

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD

(Registration No. 199601005416 (377762-V))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- I. PROPOSED PRIVATE PLACEMENT OF UP TO 19,200,000 NEW ORDINARY SHARES IN EUPE CORPORATION BERHAD ("EUPE" OR THE "COMPANY"), REPRESENTING 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) OF THE COMPANY;**
- II. PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN ("LTIP") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) OF THE COMPANY AT ANY POINT IN TIME DURING THE DURATION OF THE LTIP ("PROPOSED LTIP"); AND**
- III. PROPOSED ALLOCATION OF AWARDS UNDER THE PROPOSED LTIP TO DIRECTORS OF EUPE AND PERSONS CONNECTED WITH THEM PURSUANT TO THE PROPOSED LTIP**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser and Placement Agent



RHB Investment Bank Berhad

(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of the Company will be conducted virtually through live streaming and online remote voting platform from the Broadcast Venue at D-26-01, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor, Malaysia on Friday, 22 December 2023 at 11.00 a.m. or any adjournment thereof.

The Notice of EGM and the Proxy Form are enclosed in this Circular and can be downloaded from the Company's website at <https://eupe.com.my/extraordinary-general-meeting/2023> or Bursa Securities' website at <https://www.bursamalaysia.com>. For further information, please refer to the Notice of EGM and Administrative Notes for the EGM.

If you wish to appoint a proxy to attend, participate, speak (in the form of real time submission of typed texts) and vote on your behalf at the EGM, you may deposit your Proxy Form with the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. You also have the option to submit the Proxy Form electronically via e-mail to EGM-support.EUPE@megacorp.com.my before the Proxy Form lodgement cut-off time as stated below. The lodging of the Proxy Form will not preclude you from attending, participating, speaking (in the form of real time submission of typed texts) and voting at the EGM should you subsequently decide to do so.

Last day, date and time for lodging the Proxy Form : Wednesday, 20 December 2023 at 11.00 a.m.

Day, date and time of the EGM : Friday, 22 December 2023 at 11.00 a.m.

This Circular is dated 7 December 2023

DEFINITIONS

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

"Act"	: Companies Act, 2016
"Board"	: Board of Directors of Eupe
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"By-Laws"	: The by-laws governing the Proposed LTIP, the draft of which is set out in Appendix I of this Circular
"Circular"	: This circular to shareholders dated 7 December 2023 in relation to the Proposals
"CMSA"	: Capital Markets and Services Act, 2007
"Constitution"	: Constitution of Eupe
"Directors"	: A natural person who holds a directorship in an executive or a non-executive capacity within the Group, within the meaning of Section 2(1) of the Act, which for the avoidance of doubt excludes an alternate director
"Effective Date"	: The date on which the Proposed LTIP is implemented in accordance with the By-Laws
"EGM"	: Extraordinary general meeting
"EKSB"	: Eupe Kemajuan Sdn Bhd, a wholly-owned subsidiary of the Company
"Eligible Person"	: Eligible Directors (including executive and non-executive Directors) and employees of Eupe Group (excluding dormant subsidiaries, if any) who meet the eligibility criteria for participation in the Proposed LTIP
"EPS"	: Earnings per share
"ESOS"	: Employees' share option scheme
"ESOS Awards"	: The grant of such number of ESOS Options made in writing by the LTIP Committee to the eligible Directors (including executive and non-executive Directors) and employees of the Group (excluding dormant subsidiaries, if any) to subscribe for new Eupe Shares at the ESOS Exercise Price in the manner and subject to the terms and conditions provided in the By-Laws
"ESOS Exercise Price"	: The price at which the ESOS Grantee shall be entitled to subscribe for new Eupe Shares by exercising his/her ESOS Options as determined in accordance with the By-Laws
"ESOS Grantee(s)"	: Eligible person(s) who have accepted the grant of ESOS Award(s) in accordance with the By-Laws

DEFINITIONS (CONT'D)

"ESOS Options"	:	Options to be granted pursuant to the Proposed ESOS, comprising the right of the ESOS Grantee to subscribe for new Eupe Shares at the ESOS Exercise Price pursuant to an ESOS Award in accordance with the By-Laws
"Eupe" or the "Company"	:	Eupe Corporation Berhad
"Eupe Group" or the "Group"	:	Collectively, Eupe and its subsidiaries
"Eupe Shares" or "Shares"	:	Ordinary shares in Eupe
"FYE"	:	Financial year ended/ending
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	24 November 2023, being the latest practicable date prior to the printing and despatch of this Circular
"LTIP"	:	Long-term incentive plan
"LTIP Awards"	:	The ESOS Award(s) and/or SGP Award(s), as the case may be
"LTIP Committee"	:	The committee appointed and authorised from time to time by the Board, responsible for implementing and administering the Proposed LTIP in accordance with the By-Laws
"LTIP Grantee(s)"	:	The ESOS Grantee(s) and/or the SGP Grantee(s), as the case may be
"Market Day"	:	A day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday
"MFRS2"	:	Malaysian Financial Reporting Standard 2 on 'Share-based Payment' as issued by the Malaysian Accounting Standards Board
"NA"	:	Net assets
"Placee(s)"	:	Independent third party investor(s) to be identified later
"Placement Shares"	:	Up to 19,200,000 new Eupe Shares to be issued pursuant to the Proposed Private Placement
"Proposals"	:	Collectively, the Proposed Private Placement and the Proposed LTIP
"Proposed Allocation"	:	Proposed allocation of awards under the Proposed LTIP to Directors of Eupe and persons connected with them pursuant to the Proposed LTIP
"Proposed ESOS"	:	Proposed ESOS, a component of the Proposed LTIP, which is intended to allow the Company to award ESOS Options to the Directors (including executive and non-executive Directors) and/or employees of the Group (excluding dormant subsidiaries, if any) according to the By-Laws

DEFINITIONS (CONT'D)

"Proposed LTIP"	:	Proposed establishment of a LTIP of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of Eupe at any point in time during the duration of the Proposed LTIP comprising the Proposed ESOS and the Proposed SGP
"Proposed Private Placement"	:	Proposed private placement of up to 19,200,000 Placement Shares, representing 15% of the total number of issued Shares (excluding treasury shares, if any) of Eupe
"Proposed SGP"	:	Proposed SGP, a component of the Proposed LTIP, which is intended to award Shares to the Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any) at no cost according to the By-Laws
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
"RHB Investment Bank" or the "Principal Adviser"	:	RHB Investment Bank Berhad
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"SGP"	:	Share grant plan
"SGP Awards"	:	The grant of awards of such number of Eupe Shares made in writing by the LTIP Committee to the eligible Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any)
"SGP Grantee(s)"	:	Eligible Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any) who are Eligible Persons who have accepted the SGP Awards in accordance with the By-Laws
"Surprise Holiday"	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"VWAP"	:	Volume weighted average share price

References to "our Company" in this Circular are to Eupe and references to "our Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" in this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "you" in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force. Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

DEFINITIONS (CONT'D)

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in our annual reports or quarterly results, is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals in this Circular. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Salient information	Description	Reference in Circular																				
Summary of the Proposals	<p>Eupe proposes to undertake the following:</p> <ul style="list-style-type: none"> (i) proposed private placement of up to 19,200,000 Placement Shares, representing 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company; (ii) proposed establishment of a LTIP of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the Proposed LTIP for the eligible Directors and employees of the Group (excluding dormant subsidiaries, if any); and (iii) proposed allocation of awards under the Proposed LTIP to Directors of Eupe and persons connected with them pursuant to the Proposed LTIP. 	Section 2 of the Circular																				
Utilisation of proceeds	<p>(i) <u>Proposed Private Placement</u></p> <p>Based on the illustrative issue price of RM0.81 per Placement Share, the Company is expected to raise gross proceeds of approximately RM15.55 million, which are expected to be utilised in the following manner:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Details of utilisation</th> <th style="text-align: left;">Timeframe for utilisation</th> <th style="text-align: right;">Amount</th> <th style="text-align: right;">%</th> </tr> <tr> <td></td> <td></td> <th style="text-align: right;">RM'000</th> <td></td> </tr> </thead> <tbody> <tr> <td>Part finance the infrastructure works for the Group's land located in Daerah Kuala Muda, Kedah</td> <td>Within 18 months</td> <td style="text-align: right;">14,962</td> <td style="text-align: right;">96.21</td> </tr> <tr> <td>Estimated expenses in relation to the Proposals</td> <td>Immediate</td> <td style="text-align: right;">590</td> <td style="text-align: right;">3.79</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">15,552</td> <td style="text-align: right; border-top: 1px solid black;">100.00</td> </tr> </tbody> </table>	Details of utilisation	Timeframe for utilisation	Amount	%			RM'000		Part finance the infrastructure works for the Group's land located in Daerah Kuala Muda, Kedah	Within 18 months	14,962	96.21	Estimated expenses in relation to the Proposals	Immediate	590	3.79	Total		15,552	100.00	Section 2.1.4 of this Circular
Details of utilisation	Timeframe for utilisation	Amount	%																			
		RM'000																				
Part finance the infrastructure works for the Group's land located in Daerah Kuala Muda, Kedah	Within 18 months	14,962	96.21																			
Estimated expenses in relation to the Proposals	Immediate	590	3.79																			
Total		15,552	100.00																			
	<p>(ii) <u>Proposed LTIP</u></p> <p>The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point in time and the ESOS Exercise Price payable upon the exercise of the ESOS Options.</p>	Section 2.2.3(x) of this Circular																				

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference in Circular
Utilisation of proceeds (Cont'd)	<p>The proceeds arising from the exercise of the ESOS Options as and when received within the duration of the Proposed ESOS are expected to be utilised for the working capital requirements of Eupe Group. The working capital will be used to fund the operational expenses such as salaries of its employees and marketing expenses. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture. In addition, the proceeds to be utilised for each component of the operational expenses are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.</p> <p>The Company will not receive any proceeds pursuant to the Proposed SGP as the SGP Grantees will not be required to pay for the new Shares to be allotted and issued to them and/or the existing Shares to be transferred to them pursuant to the SGP Awards.</p>	
Rationale for the Proposals	<p>(i) <u>Proposed Private Placement</u></p> <p>The Proposed Private Placement will enable the Company to raise funds for the purposes as detailed in Section 2.1.4 of this Circular. After due consideration of the various methods of fundraising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue for the Company to raise funds as the Proposed Private Placement will:</p> <ul style="list-style-type: none">(a) allow the Company to raise the requisite funds without having to incur additional interest expense or service principal repayments as opposed to bank borrowings. This in turn, allows the Company to preserve its cash flow;(b) allow the Company to raise funds expeditiously and in a cost-effective manner as opposed to other forms of fundraising such as a rights issue; and(c) strengthen the financial position and capital base of the Company and potentially enhance the liquidity of Eupe Shares. <p>(ii) <u>Proposed LTIP</u></p> <p>The implementation of the Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of Eupe Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in Eupe and help achieve the positive objectives as set out below:</p> <ul style="list-style-type: none">(a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of Eupe Group;	<p>Section 3.1 of this Circular</p> <p>Section 3.2 of this Circular</p>

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference in Circular
Rationale for the Proposals (Cont'd)	<p>(b) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;</p> <p>(c) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of Eupe; and</p> <p>(d) to reward the Eligible Persons by allowing them to participate in Eupe Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Eupe Shares.</p> <p>Further, the Proposed ESOS is also extended to the non-executive Directors of the Company to recognise their contribution towards the growth and performance of Eupe Group and to enable them to participate in the future growth of the Group.</p>	
Approvals required/ obtained for the Proposals	<p>The Proposals are subject to the following approvals being obtained:</p> <p>(i) Bursa Securities, for the listing and quotation of:</p> <p>(a) up to 19,200,000 Placement Shares to be issued pursuant to the Proposed Private Placement; and</p> <p>(b) for such number of new Eupe Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company that may be allotted and issued at any point in time during the duration of the Proposed LTIP,</p> <p>on the Main Market of Bursa Securities, subject to the conditions as set out in Section 7 of this Circular;</p> <p>(ii) the shareholders of Eupe, for the Proposals at the forthcoming EGM by way of poll; and</p> <p>(iii) any other relevant authorities and/or parties, if required.</p> <p>In addition, the Company will also seek for its shareholders' approval for waiver of the statutory pre-emptive rights of the shareholders of the Company under Section 85(1) of the Act read together with Clause 12(3) of the Company's Constitution to be offered any new Eupe Shares ranking equally to the existing issued Shares of the Company arising from the issuance of the new Shares pursuant to the Proposals at the forthcoming EGM.</p> <p>The Proposed Private Placement and the Proposed LTIP are not conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.</p>	Section 7 of this Circular

