("PROPOSED AMENDMENTS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M & A SECURITIES SDN BHD

(Registration No. 197301001503 (15017-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") in respect of the Proposed ESOS and Proposed Amendments shall be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("**RPEV**") facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) from the broadcast venue at Conference Room 2, Lot 8942, Jalan Telok Gong, Pelabuhan Klang, 42000 Selangor Darul Ehsan on Friday, 2 August 2024 at 10.30 a.m.. The Notice of EGM and the Proxy Form are enclosed together with this Circular.

The duly completed and executed Proxy Form should be deposited at the Company's registered office at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be lodged electronically via <https://investor.boardroomlimited.com>, also 48 hours before the EGM. Please refer to Administrative Guide for further information on electronic submission. The lodging of the Proxy Form shall not preclude a member from participating remotely and voting at the online EGM should the member subsequently wish to do so.

Last date and time for lodging the Proxy Form for the EGM : Wednesday, 31 July 2024, 10.30 a.m.

Date and time of the EGM : Friday, 2 August 2024, 10.30 a.m.

This Circular is dated 10 July 2024

PART A

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED ESOS

DEFINITIONS

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

"5D-VWAMP"	: 5 days volume weighted average market price
"ACE Market"	: ACE Market of Bursa Securities
"Act"	: The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
"Board"	: Board of Directors of TCTB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"By-Laws"	: The by-laws governing the Proposed ESOS, the draft of which is set out in Appendix I of this Circular
"CDS Account(s)"	: Securities account(s) maintained through the central depository system operated by Bursa Depository
"Circular"	: This circular to shareholders of TCTB dated 10 July 2024
"Constitution"	: The constitution of TCTB
"Director(s)"	: The director(s) of TCTB Group and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
"EBSB"	: Evolusi Bersatu Sdn Bhd (200201015274 (0582937-A))
"Effective Date"	: The date on which this Proposed ESOS takes effect being the date on which the last of the approvals and/or conditions referred to in the By-Laws have been obtained and/or complied with and shall be determined by the ESOS Committee
"EGM"	: Extraordinary general meeting
"Eligible Employee(s)"	: A natural person who is an employee including the Executive Directors and Non-Executive Directors of TCTB Group (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation in the Proposed ESOS
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme
"ESOS Committee"	: A committee comprising the Director(s) and/or senior management of the Group to be approved by the Board to administer the Proposed ESOS
"ESOS Options" or "Options"	: The right granted to the Selected Employee to exercise and receive a number of Shares at the Exercise Price, subject to the By-Laws
"ESOS Period"	: The period commencing from the date of acceptance of the Offer and expiring on the last day of the ESOS or upon the date of termination of the ESOS, whichever is earlier, or such other period as specified by the ESOS Committee in the Offer

DEFINITIONS (Cont'd)

"Exercise Price"	: The price at which a Participant is required to pay to be entitled to subscribe for new TCTB Shares upon the exercise of the ESOS Options granted under the Proposed ESOS
"FYE"	: Financial year ended/ending 31 December, as the case may be
"Interested Chief Executive"	: Gary Dass A/L Anthony Francis, being the TCTB's Group Chief Executive Officer
"Interested Director(s)"	: The Board, collectively
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 1 July 2024, being the latest practicable date prior to the printing and despatch of this Circular
"M&A Securities"	: M & A Securities Sdn Bhd (197301001503 (15017-H))
"Maximum ESOS Options"	: The maximum number of new TCTB Shares which may be issued and allotted and/or transferred pursuant to the exercise of ESOS Options, which shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS
"MFRS 2"	: Malaysian Financial Reporting Standard 2, relating to share-based payment
"NA"	: Net asset(s)
"Offer"	: A written offer made by the ESOS Committee to a Selected Employee to participate in the Proposed ESOS in the manner indicated in the By-Laws
"Offer Date"	: The date of which an Offer is made by the ESOS Committee to a Selected Employee to participate in the Proposed ESOS
"Participant(s)"	: Selected Employee who have duly accepted the Offer
"Proposed ESOS"	: The proposed establishment of an ESOS of up to 15% of the total number of issued shares of TCTB (excluding treasury shares, if any) to the Selected Employees which will upon their acceptance thereof entitles them to subscribe for TCTB Shares according to the terms set out in the By-Laws
"Proposed Granting of ESOS Options"	: The proposed granting of the ESOS Options to Datuk Keh Chuan Seng, Lee Hai Peng, Chiau Haw Yew, Datuk Low Chin Koon, Ho Ai Hoon, Datuk Tee Siew Kiong and Gary Dass A/L Anthony Francis
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Selected Employee(s)"	: An Eligible Employee who has been selected by the ESOS Committee and to whom an Offer has been made
"TCSB"	: Tex Cycle Sdn Bhd (198401014471(0127026-T)), a wholly-owned subsidiary of TCTB

DEFINITIONS (Cont'd)

- "TCTB" or "Company" : Tex Cycle (M) Technology Berhad (200401004116 (642619-P))
- "TCTB Group" or "Group" : TCTB and its subsidiaries which are not dormant, collectively
- "TCTB Share(s)" or "Share(s)" : Ordinary share(s) in the capital of TCTB
- "Termination Date" : The date specified in the notice issued by the ESOS Committee to terminate the ESOS
- "TEWM" : Tex Evolusi Waste Management Sdn Bhd (202201000852 (1446549-X))

Any discrepancy in the figures included in Part A of this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference in Part A of this Circular to any statues, rules, regulations or rules of the stock exchange is a reference to such statues, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

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. Reference to persons shall include a corporation, unless otherwise specified. Any reference to a time of day in Part A of this Circular shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSED ESOS. YOU ARE ADVISED TO READ PART A OF THIS CIRCULAR IN ITS ENTIRETY FOR FURTHER DETAILS AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED ESOS BEFORE VOTING AT THE FORTHCOMING EGM.

The Board is recommending shareholders of TCTB to vote **IN FAVOUR** of the resolution in relation to the Proposed ESOS to be tabled at the forthcoming EGM.

Key information	Description	Reference to Part A of this Circular
Summary	: The proposed establishment of an ESOS involving up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) to the Selected Employees which will upon their acceptance thereof entitles them to subscribe for TCTB Shares.	Section 2
Rationale	: The Proposed ESOS primarily serves to align the interests of the Eligible Employees to the corporate goals of TCTB. The Proposed ESOS will provide the Eligible Employees with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below: (i) to recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of TCTB Group; (ii) to reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of TCTB Shares, upon exercising of the ESOS Options; (iii) to motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and (iv) to inculcate a greater sense of belonging and dedication as the Eligible Employees are given the opportunity to participate directly in the equity of the Company. The Proposed ESOS is also extended to the Non-Executive Directors in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Director of the Company.	Section 3
Approvals required and inter-conditional	: The Proposed ESOS is subject to the following approvals being obtained: (i) Bursa Securities for the listing of and quotation for the new TCTB Shares to be issued arising from the exercise of the ESOS Options on the ACE Market;	Sections 7 and 9

EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Part A of this Circular
Approvals required and inter-conditionality (Cont'd)	<p>(ii) the shareholders of TCTB at the forthcoming EGM to be convened for the Proposed ESOS; and</p> <p>(iii) any other relevant authorities or parties, if required.</p> <p>The Proposed ESOS is not conditional upon any other corporate exercise/scheme being or proposed to be undertaken by the Company.</p>	
Interest of Directors, major shareholders, chief executive and persons connected with them	<p>: All the Directors and chief executive of the Company are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. The Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations pertaining to their respective allocations, and allocations to persons connected with them under the Proposed ESOS at the relevant Board meetings.</p> <p>All Directors and Interested Chief Executive will also abstain from voting in respect of their direct and/or indirect shareholdings in TCTB, if any, on resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.</p> <p>All Directors and Interested Chief Executive have undertaken to ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.</p>	Section 11
Statement and recommendation by the Board	<p>: The Board, after taking into consideration all aspects of the Proposed ESOS, is of the view that the Proposed ESOS is in the best interest of TCTB. Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.</p> <p>In respect of the Proposed Granting of ESOS Options, all the Directors have abstained from deliberating and making any recommendations at all relevant Board meetings in relation to their respective allocations and the allocations to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, the Directors after having considered all aspects of the Proposed Granting of ESOS Options, are of the view that the Proposed Granting of ESOS Options is in the best interests of the Group and recommend that you VOTE IN FAVOUR of the resolutions pertaining to the allocation of ESOS Options to be tabled at the forthcoming EGM.</p>	Section 12



TEX CYCLE TECHNOLOGY (M) BERHAD
(Registration No. 200401004116 (642619-P))
(Incorporated in Malaysia)

Registered Office:

Unit 7-01, Level 7
Menara Lagenda
No. 3 Jalan SS20/27
47400 Petaling Jaya
Selangor

10 July 2024

Board of Directors

Datuk Keh Chuan Seng (*Executive Chairman*)
Lee Hai Peng (*Executive Director*)
Chiau Haw Yew (*Executive Director*)
Datuk Low Chin Koon (*Independent Non-Executive Director*)
Ho Ai Hoon (*Independent Non-Executive Director*)
Datuk Tee Siew Kiong (*Independent Non-Executive Director*)

To: The Shareholders of TCTB

Dear Sir/Madam,

PROPOSED ESOS

1. INTRODUCTION

On 12 June 2024, M&A Securities had, on behalf of the Board, announced that the Company proposes to establish the Proposed ESOS.

On 24 June 2024, M&A Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 24 June 2024, granted its approval for the listing of and quotation for such new TCTB Shares, representing up to 15% of the total number of issued shares of TCTB (excluding treasury shares, if any) to be issued pursuant to the Proposed ESOS.

The approval of Bursa Securities is subject to the following conditions:

No.	Condition	Status of compliance
(i)	M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation; and	To be complied
(ii)	M&A Securities is required to submit a certified true copy of the resolution passed by the shareholders in EGM approving the Proposed ESOS.	To be complied

THE PURPOSE OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSED ESOS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM IS ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS OF TCTB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ESOS

The Proposed ESOS involves the grant of options to subscribe for new TCTB Shares to the Executive Directors, Non-Executive Directors and employees of the Group (excluding subsidiaries which are dormant), who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws governing the Proposed ESOS. The grant of the ESOS Options to the Eligible Employees shall be subject to such participation in the Proposed ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where the TCTB Group operates.

The Proposed ESOS is also extended to Non-Executive Directors of the Company in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Director of the Company.

The Proposed ESOS will be administered in accordance with the By-Laws by an ESOS Committee, the members to be duly appointed and authorised by the Board. The ESOS Committee shall comprise persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the ESOS Committee, including its duties, powers and limitations. The decision as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed ESOS as well as for the granting of ESOS Options, shall be determined by the ESOS Committee at a later date.

The salient features of the Proposed ESOS are as follows:

2.1 Maximum number of new TCTB Shares available under the Proposed ESOS

As at LPD, the Company has an issued share capital of RM26,382,794 comprising of 256,189,496 ordinary shares in TCTB, of which 2,747,300 TCTB Shares are held as treasury shares. As at LPD, the Company does not have any outstanding convertible securities. In addition, the Company had on 31 May 2024, announced a Proposed Private Placement (as defined below) of up to 25,618,949 new TCTB Shares, further details as set out in Section 4 of Part A of this Circular.

The maximum number of new TCTB Shares which may be issued and allotted under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS as set out in Section 2.4 of Part A of this Circular.

In the event where the Company purchases or cancels its own Shares in accordance with Section 127 of the Act and/or undertakes any other corporate proposal resulting in the reduction of its total number of issued shares (excluding treasury shares, if any), the following provisions shall apply in respect of future offers but all the ESOS Options granted prior to such purchase and/or reduction/adjustment of the issued share capital of the Company shall remain valid or exercisable in accordance with the provisions of the By-Laws as if that purchase and/or reduction/adjustment had not occurred:

- (i) if, after such purchase and/or reduction/adjustment, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase and/or reduction/adjustment of Shares is greater than the Maximum ESOS Options, no further offers shall be made by the ESOS Committee until such aggregate number of ESOS Options granted is equivalent to or falls below the Maximum ESOS Options; and
- (ii) if, after such purchase and/or reduction/adjustment, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase and/or reduction/adjustment of Shares is less than the Maximum ESOS Options, the ESOS Committee may make further offers but only until such aggregate number of ESOS Options is equivalent to the Maximum ESOS Options after such purchase and/or reduction/adjustment.

2.2 Basis of allotment and maximum allowable allotment

The aggregate maximum number of new Shares that may be offered under the ESOS Options and issued and allotted to a Selected Employee shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, inter alia, the Eligible Employee's length of service, seniority, performance and such other factors as the ESOS Committee deems fit, subject to the following:

- (i) no allocation of more than 70.0% of the total ESOS Options shall be made in aggregate to the Directors and key senior management of the TCTB Group; and
- (ii) no allocation of more than 10.0% of the total ESOS Options shall be made to any Selected Employee who, either singly or collectively through persons connected with them, holds 20.0% or more of the total number of issued shares (excluding treasury shares, if any) of the Company. The term "persons connected" shall have the same meaning as that in the Listing Requirements,

provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

The ESOS Committee may stagger the allocation of the ESOS Options at its sole and absolute discretion. In the event the ESOS Committee decides that the allocation is to be staggered, the number of ESOS Options to be allocated for each financial year during the duration of the ESOS (not exceeding the Maximum ESOS Options) and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each allocation shall be separate and independent from the others.