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference in Circular
Interests of Directors, major shareholders, chief executive and/or persons connected with them	(i) <u>Proposed Private Placement</u> None of the Directors, major shareholders and/or chief executive of Eupe and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.	Section 8.1 of this Circular
	(ii) <u>Proposed LTIP</u> All the Directors of Eupe are eligible to participate in the Proposed LTIP, and are therefore deemed interested in the Proposed LTIP to the extent of their respective proposed allocations as well as the proposed allocations to persons connected with them, if any, under the Proposed LTIP (" Interested Directors "). All the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocations, and the proposed allocations to persons connected with them, if any, under the Proposed LTIP, at the relevant Board meetings. All the Interested Directors and/or major shareholders of Eupe who are also the Eligible Persons, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM in respect of the ordinary resolutions to be tabled for their respective proposed allocations as well as the proposed allocations to the persons connected with them, if any, under the Proposed LTIP.	Section 8.2 of this Circular
Directors' statement and recommendation	<p>The Board (save for the Interested Directors in respect of the proposed allocations to themselves and persons connected with them, if any) having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>However, in view that the Interested Directors are deemed interested in the Proposed LTIP to the extent of their respective proposed allocations and the proposed allocations to the persons connected with them, if any, they will abstain from giving an opinion on their respective proposed allocations and the proposed allocations to the persons connected with them, if any, under the Proposed LTIP to be tabled at the forthcoming EGM.</p> <p>Accordingly, the Board (save for the respective Interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective individual proposed allocations as well as allocations to persons connected with them, if any) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 11 of this Circular



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD

(Registration No. 199601005416 (377762-V))
(Incorporated in Malaysia)

Registered Office

5th Floor, Wisma Ria
Taman Ria
08000 Sungai Petani
Kedah, Malaysia

7 December 2023

Board of Directors

Alfian Bin Tan Sri Mohamed Basir (*Independent Non-Executive Chairman*)
Dato' Beh Huck Lee (*Group Managing Director*)
Muhamad Faisal Bin Tajudin (*Executive Director*)
Iskandar Abdullah @ Sim Kia Miang (*Senior Independent Non-Executive Director*)
Beh Yeow Seang (*Non-Independent Non-Executive Director*)
Leow Peen Fong (*Independent Non-Executive Director*)
Tham Sau Kien (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED PRIVATE PLACEMENT;**
- (II) PROPOSED LTIP; AND**
- (III) PROPOSED ALLOCATION**

1. INTRODUCTION

On 26 October 2023, RHB Investment Bank had, on behalf of the Board, announced that the Company proposes to undertake the following:

- (i) proposed private placement of up to 19,200,000 Placement Shares, representing 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company; and
- (ii) proposed establishment of a LTIP of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the Proposed LTIP for the eligible Directors and employees of the Group (excluding dormant subsidiaries, if any).

On 24 November 2023, RHB Investment Bank had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 23 November 2023, approved the listing and quotation of the following:

- (i) up to 19,200,000 Placement Shares to be issued pursuant to the Proposed Private Placement; and
- (ii) such number of new Eupe Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company that may be allotted and issued at any point in time during the duration of the Proposed LTIP,

on the Main Market of Bursa Securities, subject to the conditions as set out in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

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

2. DETAILS OF THE PROPOSALS

2.1 Proposed Private Placement

2.1.1 Placement size

The Proposed Private Placement will entail the issuance of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company. As at the LPD, the Company has an issued share capital of RM133,982,397 comprising 128,000,000 Eupe Shares. For information purposes, as at the LPD, the Company does not hold any treasury shares.

Accordingly, a total of up to 19,200,000 Placement Shares, representing 15% of the total number of issued Shares of the Company may be issued pursuant to the Proposed Private Placement.

2.1.2 Placement arrangement

The Placement Shares will be placed to Placee(s) to be identified at a later date. The Placee(s) shall be persons or parties who/which qualify under Schedules 6 and 7 of the CMSA.

The Placement Shares are not intended to be placed to the following persons:

- (i) a director, major shareholder or chief executive of the Company ("**Interested Persons**") or a person connected with the Interested Persons; and
- (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The identity of the Placee(s), the number of Placement Shares to be placed to each of the Placee(s) as well as the issue price for each tranche of the Placement Shares will be determined and fixed by the Board at a later date.

Subject to among others, the prevailing market conditions and investors' interest at the point of implementation, the Proposed Private Placement may be implemented in one or more tranches within 6 months from the date of approval from Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities, or any extended period as may be approved by Bursa Securities.

The implementation of the placement arrangement in multiple tranches, if any, would provide flexibility to the Company to procure interested investor(s) to subscribe for the Placement Shares within the approved period. In the event the Placement Shares are issued in multiple tranches, the issue price for each tranche of the Placement Shares shall be determined separately.

2.1.3 Basis and justification for the issue price of the Placement Shares

The issue price for each tranche of the Placement Shares will be determined and fixed by the Board and announced later by the Company after receiving the relevant approvals for the Proposed Private Placement.

The issue price of the Placement Shares shall be fixed at a discount of not more than 10% to the VWAP of Eupe Shares for the 5 Market Days immediately preceding the price-fixing date. The Company will ensure payment for the Placement Shares by the Placee(s) is received within 5 Market Days from the price-fixing date of each tranche of the Placement Shares.

For illustrative purposes, the illustrative issue price of the Placement Shares is assumed to be RM0.81 per Placement Share, which represents a discount of approximately 9.25% to the 5-day VWAP of Eupe Shares up to and including the LPD of RM0.8926 per Eupe Share.

2.1.4 Utilisation of proceeds

Based on the illustrative issue price of RM0.81 per Placement Share, the Company is expected to raise gross proceeds of approximately RM15.55 million, which are expected to be utilised in the following manner:

Details of utilisation	Timeframe for utilisation*	Amount	
		RM'000	%
Part finance the infrastructure works for the Group's land located in Daerah Kuala Muda, Kedah ⁽¹⁾	Within 18 months	14,962	96.21
Estimated expenses in relation to the Proposals ⁽²⁾	Immediate	590	3.79
Total		15,552	100.00

Notes:

* Timeframe for utilisation shall be from the date of listing of the Placement Shares.

(1) **Infrastructure works for the Group's land located in Daerah Kuala Muda, Kedah**

On 21 January 2022, the Company announced that Eupe Land Development Sdn Bhd ("**ELDSB**"), a wholly-owned subsidiary of EKSB, which in turn is a wholly-owned subsidiary of the Company, had on the same date entered into a sale and purchase agreement ("**First SPA**") with Sing Ta Nian Development Sdn Bhd ("**STN**") for the acquisition of a parcel of vacant freehold land measuring approximately 53.74 acres (or 217,478 square meters) ("**First Batch Parcel**"), being part of Lot 60030 Seksyen 64, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah held under Geran No. Hakmilik 219000 (previously known as Lot PT 2268 held under Title No. H.S.(D) 120607, Bandar Amanjaya, Daerah Kuala Muda, Negeri Kedah with an aggregate area of approximately 124.97 acres (or 505,738.9 square meters) ("**Land**") for a total cash consideration of RM40,000,000 ("**First Acquisition**"). The First Acquisition was completed on 27 April 2022.

Simultaneously with the execution of the First SPA, ELDSB had also on the same date, entered into a joint venture agreement ("**JVA**") with STN for the development of the Land, which includes the First Batch Parcel.

Subsequently on 24 November 2022, the Company announced that ELDSB had on the same date entered into a second sale and purchase agreement ("**Second SPA**") with STN for the acquisition of the second parcel of freehold land measuring approximately 20.58 acres (or 83,284 square meters) ("**Second Batch Parcel**"), being part of the Land for a total cash consideration of RM15,315,000 ("**Second Acquisition**"). The Second Acquisition was completed on 19 April 2023. Similar to the First Acquisition, the JVA also includes the development of the Second Batch Parcel under the Second Acquisition.

The First Acquisition and Second Acquisition (collectively, referred to as "**Acquisitions**") are part of the Group's ongoing effort to sustain its core business as a property developer by acquiring viable landbanks for future development.

The Land has been earmarked for a mixed residential and commercial development known as Edgewater which will comprise a strategic mix of residential, commercial and a retail park planned around a network of regenerated, as well as newly-created waterways and wetlands. When completed, the riverside-style, integrated development will comprise more than 328 homes and 119 commercial units. The heart of Edgewater will be a retail park including a hypermarket, banqueting and event spaces, sports and active lifestyle outlets, food and beverage outlets and common outdoor spaces. The residential components are expected to comprise 123 units of link villa terraces, 110 units of semi-detached houses and 95 units of bungalows, whilst the commercial components are expected to comprise 63 units of terrace and semi-detached shoplots and 56 units of retail units of various sizes within the retail park, built around newly created waterways and wetlands. The Group plans to launch the Edgewater development by 2025.

The gross development value of the Edgewater development is estimated to be approximately RM460.00 million. As at the LPD, the Group has submitted the application for the development order for the commercial components of the Land and is pending approval from the relevant development authority. The Group expects to obtain the relevant approvals in the 2nd quarter of 2024 and has yet to commence any work on the Land as at the LPD.

The Group intends to commence preliminary infrastructure works on the Land in the 2nd quarter of 2024 after obtaining the approved development order for the commercial components of the Land. The preliminary infrastructure works includes among others, reservoir and surface water drainage, sewerage treatment plant, roads and underground utilities services (i.e. street lighting, electricity cabling and telecommunications fibre) and retention ponds. The estimated total cost for such infrastructure works is expected to be approximately RM30.00 million.

Pursuant to the above, the Group intends to earmark approximately RM14.96 million of the gross proceeds to partially fund the infrastructure works on the Land as set out below:

Infrastructure works	Expected commencement date	Expected completion date	RM'000
Reservoir and surface water drainage	June 2024	September 2025	5,500
Sewerage treatment plant and others	June 2024	September 2025	3,500
Roads and underground utilities services	September 2024	March 2025	5,470
Retention ponds	September 2024	March 2025	492
Total			<u>14,962</u>

The Group intends to fund the shortfall in the infrastructure works costs via internally generated funds and/or bank borrowings of the Group.

(2) Estimated expenses in relation to the Proposals

The estimated expenses in relation to the Proposals include the following:

	RM'000
Professional fees (i.e. principal adviser, placement agent, solicitors, company secretary and share registrar)	500
Regulatory fees	37
Contingencies and other incidental expenses in relation to the Proposals (i.e. convening of the EGM, printing and advertisement expenses)	53
Total	<u>590</u>

The actual gross proceeds to be raised from the Proposed Private Placement are dependent on the final issue price and the actual number of Placement Shares to be issued. In the event the actual gross proceeds to be raised from the Proposed Private Placement are lower or higher than the estimated gross proceeds as set out in the table above, such variance will be adjusted to the expenditures for the infrastructure works to be undertaken on the Land and allocated in the following priority:

- (i) reservoir and surface water drainage;
- (ii) sewerage treatment plant and others;
- (iii) roads and underground utilities services; and
- (iv) retention ponds.

Pending utilisation of the proceeds to be raised from the Proposed Private Placement, such proceeds will be placed in interest-bearing deposit(s) with licensed financial institution(s) and/or short-term money market instrument(s). The interest derived from such deposit(s) and/or any gain arising from such short-term money market instrument(s) will be utilised for the future working capital requirements of the Group to fund its operational expenses such as salaries of its employees and marketing expenses. The breakdown for each component of the operational expenses are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.

2.2 Proposed LTIP

The Proposed LTIP entails the granting of options to subscribe for new Eupe Shares or the award of Eupe Shares to the Eligible Persons as set out in the By-Laws.

The Proposed LTIP will be administered by the LTIP Committee. The LTIP Committee will have the absolute discretion in administering the Proposed LTIP as it may deem fit, in accordance with the By-Laws. The members of the LTIP Committee shall comprise such Directors and/or senior management of the Group to be approved by the Board who will assess the eligibility of the Eligible Persons and decide on the allocation of the LTIP Awards. At this juncture, the composition of the LTIP Committee has yet to be decided by the Board. The Board will also formulate and approve the terms of reference of the LTIP Committee.

The Proposed LTIP shall comprise the following:

- (i) the Proposed ESOS, which is intended to allow the Company to award ESOS Options to the eligible Directors (including executive and non-executive Directors) and employees of the Group (excluding dormant subsidiaries, if any), subject to them fulfilling certain vesting conditions to be determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP; and
- (ii) the Proposed SGP, which is intended to award Eupe Shares to the eligible Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any), subject to them fulfilling certain vesting conditions to be determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

In implementing the Proposed LTIP, the LTIP Committee may at its absolute discretion decide that the LTIP Awards be satisfied through the following methods, where applicable:

- (i) issuance of new Eupe Shares;
- (ii) transfer of the Company's treasury shares, if any;
- (iii) acquisition of the existing Shares from the market;
- (iv) payment of the equivalent cash value of such new Shares and/or existing Shares;
- (v) any other methods; or
- (vi) a combination of any of the above.

In considering the mode of satisfaction as set out above, the LTIP Committee will take into consideration, among others, factors such as the issue price of the new Shares (which shall be determined based on the fair value of the Shares as at the date of the LTIP Awards), the prevailing market price of the Shares, funding requirements of the Group, dilutive effects of any such issuance on the Company's share capital base, future returns, potential cost arising from the grant of the LTIP Awards and any applicable laws, regulatory requirements and/or administrative constraints. Please refer to Section 5.4(ii) of this Circular for further details on the potential cost arising from the granting of the LTIP Awards.

In the event that any applicable laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of our Company to expediently settle the LTIP Awards via the issuance or transfer of Eupe Shares, the LTIP Committee may, at its sole discretion, consider the settlement of such LTIP Awards in cash in lieu of Eupe Shares ("**Alternative Settlement**"). The Alternative Settlement will give the Company the flexibility to satisfy the LTIP Awards in an expedient, fair and equitable manner whereby:

- (i) the reference price used to determine the amount to be paid to the affected LTIP Grantee will be based on the market value of Eupe Shares after taking into consideration, among others, the VWAP of Eupe Shares for the 5 Market Days immediately preceding the date of vesting of the LTIP Awards; and
- (ii) with the cash amount received from the Alternative Settlement, the affected LTIP Grantee may choose to invest, in whole or in part, the equivalent cash amount in Eupe Shares or any other investments based on his/her investment objective.

Premised on the above, the Board is of the view that the Alternative Settlement is fair and equitable to the Eligible Persons.

2.2.1 Proposed ESOS

Under the Proposed ESOS, the LTIP Committee may, within the duration of the Proposed LTIP and at its discretion, grant the ESOS Awards to the eligible Directors (including executive and non-executive Directors) and/or employees of the Group (excluding dormant subsidiaries, if any), subject to the terms and conditions of the By-Laws. For the avoidance of doubt, the Eligible Persons for the Proposed ESOS shall include non-executive Directors of the Company.

The ESOS Awards will be granted from time to time during the duration of the Proposed LTIP at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the ESOS Awards by the ESOS Grantees, the ESOS Awards will be vested to the ESOS Grantees over the tenure of the Proposed LTIP, subject to the ESOS Grantees fulfilling certain vesting conditions to be determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5-day VWAP of Eupe Shares immediately preceding the date of the ESOS Awards, with a discount of not more than 10% during the duration of the Proposed LTIP.

2.2.2 Proposed SGP

Under the Proposed SGP, the LTIP Committee may, within the duration of the Proposed LTIP and at its discretion, grant the SGP Awards to the eligible Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any). For the avoidance of doubt, the Eligible Persons for the Proposed SGP shall not include non-executive Directors of the Company.

The SGP Awards will be awarded to the Eligible Persons at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the SGP Awards by the SGP Grantees, the SGP Awards will be vested to the SGP Grantees over the tenure of the Proposed LTIP at no cost, subject to the SGP Grantees fulfilling certain vesting conditions to be determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

2.2.3 Salient terms of the Proposed LTIP

The salient terms of the Proposed LTIP are set out below:

(i) **Maximum number of new Eupe Shares available under the Proposed LTIP**

The maximum number of new Eupe Shares which may be made available pursuant to the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company, at any point in time during the duration of the Proposed LTIP ("**Maximum Shares**").

(ii) **Basis of allotment and maximum allowable allotment**

The allocation of new Eupe Shares to be made available for the LTIP Awards shall be determined by the LTIP Committee from time to time during the duration of the Proposed LTIP.

Subject to the By-Laws, the maximum number of Eupe Shares awarded to any Eligible Person under the Proposed LTIP at any point in time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, among other factors, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (a) the total number of new Eupe Shares made available under the Proposed LTIP shall not exceed the Maximum Shares stipulated in Section 2.2.3(i) of this Circular;
- (b) the allocation to any individual Eligible Person, who either individually or collectively, through persons connected with them, holds 20% or more of the total number of issued Shares of the Company, must not exceed 10% of the total number of new Eupe Shares to be made available under the Proposed LTIP;
- (c) not more than 60% of the total ESOS Awards shall be allocated to the Directors (including executive and non-executive Directors) and senior management of the Group; and
- (d) the Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as allocations to persons connected with them, if any,

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

The LTIP Committee shall be entitled to determine the maximum number of LTIP Awards that will be made available to an Eligible Person under the Proposed LTIP, in the manner provided in the By-Laws in relation to each class or grade of the Eligible Persons and the aggregate maximum number of LTIP Awards that can be awarded to the Eligible Persons under the Proposed LTIP from time to time. The decision of the LTIP Committee shall be final and binding.

For the avoidance of doubt, the LTIP Committee may, at its sole and absolute discretion, determine whether the granting of the LTIP Awards to the Eligible Persons will be staggered over the duration of the Proposed LTIP or in a single grant. In considering whether the LTIP Awards will be granted in a single grant, the LTIP Committee shall take into consideration among others, the rank and length of service of the LTIP Grantee, and whether the LTIP Committee wishes to provide a one-off reward to the relevant LTIP Grantee's contribution to the Group to incentivise the said LTIP Grantee's continued employment with the Group, or to motivate the relevant LTIP Grantee to achieve certain milestones throughout the course of the LTIP Grantee's career progression with the Group moving forward.

Further, the LTIP Committee has the discretion to determine whether the LTIP Awards will be subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance target(s), which will be determined later after the establishment of the Proposed LTIP.

(iii) Eligibility

Subject to the discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the date the LTIP Awards is made in writing by the LTIP Committee, shall be eligible to participate in the Proposed LTIP:

- (a) in respect of an employee and/or senior management of the Group (excluding dormant subsidiaries, if any), he/she:
 - (I) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (II) is employed on a full-time basis and is on the payroll of any company within the Group (excluding dormant subsidiaries, if any) and such employment has been confirmed;
 - (III) is under an employment contract for a fixed duration and has been in the employment of any company within the Group (excluding dormant subsidiaries, if any) for such period as may be determined by the LTIP Committee;
 - (IV) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated; and
 - (V) fulfils any other eligibility criteria as may be determined by the LTIP Committee from time to time at its sole discretion,
- (b) in respect of the Directors, he/she:
 - (I) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

- (II) has been appointed as a Director of the Company or any company within the Group (excluding dormant subsidiaries, if any);
- (III) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated; and
- (IV) fulfils any other eligibility criteria as may be determined by the LTIP Committee from time to time at its sole discretion,

provided always that the selection of any Director or employee for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to an Eligible Person under the Proposed LTIP shall be at the sole and absolute discretion of the LTIP Committee, and the decision of the LTIP Committee shall be final and binding.

Where a specific allocation of ESOS Options and/or Shares is proposed to be made pursuant to the LTIP Awards to an Eligible Person who is a Director, major shareholder or chief executive officer of the Company ("**Interested Parties**") or a person connected with any of the Interested Parties, such specific allocation to the said person under the Proposed LTIP must be approved by the shareholders of the Company at a general meeting provided always that such Interested Parties and/or persons connected with them shall abstain from voting on the resolution approving their respective allocations and/or allocations to persons connected with them and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulations.

The members of the LTIP Committee shall comprise such Directors and/or senior management of the Group to be approved by the Board who will assess the eligibility of the Eligible Persons and decide on the allocation of the LTIP Awards. At this juncture, the composition of the LTIP Committee has yet to be decided by the Board.

In the event that any Eligible Person is a member of the LTIP Committee and to avoid any potential conflict of interest with regard to the specific allocation to the said Eligible Person, such Eligible Person shall not participate in the deliberation or discussion of his/her own eligibility and allocation of the LTIP Awards as well as that of persons connected with him/her. In addition, the allocation of the LTIP Awards will also be verified by the Risk Management and Audit Committee of the Company, as being in compliance with the eligibility and allocation criteria which have been disclosed to the Eligible Persons, at the end of each financial year.

Notwithstanding the above, the LTIP Committee may from time to time, at its absolute discretion, determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in the By-Laws for the purpose of selecting an Eligible Person to be offered the LTIP Awards, and the decision of the LTIP Committee shall be final and binding.

(iv) Duration

The Proposed LTIP, when implemented, shall be in force for a period of 5 years from the Effective Date. The Company may, if the Board deems fit and upon recommendation of the LTIP Committee, extend the Proposed LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date.

Such extended Proposed LTIP shall be implemented in accordance with the terms of the By-Laws, save for any amendments and/or changes to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed LTIP and the Company shall serve appropriate notices on each of the LTIP Grantee(s) and/or make any necessary announcements to any parties and/or Bursa Securities, if required, prior to the date of expiry of the Proposed LTIP.

(v) Retention period

Subject to the Listing Requirements and/or any other applicable laws, the new Shares to be allotted and issued and/or existing Shares to be transferred to the ESOS Grantees and/or SGP Grantees, as the case may be, pursuant to the Proposed LTIP will not be subjected to any retention period unless otherwise stated in the LTIP Awards as determined by the LTIP Committee at its sole discretion. However, the Company encourages the LTIP Grantee(s) to hold such Shares granted to them, or subscribed for by them, as long-term investment and not for realisation of immediate gains.

The LTIP Committee shall be entitled to prescribe or impose, in relation to any LTIP Award, any condition relating to any retention period or restriction on the transfer of the Shares to be issued and/or transferred (vide treasury shares) pursuant to the Proposed LTIP as it deems fit.

Notwithstanding the above, in accordance with Paragraph 8.20 of the Listing Requirements, an ESOS Grantee who is a non-executive Director of the Company or any company within the Group which is not dormant, must not sell, transfer or assign the Eupe Shares obtained through the exercise of the ESOS Options offered to him/her within 1 year from the date of the ESOS Awards.

(vi) Basis of determining the ESOS Exercise Price

For the Proposed ESOS, subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price shall be a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5-day VWAP of Eupe Shares immediately preceding the date of the ESOS Awards, with a discount of not more than 10% during the duration of the Proposed LTIP.

For the avoidance of doubt, the new Eupe Shares to be issued pursuant to the Proposed SGP will vest with the SGP Grantees at no cost to the SGP Grantees.

(vii) Alteration of share capital

Subject to the By-Laws, in the event of any alteration in the capital structure of the Company during the duration of the Proposed LTIP, whether by way of capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction or any other variation of capital, the LTIP Committee may, in its discretion, cause such adjustment to be made to:

- (a) the ESOS Exercise Price and/or the reference price which is used to determine the number of Eupe Shares to be granted under the SGP Awards ("**SGP Price**"); and/or
- (b) the number of new Eupe Shares which shall be exercisable or vested under the ESOS Options and/or SGP Awards.

In addition, the following provisions shall apply in relation to an adjustment which is made pursuant to the By-Laws:

- (a) any adjustment to the ESOS Exercise Price and/or SGP Price shall be rounded up to the nearest 1 sen; and
- (b) any fractional entitlements will be disregarded in determining the LTIP Grantees' entitlement to subscribe for Eupe Shares and/or number of Eupe Shares to be vested.

(viii) Modification, variation and/or amendment of the By-Laws

Subject to the By-Laws, compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the LTIP Committee may at any time and from time to time recommend to the Board any additions, amendments or modifications to or deletions of the By-Laws as it shall, at its sole discretion, deem fit.

Further, the Board shall have the power at any time and from time to time by resolution to add, amend, modify and/or delete all or any of the terms in the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the Listing Requirements and the rules of Bursa Depository.

Subject to the By-Laws, the approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws, save and except if such additions, amendments and/or modifications to and/or deletions would:

- (a) prejudice any rights which would have accrued to any LTIP Grantee without the prior consent or sanction of the said grantee; or
- (b) increase the number of Shares available under the Proposed LTIP beyond the Maximum Shares stipulated in Section 2.2.3(i) of this Circular; or
- (c) prejudice any rights of the shareholders of the Company; or

- (d) alter to the advantage of the Eligible Persons, any matter which is required to be contained in the By-Laws by virtue of the Listing Requirements.