In the event that any selected Eligible Employee is a member of the ESOS Committee, such Eligible Employee and persons connected with him/ her who are also members of the ESOS Committee shall abstain from deliberations, discussion and/or voting in respect of any ESOS Options granted or to be granted to that selected Eligible Employee or persons connected with him, or held or to be held by him or them.

2.3 Eligibility to participate in the Proposed ESOS

An employee of TCTB Group who fulfils the following criteria as at the date on which an offer is made in writing by the ESOS Committee to a Selected Employee shall be eligible to participate in the Proposed ESOS:

- (i) the employee is at least 18 years old and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) the employee has been in full time employment (or any other contract as may be determined by the ESOS Committee) and is on the payroll of any subsidiary within the TCTB Group and has since been confirmed in writing and is no longer under any probation for at least 12 months in the Group;
- (iii) the employee, if he/she is employed by a company which is acquired by the Group during the duration of the Proposed ESOS and becomes a subsidiary of the Group upon such acquisition, must have his/her employment confirmed and is no longer under any probation for at least 12 months following the date such company becomes or is deemed to be a subsidiary; and
- (iv) the fulfilment of any other eligibility criteria as may be set by the ESOS Committee at any time and from time to time at its absolute discretion.

However, eligibility does not confer an Eligible Employee a claim or right to participate in or any rights whatsoever under the Proposed ESOS and an Eligible Employee does not acquire or have any rights over or in connection with the ESOS Option(s) or the new TCTB Shares comprised in the Proposed ESOS unless the ESOS Committee has made a written offer of ESOS Options to the Eligible Employee in the manner as set out in the By-Laws, and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the By-Laws. The selection of any Eligible Employees for participation in the Proposed ESOS made by the ESOS Committee will be final and binding. Thereafter, the Participant(s) who has accepted the Offer is free to exercise the ESOS Options.

The ESOS Committee shall also have absolute discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions, which may include amongst others, the achievement of relevant service objectives and specific performance targets of the Eligible Employee and/or the Group as measured by both qualitative and quantitative key performance indicators including financial and non-financial performance measures as determined by the ESOS Committee during the Scheme Period.

For avoidance of doubt, Directors or employees of companies within the TCTB Group which are dormant as well as Directors or employees of associated companies of the Company (not subsidiaries of the Company) are not eligible to participate in the Proposed ESOS.

In compliance to Rule 8.22 of the Listing Requirements, the Non-Executive Directors must not sell, transfer or assign shares obtained through the exercise of ESOS Options offered to them pursuant to the Proposed ESOS within 1 year from the Offer Date of such ESOS Options.

2.4 Duration of the Proposed ESOS

The Proposed ESOS shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with and shall continue to be in force for a period of 5 years from the Effective Date:

- (i) receipt of the approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed ESOS;

- (ii) the approval of the shareholders of the Company in a general meeting to be convened for the Proposed ESOS;
- (iii) the submission to Bursa Securities of the final copy of the By-Laws;
- (iv) the approval of the relevant regulatory authorities whose approval is necessary in respect of the Proposed ESOS; and
- (v) fulfilment of all conditions attached any of the above-mentioned approvals (if any).

On or before the expiry of the ESOS Period, the ESOS Committee shall have the absolute discretion to extend in writing the tenure of the ESOS Period (as the ESOS Committee may deem fit) for up to another 5 years immediately from the expiry of the first 5 years, provided that the total duration of the Proposed ESOS shall not in aggregate exceed a duration of 10 years from the Effective Date. Such extension, if any shall not be subject to the approval of the shareholders.

2.5 Basis of determining the Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be based on the 5D-VWAMP of TCTB Shares immediately preceding the Offer Date and shall not be at a discount of more than 10.0% to the 5D-VWAMP of TCTB Shares preceding the Offer Date, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Proposed ESOS.

2.6 Ranking of new Shares to be issued arising from the exercise of ESOS Options pursuant to the Proposed ESOS

The Participants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Option(s) into new TCTB Shares.

The new Shares to be issued arising from the exercise of the ESOS Options shall, upon issue and allotment, rank *pari passu* in all respects with the existing TCTB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other forms of distributions in respect of which the entitlement date is prior to the issuance and allotment of the new TCTB Shares.

The number of TCTB Shares shall automatically be rounded down to the nearest whole number in the event of fractional entitlements arising from the Proposed ESOS if any.

2.7 Modification, variation and/or amendment to the Proposed ESOS

Subject to compliance with the Listing Requirements, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation.

The approval of the shareholders of Company in general meeting shall not be required in respect of additions, amendment and/or modification to and/or deletion of the By-Laws save and except if such addition, amendment, modifications and/or deletion would:

- (i) increase the number of ESOS Options available under the Proposed ESOS beyond the Maximum ESOS Options; or

- (ii) provide an advantage to any Participant or group of Participants or all the Participants unless otherwise permitted under the provisions of the Listing Requirements.

Where an amendment and/or modification is made to the By-Laws, Company shall submit to Bursa Securities, the amendment and/or modification to the By-Laws and a confirmation letter that the amendment and/or modification complies with the Listing Requirements no later than 5 market days from the effective date of the said amendment and/or modification.

2.8 Retention period of Shares

The Shares issued and allotted or transferred pursuant to the exercise of ESOS Options under the Proposed ESOS will not be subjected to any retention period or restriction on transfer, disposal and/or assignment as may be imposed by the ESOS Committee, save as otherwise provided in the Constitution of Company, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

2.9 Alteration of share capital

In the event of any alteration in the capital structure of TCTB during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of TCTB Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of TCTB during the ESOS Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of TCTB), adjustments in:

- (i) the Exercise Price; and/or
- (ii) the number of TCTB Shares comprised in the Offer,

shall be made in order to prevent dilution or enlargement in compliance with the provisions of adjustments as provided under the By-Laws.

2.10 Listing of new Shares arising from the Proposed ESOS

Bursa Securities had on 24 June 2024 approved the listing of and quotation for the new TCTB Shares to be issued arising from the exercise of ESOS Options on the ACE Market.

2.11 Termination of the ESOS

Subject to the compliance with the Listing Requirements, other requirements of Bursa Securities and any other relevant authorities, the ESOS may be terminated by the ESOS Committee at any time during the ESOS Period without obtaining the approvals from the Participants or the shareholders of the Company whereupon any ESOS Options which have yet to be vested and/or exercised (whether fully or partially) shall be deemed to have been terminated and cancelled and be null and void on the Termination Date. Upon the termination of the ESOS, the following provisions shall apply:

- (i) no further Offer shall be made by the ESOS Committee from the Termination Date;
- (ii) all Offers which have yet to be accepted by Eligible Employee shall automatically lapse on the Termination Date and be null and void; and
- (iii) all unexercised ESOS Options shall automatically terminated on the Termination Date.

2.12 Pre-emptive rights pursuant to Section 85(1) of the Act

Pursuant to Section 85(1) of the Act read together with Clause 54 of the Constitution, the shareholders of TCTB have pre-emptive rights to be offered any new Shares which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

- (1) *Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

Clause 54 of the Constitution provides as follows:

"Subject to any direction to the contrary that may be given by the Company in general meeting any shares or securities from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities as aforesaid which, by reason of the ratio borne by them to the number of shares or securities held by persons entitled to such offer of new shares or securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided."

Accordingly, in order for the Board to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. By approving the resolution in relation to the Proposed ESOS at the EGM to be convened, which entail the allotment and issuance of new TCTB Shares (including the new Shares to be issued arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act read together with Clause 54 of the Constitution to be the first offered the TCTB Shares which may result in a dilution of the shareholders' shareholding in the Company.

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2.13 Utilisation of proceeds

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised during the ESOS Period and the Exercise Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of TCTB Group, as and when received, within the tenure of the ESOS Period. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds. The proceeds for working capital will be utilised to finance the Group's operational expenses which may include, but not limited to, staff costs, payment to trade creditors and overhead expenses such as transportation cost as well as repair and maintenance. Notwithstanding the foregoing, the detailed allocation to each component of the working capital cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the exercise of the ESOS Options.

The estimated expenses for the Proposed ESOS amounts to approximately RM0.1 million, which will be funded from internally generated funds of TCTB Group.

3. RATIONALE FOR THE PROPOSED ESOS

The Proposed ESOS primarily serves to align the interests of Eligible Employees with the corporate objectives of the TCTB Group. The Proposed ESOS will provide Eligible Employees with an opportunity to have equity participation in the Company and help achieve the following objectives:

- (i) to recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of the TCTB Group;
- (ii) to reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of TCTB Shares, upon exercising of the ESOS Options;
- (iii) to motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and
- (iv) to inculcate a greater sense of belonging and dedication as the Eligible Employees are given the opportunity to participate directly in the equity of the Company.

The Proposed ESOS is also extended to Non-Executive Directors in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Directors of the Company.

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

The Company had on 31 May 2024 announced its intention to undertake a proposed private placement of up to 25,618,949 new TCTB Shares representing up to approximately 10% of the total number of issued TCTB Shares ("**Placement Shares**") ("**Proposed Private Placement**"). The Proposed Private Placement was undertaken in accordance with the general mandate obtained from shareholders of the Company at its 20th Annual General Meeting convened on 15 May 2024 pursuant to Sections 75 and 76 of the Act, whereby the Board had been authorised to issue and allot new TCTB Shares not exceeding 10% of the total number of issued Shares of the Company.

The Proposed Private Placement is expected to raise up gross proceeds of up to approximately RM32.02 million. However, the exact amount of the gross proceeds to be raised from the Proposed Private Placement would depend on the actual issue price and number of Placement Shares to be issued, which will be determined at a later date. The gross proceeds to be raised from the Proposed Private Placement are expected to be utilized by TCTB Group in the following manner:

- Minimum Scenario** : The scenario whereby 25,344,219 Placement Shares have been fully issued pursuant to the Proposed Private Placement based on the assumption that all of the 2,747,300 treasury shares are retained.
- Maximum Scenario** : The scenario whereby 25,618,949 Placement Shares have been fully issued pursuant to the Proposed Private Placement based on the assumption that all of the 2,747,300 treasury shares are resold to the open market.

	Minimum Scenario RM'000	Maximum Scenario RM'000	Time frame for utilisation of proceeds
The construction of the integrated scheduled waste management facility located in Sabah ⁽¹⁾	31,480	31,824	Within 18 months from receipt of funds
Estimated expenses for the Proposed Private Placement	200	200	Upon completion of the Proposed Private Placement
Total estimated proceeds	31,680	32,024	

Note:

- ⁽¹⁾ The Company, had on 29 April 2024, announced that its wholly-owned subsidiary, TCSB had partnered with EBSB to launch the first integrated scheduled waste management facility located in Sabah ("**Sabah Integrated Scheduled Waste Management Facility**") with an estimated capital commitment of RM100.00 million to be developed by TEWM, a 51%:49% joint venture between TCSB and EBSB ("**Project**"). The funding commitment for the Project will be contributed in proportion to both parties' shareholdings in TEWM.

The Sabah Integrated Scheduled Waste Management Facility is expected to commence construction in the second half of 2024 and to be fully operational by the fourth quarter of 2025.

Bursa Securities has, vide its letter dated 11 June 2024, resolved to approve the listing of and quotation for up to 25,618,949 new ordinary shares in TCTB to be issued pursuant to the Proposed Private Placement. As at the date of this Circular, no Placement Shares has been issued pursuant to the Proposed Private Placement.

For avoidance of doubt, the Proposed ESOS is not conditional upon the Proposed Private Placement.

Save as disclosed above, TCTB has not undertaken any other equity fund-raising exercise in the past 12 months prior to the announcement of the Proposed ESOS.

5. EFFECTS OF THE PROPOSED ESOS

5.1 Share capital

The Proposed ESOS will not have an immediate effect on the share capital of TCTB until such time when the ESOS Options are exercised. The share capital of TCTB will increase progressively as and when new TCTB Shares are issued arising from the exercise of ESOS Options.

For illustrative purposes, the effects of the Proposed ESOS on the share capital of TCTB are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Share capital as at LPD	256,189,496	26,382,794	256,189,496	26,382,794
Less: Treasury shares	(2,747,300)	(1,051,552)	-	-
	253,442,196	25,331,242	256,189,496	26,382,794
To be issued pursuant to the Proposed Private Placement	25,344,219	⁽¹⁾ 31,680,274	25,618,949	⁽¹⁾ 32,023,686
	278,786,415	57,011,516	281,808,445	58,406,480
To be issued assuming full exercise of ESOS Options	41,817,962	⁽²⁾ 50,181,554	42,271,266	⁽²⁾ 50,725,519
Enlarged share capital	320,604,377	107,193,070	324,079,711	109,131,999

Notes:

- (1) Based on the indicative issue price of RM1.25 per placement share pursuant to the Proposed Private Placement, derived based on the 5D-VWAMP of TCTB Shares up to and including 21 May 2024 of RM1.25.
- (2) Based on the indicative Exercise Price of RM1.20, being not more than 10% discount from the 5D-VWAMP of TCTB Shares up to LPD of RM1.31.