(ix) Termination

Subject to compliance with the Listing Requirements, other requirements of Bursa Securities and other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the LTIP Committee, at any time before the date of expiry of the Proposed LTIP, terminate the Proposed LTIP in accordance with the terms of the By-Laws, provided that the Company makes an announcement immediately to Bursa Securities.

The announcement shall include:

- (a) the effective date of termination of the Proposed LTIP ("**Termination Date**");
- (b) the number of ESOS Options exercised pursuant to the Proposed ESOS and the Eupe Shares vested pursuant to the Proposed SGP; and
- (c) the reasons for termination of the Proposed LTIP.

In the event of termination as above, the following provisions shall apply:

- (a) no further LTIP Award shall be made by the LTIP Committee from the Termination Date;
- (b) all LTIP Awards which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date; and
- (c) all LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall automatically be deemed cancelled and be null and void on the Termination Date.

(x) 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 at the relevant point in time and the ESOS Exercise Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options as and when received within the duration of the Proposed ESOS are expected to be utilised for the working capital requirements of Eupe Group. The working capital will be used to fund the operational expenses such as salaries of its employees and marketing expenses. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture. In addition, the proceeds to be utilised for each component of the operational expenses are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.

The Company will not receive any proceeds pursuant to the Proposed SGP as the SGP Grantees will not be required to pay for the new Shares to be allotted and issued to them and/or the existing Shares to be transferred to them pursuant to the SGP Awards.

2.2.4 Proposed specific allocation

Paragraph 6.06(1) of the Listing Requirements states that the Company must not issue any shares to its Directors, major shareholders or chief executive or persons connected with them who is an Eligible Person unless its shareholders have approved the specific allotment to be made to them in a general meeting. Accordingly, the Company will seek its shareholders' approval at the forthcoming EGM for the proposed allocation of the LTIP Awards to the following persons:

No.	Name	Designation
(i)	Alfian Bin Tan Sri Mohamed Basir	Independent Non-Executive Chairman
(ii)	Dato' Beh Huck Lee	Group Managing Director
(iii)	Muhamad Faisal Bin Tajudin	Executive Director
(iv)	Iskandar Abdullah @ Sim Kia Miang	Senior Independent Non-Executive Director
(v)	Beh Yeow Seang	Non-Independent Non-Executive Director
(vi)	Leow Peen Fong	Independent Non-Executive Director
(vii)	Tham Sau Kien	Independent Non-Executive Director
(viii)	Datin Michelle Gan Eileen ⁽¹⁾	Director of Sales, Marketing and Design
(ix)	Sheryl Beh Wei Shan ⁽²⁾	Senior Executive, Management Associate

Notes:

- (1) *She is the spouse of Dato' Beh Huck Lee, the Group Managing Director of the Company.*
- (2) *She is the child of Dato' Beh Huck Lee, the Group Managing Director of the Company and Datin Michelle Gan Eileen, the Director of Sales, Marketing and Design of the Company.*

2.3 Ranking of the Placement Shares, LTIP Awards and new Eupe Shares to be issued pursuant to the Proposed LTIP

The Placement Shares and new Eupe Shares to be allotted and issued pursuant to the Proposed LTIP will, upon allotment and issuance, rank equally in all respects with the existing Eupe Shares, save and except that these new Eupe Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new Eupe Shares. The Placement Shares and new Eupe Shares to be allotted and issued pursuant to the Proposed LTIP will be subject to the provisions of the Constitution relating to transfer, transmission or otherwise of Eupe Shares including the rights of the holders of the Eupe Shares on the winding up of the Company and the Listing Requirements, if any.

In respect of the transfer of existing Eupe Shares (including treasury shares) to the SGP Grantees, if any, pursuant to the vesting of the Shares comprised in the SGP Awards, such Shares shall rank equally in all respects with the existing Eupe Shares. However, the SGP Grantees shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the central depository system accounts of the SGP Grantees on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

The LTIP Awards shall not carry any right to vote at any general meeting of the Company. For the avoidance of doubt, the ESOS Grantees and/or SGP Grantees shall not in any event be entitled to any dividends, rights, allotments and/or other distributions on his/her unexercised ESOS Options and/or unvested SGP Awards.

2.4 Listing and quotation of the Placement Shares and new Eupe Shares to be issued pursuant to the Proposed LTIP

Bursa Securities had, vide its letter dated 23 November 2023, approved the listing and quotation of the Placement Shares and such number of new Eupe Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company to be issued during the duration of the Proposed LTIP on the Main Market of Bursa Securities.

2.5 Details of equity fundraising exercises undertaken by the Company for the past 12 months

The Company has not undertaken any fundraising exercises in the past 12 months up to the date of this Circular.

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

Pursuant to Section 85(1) of the Act read together with Clause 12(3) of the Constitution, the shareholders of the Company have pre-emptive rights to be offered any new Shares which rank equally to the existing issued Shares of the Company.

Section 85(1) of the Act provides that:

"Subject to the constitution, where a company issues 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 12(3) of the Constitution provides that:

- " (a) *Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, 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.*
- (b) *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.*

- (c) *The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."*

In order for the Board to issue the new Shares pursuant to the Proposals free of pre-emptive rights, such pre-emptive rights must be waived. As such, the Company will seek for the shareholders' approval for a waiver of such pre-emptive rights at the forthcoming EGM. The resolutions in relation to the Proposals if passed, will waive the shareholders' statutory pre-emptive rights to be offered the new Shares to be issued pursuant to the Proposals, which will result in a dilution of the existing shareholders' shareholdings in the Company.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Private Placement

The Proposed Private Placement will enable the Company to raise funds for the purposes as detailed in Section 2.1.4 of this Circular. After due consideration of the various methods of fundraising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue for the Company to raise funds as the Proposed Private Placement will:

- (i) allow the Company to raise the requisite funds without having to incur additional interest expense or service principal repayments as opposed to bank borrowings. This in turn, allows the Company to preserve its cash flow;
- (ii) allow the Company to raise funds expeditiously and in a cost-effective manner as opposed to other forms of fundraising such as a rights issue; and
- (iii) strengthen the financial position and capital base of the Company and potentially enhance the liquidity of Eupe Shares.

3.2 Proposed LTIP

The implementation of the Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of Eupe Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in Eupe and help achieve the positive objectives as set out below:

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

Further, the Proposed ESOS is also extended to the non-executive Directors of the Company to recognise their contribution towards the growth and performance of Eupe Group and to enable them to participate in the future growth of the Group. The independent non-executive Directors' role to provide insight in deliberations of the Board in matters such as corporate governance, internal controls, risk management and finance forms the foundation to protect the interests of all stakeholders, including shareholders of the Company. Thus, their participation in the equity of the Company is not expected to impair their independent judgement or ability to act in the best interest of the Company.

In determining the allocation of the ESOS Awards to the independent non-executive Directors, the LTIP Committee will take into consideration, among other factors, the proportion of ESOS Awards to be allocated to the independent non-executive Directors to ensure that such allocation does not comprise, whether individually or collectively, a significant portion of the ESOS Awards available under the Proposed ESOS, and the potential shareholdings of the independent non-executive Directors upon full exercise of the ESOS Awards granted to them. In addition, there will also be a retention period imposed on the non-executive Directors in which they shall not sell, transfer or assign the Eupe Shares obtained through the exercise of the ESOS Options offered to him/her within 1 year from the date of the ESOS Awards as set out in Section 2.2.3(v) of this Circular.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF EUPE GROUP

4.1 Overview and outlook for the Malaysian economy

The Malaysian economy continued to expand amid the persistent challenges in the external environment. During the 1st half of 2023, the gross domestic product posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to the economic growth of Malaysia. Notwithstanding these challenges, the Malaysian economy continues to reap benefits from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the Malaysian economy is projected to expand moderately in the 2nd half of 2023 as external demand is expected to remain low and due to the high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, Malaysia's gross domestic product is anticipated to register a growth of approximately 4.0% in 2023.

For 2024, the Malaysian economy is projected to grow within the range of 4.0% to 5.0%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

The manufacturing sector is expected to accelerate, accounted by improved export-oriented industries particularly the electrical and electronics products as external demand recovers, while the domestic-oriented industries are anticipated to remain favourable in line with robust domestic consumption and investment. The construction sector is expected to grow supported by an expansion across all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil, other agriculture and livestock. The mining sector is estimated to turn around owing to the recovery in production of natural gas, and crude oil and condensates.

On the demand side, growth will be buoyed by strong private sector expenditure and improving global demand. The encouraging performance of private sector is partly due to the Malaysian Government's deliberate efforts to accelerate a more vibrant and dynamic private sector by providing a conducive business and investment environment, underpinned by the implementation of comprehensive Ekonomi MADANI framework as well as policies and blueprints such as the National Energy Transition Roadmap and New Industrial Master Plan 2030. Meanwhile, consumer spending is envisaged to be robust supported by improved labour market conditions.

(Source: Economic Outlook 2024, Ministry of Finance)

4.2 Overview and outlook for the property market in Malaysia

The property market activity recorded a total of 184,140 transactions worth RM85.37 billion in 1st half of 2023 ("**H1 2023**"), down by 2.1% in volume but increased slightly by 1.1% in value against the corresponding period. From the total transactions, 32.1% (59,090 transactions) and 63.6% (117,129 transactions) were transfers dated in 2022 and 2023 respectively while the remaining percentage share was for prior years' transfers.

Sectorial market activity performance declined marginally: residential by 1.0%, industrial by 2.5% and agriculture by 12.4% with the exception of commercial and development land sub-sector, which increased by 16.0% and 1.4% respectively. In terms of value of transactions, the residential and agriculture sub-sector recorded a decrease of 1.8% and 17.7% respectively, whereas the commercial, industrial and development land sub-sector increased by 19.5%, 1.8% and 7.3% respectively.

The residential sub-sector led the overall property market, with 62.4% contribution. This was followed by the agriculture sub-sector (19.8%), commercial (9.6%), development land and others (6.2%) and industrial (2.0%). In terms of value, the residential sub-sector took the lead with 52.5% share, followed by commercial (19.6%), industrial (12.8%), agriculture (8.3%) and development land and others (6.8%).

Residential property

The residential property sub-sector recorded 114,973 transactions worth RM44.78 billion in H1 2023, representing a slight decrease by 1.0% in volume and 1.8% in value year-on-year. The secondary market formed 79.4% (91,318 transactions) of the total residential transactions while the primary market (purchase from developers) formed 20.6% (23,655 transactions) of the total residential transactions.

Performances of the states were mixed. All states recorded lower market volume except Johor, Negeri Sembilan, Perlis and Kedah which recorded an increase in market activity by 39.9%, 14.6%, 4.3% and 3.2% respectively, which offset the overall decline. The 4 major states namely Pulau Pinang, Wilayah Persekutuan Kuala Lumpur, Johor and Selangor formed about 50.0% of the total national residential volume.

In H1 2023, the residential overhang situation improved as the numbers reduced. A total of 26,286 overhang units worth RM18.30 billion was recorded, showing a decrease of 5.3% and 0.6% in volume and value respectively against the 2nd half of 2022. Likewise, the unsold under construction residential units saw a decrease of 4.9% to 54,844 units compared to the preceding period (57,649 units).

Commercial property

There were 17,602 transactions worth RM16.76 billion recorded in H1 2023, an increase by 16.0% in volume and 19.5% in value compared to the same period last year.

All states recorded more market activity in the review period except for Wilayah Persekutuan Putrajaya, Perak and Sabah. In terms of transaction value, all states recorded higher value except 8 states which recorded contraction in Wilayah Persekutuan Kuala Lumpur (-21.9%), Wilayah Persekutuan Putrajaya (-76.1%), Wilayah Persekutuan Labuan (-13.2%), Selangor (-5.7%), Perak (-3.9%), Kedah (-26.3%), Pahang (-13.4%) and Kelantan (-1.1%).

Selangor contributed the highest volume and value to the national market share, with 26.1% in volume (4,590 transactions) and 26.5% in value (RM4.44 billion); followed by Johor with 17.8% in volume (3,138 transactions) and 15.7% in value (RM2.63 billion) and Wilayah Persekutuan Kuala Lumpur with 13.4% in volume (2,356 transactions) and 15.4% in value (RM2.58 billion).

Shop sub-sector overhang declined in H1 2023. There were 6,362 units worth RM5.62 billion, indicating a decrease of 5.3% in volume and 3.8% in value against the preceding half year. The unsold under construction remained relatively unchanged at 2,767 units compared to 2,777 units in the preceding period while not constructed saw an increase by 39.2% (508 units).

Industrial property

The industrial sub-sector recorded 3,735 transactions worth RM10.94 billion in H1 2023. Compared to the same period last year, the market activity slightly decreased by 2.5% in volume but increased by 1.8% in value. Selangor continued to dominate the market, with 31.1% (1,163 transactions) of the nation's volume, followed by Johor and Negeri Sembilan, each with 18.3% and 8.2% market share respectively. Terraced factory formed 31.8% of the total industrial transactions, followed by vacant plots (28.0%), and semi-detached factory (24.0%).

The industrial overhang situation continued to improve lesser in numbers. There were 819 overhang units worth RM0.98 billion, indicating a decline of 6.9% and 14.1% in volume and value respectively (compared to 880 overhang units worth RM1.15 billion in the preceding period). On a similar note, the unsold under construction category declined by 11.8% with 397 units compared the preceding period at 450 units. The unsold not constructed recorded 112 units, more than the 51 units recorded in the preceding period.

Overall, the property market performance was moderate in H1 2023 compared to the same period last year despite of a number of headwinds which have limited the sector's growth potential. This includes the increase of borrowing costs, the continued downtrend in Consumer Sentiment Index (2nd quarter of 2023: 90.8 points; 1st quarter of 2023: 99.2; 4th quarter of 2022: 105.3) and the concerns on the economic situations due to weaker external demand.

The gradual increase in the overnight policy rate since May 2022 is expected to have an impact on the property market activity, particularly on residential demand. In addition, the outlook of the workforce in the construction sector and the increase in prices of building materials will also affect supply. In addition, the country's economic and financial developments and the sentiment of industry players are the internal factors that will have an impact on the property sector alongside the external factors such as global financial and economic conditions. As the national economy is project to expand to the lower end of 4.0% to 5.0% range in 2023 supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic.

(Source: Property Market Report First Half 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

4.3 Prospects of Eupe Group

Eupe through its subsidiaries are principally involved in property development and property construction which executes its in-house construction projects and supplies building materials to its subcontractors. The Group's property development projects in Klang Valley focuses on high-rise residential projects whereas its projects in the northern region of Malaysia are focused on residential projects with emphasis on affordable, township-style housing in Sungai Petani, Kedah. Its other business segment includes chalet and golf management where it operates the Cinta Sayang Resort in Sungai Petani, Kedah which provides a range of chalet, convention, banquet, golf and other recreational facilities and services.

As at the LPD, the Group's ongoing property development projects comprise mainly residential developments in Klang Valley namely, Est8 @ Seputeh and Helix2 @ PJ South as well as residential and mixed development projects in Sungai Petani namely, Villa Natura, Cinta Sayang Resort Villas, Seri Astana, Astana Parkhomes, The Somerset, Kelisa Ria and Padang Serai Ria Heights. The total gross development value of the Group's ongoing property development projects in Malaysia is approximately RM1.12 billion and the total unbilled sales are approximately RM0.72 billion as at the LPD. In addition, the Group plans to launch approximately RM1.90 billion of new properties, which includes a residential-commercial project known as Circadia @ Belfield in the Klang Valley by 2024 and a mixed residential and commercial development known as Edgewater located in Daerah Kuala Muda, Kedah by 2025.

As disclosed in Section 2.1.4 of this Circular, the Group intends to utilise approximately RM14.96 million of the gross proceeds raised from the Proposed Private Placement to partially fund the expenditures related to the preliminary infrastructure works on the Edgewater development located at Daerah Kuala Muda, Kedah. Overall, in view of the robust property market, increasing demand for properties, appropriately attuned launch portfolio as well as approximately RM0.72 billion in unbilled sales as at the LPD, the management remains optimistic of maintaining a healthy performance for the Group.

(Source: Management of Eupe)

5. EFFECTS OF THE PROPOSALS

5.1 Issued share capital

The pro forma effects of the Proposals on the issued share capital of Eupe are set out below:

	No. of Shares	RM
Issued share capital as at the LPD	128,000,000	133,982,397
Shares to be issued pursuant to the Proposed Private Placement	19,200,000 ⁽¹⁾	15,552,000 ⁽²⁾
	<u>147,200,000</u>	<u>149,534,397</u>
Shares to be issued pursuant to the Proposed LTIP	22,080,000 ⁽³⁾	17,884,800 ⁽⁴⁾
Enlarged issued share capital (excluding treasury shares, if any)	<u>169,280,000</u>	<u>167,419,197</u>

Notes:

- (1) Calculated based on 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company as at the LPD.
- (2) Calculated based on the illustrative issue price of the Placement Shares of RM0.81 per Placement Share, which represents a discount of approximately 9.25% to the 5-day VWAP of Eupe Shares up to and including the LPD of RM0.8926 per Eupe Share.
- (3) Calculated based on 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company after the Proposed Private Placement.
- (4) Calculated based on the illustrative issue price of RM0.81 per Eupe Share, which represents a discount of approximately 9.25% to the 5-day VWAP of Eupe Shares up to and including the LPD of RM0.8926 per Eupe Share.

The Proposed LTIP will not have an immediate effect on the issued share capital of the Company until such time when the new Eupe Shares are issued pursuant to the Proposed LTIP. The issued share capital of the Company will increase progressively as and when new Eupe Shares are issued arising from the exercise of the ESOS Options that may be granted under the Proposed ESOS and/or pursuant to the vesting of new Eupe Shares under the Proposed SGP. However, if the existing Shares or treasury shares, if any, are transferred to the Eligible Persons pursuant to the Proposed SGP, there will be no effect on the issued share capital of the Company.

5.2 NA, NA per Share and gearing

(i) Proposed Private Placement

For illustrative purposes, based on the audited consolidated financial statements of Eupe as at 28 February 2023 and assuming that the Proposed Private Placement had been completed at the beginning of the FYE 28 February 2023, the pro forma effects of the Proposed Private Placement on the NA, NA per Share and gearing of Eupe are set out below:

	Audited as at 28 February 2023 RM'000	After the Proposed Private Placement RM'000
Share capital	133,982	149,534 ⁽¹⁾
Reserves	305,091	304,501 ⁽²⁾
NA	439,073	454,035
Non-controlling interests	18,880	18,880
Total equity	<u>457,953</u>	<u>472,915</u>

	Audited as at 28 February 2023	After the Proposed Private Placement
No. of Shares in issue (excluding treasury shares, if any) ('000)	128,000	147,200
NA per Share ⁽³⁾ (RM)	3.43	3.08
Total interest-bearing borrowings (RM'000)	195,006	195,006
Gearing ratio ⁽⁴⁾ (times)	0.43	0.41

Notes:

- (1) *Calculated based on the illustrative issue price of RM0.81 per Placement Share.*
- (2) *After deducting the estimated expenses of approximately RM590,000 in relation to the Proposals.*
- (3) *Computed based on the NA divided by the number of Shares in issue (excluding treasury shares, if any).*
- (4) *Computed based on the total interest-bearing borrowings divided by total equity.*

(ii) Proposed LTIP

The Proposed LTIP is not expected to have an immediate effect on the NA and gearing of the Group until such time when the new Shares pursuant to the Proposed LTIP are issued. Any potential effects on the NA, NA per Share and gearing of the Group will depend on the actual number of new Shares to be issued upon the exercise of the ESOS Options granted under the Proposed ESOS, the ESOS Exercise Price and/or the vesting of the SGP Awards under the Proposed SGP.

For illustrative purposes, upon exercise of the ESOS Options under the Proposed ESOS and/or vesting of the SGP Awards under the Proposed SGP, the NA per Share is expected to:

- (a) increase if the ESOS Exercise Price or fair value of the SGP Awards is higher than the NA per Share; or
- (b) decrease if the ESOS Exercise Price or fair value of the SGP Awards is lower than the NA per Share,

at such point of exercise of the ESOS Options and/or vesting of the SGP Awards.

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5.3 Substantial shareholders' shareholdings

The Proposed LTIP is not expected to have any immediate effect on the shareholdings of the Company's substantial shareholders until such time when the new Shares are issued pursuant to the Proposed LTIP. Any potential effect on the shareholdings of the substantial shareholders of the Company would depend on the number of new Eupe Shares to be issued pursuant to the Proposed LTIP at the relevant point in time.

The pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of the Company are set out below:

Substantial shareholders	Shareholdings as at the LPD				After the Proposed Private Placement*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Betaj Holdings Sdn Bhd	30,053,781	23.48	-	-	30,053,781	20.42	-	-
Beh Heng Seong Sdn Bhd	23,261,208	18.17	30,053,781 ⁽¹⁾	23.48	23,261,208	15.80	30,053,781 ⁽¹⁾	20.42
Dato' Beh Huck Lee	3,500,000	2.73	53,314,989 ⁽²⁾	41.65	3,500,000	2.38	53,314,989 ⁽²⁾	36.22
Datin Paduka Teoh Choon Boay	234,416	0.18	53,314,989 ⁽²⁾	41.65	234,416	0.16	53,314,989 ⁽²⁾	36.22
Success Leads Sdn Bhd	8,076,594	6.31	-	-	8,076,594	5.49	-	-

Notes:

* Assuming the Proposed Private Placement does not give rise to the emergence of any new substantial shareholder(s).

(1) Deemed interested by virtue of its interests in Betaj Holdings Sdn Bhd pursuant to Section 8(4) of the Act.

(2) Deemed interested by virtue of his/her interests in Beh Heng Seong Sdn Bhd which in turn holds shares in Betaj Holdings Sdn Bhd pursuant to Section 8(4) of the Act.

5.4 Earnings and EPS

(i) Proposed Private Placement

The Proposed Private Placement is expected to be completed by the 1st quarter of year 2024 and is not expected to have any material effect on the earnings of the Group for the FYE 29 February 2024. However, the EPS of the Group may be diluted as a result of the increase in the number of Eupe Shares arising from the issuance of the Placement Shares.

For illustrative purposes, based on the audited consolidated financial statements of Eupe for the FYE 28 February 2023 and assuming that the Proposed Private Placement had been completed at the beginning of the FYE 28 February 2023, the pro forma effects of the Proposed Private Placement on the earnings and EPS of the Group are set out below:

	Audited for the FYE 28 February 2023	After the Proposed Private Placement
Profit after tax attributable to the owners of the Company (RM'000)	26,124	25,534 ⁽¹⁾
No. of Shares in issue (excluding treasury shares, if any) ('000)	128,000	147,200
EPS (sen)	20.41	17.35

Note:

(1) *After deducting the estimated expenses of approximately RM590,000 in relation to the Proposals.*

Notwithstanding the above, moving forward, the Proposed Private Placement may contribute positively to the earnings of Eupe Group as and when the benefits from the utilisation of proceeds as detailed in Section 2.1.4 of this Circular are realised.

(ii) Proposed LTIP

The Proposed LTIP is not expected to have any immediate effect on the earnings and EPS of the Group until such time when the ESOS Options are granted and exercised under the Proposed ESOS and/or Shares are granted under the Proposed SGP. However, any potential effect on the EPS of the Group in the future would depend on the impact of the MFRS2, the number of ESOS Options exercised, the ESOS Exercise Price payable upon exercise of the ESOS Options under the Proposed ESOS, the number of Shares granted under the Proposed SGP as well as the utilisation of the proceeds arising therefrom.

Under the MFRS2, the potential cost arising from the issuance of the ESOS Options under the Proposed ESOS, which is measured by the fair value of the ESOS Options after taking into account, among others, the number of ESOS Options granted and vested and the ESOS Exercise Price, will need to be measured at the grant date and to be recognised as an expense over the vesting period. Therefore, this may affect the future earnings of the Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by the Company as it is merely an accounting treatment.

Further, under the MFRS2, the potential cost of awarding the new Shares under the Proposed SGP will need to be measured at fair value on the date of granting and recognised as an expense in the statement of profit or loss and other comprehensive income of the Group over the vesting period of such Shares under the SGP Awards. The extent of the effect of the Proposed SGP on the Group's EPS cannot be determined at this juncture as it would depend on the fair value of the new Shares at the respective dates of the SGP Awards. However, the potential cost of the SGP Awards does not represent a cash outflow and is only an accounting treatment.

The Company has taken note of the potential impact of the MFRS2 on the Group's future earnings and shall take into consideration such impact in allocating and granting the ESOS Options and/or new Shares to the Eligible Persons in the future. However, the EPS of the Group will be diluted due to the Company's enlarged issued share capital arising from the issuance of the new Eupe Shares pursuant to the Proposed LTIP.