Notwithstanding the above, the Proposed ESOS is not conditional on the Proposed Private Placement and will be implemented independently of the Proposed Private Placement.

5.2 NA and gearing

The Proposed ESOS is not expected to have an immediate effect on the NA per TCTB Share and gearing of the TCTB Group until such time when the ESOS Options are exercised. The effects on the NA per TCTB Share and gearing of the TCTB Group will depend on, among others, the Exercise Price of the ESOS Options, the number of new TCTB Shares to be issued arising from the exercise of the ESOS Options and the potential impact arising from the adoption of MFRS 2.

For illustration purposes only, upon exercise of the ESOS Options, the NA per TCTB Share is expected to:

- (i) increase if the Exercise Price of the ESOS Options is higher than the NA per TCTB Share; or
- (ii) decrease if the Exercise Price of the ESOS Options is lower than the NA per TCTB Share,

at such point of exercise.

5.3 Substantial shareholders' shareholdings

The Proposed ESOS is not expected to have an immediate effect on the substantial shareholders' shareholdings in TCTB until such time when the ESOS Options are exercised. Any potential effect on the substantial shareholders' shareholdings' in TCTB will depend on the number of ESOS Options granted and new TCTB Shares to be issued arising from the exercise of the ESOS Options at any point in time.

5.4 Earnings and EPS

The Proposed ESOS is not expected to have any immediate effect on the EPS of the Group until such time when the ESOS Options are granted and exercised. However, the EPS of the Group in the future may be diluted, depending on the number and timing of ESOS Options granted and exercised. Any potential effect on the EPS of TCTB Group in the future would depend on the number of ESOS Options granted and exercised, and the Exercise Price payable upon exercise of the ESOS Options, as well as the impact of MFRS 2.

Under MFRS 2, the potential cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each Offer Date and is recognised as an expense in the statement of comprehensive income, thereby reducing the earnings of TCTB Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of TCTB Shares, the risk-free rate, the exercise price payable upon exercise of the ESOS Options and the time to maturity of the ESOS Options from the vesting date. As such, the impact of the granting of the ESOS Options on the earnings and EPS of the Group and recognition of the expense cannot be determined at this juncture. However, such expense recognised does not represent a cash outflow as it is merely an accounting treatment.

The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and will take proactive measures to manage the impact of the allocation and granting of ESOS Options on the earnings of TCTB Group.

5.5 Convertible securities

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

6. OUTLOOK AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

Overall, the Malaysian economic growth normalised to 3.68% in 2023, following a strong growth registered of 8.70% in the previous year. The Malaysian government is optimistic and maintained its 2024 economic growth projection of 4.00% to 5.00%. The Malaysian economy grew at a higher rate of 4.20% in the first quarter of 2024 (fourth quarter of 2023 ("**4Q 2023**"): 2.90%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic ("**E&E**") and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.40% (4Q 2023: -1.00%).

Headline inflation remained moderate at 1.7% during the quarter (4Q 2023: 1.6%). The modest increase in headline inflation reflects the policy adjustments to water tariffs in February and services tax for high-usage electricity in March, which increased by 20.8% (4Q 2023: 2.1%) and 0.7% (4Q 2023: 0%) respectively. Core inflation moderated to 1.8% (4Q 2023: 2%), largely driven by continued easing in the food and beverages segment. Inflation pervasiveness edged higher, as the share of Consumer Price Index (CPI) items recording monthly price increases rose to 44.2% during the quarter (4Q 2023: 36.3%). Nonetheless, this remains well below the first quarter long-term average (corresponding first quarter periods during 2011-2019) of 52.2%.

Domestic financial markets continued to be driven mainly by shifting financial market expectations over the monetary policy path of major central banks. In particular, global financial markets reacted to expectations that the United States ("**US**") Federal Reserve would maintain its current policy interest rate for a longer period and make fewer policy rate cuts in light of continued strong US economic data. The current pressure reflects broader currency market dynamics and is not specific to Malaysia.

From the beginning of the year until 15 May 2024, the ringgit has depreciated by 2.4% against the US dollar, in line with the movements of other regional currencies. The ringgit also appreciated on a nominal effective exchange rate (NEER) basis, by 0.5%. Bank Negara Malaysia (BNM) is deploying the tools at its disposal to ensure that domestic financial markets remain orderly and continue to function efficiently. In addition, the coordinated initiatives by the Government and BNM with the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs), as well as engagements with corporates and exporters have gained further traction, resulting in greater and more consistent flows into the foreign exchange market. These have helped cushion the pressure on the ringgit. The daily average foreign exchange (FX) trading volume has also increased to USD17.6 billion during the period of 26 February – 15 May 2024 (2 January – 23 February 2024: USD15 billion) alongside a narrower bid-ask spread, indicating improved liquidity in the domestic FX market.

Credit growth to the private non-financial sector increased to 5.2% (4Q 2023: 4.8%). This was supported by higher growth in outstanding loans to both businesses (4.9%; 4Q 2023: 3.7%) and households (6.2%; 4Q 2023: 5.7%) while outstanding corporate bonds growth grew at a more moderate pace (3.2%; 4Q 2023: 4.2%). The higher business loan growth was driven mainly by higher growth in investment-related loans. By sector, the stronger growth was supported by the construction and services sectors. For households, outstanding loan growth was higher across most loan purposes, reflecting continued demand for loans, particularly for the purchase of housing and cars.

Malaysia's economic growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans, as well as the higher realisation of approved investments. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. Nonetheless, there are upside risks from greater spillover from the tech upcycle, more robust tourism activities and faster implementation of existing and new investment projects.

For 2024, headline and core inflation are projected to remain moderate between 2% – 3.5% and 2% – 3%, respectively. These broadly reflect stabilising demand and contained cost pressures, coupled with some potential upside that could arise from the implementation of fuel subsidy rationalisation. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)

6.2 Overview and outlook of the recycling and recovery of scheduled waste sector in Malaysia

As Malaysia moves towards zero-waste, the Malaysian government is actively playing a pivotal role in strengthening waste management and transforming environmental governance to enable better management of the environment and natural resources, including reducing its economic impacts. These initiatives have been highlighted in the Twelfth Malaysia Plan, 2021-2025 ("**12MP**") as part of Malaysia's commitment to achieving a net-zero carbon emission country by 2050. Under 12MP, the Malaysian government has set out to achieve a National Recycling Rate ("**NRR**") of 40% by 2025. The NRR reached 31.52% in 2021, a promising increase as compared to 30.67% in 2020.

The 12MP also highlights the importance of establishing a circular economy where businesses are encouraged to adopt this concept in the design, production, logistics, consumption and waste management of their products and services.

The involvement of the private sector has great potential to enhance the effectiveness of waste management in Malaysia. The Malaysian government encourages more integrated waste treatment facilities ("**IWTFs**") to be constructed. An integrated approach incorporates a material recovery facility to sort and separate waste; a treatment facility, including an anaerobic digester, composter and incinerator; as well as a sanitary landfill.

These IWTFs will be optimised to manage different types of waste and can treat about 95% of waste, leaving the remaining 5% to be disposed of at sanitary landfills.

Waste to Energy ("**WTE**") facilities can substantially contribute toward Malaysia becoming a zero-waste nation due to its hygienisation process of waste. This process prevents the waste recycling cycle from the risk of contamination by polluted waste and diverts non-recyclable waste from landfills, dumpsites and open fires. Moreover, the energy generated creates spillover benefits by supplying electricity to neighbouring residential, commercial and industrial establishments. This energy generation is more sustainable and less dependent on fossil fuel. The material recovery through WTE facilities is especially beneficial to the metal industry, as great amounts of materials can be recovered from the bottom ashes, including minerals and other precious metals.

To accelerate the transition of solid waste management from a linear economy to a circular economy, Malaysia is banking on WTE solutions. The Ministry of Housing and Local Government (KPKT) is planning to establish six (6) WTE plants across Malaysia by 2025.

WTE solutions are now recognised as a preferred waste treatment option for residual waste and a sustainable waste management approach in the country. Additionally, the establishment of waste eco-parks, development of waste management technologies and closure of all open landfills are encouraged to achieve Malaysia's commitment to become a net-zero carbon emission country by 2050.

(Source: <https://www.mida.gov.my/waste-to-energy-wte-the-preferred-approach-for-waste-management-in-malaysia/>)

6.3 Overview and outlook of the energy sector in Malaysia

Based on the National Energy Policy, 2022-2040 (Dasar Tenaga Nasional (DTN)), the energy sector contributed approximately 28% of GDP and employed 25% of the total workforce in Malaysia. In addition, it is a key source of national income, with petroleum-related products contributing 31% of fiscal income, and energy exports constituting 13% of total export value. The energy sector also benefits more than 10 million customers by providing daily access to electricity supply and enabling mobility through reliable supply of fuels. Jobs and business opportunities created in the energy sector, as well as economic multipliers in energy-related supply chains, also contribute positive to the socioeconomic development of the nation.

Fossil fuels continue to contribute the largest share of Malaysia's energy supply, and have a significant influence in shaping the country's energy landscape. As of 2020, four energy sources dominated the national total primary energy supply (TPES) mix. Natural gas constituted the largest portion at 42.4%, followed by crude oil and petroleum products at 27.3% and coal at 26.4%. Renewables, comprising hydropower, solar and bioenergy, constituted just a mere 3.9%.

Historically, the power sector in Malaysia has been operated as a vertically integrated monopoly system. Over time, it has undergone various stages of liberalisation. The power sector was privatised with the aim of attracting investments as well as enhancing efficiency and productivity to ensure a sufficient supply. Additionally, the government has encouraged the involvement of independent power producers ("IPPs") to improve the reliability of the electricity supply and address the shortage of generation capacity in meeting the demand.

Natural gas plays an important role as a transitional fuel in energy transition. The government has implemented Third Party Access ("TPA") in 2017 to provide healthy competition among industry players, including the IPPs. This will facilitate the shift towards market-based pricing for power and non-power sectors, thus ensuring reliable gas supply at competitive prices.

Similarly, the government intends to reform the power sector further by establishing a TPA framework to supply fuel sources, and access to the grid infrastructure and the retail market. In addition, the government will embark on electricity tariff restructuring initiative. These measures will ensure cost reflective prices, enable higher penetration of renewable energy and enhance Malaysia's competitive advantage.

Malaysia has been recognised as the best country in the Southeast Asia in the Energy Transition Index 2023 by the World Economic Forum. The index considers system performance and the country's readiness to switch to a more environmentally friendly energy sources. The recognition shows that Malaysia is on the right track to drive our strategic shift and economic restructuring into new growth areas. This is further supported by Malaysia's various advantages such as a strategic location, diverse renewable energy sources and a high level of skills to become a regional leader in energy transition.

Ten flagship catalyst projects of the NETR, which cover six energy transition levers namely, energy efficiency, renewable energy, hydrogen, bioenergy, green mobility, and carbon capture, utilisation and storage was launched on July 27th 2023. These flagship projects are expected to attract investment of more than RM25 billion, create 23,000 job opportunities and reduce greenhouse gases emissions by more than 10,000 gigagrams carbon dioxide equivalent per year.

Additionally, the NETR establishes the pathway for national energy mix, greenhouse gases emission reduction and energy transition initiatives. This reinforces Malaysia's commitment to net-zero emissions as early as 2050 despite contributing only 0.8% to global greenhouse gases. By 2050, NETR initiatives are expected to deliver 32% reduction in greenhouse gases emissions for the energy sector compared to the 2019 baseline thus reaching 4.3 metric tonnes of carbon dioxide equivalent emission per capita.

(Source: National Energy Transition Roadmap (NETR), Ministry of Economy)

6.4 Prospects of the Group

With the global shift towards more sustainable development, the Group has managed to expand and establish itself as a prominent scheduled waste recycling company in the region. In line with the Group's commitment to its core fundamentals and to be at the forefront of green innovation, the Group had entered into numerous joint ventures and partnerships, focusing on the growth and improvement of the Group's operational and financial performance.

As disclosed in Section 4 of Part A of this Circular, the Company, through its wholly-owned subsidiary, TCSB who is licensed with the Department of Environment Malaysia, had secured a joint venture with EBSB to develop and operate the Sabah Integrated Scheduled Waste Management Facility.

The facility shall be developed by TEWM and is designed to complement existing scheduled waste management providers with a priority in locally centred waste treatment process, aiming to reduce costs and emissions while complying with legal requirements and environmental responsibility. Furthermore, the facility is tailored to serve various industries (especially the oil and gas sector) and offer comprehensive waste management solutions.