5.5 Convertible securities

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

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Eupe Shares as traded on Bursa Securities for the past 12 months up to the LPD are set out below:

	High RM	Low RM
2022		
December	0.880	0.810
2023		
January	0.890	0.835
February	0.900	0.865
March	0.895	0.805
April	0.920	0.850
May	0.870	0.845
June	0.875	0.765
July	0.855	0.815
August	0.905	0.820
September	0.895	0.845
October	0.900	0.840
November	0.915	0.845

Last transacted market price on 25 October 2023
(being the last trading day prior to the announcement of the Proposals on 26 October 2023) 0.890

Last transacted market price on the LPD 0.890

(Source: Bloomberg)

7. APPROVALS REQUIRED/OBTAINED FOR THE PROPOSALS

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities, for the listing and quotation of:
 - (a) up to 19,200,000 Placement Shares to be issued pursuant to the Proposed Private Placement; and
 - (b) for such number of new Eupe Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company that may be allotted and issued at any point in time during the duration of the Proposed LTIP;

on the Main Market of Bursa Securities, which was obtained vide its letter dated 23 November 2023 ("**Approval Letter**"), subject to the following conditions:

No.	Conditions	Status of compliance
(a)	Eupe and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied
(b)	RHB Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed LTIP;	To be complied
(c)	Eupe/RHB Investment Bank to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed Private Placement;	To be complied
(d)	Eupe and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied
(e)	Eupe and RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;	To be complied
(f)	Eupe is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(g)	to incorporate Bursa Securities' comments as provided in the attachment to the Approval Letter in respect of the draft Circular.	Complied

- (ii) the shareholders of Eupe, for the Proposals at the forthcoming EGM by way of poll; and
- (iii) any other relevant authorities and/or parties, if required.

In addition, the Company will also seek for its shareholders' approval for waiver of the statutory pre-emptive rights of the shareholders of the Company under Section 85(1) of the Act read together with Clause 12(3) of the Company's Constitution to be offered any new Eupe Shares ranking equally to the existing issued Shares of the Company arising from the issuance of the new Shares pursuant to the Proposals at the forthcoming EGM.

The Proposed Private Placement and the Proposed LTIP are not conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

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

8.1 Proposed Private Placement

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

8.2 Proposed LTIP

Save as disclosed below, none of the Directors, major shareholders and/or chief executive of Eupe and/or persons connected with them have any interest, direct or indirect, in the Proposed LTIP.

All the Interested Directors are eligible to participate in the Proposed LTIP, and are therefore deemed interested in the Proposed LTIP to the extent of their respective proposed allocations as well as the proposed allocations to persons connected with them, if any, under the Proposed LTIP.

All the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocations, and the proposed allocations to persons connected with them, if any, under the Proposed LTIP, at the relevant Board meetings.

All the Interested Directors and/or major shareholders of Eupe who are also the Eligible Persons, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM in respect of the ordinary resolutions to be tabled for their respective proposed allocations as well as the proposed allocations to the persons connected with them, if any, under the Proposed LTIP.

All the Interested Directors and/or major shareholders of Eupe who are also the Eligible Persons, will also undertake to ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the ordinary resolutions pertaining to their respective proposed allocations, and the proposed allocations to the persons connected with them, if any, to be tabled at the forthcoming EGM.

As at the LPD, the direct and/or indirect interests of the Directors and/or major shareholders, chief executive of Eupe and/or persons connected with them in Eupe are set out below:

	Shareholdings as at the LPD			
	←-----Direct----->		←-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Interested major shareholders				
Betaj Holdings Sdn Bhd	30,053,781	23.48	-	-
Beh Heng Seong Sdn Bhd	23,261,208	18.17	30,053,781 ⁽¹⁾	23.48
Datin Paduka Teoh Choon Boay	234,416	0.18	53,314,989 ⁽²⁾	41.65
Interested major shareholder and Director				
Dato' Beh Huck Lee	3,500,000	2.73	53,314,989 ⁽²⁾	41.65
Interested Directors				
Alfian Bin Tan Sri Mohamed Basir	-	-	-	-
Muhamad Faisal Bin Tajudin	-	-	-	-
Iskandar Abdullah @ Sim Kia Miang	-	-	103,000 ⁽³⁾	0.08
Beh Yeow Seang	-	-	-	-
Leow Peen Fong	-	-	-	-
Tham Sau Kien	2,002,300	1.56	-	-
Persons connected with the interested major shareholder and Director				
Datin Michelle Gan Eileen ⁽⁴⁾	-	-	-	-
Sheryl Beh Wei Shan ⁽⁵⁾	-	-	-	-

Notes:

- (1) Deemed interested by virtue of its interests in Betaj Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of his/her interests in Beh Heng Seong Sdn Bhd which in turn holds shares in Betaj Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
- (3) Deemed interested by virtue of the interests of his spouse pursuant to Section 59(11)(c) of the Act.
- (4) She is the spouse of Dato' Beh Huck Lee, the Group Managing Director of the Company.
- (5) She is the child of Dato' Beh Huck Lee, the Group Managing Director of the Company and Datin Michelle Gan Eileen, the Director of Sales, Marketing and Design of the Company.

9. ESTIMATED TIMEFRAME FOR COMPLETION AND IMPLEMENTATION

Barring any unforeseen circumstances and subject to the receipt of all required approvals, the Board expects the Proposals to be completed and implemented by the 1st quarter of 2024.

The tentative timetable for implementation of the Proposals are set out below:

Date/Month	Events
22 December 2023	<ul style="list-style-type: none">• Convening of EGM to obtain the approval from the shareholders of Eupe for the Proposals
End February 2024	<ul style="list-style-type: none">• Announcement made on the price-fixing date of the Placement Shares• Announcement made on the Effective Date of the Proposed LTIP
Mid March 2024	<ul style="list-style-type: none">• Listing and quotation of the Placement Shares on the Main Market of Bursa Securities

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise which has been announced by the Company but not yet completed as at the date of this Circular.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors in respect of the proposed allocations to themselves and persons connected with them, if any) having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

However, in view that the Interested Directors are deemed interested in the Proposed LTIP to the extent of their respective proposed allocations and the proposed allocations to the persons connected with them, if any, they will abstain from giving an opinion on their respective proposed allocations and the proposed allocations to the persons connected with them, if any, under the Proposed LTIP to be tabled at the forthcoming EGM.

Accordingly, the Board (save for the respective Interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective individual proposed allocations as well as allocations to persons connected with them, if any) recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. EGM

The EGM of the Company, the notice of which is enclosed in this Circular, will be conducted virtually through live streaming and online remote voting platform from the Broadcast Venue at D-26-01, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor, Malaysia on Friday, 22 December 2023 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposals, with or without modification(s).

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act. Members will not be allowed to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM remotely via the Digital Ballot Form provided by the Company's Share Registrar, Mega Corporate Services Sdn Bhd. Please refer to the Administrative Notes for the EGM for further information.

If you wish to appoint a proxy to attend, participate, speak (in the form of real time submission of typed texts) and vote on your behalf at the EGM, you may deposit your Proxy Form with the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The Proxy Form may also be submitted electronically via e-mail at EGM-support.EUPE@megacorp.com.my. The last day, date and time for lodging the Proxy Form for the EGM is Wednesday, 20 December 2023 and 11.00 a.m. The lodging of the Proxy Form will not preclude you from attending, participating, speaking (in the form of real time submission of typed texts) and voting at the EGM should you subsequently decide to do so.

13. ADDITIONAL INFORMATION

You are advised to refer to the attached appendices for additional information.

Yours faithfully,
For and on behalf of the Board
EUPE CORPORATION BERHAD

ALFIAN BIN TAN SRI MOHAMED BASIR
Independent Non-Executive Chairman

DRAFT BY-LAWS OF THE PROPOSED LTIP

EUPE CORPORATION BERHAD

("Company" or "Eupe")

BY-LAWS OF THE EUPE CORPORATION BERHAD LONG-TERM INCENTIVE PLAN**1. DEFINITIONS**

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 as amended from time to time and any re-enactment thereof
"Board"	:	The Board of Directors of the Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"By-Laws"	:	These rules, terms and conditions of the LTIP, as may be amended from time to time in accordance with By-Law 24
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
"Company" or "Eupe"	:	Eupe Corporation Berhad (Registration No.: 199601005416 (377762-V))
"Constitution"	:	The constitution of the Company
"Date of Acceptance"	:	The date on which the LTIP Committee shall receive the written notice accepting an ESOS Award from an Eligible Person
"Date of Expiry"	:	The last day of the Duration of the LTIP
"Director"	:	A natural person who holds a directorship in an executive or a non-executive capacity within the Group, within the meaning of Section 2(1) of the Act, which for the avoidance of doubt excludes an alternate director
"Disciplinary Proceedings"	:	Proceedings instituted by any company within the Group (excluding dormant subsidiaries, if any) against any Grantee or Eligible Person for any alleged misbehaviour, misconduct and/or any other acts of such Grantee or Eligible Person deemed to be unacceptable by the said company whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or Eligible Person
"Duration of the LTIP"	:	The duration of the LTIP as defined in By-Law 21.1
"Effective Date"	:	The date of which the LTIP is implemented in accordance with By-Law 21.1

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

"Eligible Person(s)"	:	Director(s) or Employee(s) who meets the eligibility criteria for participation in the LTIP as set out in By-Law 6
"Employee"	:	Any person who is employed on a full-time basis and is on the payroll of any company within the Group (excluding dormant subsidiaries, if any) and such employment has been confirmed including a person who is under an employment contract for a fixed duration and has been in the employment of any company within the Group (excluding dormant subsidiaries, if any) for such period as may be determined by the LTIP Committee
"Entitlement Date"	:	The date as at the close of business on which the shareholders' name must appear in the Company's record of depositors in order to be entitled to any dividends, rights, allotments and/or other distributions
"ESOS"	:	An employees' share option scheme which is intended to allow the Company to award ESOS Options to the Directors (including executive and non-executive Directors) and/or employees of the Group (excluding dormant subsidiaries, if any) according to the terms of these By-Laws
"ESOS Award"	:	A grant of ESOS Options made in writing by the LTIP Committee from time to time to the Directors (including executive and non-executive Directors) and/or employees of the Group (excluding dormant subsidiaries, if any) who are Eligible Persons to participate in the ESOS in the manner provided in By-Law 32
"ESOS Award Letter"	:	Has the meaning given to it in By-Law 32.4
"ESOS Exercise Price"	:	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share upon the exercise of an ESOS Option, as initially determined by By-Law 36 and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 17
"ESOS Grantee"	:	An Eligible Person who has accepted an ESOS Award in the manner provided in By-Law 33
"ESOS Option(s)" or "Option(s)"	:	The right of an ESOS Grantee to subscribe for new Share(s) at the ESOS Exercise Price pursuant to an ESOS Award in the manner provided in By-Law 35
"ESOS Vesting Date(s)"	:	The date or dates on which all or some of the Option(s) is/are vested pursuant to an ESOS Award as stipulated by the LTIP Committee in accordance with By-Law 32.4
"Grantee"	:	An ESOS Grantee and/or SGP Grantee, as the case may be

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

"Group" or "Eupe Group"	:	Collectively, the Company and its subsidiary company(ies) as defined in Section 4 of the Act (save for any subsidiaries which are dormant). Subject to the foregoing, the expression "subsidiary company(ies)" shall for the purposes hereof include subsidiaries which are existing as at the Effective Date and such subsidiaries which the LTIP Committee may, from time to time, determine at its discretion and subsidiaries which are incorporated or acquired at any time during the Duration of the LTIP but excludes subsidiaries which have been divested in the manner provided in By-Law 19
"Interested Parties"	:	Has the meaning given to it in By-Law 6.3
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
"LTIP" or "Scheme"	:	Eupe Corporation Berhad Long-Term Incentive Plan comprising the ESOS and SGP, which shall be administered in accordance with these By-Laws
"LTIP Award(s)"	:	The ESOS Award(s) and/or SGP Award(s), as the case may be
"LTIP Award Date"	:	The date the LTIP Award is made in writing by the LTIP Committee to the Eligible Persons to participate in the LTIP
"LTIP Committee"	:	A committee appointed and authorised from time to time by the Board, responsible for implementing and administering the LTIP in accordance with By-Law 4.1
"Market Day"	:	A day on which Bursa Securities is open for trading of securities, which may include a Surprise Holiday
"Maximum Allowable Allotment"	:	The maximum aggregate number of new Shares in respect of an LTIP Award that can be offered and allotted to an Eligible Person in accordance with the provisions of By-Law 7
"Maximum Shares"	:	Shall have the meaning given to it in By-Law 5.1
"Offer Period"	:	A period of thirty (30) days from the LTIP Award Date or such other period as may be determined by the LTIP Committee at its sole and absolute discretion during which an ESOS Award is valid as stipulated in By-Law 32.3
"Option Period"	:	The period commencing from the ESOS Vesting Date and expiring on a date on which the ESOS Options terminate, expire or lapse and/or otherwise cease to be of any force and effect in accordance with these By-Laws and as set out in the ESOS Award
"Performance Period"	:	Means the period in which the Performance Targets, as stipulated by the LTIP Committee and communicated to the Eligible Persons, are required to be achieved
"Performance Targets"	:	The performance targets which may be determined and prescribed by the LTIP Committee and approved by the Board, which are to be achieved by the Grantee and/or the Group (and/or business units within the Group as determined by the LTIP Committee), during such period as specified in the LTIP Award