Besides that, the Company, through its wholly-owned subsidiary, Lestari G2E Sdn Bhd, had also entered into a joint venture agreement with Green Lagoon Technology Sdn Bhd to construct and operate a 3.6 megawatt per hour biogas to energy plant located in Johor which has been officially commissioned in April 2024. The plant is aimed to provide customised WTE solutions for the palm oil industry and entails the installation and operation of WTE biogas plants in strategic locations for a set period of time.

Moreover, upon the inclusion of Ground Control Sdn Bhd ("**GCSB**") into the Group on 16 January 2024, GCSB is expected to make a major impact in the solid waste management sector through its pioneering compost facility and other related soil blend products used for the advancement and sustainable growth of crop cultivation. GCSB has been on a growth trajectory to prolong the landfills lifespan by way of converting organic waste such as food and garden waste into compost, thus complementing the Group's current business activities of scheduled waste management and generation of renewable energy.

Premised on the above and the outlook of the recycling and recovery of scheduled waste and renewable energy sectors as set out in Sections 6.2 and 6.3 of Part A of this Circular, the Board remains optimistic of the Group's future prospects in maintaining its market presence as an industry leader in environmental industrialisation. Nevertheless, the Board will remain vigilant and will continue to exercise prudence in managing the Group's operations.

(Source: The management of TCTB)

7. APPROVALS REQUIRED

The Proposed ESOS is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the new TCTB Shares to be issued from the exercise of the ESOS Options on the ACE Market of Bursa Securities;
- (ii) the shareholders of TCTB at an EGM to be convened (including the waiver of pre-emptive rights under Section 85(1) of the Act) for the Proposed ESOS; and
- (iii) any other relevant authorities or parties, if required.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of TCTB Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are set out below:

	<u>High</u> <u>RM</u>	<u>Low</u> <u>RM</u>
2023		
July	0.780	0.720
August	0.770	0.720
September	0.735	0.665
October	0.685	0.620
November	0.760	0.635
December	0.700	0.670
2024		
January	0.745	0.670
February	0.770	0.685
March	0.990	0.700
April	1.170	0.925
May	1.390	1.070
June	1.490	1.250

The last transacted price of TCTB Shares on 11 June 2024, before the day of the announcement of Proposed ESOS was RM1.45.

The last transacted price of TCTB Shares as at LPD, was RM1.32.

(Source: Bloomberg)

9. INTER-CONDITIONALITY

The Proposed Granting of ESOS Options is conditional upon the Proposed ESOS, however the Proposed ESOS is not conditional upon the Proposed Granting of ESOS Options.

The Proposed ESOS is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to receipts of all relevant approvals being, the Proposed ESOS is expected to be completed in the second half of 2024.

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

All the Directors and chief executive of the Company are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS.

The Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS.

Further, the Interested Directors and Interested Chief Executive will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on resolutions pertaining to their respective allocations and allocations to persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

The Interested Directors and Interested Chief Executive have undertaken to ensure that persons connected to them, if any, will abstain from voting on the resolutions pertaining to their respective allocations and the proposed allocation to the persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

The direct and indirect shareholdings of the Interested Directors, major shareholders, Interested Chief Executive and the persons connected to them as at LPD are as follows:

	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
Interested Director and major shareholder				
Datuk Keh Chuan Seng	-	-	(2)67,000,000	26.44
Interested Directors				
Lee Hai Peng	13,000,000	5.13	-	-
Chiau Haw Yew	160,000	0.06	-	-
Ho Ai Hoon	40,000	0.02	-	-
Datuk Low Chin Koon	-	-	-	-
Datuk Tee Siew Kiong	-	-	-	-
Persons connected to the Interested Director and major shareholder				
Frazel Group Sdn Bhd ("Frazel") ⁽³⁾	67,000,000	26.44	-	-
Datin Cheong Kai Meng ⁽⁴⁾	-	-	(2)67,000,000	26.44
Interested Chief Executive				
Gary Dass A/L Anthony Francis	-	-	-	-

Notes:

- (1) Based on the issued share capital of 253,442,196 TCTB Shares (excluding 2,747,300 treasury shares) as at LPD.
- (2) Deemed interest by virtue of their shareholding in Frazel pursuant to Section 8 of the Act.
- (3) Datuk Keh Chuan Seng holds 60.0% equity interest in Frazel.
- (4) Datin Cheong Kai Meng is the spouse of Datuk Keh Chuan Seng.

12. STATEMENT AND RECOMMENDATION BY THE BOARD

The Board, having considered amongst others, the rationale, terms, conditions and effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of TCTB. Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.

In respect of the Proposed Granting of ESOS Options, all our Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, the Directors after having considered all aspects of the Proposed Granting of ESOS Options, are of the view that the Proposed Granting of ESOS Options is in the best interests of the Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Granting of ESOS Options to be tabled at the forthcoming EGM.

13. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the following, the Board confirms that there is no other outstanding corporate proposal announced by the Company to Bursa Securities but has not yet been completed:

- (i) Proposed Private Placement which was announced on 31 May 2024;
- (ii) proposed acquisition of the entire equity interest in Meridian World Sdn Bhd ("**Meridian World**") which was announced on 13 June 2024. On 13 June 2024, TCTB had entered into a binding term sheet with Yang Wu-Hsiung, Amia Co Ltd, Beltrax Engineering Sdn Bhd, Good Credentials Sdn Bhd, Panbright Holdings Sdn Bhd, Peninsular Accord Sdn Bhd, Scientidex Sdn Bhd, Sunrise Majusama Sdn Bhd, Wong Mei Hwa and Yang Chueh-Kuang (collectively "**Vendors**") for the proposed acquisition of entire equity interest comprising 1,600,000 ordinary shares in Meridian World for a purchase consideration of RM55.0 million to be fully satisfied in cash ("**Proposed Acquisition**"). As at LPD, the Proposed Acquisition is pending completion and is expected to be completed by 4th quarter of 2024;
- (iii) proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market of Bursa Securities to the Main Market of Bursa Securities ("**Proposed Transfer**") and proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Transfer ("**Proposed Amendments**") which were announced on 5 July 2024. Barring any unforeseen circumstances, the Proposed Transfer and Proposed Amendments are expected to be completed in the 1st quarter of 2025; and
- (iv) Proposed ESOS, which is the subject matter of Part A of this Circular.

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14. EGM

The EGM, the notice of which is enclosed with this Circular, shall be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("**RPEV**") facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) from the broadcast venue at Conference Room 2, Lot 8942, Jalan Telok Gong, Pelabuhan Klang, 42000 Selangor Darul Ehsan on Friday, 2 August 2024 at 10.30 a.m., for the purpose of considering the Proposed ESOS contained herein and if thought fit, passing the resolutions so as to give effect to the Proposed ESOS.

You may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Company's registered office at Unit 7-01, Level 7, Menara Legenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor, not less than 48 hours before the date and time stipulated for the EGM, or any adjournment thereof. Alternatively, the Proxy Form may also be lodged electronically via <https://investor.boardroomlimited.com>, also 48 hours before the EGM. The lodging of the Proxy Form does not preclude you from attending the EGM and voting in person should you subsequently decide to do so.

15. FURTHER INFORMATION

Please refer to the attached appendices of Part A of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
TEX CYCLE TECHNOLOGY (M) BERHAD

LEE HAI PENG
Executive Director

**TEX CYCLE TECHNOLOGY (M) BERHAD
(200401004116 (642619-P))
BY-LAWS OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

DATED

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

"Act"	:	The Companies Act, 2016 and any amendments made thereto from time to time and includes any re-enactment thereof
"Adviser"	:	A corporate finance adviser that may act as a principal adviser under the Chapter 7A of Licensing Handbook issued by SC (as amended from time to time)
"Board"	:	The board of directors of the Company for the time being
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"By-Laws"	:	The rules, terms and conditions of the Scheme as set out herein and may be amended, modified and/or supplemented from time to time
"CDS"	:	The Central Depository System governed under Central Depository Act
"CDS Account"	:	The account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and dealings in such securities by that depositor
"Central Depository Act"	:	The Securities Industry (Central Depositories) Act 1991 and any amendments made thereto from time to time
"TCTB" or "Company"	:	Tex Cycle Technology (M) Berhad (200401004116 (642619-P)) and shall, where the context admits, include its successors in title
"TCTB Group" or "Group"	:	the Company and its Subsidiaries which are not dormant
"TCTB Share(s)" or "Shares"	:	Ordinary share(s) in the Company
"Constitution"	:	Constitution of the Company, as amended from time to time

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- “Director” : Shall have the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that:
- (i) occupies or acts in the position of director; or
 - (ii) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act.
- “Disciplinary Actions” : Actions instituted by the Company or its Subsidiaries against a Participant in writing for any alleged misbehaviour, misconduct and/or any other act of the Participant deemed to be unacceptable in the course of that Participant’s employment, whether or not such actions may give rise to a dismissal or termination of the employment contract and/or contract of service of such Participant
- “Effective Date” : The date on which this Scheme takes effect being the date on which the last of the approvals and/or conditions referred to in By-Law 6.1 have been obtained and/or complied with and shall be determined by the ESOS Committee
- “Eligible Employee(s)” : Employees or Directors of the companies within the Group who fulfil the conditions of eligibility as stipulated in By-Law 4
- “Employees” : Employees of companies within the Group
- “ESOS Committee” : The committee comprising Director(s) and/or senior management of the Group to be approved by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
- “ESOS Option” : The right granted to the Selected Employee to exercise and receive a number of Shares at the Exercise Price, subject to the terms and conditions of these By-Laws
- “Exercise Price” : The price which a Participant is required to pay to be entitled to receive each Company Share pursuant to the exercise of ESOS Option
- “Listing Requirements” : The ACE Market or Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
- “Market Day” : Any day between Monday and Friday, both days inclusive, which is a trading day on Bursa Securities

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- "Maximum Allowable Allocation" : The maximum number of ESOS Options that can be offered and allocated in accordance with the provisions of By-Law 5 to a Selected Employee to participate in the Scheme
- "Maximum ESOS Options" : The maximum number of the Company Shares to be issued and allotted and/or transferred pursuant to the ESOS Options granted under the Scheme which shall not exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Scheme
- "Offer" : An offer made in writing by the ESOS Committee to a Selected Employee pursuant to By-Law 8
- "Offer Date" : The date on which an Offer is made or deemed made by the ESOS Committee to a Selected Employee which shall be the date the Offer is served in accordance with By-Law 33
- "Offer Period" : The period of thirty (30) days from the Offer Date or such other period as may be determined by the ESOS Committee having regard to the Terms of Reference and specified in the Offer during which an Offer may be accepted
- "Option Period" : The period commencing from the date of acceptance of the Offer and expiring on the last day of the Scheme Period or upon the date of termination of the Scheme, whichever is earlier, or such other period as specified by the ESOS Committee in the Offer
- "Participant(s)" : Selected Employee who have duly accepted the Offer in accordance with the By-Laws
- "RM" and "sen" : Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
- "Scheme" or "ESOS" : The employees' share option scheme for the granting of the ESOS Option to the Selected Employees which will upon their acceptance thereof entitles them to subscribe for new Shares in the Company in accordance with the provisions of these By-Laws and such employees' share option scheme to be known as the "TCTB Employees' Share Option Scheme";
- "Scheme Period" : The period of the Scheme as set out in By-Law 6.1
- "Selected Employee" : An Eligible Employee who has been selected by the ESOS Committee and to whom an Offer has been made under the Scheme

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont’d)

- “Subsidiaries” : Subsidiaries of the Company within the meaning of Section 4 of the Act and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period unless determined by the Board and/or ESOS Committee, in its sole discretion, that any such subsidiary of the Company shall not fall within this expression
- “Terms of Reference” : The terms of reference which the Board may establish to regulate and govern the ESOS Committee’s functions and/or responsibilities under these By-Laws as amended from time to time
- “Unexercised Options” : ESOS Options and/or any part thereof which have not been fully exercised at the relevant time and in respect of which the Option Period has not expired
- “Value” : The value which is used to determine the number of ESOS Options offered to a Selected Employee as stipulated in the Offer
- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws.
- 1.4 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee (including any selection) may be exercised in the ESOS Committee’s sole discretion having regard only to the Terms of Reference (where applicable) and the ESOS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. THE SCHEME

The Scheme shall be known as the “**TCTB Employees’ Share Option Scheme**” which will grant the ESOS Option to Selected Employees for them to subscribe for new Shares in the Company at the Exercise Price any time within the Option Period, in accordance with the provisions of these By-Laws.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of the Company Shares which may be made available under the Scheme shall not exceed in aggregate fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Scheme Period ("**Maximum ESOS Options**").
- 3.2 In the event the Company purchases or cancels its own Shares in accordance with Section 127 of the Act or undertakes any other corporate proposal resulting in the total number of the Company Shares to be issued under the Scheme exceeding the Maximum ESOS Options or the reduction of its total number of issued shares (excluding treasury shares, if any), the following provisions shall apply in respect of future Offers but all the ESOS Options granted prior to such purchase and/or reduction/adjustment of the issued share capital of the Company shall remain valid or exercisable in accordance with the provisions of the By-Laws as if that reduction/adjustment had not occurred:
- (a) if, after such purchase and/or reduction/adjustment, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase, and/or reduction/adjustment of Shares is greater than the Maximum ESOS Options, no further Offers shall be made by the ESOS Committee until such aggregate number of ESOS Options granted is equivalent of or falls below the Maximum ESOS Options; and
 - (b) if, after such purchase and/or reduction/adjustment, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase, and/or reduction/adjustment of Shares is less than the Maximum ESOS Options, the ESOS Committee may make further Offers but only until such aggregate number of ESOS Options is equivalent to the Maximum ESOS Options after such purchase, and/or reduction/adjustment.
- 3.3 ESOS Options which have lapsed for any reason whatsoever will be made available for re-granting at the discretion of the ESOS Committee under this Scheme.
- 3.4 The Company will use all reasonable efforts to make available/ensure that it has available and sufficient Shares to satisfy the Offers made during the Scheme Period.

4. ELIGIBILITY

- 4.1 Subject to the discretion of the ESOS Committee, an Employee who fulfils the following criteria as at the Offer Date shall be eligible to participate in the Scheme:
- (a) the Employee is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) the Employee has been in full time employment (or any other contract as may be determined by ESOS Committee) and is on the payroll of any subsidiary within the TCTB Group and has since been confirmed in writing and is no longer under any probation for at least twelve (12) months in the Group;
 - (c) the Employee, if he/she is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary of the Group upon such acquisition, must have his/her employment confirmed and is no longer under any probation for at least twelve (12) months following the date such company becomes or is deemed to be a subsidiary; and
 - (d) the fulfilment of any other eligibility criteria as may be set by the ESOS Committee at any time and from time to time at its absolute discretion.

For avoidance of doubt:

- (a) Directors or Employees of companies within the Group which are dormant; and
- (b) Directors or Employees of associated companies of the Company (not Subsidiaries), are not eligible to participate in the Scheme.

4.2 However, eligibility does not confer an Eligible Employee a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Employee does not acquire or have any rights over or in connection with the ESOS Option(s) or the new Company Shares comprised in the Scheme unless the ESOS Committee has made an Offer under By-Law 8, and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the By-Laws.

4.3 Notwithstanding By-Laws 4.1 and 4.2, selection for participation in the Scheme shall be at the discretion of the ESOS Committee. The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Employee under the Proposed ESOS, subject to By-Laws 5.1(b), shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

The ESOS Committee may at any time and from time to time before and after the ESOS Options are granted, limit the exercise of the ESOS Options to a maximum number of new Company Shares and/or such percentage of the total the Company Shares comprised in the ESOS Options during such period within the Option Period and impose any other terms and/or conditions as the ESOS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier. Thereafter, the Participants are free to exercise the ESOS Options. The selection of any Eligible Employee for participation in the Scheme made by the ESOS Committee will be final and binding.

4.4 A set of criteria on eligibility in respect of the allocation as determined by the ESOS Committee from time to time shall be made available to all Employees and Directors of the Group. The allocation of the ESOS Options pursuant to the Scheme shall be verified by the audit committee at the end of each financial year and an audit committee statement on the verification of the allocation shall be included in the annual report of the Company.

4.5 For the avoidance of doubt, to determine the period of employment of an Employee of a subsidiary of the Company, the said Employee's period of employment in the Group, inside or outside of Malaysia, shall be the date on which such company became a subsidiary of the Company, or the date on which the Employee was confirmed, whichever is later.

5. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOTMENT

5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of new Shares under the ESOS Options that may be offered to a Selected Employee shall be determined entirely at the sole and absolute discretion of the ESOS Committee ("**Maximum Allowable Allocation**") provided that:

- (a) no allocation of more than seventy percent (70%) of the total ESOS Options shall be made in aggregate to the Directors and/or key senior management of the Group; and
- (b) not more than ten percent (10%) of the total number ESOS Options shall be made to any Selected Employee who either singly or collectively through person connected with them, holds 20.00% or more of the total number of issued shares (excluding treasury shares, if any) of the Company. The term "persons connected" shall have the same meaning as that in the Listing Requirements,

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

- 5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESOS Committee shall determine the actual number of ESOS Options to be allocated to a Selected Employee after taking into consideration various factors pertaining to the Participant, amongst others and where relevant, the employment grade, length of service, performance appraisal and past and future contributions of the Participant and any other factors deemed appropriate by the ESOS Committee.
- 5.3 At the time the Offer is made in accordance with By-Law 8, the ESOS Committee shall set out the basis of allotment, identifying the category or grade of the Selected Employee and the Maximum Allowable Allocation for the Selected Employee.
- 5.4 The Company and/or ESOS Committee shall ensure that:
- (a) the allocation of ESOS Options granted to Selected Employees is verified at the end of each financial year of the Company by the Company's audit committee, as being in compliance with the criteria referred to in By-Law 5.2; and
 - (b) a statement by the audit committee, verifying such allocation, is included in the Company's annual report.
- 5.5 The ESOS Committee may stagger the allocation of the ESOS Options at its sole and absolute discretion. In the event the ESOS Committee decides that the allocation is to be staggered, the number of ESOS Options to be allocated for each financial year during the duration of the ESOS (not exceeding the Maximum ESOS Options) and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each allocation shall be separate and independent from the others.
- 5.6 In the event that any selected Eligible Employee is a member of the ESOS Committee, such Eligible Employee and persons connected with him/ her who are also members of the ESOS Committee shall abstain from deliberations, discussion and/or voting in respect of any ESOS Options granted or to be granted to that selected Eligible Employee or persons connected with him, or held or to be held by him or them.
- 5.7 In the event that a Participant is promoted, such promoted Participant may be eligible for consideration for additional ESOS Options to be decided by ESOS Committee at its discretion subject to the following:
- (a) that the additional Offer shall be from the balance of the Maximum ESOS Options available under the Scheme; or
 - (b) the ESOS Committee has the discretion not to make further additional Offer in the event that the balance of the Maximum ESOS Options available is inadequate to make a meaningful additional allotment.
- 5.8 The Participant who is demoted to a lower grade for whatsoever reason shall only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him before such demotion and where he has accepted an Offer which exceeds his Maximum Allowable Allocation under that lower grade, he shall not be entitled to any further allocation for that lower grade.

6. SCHEME PERIOD AND TERMINATION OF THE SCHEME

6.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with ("**Effective Date**"):

- (a) receipt of the approval-in-principle from Bursa Securities for the listing of and quotation for the Shares to be issued pursuant to the Scheme;
- (b) the approval of the shareholders of the Company in a general meeting for the Scheme;
- (c) the submission to Bursa Securities of the final copy of the By-Laws;
- (d) the approval of the relevant regulatory authorities whose approval is necessary in respect of the Scheme;
- (e) fulfilment of all conditions attached to any of the abovementioned approvals (if any);

and shall continue to be in force for a period of five (5) years from the Effective Date provided always that on or before the expiry, the ESOS Committee shall have the absolute discretion, without the Company's shareholders' approval, to extend in writing the duration of the Scheme (as the Board may deem fit) for up to another five (5) years immediately from the expiry of the first five (5) years and shall not in aggregate exceed a duration of 10 years from the Effective Date ("**Scheme Period**").

6.2 Within five (5) Market Days from the Effective Date, the Company shall through its Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.

6.3 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time by the ESOS Committee during the Scheme Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the Participants and the shareholders of the Company whereupon any ESOS Options which have yet to be vested and/or exercised (whether fully or partially) shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice ("**Termination Date**").

6.4 Upon the termination of the Scheme, the following provisions shall apply:

- (a) no further Offer shall be made by the ESOS Committee from the Termination Date;
- (b) all Offers which have yet to be accepted by Eligible Employee shall automatically lapse on the Termination Date and be null and void; and
- (c) all Unexercised Options shall be automatically terminated on the Termination Date and be null and void.

7. RETENTION PERIOD

- 7.1 The Shares issued and allotted or transferred pursuant to the exercise of ESOS Options under this Scheme may be subjected to such retention period or restriction on transfer as may be imposed by the ESOS Committee, save as otherwise provided in the Constitution of the Company, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.
- 7.2 A Participant who is a Non-Executive Director of the Group must not sell, transfer or assign any new Company Shares obtained through the exercise of the ESOS Options offered to him pursuant to the Scheme within one (1) year from the Offer Date.
- 7.3 The expression "retention period" referred to in By-Law 7.1 shall mean the period in which Company Shares issued and allotted or transferred pursuant to exercise of ESOS Options under this Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant.

8. OFFER OF ESOS OPTIONS UNDER THE SCHEME

- 8.1 Upon commencement of the Scheme, the ESOS Committee may, subject to compliance with all relevant regulatory authorities' guidelines and/or directives, from time to time during the Scheme Period, make an Offer to a Selected Employee to participate in the Scheme.
- 8.2 Subject to By-Law 8.3, an Offer shall comprise an ESOS Option which is exercisable during the Option Period by a Participant to receive new Company Shares, provided that the conditions as set out in By-Law 9.2 and such other conditions as may be stipulated by the ESOS Committee in the Offer are duly and fully satisfied.
- 8.3 Nothing herein shall prevent the ESOS Committee from making more than one Offer to any Selected Employee provided always that the aggregate number of Shares comprised in the ESOS Options shall not exceed the Maximum Allowable Allocation.
- 8.4 No Offer shall be made to any Director of the Group or persons connected to them as defined in the Listing Requirements unless such Offer and the related allotment of new Shares to such person have previously been approved by the shareholders of the Company in a general meeting.
- 8.5 The Company shall keep and maintain at its expense a register of Selected Employees and shall enter in that register the names and addresses of the Selected Employees, the Maximum Allowable Allocation, the number of Shares comprised in the ESOS Options, the number of Shares exercised, the Date of Offer and the Exercise Price.

9. TERMS OF THE OFFER

- 9.1 The ESOS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.
- 9.2 The terms and conditions set out in the Offer relating to an ESOS Option may include the following, where applicable:
- (a) Value;
 - (b) Number of the Company Shares entitled to be received upon the exercise of the ESOS Option;
 - (c) Exercise Price;

- (d) Option Period;
- (e) Offer Date;
- (f) Offer Period;

and may include such/any other conditions as may be stipulated by the ESOS Committee.

- 9.3 In the event of any error in stating any of the particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESOS Committee may, to the extent permitted by law, issue a revised Offer stating the correct particulars referred to in By-Law 9.2.
- 9.4 The ESOS Committee shall also have absolute discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions, which may include amongst others, the achievement of relevant service objectives and specific performance targets of the Eligible Employee and/or the Group as measured by both qualitative and quantitative key performance indicators including financial and non-financial performance measures as determined by the ESOS Committee during the Scheme Period.

10. EXERCISE PRICE

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be based on a discount (as determined by the ESOS Committee) of not more than ten percent (10%) of the five (5)-day volume weighted average market price of the Company Shares transacted on the Bursa Securities immediately preceding the Offer Date or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Scheme.

11. ACCEPTANCE OF THE OFFER

- 11.1 The Offer may only be accepted by the Selected Employee during the Offer Period in such form and manner as may be prescribed in the Offer and shall be accompanied by a non-refundable sum of Ringgit Malaysia One (RM1.00) only payable to the Company. The date of receipt by the ESOS Committee of such form together with the money shall be the date of acceptance of the Offer by the Selected Employee, provided that the Scheme is not terminated pursuant to By-Law 6.3.
- 11.2 In the event that the Selected Employee fails to accept the Offer in the manner prescribed within the Offer Period, the Offer shall automatically lapse and shall then be null and void provided that the ESOS Committee shall not be precluded from making a fresh Offer, on such terms as the ESOS Committee may so decide, to the Selected Employee subsequently.

12. SATISFACTION OF CONDITIONS

- 12.1 The determination as to whether the stipulated conditions in the Offer have been fulfilled shall be made by the ESOS Committee, as the case may be.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- 12.2 Where the ESOS Committee has made the determination that the stipulated conditions have been fulfilled pursuant to By-Law 12.1, the ESOS Committee shall notify the Participant of the number of the Company Shares which the Participant is entitled to receive upon the exercise of the ESOS Option granted to him. Upon receipt of such notification, the Participant who exercises the ESOS Option shall notify the ESOS Committee (in the form as may be prescribed by the ESOS Committee from time to time) of his CDS Account number. The relevant new Shares will be credited directly into the CDS Account as stated in the notice of exercise. No physical share certificates will be issued for the new Shares.
- 12.3 In the event that the conditions stipulated in an Offer in respect of any one or more Participant cannot be achieved/satisfied, the ESOS Committee may in its discretion by notice in writing to such Participant(s), waive any conditions stipulated in the Offer.
- 12.4 No Participant shall have any right to or interest in the Company Shares or right to exercise the ESOS Options granted to him unless and until the ESOS Committee has made a determination and notification under the provisions of By-Laws 12.1 and 12.2 and with effect from the date on which the ESOS Options are duly exercised and the remittance for the full amount of the monies for Company Shares in respect of which the ESOS Options are exercised is paid pursuant to By-Law 13.
- 12.5 The ESOS Committee shall, within eight (8) Market Days after the ESOS Committee's receipt of the notice of exercise of an ESOS Option and remittance for the full amount of monies for Company Shares in respect of which the ESOS Option is exercised pursuant to By-Law 13.3 (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) credit the relevant number of the Company Shares into the CDS Account so notified;
 - (b) despatch a notice of allotment and issue and/or transfer of such Company Shares issued pursuant to the ESOS Option to the Participant; and
 - (c) make an application for the quotation of such relevant number of the Company Shares issued pursuant to the ESOS Option (where applicable).