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

"Persons connected"	:	Shall have the meaning given in paragraph 1.01 of the Listing Requirements
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Recognised Principal Adviser"	:	Shall have the meaning given to it in paragraph 1.01 of the Listing Requirements
"Rules of Bursa Depository"	:	The rules of Bursa Depository, as issued pursuant to SICDA
"SGP"	:	A share grant plan which is intended to award Shares to the Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any) at no cost according to the terms of these By-Laws
"SGP Award"	:	An award of Shares made in writing by the LTIP Committee from time to time to the Directors (excluding non-executive Directors) and/or senior management of the Group (excluding dormant subsidiaries, if any) who are Eligible Persons to participate in the SGP in the manner provided in By-Law 37
"SGP Grantee"	:	An Eligible Person who has accepted the SGP Award in the manner as provided in By-Law 38
"SGP Award Letter"	:	Has the meaning given to it in By-Law 37.3
"SGP Award Price"	:	The reference price which is used to determine the number of Shares to be granted under the SGP Award
"SGP Price"	:	The reference price used to determine the number of Shares to be granted under the SGP Award pursuant to By-Law 37.6
"SGP Vesting Date(s)"	:	The date or dates as may be determined by the LTIP Committee on which all or some of the Shares awarded under an SGP Award to an Eligible Person is/are vested in accordance with By-Law 39
"Share(s)"	:	Ordinary share(s) in the Company
"SICDA"	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time
"Surprise Holiday"	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"Vesting Conditions"	:	The conditions determined by the LTIP Committee and stipulated in the LTIP Award which must be fulfilled for the Options under the ESOS Award or the Shares under the SGP Award to be vested in an ESOS Grantee or SGP Grantee as provided in By-Laws 33.4 and 8 respectively
"Vesting Date"	:	The SGP Vesting Date and/or the ESOS Vesting Date as the context requires and "Vest" and "Vested" shall be construed accordingly

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 1.2 Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and the Listing Requirements, policies and/or guidelines of Bursa Securities (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with reasonable commercial practice of persons to whom such requirements, policies, regulations and/or guidelines are addressed by Bursa Securities).
- 1.3 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESOS Award or SGP Award (as may be applicable) made, offered and/or accepted within the Duration of the LTIP, and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 1.4 In these By-Laws, unless the context requires otherwise, words denoting the singular number shall include the plural number and words denoting one gender shall include the other gender.
- 1.5 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- 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; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the LTIP.
- 1.7 Any liberty or power of discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (i) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; and
 - (ii) by the LTIP Committee may be exercised in the LTIP Committee's sole and absolute discretion and the LTIP Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the LTIP Committee.
- 1.8 In the event of any change in the name of the Company from its present name, all references to "Eupe Corporation Berhad" in these By-Laws and all other documents pertaining to the LTIP shall be deemed to be references to the Company's new name.

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DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

PART A: GENERAL PROVISIONS**2. THE LTIP**

2.1 The LTIP shall be known as the "Eupe Corporation Berhad Long-Term Incentive Plan" and shall comprise the ESOS and SGP. The LTIP will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (c) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (d) to reward the Eligible Persons 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 Shares.

Further, the ESOS is also extended to the non-executive Directors of the Company to recognise their contribution towards the growth and performance of the Group and to enable them to participate in the future growth of the Group. The independent non-executive Directors' role to provide insight in deliberations of the Board in matters such as corporate governance, internal controls, risk management and finance forms the foundation to protect the interests of all stakeholders, including shareholders of the Company. Thus, their participation in the equity of the Company is not expected to impair their independent judgement or ability to act in the best interest of the Company.

In determining the allocation of the ESOS Awards to the independent non-executive Directors, the LTIP Committee will take into consideration, among other factors, the proportion of ESOS Awards to be allocated to the independent non-executive Directors to ensure that such allocation does not comprise, whether individually or collectively, a significant portion of the ESOS Awards available under the ESOS, and the potential shareholdings of the independent non-executive Directors upon full exercise of the ESOS Awards granted to them. In addition, there will also be a retention period imposed on the non-executive Directors in which they shall not sell, transfer or assign the Shares obtained through the exercise of the ESOS Options offered to him/her within 1 year from the date of the ESOS Awards as set out in By-Law 12.

3. APPLICATION OF PART A: GENERAL PROVISIONS

3.1 Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESOS and the SGP.

4. ADMINISTRATION AND TRUST

4.1 The LTIP shall be administered by the LTIP Committee consisting of such number of Directors and/or senior management personnel of the Group as shall be appointed by the Board from time to time. The Board shall have the power to determine all matters pertaining to the LTIP Committee, including, without limitation, setting the terms of reference for the LTIP Committee, determining its composition, duties, powers and limitations. The Board is also entitled at any time and from time to time to rescind the appointment of any member of the LTIP Committee and appoint replacement members to the LTIP Committee, to change the terms of appointment of the members of the LTIP Committee and to determine and change the terms of reference for the LTIP Committee.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 4.2 The LTIP Committee shall administer the LTIP in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it, subject only to these By-Laws as may be amended from time to time. The LTIP Committee may meet together for the despatch of business, to adjourn or otherwise regulate its meetings as it thinks fit.
- 4.3 In implementing the LTIP, the LTIP Committee may, at its absolute discretion, decide that the LTIP Awards be satisfied through the following methods, where applicable:
- (a) issuance of new Shares;
 - (b) transfer of the Company's treasury shares, if any;
 - (c) acquisition of the existing Shares from the market;
 - (d) payment of the equivalent cash value of such new Shares and/or existing Shares;
 - (e) any other methods; or
 - (f) a combination of any of the above.

In considering the mode of satisfaction as set out above, the LTIP Committee will take into consideration, among others, factors such as the issue price of the new Shares (which shall be determined based on the fair value of the Shares as at the date of the LTIP Awards), the prevailing market price of the Shares, funding requirements of the Group, dilutive effects of any such issuance on the Company's share capital base, future returns, potential cost arising from the grant of the LTIP Awards and any applicable laws, regulatory requirements and/or administrative constraints.

In the event that any applicable laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of the Company to expediently settle the LTIP Awards via the issuance or transfer of the Shares, the LTIP Committee may, at its sole discretion, consider the settlement of such LTIP Awards in cash in lieu of the Shares ("**Alternative Settlement**"). The Alternative Settlement will give the Company the flexibility to satisfy the LTIP Awards in an expedient, fair and equitable manner whereby:

- (a) the reference price used to determine the amount to be paid to the affected Grantee will be based on the market value of the Shares after taking into consideration, among others, the VWAP of the Shares for the 5 Market Days immediately preceding the date of vesting of the LTIP Awards; and
 - (b) with the cash amount received from the Alternative Settlement, the affected Grantee may choose to invest, in whole or in part, the equivalent cash amount in the Shares or any other investments based on his/her investment objective.
- 4.4 For the purposes of facilitating the implementation and administration of the LTIP, the Company may (but shall not be obliged to) establish a trust to be administered by a trustee to be appointed by the Company for the LTIP from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to the Grantees at such times as the LTIP Committee shall direct ("**Trust**"). For this purpose, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Group and/or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment. The LTIP Committee shall have the discretion to revoke or suspend any such direction that has earlier been given to the Trustee.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 4.5 The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of a trust deed to be entered into between the Company and the Trustee constituting the Trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 4.6 The Company shall have power from time to time, at any time, to appoint or rescind or terminate the appointment of the Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 4.7 Without limiting the generality of By-Laws 4.1 and 4.2, the LTIP Committee may, for the purpose of administering the LTIP, do all acts and things, rectify any errors in the LTIP Award subject to By-Laws 32.5 and 37.5, execute all documents and delegate any of its powers and duties relating to the LTIP as it may at its discretion consider to be necessary or desirable for giving effect to the LTIP. Any decisions of the LTIP Committee which are made in accordance with these By-Laws shall be final, binding and conclusive.

5. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE LTIP

- 5.1 The maximum number of new Shares which may be made available pursuant to the LTIP shall not in aggregate exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares, if any) of the Company, at any point in time during the Duration of the LTIP ("**Maximum Shares**").
- 5.2 Notwithstanding the provision of By-Law 5.1 above and any other provision herein contained, in the event the Maximum Shares exceed the aforesaid fifteen percent (15%) as a result of the Company purchasing its own Shares in accordance with the provisions of Section 127 of the Act or undertaking any other corporate proposal and thereby reducing its issued share capital, then such LTIP Award granted prior to the reduction of the issued share capital of the Company shall remain valid and exercisable in accordance with the provisions of this LTIP as if that reduction had not occurred. However, in such a situation, the LTIP Committee shall not make any further LTIP Award unless the total number of Shares to be issued under the LTIP falls below fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares).
- 5.3 For the avoidance of doubt, any LTIP Award that is not accepted by any Eligible Persons pursuant to these By-Laws will be added back to the number of Shares available to be awarded under the LTIP.

6. ELIGIBILITY

- 6.1 Subject to the discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date, shall be eligible to participate in the LTIP:
- (a) in respect of an Employee and/or senior management of the Group (excluding dormant subsidiaries, if any), he/she:
 - (i) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) is employed on a full-time basis and is on the payroll of any company within the Group (excluding dormant subsidiaries, if any) and such employment has been confirmed;

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (iii) is under an employment contract for a fixed duration and has been in the employment of any company within the Group (excluding dormant subsidiaries, if any) for such period as may be determined by the LTIP Committee;
 - (iv) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated; and
 - (v) fulfils any other eligibility criteria as may be determined by the LTIP Committee from time to time at its sole discretion,
- (b) in respect of the Directors, he/she:
- (i) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) has been appointed as a Director of the Company or any company within the Group (excluding dormant subsidiaries, if any);
 - (iii) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated; and
 - (iv) fulfils any other eligibility criteria as may be determined by the LTIP Committee from time to time at its sole discretion,

provided always that the selection of any Director or Employee for participation in the LTIP and the number of LTIP Awards to be awarded to an Eligible Person under the LTIP shall be at the sole and absolute discretion of the LTIP Committee, and the decision of the LTIP Committee shall be final and binding. The members of the LTIP Committee shall comprise such Directors and/or senior management of the Group to be approved by the Board who will assess the eligibility of the Eligible Persons and decide on the allocation of the LTIP Awards.

- 6.2 Notwithstanding the above, the LTIP Committee may from time to time, at its absolute discretion, determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in By-Law 6.1 for the purpose of selecting an Eligible Person to be offered the LTIP Award, and the decision of the LTIP Committee shall be final and binding.
- 6.3 Where a specific allocation of ESOS Options and/or Shares is proposed to be made pursuant to an LTIP Award to an Eligible Person who is Director, major shareholder or chief executive officer of the Company ("**Interested Parties**"), or a person connected with any of the Interested Parties, such specific allocation to the said person under the LTIP must be approved by the shareholders of the Company at a general meeting provided always that such Interested Parties and/or persons connected with them shall abstain from voting on the resolution approving their respective allocations and/or allocations to persons connected with them and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulations.
- 6.4 In the event that any Eligible Person is a member of the LTIP Committee and to avoid any potential conflict of interest with regard to the specific allocation to the said Eligible Person, such Eligible Person shall not participate in the deliberation or discussion of his/her own eligibility and allocation of the LTIP Awards as well as that of persons connected with him/her.
- 6.5 For the avoidance of doubt, non-executive Directors of the Company shall not be eligible to participate in the SGP and Directors and Employees of a dormant company within the Group, if any, shall not be eligible to participate in the LTIP.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

6.6 Eligibility under the LTIP does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the LTIP and an Eligible Person does not acquire or have any rights over or in connection with the LTIP Award unless an LTIP Award has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award in accordance with By-Laws 33 and/or 38 hereof.

7. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

7.1 The allocation of new Shares to be made available for the LTIP Awards shall be determined by the LTIP Committee from time to time during the Duration of the LTIP.