13. EXERCISE OF ESOS OPTIONS

- 13.1 An ESOS Option may be exercised by a Participant within the Option Period in full or in part by notice in writing to the Company or ESOS Committee in the prescribed form as may be amended from time to time during the Option Period, provided that where an ESOS Option is exercised in part, such exercise shall not be for less than one hundred (100) Shares and shall be for multiples of one hundred (100) Shares other than in the case of the final exercise by the Participant under the ESOS Option.
- 13.2 An ESOS Option granted to a Participant under the Scheme, subject to the provisions of By-Laws 15, is exercisable only by that Participant during his lifetime and whilst he is in the employment of the Group and within the Option Period. All unexercised or partially exercised ESOS Options shall become null and void at the expiry of the Option Period.
- 13.3 The partial exercise of an ESOS Option shall not preclude the Participant from exercising the ESOS Option with respect to the balance of Shares comprised in the ESOS Option during the Option Period.
- 13.4 Every notice of exercise of an ESOS Option referred to in By-Law 13.1 must be in the form prescribed by the ESOS Committee as amended from time to time and accompanied by a remittance for the full amount of the monies for the Shares in respect of which the ESOS Option is exercised.

- 13.5 Subject to the discretion of the ESOS Committee to waive any breach, failure by a Participant to comply with the procedure for an exercise of ESOS Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such ESOS Option by the Participant.

14. DISCIPLINARY ACTIONS

- 14.1 In the event a Selected Employee is subjected to Disciplinary Actions after an Offer is made but before the acceptance thereof by such Selected Employee, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Selected Employee. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Selected Employee in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer is made within the duration of the Scheme Period.
- 14.2 In the event a Participant is subjected to Disciplinary Actions, the right of the Participant to exercise any Unexercised Option shall be suspended pending the outcome of the Disciplinary Actions unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Participant to exercise any Unexercised Option in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESOS Committee does not reinstate such right of the Participant prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void.

For the avoidance of doubt, Disciplinary Actions initiated against a Participant after the exercise by such Participant of his/her ESOS Option(s) in accordance with the terms of these By-Laws shall not affect the right of the Participant to receive Company Shares pursuant to such exercise of the ESOS Option.

15. TERMINATION OF OFFERS AND UNEXERCISED ESOS OPTION(S)

- 15.1 Subject to By-Laws 15.2 and 15.3, any unaccepted Offers in respect of a Selected Employee and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or ceased to be exercisable, as the case may be, without any liability to or right to claim against the Company and/or the ESOS Committee upon the occurrence of any one or more of the following events:
- (a) service of a notice to resign by a Selected Employee or Participant, as the case may be;
 - (b) service of a notice of termination on or termination of contract of service or cessation of employment of Selected Employee (including removal of Director) or Participant with the Group by reason of misconduct, as the case may be;
 - (c) bankruptcy of a Selected Employee or Participant, as the case may be; or
 - (d) any other circumstances prescribed by the ESOS Committee from time to time.

15.2 In the event of the termination or cessation of employment or contract of service of the Participant with the Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under the Group’s retirement policy;
- (b) retirement before attaining the normal retirement age by reason of ill-health, injury, physical or mental disability;
- (c) redundancy or voluntary separation scheme;
- (d) transfer to any company outside the Group at the direction of the Company;
- (e) termination or non-renewal of contract of service; or
- (f) any other circumstances which are acceptable to the ESOS Committee in its sole discretion;

the ESOS Committee may in its discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer has not been fulfilled/satisfied,

provided that unless the ESOS Committee in its sole discretion so permits such exercise, as the case may be by notice in writing to the Participant, any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any liability to or right to claim against the Company and/or ESOS Committee.

15.3 In the event of death of the Participant, By-Law 15.2 may at the discretion of the ESOS Committee apply *mutatis mutandis* to the Participant’s legal or personal representatives as if the Participant’s legal or personal representatives were the Participant.

15.4 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 15.2 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

15.5 Any unaccepted Offers and/or Unexercised Options shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any claim against the Company and/or ESOS Committee upon the occurrence of one or more of the following events:

- (a) winding-up or liquidation of the Company; or
- (b) termination of the Scheme pursuant to By-Law 6.

16. TAKEOVER AND DISPOSAL OF ASSETS

16.1 In the event of:

- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued shares of the Company (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional; or

- (b) the Company dispose of all or substantially all of its assets and the disposal becomes unconditional,

upon determination of the ESOS Committee at its sole discretion, any Unexercised Options may immediately be exercised by a Participant at any time subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that the Option Period has not commenced.

- 16.2 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 16.1 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

17. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 17.1 In the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies, the ESOS Committee may permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Option Period has not commenced; and/or
- (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 17.2 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 17.1 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

18. ALTERATION OF CAPITAL

- 18.1 In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of the Company Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company during the Scheme Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of the Company), adjustments in:

- (a) the Exercise Price; and/or
- (b) the number of new the Company Shares comprised in the Offer,

shall be made in order to prevent dilution or enlargement in compliance with the provisions of adjustments as provided under the By-Laws.

- 18.2 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of the Company and no adjustments will be made, the ESOS Committee shall inform the Participants of this decision through an announcement to all the Directors and Employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- 18.3 Subject to By-Law 18.5, any adjustment in the Exercise Price and/or number of the Company Shares comprised in Offers shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall, where appropriate and to the extent possible, endeavour to give each Participant the same proportion of the issued ordinary shares of the Company as that to which he was previously entitled.
- 18.4 The provisions of By-Laws 18.1, 18.2 and 18.3 shall not apply where a change in the capital structure of the Company arises from:
- (a) the issue of the Company Shares or other securities convertible into the Company Shares or right to acquire or subscribe for the Company Shares in consideration or part consideration for any acquisition by the Group;
 - (b) a special issue, restricted issue or private placement of the Company Shares;
 - (c) a share buy-back arrangement by the Company and the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Act;
 - (d) an issue of the Company Shares arising from the exercise of any conversion rights attached to securities convertible to the Company Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by the Company;
 - (e) a special issue of new the Company Shares to Bumiputera investors nominated by the Ministry of Investment, Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation; and
 - (f) an issue of further Offers pursuant to the Scheme and the allotment and issuance of the Company Shares for the purpose of satisfying ESOS Options.
- 18.5 Any adjustment pursuant to this By-Law 18 shall be made in accordance with the formulae as set out below on the Market Day immediately following the books closure date for the event giving rise to the adjustment:
- (a) If and whenever a consolidation or subdivision or conversion of the Company Shares occurs, then the Exercise Price shall be adjusted and the additional number of Shares comprised in the Offer shall be calculated in accordance with the following formula:

$$\text{New Exercise Price} = S \times \left[\frac{U}{V} \right]$$

$$\text{Additional number of Shares} = T \times \left[\frac{V}{U} \right] - T$$

where

S = existing Exercise Price; and

T = existing number of Shares comprised in the Offer that remains unexercised.

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

U = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and

V = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company after such consolidation, subdivision or conversion.

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Company Shares are traded on Bursa Securities at the new value), or such period as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of the Company Shares to its ordinary shareholders of the Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{A+B}{A} \right] - T$$

where

A = the aggregate number of issued and fully paid-up the Company Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of the Company Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = as T above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for the Company Shares by way of rights; or

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into the Company Shares or securities with rights to acquire or subscribe for the Company Shares,

then and in respect of each such case, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Laws 18.5(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Offer shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{C}{C-D^*} \right] - T$$

where

C = the Current Market Price (as defined in By-Law 18.5(h) below) of each the Company Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for the Company Shares by way of rights under By-Law 18.5(c)(ii) above or for securities convertible into the Company Shares or securities with rights to acquire or subscribe for the Company Shares under By-Law 18.5(c)(iii) above, the value of rights attributable to one (1) Company Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.5(c) hereof, the fair market value, as determined by an auditor of the Company, of that portion of the Capital Distribution attributable to one (1) Company Share.

For the purpose of definition (aa) of D above, the "value of the rights attributable to one (1) Company Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where

C = as C above;

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

- E = the Exercise Price for one (1) additional Company Share under the terms of such offer or invitation or Exercise Price for one (1) additional Company Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Company Share under the offer or invitation;
- F = the number of the Company Shares necessary for the Company shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Company Share or security convertible into rights to acquire or subscribe for one (1) additional Company Share; and
- D* = the value of rights attributable to one (1) Company Share (as defined below); and

For the purpose of definition D* above, the "value of rights attributable to one (1) Company Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where

- C = as C above;
- E* = the Exercise Price for one (1) additional Company Share under the terms of such offer or invitation to acquire or subscribe for the Company Shares; and
- F* = the number of the Company Shares necessary for a Company shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Company Share.

For the purpose of By-Law 18.5(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of the Company Shares (not falling under By-Law 18.5(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of the Company as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.5 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) above and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares:

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up Company Shares on the book closure date;

H = the aggregate number of new Company Shares under an offer or invitation to acquire or subscribe for the Company Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into the Company Shares or rights to acquire or subscribe for Company Shares, as the case may be;

H* = the aggregate number of new Company Shares under an offer or invitation to acquire or subscribe for the Company Shares by way of rights;

I = the Exercise Price of one (1) additional Company Share under the offer or invitation to acquire or subscribe for Company Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Company Share, as the case may be;

I* = the Exercise Price of one (1) additional Company Share under the offer or invitation to acquire or subscribe for Company Shares; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for the Company Shares as provided in By-Law 18.5(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for the Company Shares as provided in By-Law 18.5(c)(iii) above, the Exercise Price shall be adjusted by multiplying it by the following fraction:

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont’d)

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares

$$= T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = the aggregate number of the Company Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Company Shares by the ordinary shareholders of the Company;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Company Share; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for the Company Shares as provided in By-Law 18.5(c)(ii) above, together with rights to acquire or subscribe for securities convertible into the Company Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.5(c)(iii) above, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

- B = as B above;
- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = as J above;
- K = as K above; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under By-Laws 18.5(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Company Shares or any securities convertible into Company Shares or any rights to acquire or subscribe for Company Shares, and in any such case, the Total Effective Consideration per Company Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Company Share (as defined below) or, as the case may be, the price at which Company Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

where

- L = the number of the Company Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of the Company Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESOS (Cont'd)

N = the aggregate number of the Company Shares so issued or, in the case of securities convertible into the Company Shares or rights to acquire or subscribe for Company Shares, the maximum number (assuming no adjustment of such rights) of the Company Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 18.5(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

- (i) in the case of the issue of the Company Shares, the aggregate consideration receivable by Company on payment in full for such Company Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into Company Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Company Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Company Share" shall be the Total Effective Consideration divided by the number of the Company Shares issued as aforesaid or, in the case of securities convertible into Company Shares or securities with rights to acquire or subscribe for Company Shares, by the maximum number of the Company Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.5(g), the Average Price of a Company Share shall be the average price of one (1) Company Share as derived from the last dealt prices for one or more board lots of the Company Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Company Shares is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such Company Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- (h) For the purpose of By-Law 18.5(c), (d), (e) and (f), the "Current Market Price" in relation to one (1) Company Share for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date.

18.6 If an event occurs that is not set out in By-Law 18.5 or if the application of any of the formulae to an event results in a manifest error or in the opinion of ESOS Committee is not appropriate, the ESOS Committee may agree to an adjustment subject to the provision of By-Law 18.3 provided that the Participants shall be notified of the adjustment through an announcement to all the Directors and Selected Employee of the Group to be made in such manner deemed appropriate by the ESOS Committee.

- 18.7 In the event that a fraction of a Company Share arises from the adjustments pursuant to this By-Law 18, the number of the Company Shares shall automatically be rounded down to the nearest whole number.
- 18.8 The provisions of By-Law 18 shall also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Selected Employee or withdrawn by the ESOS Committee.

19. RIGHTS ATTACHED TO SHARES

- 19.1 The Participants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Option(s) into new Company Shares.
- 19.2 The new Company Shares to be allotted upon exercise of the ESOS Options shall upon allotment and issue, rank *pari passu* in all respects with the existing Company Shares, save and except that the new Company Shares so issued shall not be entitled for any dividends, rights, allotments and/or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions is prior to the relevant date of allotment and issuance of such Company Shares.
- 19.2 In the event the ESOS Options exercised are satisfied via existing Company Shares, the Participant shall not be entitled to any entitlement attached to such Company Shares in respect of which the entitlement date is prior to the date on which Company Shares are credited into the CDS Account of the Participant.
- 19.3 The Company Shares obtained through the exercise of ESOS Options shall be subjected to all the provisions of the Constitution of the Company in relation to their transfer, transmission or otherwise.

20. ADMINISTRATION

- 20.1 The Scheme shall be implemented and administered by the ESOS Committee consisting of such persons from the Board and/or senior management of the Group, appointed by the Board from time to time.
- 20.2 The ESOS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the ESOS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESOS Committee may in its discretion deem fit necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 20.3 In implementing the Scheme, the ESOS Committee may at its sole and absolute discretion decide that the ESOS Options be satisfied by any of the following methods:
- (a) issuance of new Company Shares;
 - (b) acquisition of existing Company Shares from the market;
 - (c) transfer of the Company's treasury shares or any other methods as may be permitted by the Act;
 - (d) payment by cash; or

- (e) any combination of the above.

In considering the settlement of the ESOS Options, the ESOS Committee will take into consideration, amongst others, factors such as the prevailing market price of the Company Shares, funding considerations and dilutive effects on the Company's capital base.

For the avoidance of doubt, should the ESOS Committee decide to satisfy the ESOS Options via payment by cash, the amount to be paid to the Participant for each ESOS Option exercised shall be the excess of the five (5)-day volume weighted average market price of the Company Shares up to the date of exercise of the ESOS Options over the Exercise Price, if any.

20.4 The Board shall have power at any time and from time to time to:

- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee; and
- (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws.

21. QUOTATION

In cases where the ESOS Options are satisfied by the issue of new Company Shares, the new Company Shares to be allotted will not be listed and quoted on the ACE Market or Main Market of Bursa Securities until the receipt of the approval from Bursa Securities for such listing and quotation of the new Company Shares.

22. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

22.1 Subject to By-Law 22.2 and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation.

22.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except if such addition, amendment, modifications and/or deletion would:

- (a) increase the number of ESOS Options available under the Scheme beyond the Maximum ESOS Options; or
- (b) provide an advantage to any Participant or group of Participants or all the Participants in respect of any matters which are required to be contained in the By-Laws by virtue of paragraphs (1) to (8) of the Appendix 6E (or any amendments subsequent thereto) of the Listing Requirements (in which event the prior approval of the shareholders of the Company in a general meeting is required) unless otherwise permitted under the provisions of the Listing Requirements.

22.3 Where an amendment and/or modification is made to these By-Laws, the Company shall submit to Bursa Securities, the amendment and/or modification to these By-Laws and a confirmation letter that the amendment and/or modification complies with the Listing Requirements no later than five (5) Market Days from the effective date of the said amendment and/or modification.

23. NON-TRANSFERABILITY

An ESOS Option shall be personal to the Participant and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless By-Law 15.3 applies.

24. DISPUTES

In the event of any dispute between the ESOS Committee with an Eligible Employee or any Participant or group of Participants, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

25. SCHEME NOT A TERM OF EMPLOYMENT/ CONTRACT OF SERVICE

This Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment or contract of service of any Director or Employee. This Scheme shall not confer or be construed to confer on any Director and/or Employee any special rights or privileges over the Director and/or Employee's terms and conditions of employment or contract of service in the Group nor any rights in addition to compensation or damages that the Director and/or Employee may be normally entitled to arising from the cessation of such employment or contract of service.

26. COMPENSATION

- 26.1 No Directors, Employees or Participants who cease to hold office in or employment or under a contract of service with the Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.
- 26.2 The Company, the Board or the ESOS Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Director, Employee, Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of his rights to exercise his ESOS Options or his ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws.

27. DIVESTMENT FROM THE GROUP

- 27.1 If a Participant who held office or was in the employment or under a contract of service with a corporation of the Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the ESOS Committee may in its discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Option Period has not commenced; and/or
 - (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 27.2 All ESOS Options which may be allowed by the ESOS Committee to be exercisable under By-Law 27.1(b), to the extent unexercised by the date prescribed by the ESOS Committee, shall automatically lapse and shall become null and void.

28. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP

- 28.1 Notwithstanding By-Law 15.1, in the event a Participant who was employed in a corporation within the Group and is subsequently transferred from such corporation to an associate company of the Company, the Participant shall be entitled to exercise any Unexercised Options, upon the same terms and conditions as may be set out in the Offer as if the Participant is still in employment or under a contract of service with the Group for the purposes of the Scheme Period.
- 28.2 In the event that a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving the Company and/or any company within the Group, such person ("**Affected Participant**") will, if the Affected Participant satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Scheme Period at the discretion of the ESOS Committee.

29. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company at the registered office of the Company from Mondays to Fridays (excluding public holidays) during normal office hours.

30. COSTS, EXPENSES AND TAXES

- 30.1 The Company shall bear all fees, costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses (including stamp duty, if any) relating to the issue, allotment and/or transfer of the Company Shares pursuant to the exercise of the ESOS Options.
- 30.2 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to by-Law 30.1 or relating to the exercise of any ESOS Options and any holding or dealing of such Company Shares (such as, but not limited to brokerage commissions and stamp duty) shall be borne by that Participant and the Company shall not be liable for any of such costs, fees, levies, charges and/or taxes.

31. CONSTITUTION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between any provision of these By-Laws and the Constitution of the Company and/or the Listing Requirements, the provisions of the Constitution of the Company and/or the Listing Requirements shall prevail to the extent of such conflict.

32. ERRORS AND OMISSIONS

If in consequence of an error or omission, the ESOS Committee discovers/determines that:

- (a) a Director and/or an Employee who was selected by the ESOS Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of the Company Shares issued and allotted and/or transferred to any Participant on any occasion is found to be incorrect,

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Participant is given the opportunity to participate in the Scheme and/or the aggregate number of the Company Shares to which the Participant is correctly entitled to is credited into his CDS Account.

33. NOTICE

- 33.1 Any notice under the Scheme required to be given to or served upon the ESOS Committee by a Director, Employee, Participant or any correspondence to be made between a Director, Employee, Participant to the ESOS Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the ESOS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered letter.
- 33.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon a Director, Employee, Participant and correspondence to be made with a Director, Employee or Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand or registered letter addressed to the Director, Employee or Participant at the place of employment or address known to the Company as being his address. Any notice served by hand or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged or if by registered letter would in the ordinary course of post be delivered.
- 33.3 Any notice is sent by electronic media, including but not limited to electronic mail, to the Eligible Employee or the Participants, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Group.
- 33.4 Notwithstanding By-Law 33.2, where any notice is required to be given by the Company or the ESOS Committee under these By-Laws in relation to matters which may affect all the Directors, Employees or Participants, as the case may be, the Company or ESOS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under By-Law 33.2 shall be deemed to be sufficiently given, served or made to all affected Directors, Employees, or Participants, as the case may be.

34. SEVERABILITY

If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

35. DELAY OF PERFORMANCE

The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the control of the Company or the ESOS Committee.

36. DISCLAIMER OF LIABILITY

36.1 Notwithstanding any provisions contained herein and subject to the Act, the ESOS Committee, the Company, the Board (including Directors of the Company who have resigned but were on the Board during the Scheme Period) shall not under any circumstances be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Participant howsoever arising in the event of:

- (a) any delay on the part of the Company or ESOS Committee delay in allotting and issuing new the Company Shares and/or applying for or procuring the listing of the new Company Shares on Bursa Securities in accordance with these By-Laws for any reason whatsoever;
- (b) any delay in crediting the new Company Shares into the CDS Account as stated in the notice of exercise given by the Participant; and
- (c) any other matter or dealing which is outside the control of the Company.

36.2 The Participant shall at all times indemnify and keep Company indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by Company at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform and/or observe the terms and conditions and stipulations of the By-Laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-Laws by the Participant or that may be incurred, suffered or sustained by Company as a result thereof and the Participant shall promptly upon a demand being made by Company pay to Company all amounts so paid incurred, suffered or sustained by Company.

37. DECISION OF THE ESOS COMMITTEE

Any decision and/or determination made by the ESOS Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

38. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Participant, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Constitution of the Company, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

APPENDIX II – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making 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 herein misleading.

2. MATERIAL LITIGATION

As at LPD, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the Directors do not have any knowledge of any proceeding, pending or threatened, against the Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Group.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at LPD, save as disclosed below, there are no other material commitments incurred or known to be incurred by the Group which may have a material effect on the Group's financial position:

Capital commitment	RM'000
Acquisition of property, plant and equipment such as integrated scheduled waste management facility and biomass power plant.	53,265

3.2 Contingent liabilities

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of the Group to meet its obligations as and when they fall due.

4. LETTER OF CONSENT

M&A Securities, the Adviser for the Proposed ESOS, has given and has not subsequently withdrawn its written consent to the inclusion in this document of its name and all references thereto in the form and context in which they appear in this document.

5. DECLARATION OF CONFLICT OF INTERESTS

M&A Securities has confirmed that no conflict of interest exists or is likely to exist in relation to its role as the Adviser for the Proposed ESOS.

APPENDIX II – FURTHER INFORMATION (Cont'd)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the EGM:

- (i) Constitution of TCTB;
- (ii) the audited consolidated financial statements of TCTB Group for FYE 2022 and FYE 2023 and the latest unaudited consolidated financial statements of TCTB Group for the 3-months financial period ended 31 March 2024;
- (iii) draft By-Laws referred to in **Appendix I** of Part A of this Circular; and
- (iv) the letter of consent and declaration referred to in Sections 4 and 5 above.

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PART B

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS

DEFINITIONS

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

“Act”	:	The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
“Announcement”	:	Announcement dated 5 July 2024 in relation to the Proposed Transfer and Proposed Amendments
“Board”	:	Board of Directors of the TCTB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“Circular”	:	This circular to shareholders of TCTB dated 10 July 2024
“Constitution”	:	The Constitution of TCTB
“EGM”	:	Extraordinary general meeting
“FYE”	:	Financial year ended/ending 31 December, as the case may be
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	1 July 2024, being the latest practical date prior to the printing and despatch of this Circular
“Proposed Amendments”	:	Proposed amendments to the Constitution to facilitate the implementation of the Proposed Transfer
“Proposed Transfer”	:	Proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market of Bursa Securities to the Main Market of Bursa Securities
“M&A Securities” “Adviser”	or	M&A Securities Sdn Bhd (197301001503 (15017-H))
“NA”	:	Net asset(s)
“SC”	:	Securities Commission Malaysia
“TCTB” or “Company”	:	Tex Cycle (M) Technology Berhad (200401004116 (642619-P))
“TCTB Group” or “Group”	:	TCTB and its subsidiaries, collectively
“TCTB Share(s)” “Share(s)”	or	Ordinary share(s) in the capital of TCTB

Any discrepancy in the figures included in Part B of this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference in Part B of this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

DEFINITIONS (*Cont'd*)

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. Reference to persons shall include a corporation, unless otherwise specified. Any reference to a time of day in Part B of this Circular shall be a reference to Malaysian time, unless otherwise specified.

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TEX CYCLE TECHNOLOGY (M) BERHAD

(Registration No. 200401004116 (642619-P))
(Incorporated in Malaysia)

Registered Office:

Unit 7-01, Level 7
Menara Lagenda
No. 3 Jalan SS20/27
47400 Petaling Jaya
Selangor

10 July 2024

Board of Directors

Datuk Keh Chuan Seng (*Executive Chairman*)
Lee Hai Peng (*Executive Director*)
Chiau Haw Yew (*Executive Director*)
Datuk Low Chin Koon (*Independent Non-Executive Director*)
Ho Ai Hoon (*Independent Non-Executive Director*)
Datuk Tee Siew Kiong (*Independent Non-Executive Director*)

To: The Shareholders of TCTB

Dear Sir/Madam,

PROPOSED AMENDMENTS

1. INTRODUCTION

On 5 July 2024, M&A Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Transfer and Proposed Amendments.

THE PURPOSE OF PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDIX IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSED AMENDMENTS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM IS ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS OF TCTB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED AMENDMENTS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED AMENDMENTS

The Proposed Amendments entails an amendment to the Constitution of the Company to facilitate the implementation of the Proposed Transfer, details are follows:

Amendment to the Constitution

Clause No.	Existing Clause	Proposed Amendment
6.	Definitions and interpretation – “Listing Requirements”	Unless the context otherwise requires, means the ACE Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.
		Definitions and interpretation – “Listing Requirements”
		Unless the context otherwise requires, means the Main Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.

3. RATIONALE FOR THE PROPOSED AMENDMENTS

The Proposed Amendments are necessary to incorporate the relevant amendment to the Constitution of the Company to facilitate the Proposed Transfer. The Proposed Amendments will be implemented simultaneously with the Proposed Transfer.

4. EFFECTS FOR THE PROPOSED AMENDMENTS

The Proposed Amendments will not have any effect on the share capital, shareholdings, net assets per share, gearing, earnings and EPS of the Group. Additionally, the Group does not have any convertible securities.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Amendments is subject to the approval of the shareholders of the Company at the forthcoming EGM of the Company by way of a special resolution and is conditional upon the Proposed Transfer.

The Proposed Amendments and the Proposed Transfer are inter-conditional upon each other. Both the Proposed Transfer and the Proposed Amendments are not conditional upon any other corporate proposals undertaken or to be undertaken by TCTB.

Barring any unforeseen circumstances and subject to the relevant approvals being obtained from SC and Bursa Securities for the Proposed Transfer, the Proposed Amendments will take effect from the date the Company is transferred from the ACE Market of Bursa Securities to the Main Market of Bursa Securities.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

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

7. STATEMENT AND RECOMMENDATION BY THE BOARD

After having considered all aspects of the Proposed Amendments including the rationale of the Group, the Board is of the opinion that the Proposed Amendments are in the best interest of the Company.

Accordingly, the Board recommends that shareholders to **VOTE IN FAVOUR** of the resolution in respect of the Proposed Amendments to be tabled at the forthcoming EGM.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the requisite approvals being obtained, the Proposed Transfer is expected to be completed by the 1st quarter of 2025. The Proposed Amendments shall take effect upon the completion of the Proposed Transfer.

9. EGM

The EGM, the notice of which is enclosed with this Circular, shall be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("**RPEV**") facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) from the broadcast venue at Conference Room 2, Lot 8942, Jalan Telok Gong, Pelabuhan Klang, 42000 Selangor Darul Ehsan on Friday, 2 August 2024 at 10.30 a.m., or at any adjournment thereof for the purpose of considering the Proposed Amendments contained herein and if thought fit, passing the resolution so as to give effect to the Proposed Amendments.

You may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Company's registered office at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor, not less than 48 hours before the date and time stipulated for the EGM, or any adjournment thereof. Alternatively, the Proxy Form may also be lodged electronically via <https://investor.boardroomlimited.com>, also 48 hours before the EGM. The lodging of the Proxy Form does not preclude you from attending the EGM and voting in person should you subsequently decide to do so.

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10. FURTHER INFORMATION

Please refer to the attached appendix for further information.

Yours faithfully,
For and on behalf of the Board of
TEX CYCLE TECHNOLOGY (M) BERHAD

LEE HAI PENG
Executive Director

APPENDIX I – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making 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 herein misleading.

2. MATERIAL LITIGATION

As at LPD, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the Directors do not have any knowledge of any proceeding, pending or threatened, against the Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Group.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at LPD, save as disclosed below, there are no other material commitments incurred or known to be incurred by the Group which may have a material effect on the Group's financial position:

Capital commitment	RM'000
Acquisition of property, plant and equipment such as integrated scheduled waste management facility and biomass power plant.	53,265

3.2 Contingent liabilities

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of the Group to meet its obligations as and when they fall due.

4. LETTER OF CONSENT

M&A Securities, the Adviser for the Proposed Amendments, has given and has not subsequently withdrawn its written consent to the inclusion in this document of its name and all references thereto in the form and context in which they appear in this document.

5. DECLARATION OF CONFLICT OF INTERESTS

M&A Securities has confirmed that no conflict of interest exists or is likely to exist in relation to its role as the Adviser for the Proposed Amendments.

APPENDIX I – FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the EGM:

- (i) Constitution of TCTB;
- (ii) the audited consolidated financial statements of TCTB Group for FYE 2022 and FYE 2023 and the latest unaudited consolidated financial statements of TCTB for the 3-months financial period ended 31 March 2024; and
- (iii) the letter of consent and declaration referred to in Sections 4 and 5 above.

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TEX CYCLE TECHNOLOGY (M) BERHAD

(Registration No. 200401004116 (642619-P))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Tex Cycle Technology (M) Berhad ("**TCTB**" or the "**Company**") shall be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("**RPEV**") facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) from the broadcast venue at Conference Room 2, Lot 8942, Jalan Telok Gong, Pelabuhan Klang, 42000 Selangor Darul Ehsan on Friday, 2 August 2024 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF TCTB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS")

"**THAT**, subject to and conditional upon the approvals of all relevant authorities and persons (if any), approval be and is hereby given for the Company to:

- (a) establish, implement and administer the employees' share option scheme to be known as the "TCTB Employees' Share Option Scheme" of up to 15% of the total number of issued share capital of TCTB from time to time (excluding treasury shares, if any) for the benefit of all eligible employees and directors of TCTB and all its subsidiaries (excluding dormant subsidiaries) ("**Eligible Employees**"), in accordance with the provisions of the By-Laws of the Proposed ESOS as set out in Appendix I ("**By-Laws**") of Part A of the Circular, under which, the options will be granted to such Eligible Employees to subscribe for new TCTB Shares ("**Options**").

Any new TCTB Shares to be allotted and issued upon any exercise of the Options granted under the Proposed ESOS will, upon such allotment, issuance and full payment, rank equally in all respects with the then existing issued TCTB Shares except that the new TCTB Shares so issued and allotted will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date (namely the date as at the close of business on which the names of shareholders must appear on the Record of Depositors, in order to be entitled to such dividends, rights, allotments and/or other distributions) of which is prior to the date of allotment and issuance of the new TCTB Shares and will be subject to all the provisions of the Constitution of TCTB relating to transfer, transmission and otherwise of TCTB Shares;

- (b) amend and/or modify all or any part of the Proposed ESOS from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed ESOS established or appointed by it provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to the modifications and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments;

- (c) issue and allot and/or procure from time to time such a number of new TCTB Shares as may be required to be issued pursuant to the exercise of the Options under the Proposed ESOS provided that the aggregate number of new TCTB Shares to be offered pursuant to the Proposed ESOS and any other schemes involving new issuance of TCTB Shares to be implemented by TCTB shall not at any point in time in aggregate exceed 15% of the total issued share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time during the duration of the Proposed ESOS; and
- (d) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws.

THAT, the Board be and is hereby authorised and empowered to give effect to the Proposed ESOS with full power to consent to and to adopt such conditions, modifications, variations, and/or amendments as it may deem fit and/or as may be required by the relevant regulatory authorities.

THAT, pursuant to Section 85(1) of the Companies Act 2016 ("**Act**") which must be read together with Clause 54 of the Constitution of the Company ("**Constitution**"), approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new TCTB Shares ranking equally to the existing issued TCTB Shares arising from any allotment and issuance of new Shares to the Eligible Employees pursuant to the Proposed ESOS.

THAT, the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute all such documents and enter into all such arrangements, agreements, deeds and/or undertakings with any parties as they may deem fit necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed ESOS and terms of the By-Laws with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Board may deem fit or necessary or expedient in the best interest of the Company.

AND FURTHER THAT the proposed By-Laws of the Proposed ESOS, as set out in **Appendix I** of Part A of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 2 - 8

PROPOSED GRANTING OF ESOS OPTIONS TO DIRECTORS AND CHIEF EXECUTIVE OF TCTB UNDER PROPOSED ESOS

"**THAT**, contingent upon the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the committee comprising the Board, senior management personnel and other persons to be appointed from time to time by the Board to administer the Proposed ESOS ("**ESOS Committee**"), to offer and grant to Options at any time and from time to time throughout the duration of the Proposed ESOS as provided in the By-Laws, to each of the Directors and Chief Executive of TCTB named therein below:

	Name	Designation	Ordinary Resolutions
(i)	Datuk Keh Chuan Seng	Executive Chairman	2
(ii)	Lee Hai Peng	Executive Director	3
(iii)	Chiau Haw Yew	Executive Director	4
(iv)	Datuk Low Chin Koon	Independent Non-Executive Director	5
(v)	Ho Ai Hoon	Independent Non-Executive Director	6
(vi)	Datuk Tee Siew Kiong	Independent Non-Executive Director	7
(vii)	Gary Dass A/L Anthony Francis	Group Chief Executive Officer	8

Provided always that:

- (a) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation, as well as the allocations to persons connected to them;
- (b) not more than 10.0% of the total number of new Shares to be issued under the Proposed ESOS would be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected to them, holds 20.0% or more of the total number of issued shares of the Company. The term "persons connected" shall have the same meaning as that in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**");
- (c) not more than 70.0% of the total number of new Shares to be issued under the Proposed ESOS, in aggregate, to the Directors and senior management of the Company who are Eligible Employees; and
- (d) the allocation of Options to the abovementioned persons shall be subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guideline issued by Bursa Malaysia Securities Berhad, as amended from time to time.

THAT, pursuant to Section 85(1) of the Act which must be read together with Clause 54 of the Constitution, approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new TCTB Shares ranking equally to the existing issued TCTB Shares arising from any allotment and issuance of new Shares to the Eligible Employees pursuant to the Proposed ESOS.

AND FURTHER THAT, the Board be further authorised to allot and issue and/or transfer such number of TCTB Shares pursuant to the Proposed ESOS to the abovementioned persons from time to time, subject to the exercise of such Options that may be granted to them under the Proposed ESOS."

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE CONSTITUTION OF TCTB TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF TCTB FROM THE ACE MARKET TO MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED TRANSFER") ("PROPOSED AMENDMENTS")

"**THAT** subject to the relevant approvals being obtained from the Securities Commission Malaysia and Bursa Securities for the Proposed Transfer, and the approval of any other relevant authorities and/or parties being obtained, if required, approval be and is hereby given to alter and amend the existing Clause 6 of the Company's Constitution in the following manner to facilitate the implementation of the Proposed Transfer with effect from the date the Company is transferred from the ACE Market to the Main Market of Bursa Securities;

Clause No.	Existing Clause	Proposed Amendments
6.	Definitions and interpretation – "Listing Requirements"	Unless the context otherwise requires, means the ACE Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.
		Definitions and interpretation – "Listing Requirements"
		Unless the context otherwise requires, means the Main Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Amendments with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Amendments.”

BY ORDER OF THE BOARD

CHAN MIN WAI (MIA 26548)

SSM Practicing Certificate No. 202108000131

SIEW SUET WEI (MAICSA 7011254)

SSM Practicing Certificate No. 202008001690

LIM YEN TENG (LS0010182)

SSM Practicing Certificate No. 201908000028

Company Secretaries

Petaling Jaya

10 July 2024

Notes:

- (1) *The EGM of the Company will be held on a fully virtual basis through live streaming and online remote voting via the RPEV facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) in Malaysia.*
- (2) *In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuers, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual EGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the broadcast venue on the day of the EGM.*
- (3) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The duly completed and executed Proxy Form should be deposited at the Company's registered office at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be lodged electronically via <https://investor.boardroomlimited.com>, also 48 hours before the EGM.*
- (8) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.*
- (9) *Depositors whose names appear in the Record of Depositors as at 26 July 2024 shall be entitled to attend, participate and vote at the EGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (10) *Those proxy forms which are indicated with " ✓ " in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.



TEX CYCLE TECHNOLOGY (M) BERHAD
(Registration No. 200401004116 (642619-P))
(Incorporated in Malaysia)

PROXY FORM

Number of Shares Held	
CDS Account No.	

*I/We _____
of _____
with email: _____ and mobile phone no. _____
being a member / members of **TEX CYCLE TECHNOLOGY (M) BERHAD** [Registration No. 200401004116 (642619-P)], hereby
appoint(s):

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("RPEV") facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) on Friday, 2 August 2024 at 10.30 a.m. to vote as indicated below:

ORDINARY RESOLUTIONS		PROXY 1		PROXY 2	
		FOR	AGAINST	FOR	AGAINST
RESOLUTION 1	PROPOSED ESOS				
RESOLUTION 2	PROPOSED GRANTING OF ESOS OPTIONS TO DATUK KEH CHUAN SENG				
RESOLUTION 3	PROPOSED GRANTING OF ESOS OPTIONS TO LEE HAI PENG				
RESOLUTION 4	PROPOSED GRANTING OF ESOS OPTIONS TO CHIAU HAW YEW				
RESOLUTION 5	PROPOSED GRANTING OF ESOS OPTIONS TO DATUK LOW CHIN KOON				
RESOLUTION 6	PROPOSED GRANTING OF ESOS OPTIONS TO HO AI HOON				
RESOLUTION 7	PROPOSED GRANTING OF ESOS OPTIONS TO DATUK TEE SIEW KIONG				
RESOLUTION 8	PROPOSED GRANTING OF ESOS OPTIONS TO GARY DASS A/L ANTHONY FRANCIS				

SPECIAL RESOLUTION		PROXY 1		PROXY 2	
		FOR	AGAINST	FOR	AGAINST
RESOLUTION 1	PROPOSED AMENDMENTS				

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Delete if not applicable.

Dated this _____ day of _____ 2024

Signature/Common Seal of member



Notes:

- (1) *The EGM of the Company will be held on a fully virtual basis through live streaming and online remote voting via the RPEV facilities at <https://meeting.boardroomlimited.my> (Domain registration number with MYNIC: D6A357657) in Malaysia.*
- (2) *In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuers, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual EGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the broadcast venue on the day of the EGM.*
- (3) *A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (4) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (5) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (7) *The duly completed and executed Proxy Form should be deposited at the Company's registered office at Unit 7-01, Level 7, Menara Lagenda, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. Alternatively, the Proxy Form may also be lodged electronically via <https://investor.boardroomlimited.com>, also 48 hours before the EGM.*
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- (10) *Those proxy forms which are indicated with " ✓ " in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 July 2024.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY OF TEX CYCLE TECHNOLOGY (M) BERHAD

(Registration No. 200401004116 (642619-P))

c/o Accoris Advisory Sdn Bhd

Unit 7-01, Level 7, Menara Lagenda

No. 3 Jalan SS20/27

47400 Petaling Jaya

Selangor

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