7.2 Subject to any adjustments which may be made under By-Law 17, the maximum number of Shares awarded to any Eligible Person under the LTIP at any point in time under each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, among other factors, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (a) the total number of new Shares made available under the LTIP shall not exceed the Maximum Shares stipulated in By-Law 5.1;
- (b) the allocation to any individual Eligible Person, who either individually or collectively, through persons connected with them, holds twenty percent (20%) or more of the total number of issued Shares of the Company, must not exceed ten (10%) of the total number of new Shares to be made available under the LTIP;
- (c) not more than sixty percent (60%) of the total ESOS Awards shall be allocated to the Directors (including executive and non-executive Directors) and senior management of the Group; and
- (d) the Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as allocations to persons connected with them, if any,

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

7.3 At the time the LTIP Award is offered, the LTIP Committee shall set out the basis of allocation of the LTIP Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 32.4 and/or By-Law 37.3 (as the case may be).

7.4 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such promoted Eligible Person shall be the Maximum Allowable Allotment corresponding to the new category of employee which he/she then is a party, subject always to the availability of LTIP Award and the maximum number of Shares available under the LTIP under By-Law 5.1.

7.5 Any Eligible Person who holds more than one (1) position within the Group (including a Director who sits on the board(s) of directors of any one or more subsidiaries within the Group), and is therefore an Eligible Person in more than one designation in the Group, shall be entitled to the Maximum Allowable Allotment of only one (1) selected designation. The LTIP Committee shall be entitled at its sole and absolute discretion to determine the applicable designation of such Eligible Person for the purposes of determining the Maximum Allowable Allotment.

7.6 The LTIP Committee may make more than one (1) LTIP Award to an Eligible Person provided that the aggregate number of Options and/or Shares awarded to an Eligible Person throughout the entire Duration of the LTIP does not exceed the Maximum Allowable Allotment of such Eligible Person, subject always to By-Law 7.1.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 7.7 The Company shall ensure that allocation of LTIP Awards is verified by the Risk Management and Audit Committee of the Company, as being in compliance with the eligibility and allocation criteria which have been disclosed to the Eligible Persons, at the end of each financial year.
- 7.8 The LTIP Committee shall have the discretion in determining:
- (i) the maximum number of LTIP Awards that will be made available to an Eligible Person under the LTIP, in the manner provided in the By-Laws in relation to each class or grade of the Eligible Persons;
 - (ii) aggregate maximum number of LTIP Awards that can be awarded to the Eligible Persons under the LTIP from time to time;
 - (iii) whether the granting of the LTIP Awards to the Eligible Persons will be staggered over the Duration of the LTIP or in a single grant. In considering whether the LTIP Awards will be granted in a single grant, the LTIP Committee shall take into consideration among others, the rank and length of service of the Grantee, and whether the LTIP Committee wishes to provide a one-off reward to the relevant Grantee's contribution to the Group to incentivise the said Grantee's continued employment with the Group, or to motivate the relevant Grantee to achieve certain milestones throughout the course of the Grantee's career progression with the Group moving forward; and
 - (iv) whether the LTIP Awards will be subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to Performance Targets,

the decision of the LTIP Committee of which shall be final and binding.

8. PERFORMANCE TARGETS FOR VESTING AND VESTING CONDITIONS

- 8.1 The vesting of any LTIP Award may be subject to the fulfilment by the Group and/or the Eligible Person (as the case may be) of Performance Targets within the Performance Period and/or such other conditions, as may be determined by the LTIP Committee.
- 8.2 The determination as to whether the Performance Targets have been fulfilled shall be made by the LTIP Committee at the expiry of the Performance Period and such determination by the LTIP Committee shall be final and binding.
- 8.3 Where the LTIP Committee has determined that the Performance Targets and/or such other conditions imposed, if any, have been fully and duly satisfied pursuant to By-Law 8.2, the LTIP Committee shall notify the Eligible Person of the number of LTIP Award vested or which will be vested in him/her.
- 8.4 If the Performance Targets and/or other conditions imposed (if any) are not fulfilled, the LTIP Committee may, in its sole and absolute discretion, determine the number of LTIP Award which will be vested.
- 8.5 The LTIP Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an ESOS Award or SGP Award.
- 8.6 The LTIP Committee shall have full discretion to determine whether any Vesting Conditions have been fully and duly satisfied and such determination by the LTIP Committee shall be final and binding.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

9. DISCIPLINARY PROCEEDINGS

- 9.1 Notwithstanding anything to the contrary herein contained in these By-Laws, the LTIP Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to have vested any unvested LTIP Award or to exercise any unexercised ESOS Options pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to have vested any unvested LTIP Award and/or to exercise any unexercised ESOS Options having regard to the nature of the charges made or brought against such Grantee, provided always that:
- (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such Grantee to their SGP Awards and/or to exercise his/her ESOS Option;
 - (ii) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee and/or all unvested LTIP Award shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
 - (iii) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have any unvested LTIP Award vested in him/her and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
 - (iv) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options and/or SGP Award of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

10. NON-TRANSFERABILITY

- 10.1 An LTIP Award is personal to the Grantee and subject to the provisions of By-Laws 10.2, 10.3 and 13.2, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 10.2 An LTIP Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any attempt to transfer, assign, dispose or encumber any LTIP Award shall result in the automatic cancellation of the LTIP Award rendering the LTIP Award void.
- 10.3 Notwithstanding this By-Law 10, in the event a Grantee is transferred to another company within the Group which has its own share issuance LTIP, the Grantee shall be entitled to continue to vest or exercise all unvested or unexercised LTIP Award granted under this LTIP, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further LTIP Award under this LTIP.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

11. RIGHTS ATTACHING TO SHARES AND LTIP AWARD AND RANKING OF SHARES

- 11.1 The new Shares to be allotted and issued pursuant to the LTIP will, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, where the Entitlement Date precedes the relevant date of allotment and issuance of the new Shares. The new Shares to be allotted and issued pursuant to the LTIP will be subject to the provisions of the Constitution relating to transfer, transmission or otherwise of the Shares including the rights of the holders of the Shares on the winding up of the Company and the Listing Requirements, if any.
- 11.2 In respect of the transfer of existing Shares (including treasury shares) to the SGP Grantees, if any, pursuant to the vesting of the Shares comprised in an SGP Award, such Shares shall rank equally in all respects with the then existing Shares. However, the SGP Grantee shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the SGP Grantees on or prior to the Entitlement Date of such dividends, rights, allotments and/or other distributions.
- 11.3 The LTIP Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the ESOS Grantees and/or SGP Grantees shall not in any event be entitled to any dividends, rights, allotments and/or other distributions on his/her unexercised ESOS Options and/or unvested SGP Awards.

12. RETENTION PERIOD

- 12.1 Subject to the Listing Requirements and/or any other applicable laws, the new Shares to be allotted and issued and/or existing Shares to be transferred to the ESOS Grantees and/or SGP Grantees, as the case may be, pursuant to the LTIP will not be subjected to any retention period unless otherwise as stated in the LTIP Awards as determined by the LTIP Committee at its sole discretion. However, the Grantees are encouraged to hold the Shares granted to them, or subscribed for by them, as the case may be, as a long-term investment and not for realisation of immediate gain. The LTIP Committee shall be entitled to prescribe or impose, in relation to any LTIP Award, any condition relating to any retention period or restriction on the transfer of the Shares to be issued and/or transferred (vide treasury shares) pursuant to the LTIP as it deems fit.
- 12.2 Notwithstanding the above, in accordance with Paragraph 8.20 of the Listing Requirements, an ESOS Grantee who is a non-executive Director, must not sell, transfer or assign the Shares obtained through the exercise of the ESOS Options offered to him/her within one (1) year from the date of the ESOS Award.

13. TERMINATION OF THE LTIP AWARD

- 13.1 Prior to the full vesting of any LTIP Award and/or the allotment or satisfaction by any other means of a LTIP Award in the manner as provided for under By-Law 4.3, such LTIP Award that remains unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group in the following circumstances:
- (i) termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (ii) bankruptcy of the Grantee, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (iii) upon the occurrence of any other event which results in the Grantee being deprived of the beneficial ownership of the LTIP Award, in which event the LTIP Award shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group on the date such event occurs; or
- (iv) winding up or liquidation of the Company, in which event the LTIP Award shall be automatically terminated and/or cease to be valid on the following date:
 - (a) in the case of a voluntary winding up, the date on the resolution of winding up of the Company is passed; or
 - (b) in the case of an involuntary winding up, the date on which a court order is made for the winding up of the Company; or
- (v) termination of the LTIP pursuant to By-Law 21.4, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date (as defined below) pursuant to By-Law 21.4, or
- (vi) death of the Grantee, in which the LTIP Award shall be automatically terminated and cease or deemed to be valid without any claim against the Group on the date of death of the Grantee,

whichever shall be applicable.

Upon the termination of the LTIP Award pursuant to By-Laws 13.1(i), (ii), (iii), (iv) or (v) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the LTIP which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any LTIP Award or right to exercise his/or her ESOS Option(s) or his/her LTIP Award ceasing to be valid.

13.2 Notwithstanding By-Law 13.1(i) above, the LTIP Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or as the case may be, for all or any part of any unvested LTIP Award to vest in accordance with the provisions of these By-Laws, and at the times or period at or within which such LTIP Award may vest (provided that no LTIP Award shall vest after the respective ESOS Vesting Date(s) or SGP Vesting Date(s) has passed) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (a) ill-health, injury, physical or mental disability; or
- (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (c) redundancy or retrenchment pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by a company within the Group; or
- (d) any other circumstances which are acceptable to the LTIP Committee in its sole and absolute discretion.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

14. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

- 14.1 All Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website and at the registered office of the Company during normal office hours on any working day of the Company.

15. LTIP NOT A TERM OF EMPLOYMENT

- 15.1 This LTIP shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. This LTIP shall not form part of or be in any way construed as part of the terms and conditions of employment of any employee of the Group.

16. TAXES

- 16.1 All other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes), if any, that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Shares under the LTIP Award, and any holding or dealing of such Shares (including, without limitation, brokerage commissions and stamp duty) shall be borne by the Grantee for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

17. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

- 17.1 In the event of any alteration in the capital structure of the Company during the Duration of the LTIP, whether by way of capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction or any other variation of capital, the LTIP Committee may, in its discretion, cause such adjustments to be made to:

- (a) the ESOS Exercise Price and/or SGP Price; and/or
- (b) the number of new Shares which shall be exercisable or vested under the ESOS Options and/or SGP Awards.

In addition, the following provisions shall apply in relation to an adjustment which is made pursuant to the By-Laws:

- (a) any adjustment to the ESOS Exercise Price and/or SGP Price shall be rounded up to the nearest 1 sen; and
- (b) any fractional entitlements will be disregarded in determining the Grantees' entitlement to subscribe for Shares and/or number of Shares to be vested.

- 17.2 The provisions of this By-Law 17 shall not apply where the alteration in the capital structure of the Company arises from any of the following:

- (i) an issue of Shares pursuant to the exercise of ESOS Options and/or vesting of Shares pursuant to the LTIP Award under the LTIP; or
- (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
- (iii) an issue of securities via a private placement; or

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (iv) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
 - (v) a restricted issue of securities; or
 - (vi) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
 - (vii) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to the Section 127 of the Act.
- 17.3 Save as expressly provided for herein, the external auditors or Recognised Principal Adviser selected by the Board (acting as experts and not as arbitrators) shall confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of such external auditors or Recognised Principal Adviser shall be final, binding and conclusive.
- 17.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to the Act, By-Law 17.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 17.1 is applicable, but By-Law 17.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 17.1 is not applicable as described in By-Law 17.2.
- 17.5 Any adjustment pursuant to By-Law 17.1 shall be made according to the following terms:
- (i) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (ii) in the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation, subdivision or reduction becomes effective (being the date when the Shares are traded on Bursa Securities) or such other period as may be prescribed by Bursa Securities.
- 17.6 Upon any adjustment required to be made pursuant to this By-Law 17, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:
- (i) in respect of the ESOS, the ESOS Exercise Price and/or number of ESOS Options which are the subject of the adjusted ESOS Award; and
 - (ii) in respect of the SGP, the SGP Price and the number of Shares comprised in the unvested SGP Awards which are the subject of the adjusted SGP Award.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

17.7 In respect of the ESOS Options or the SGP Awards, any adjustment pursuant to this By-Law 17 shall be made in accordance with the following formula below (as applicable), pursuant to By-Law 17.6:

(a) **Consolidation or subdivision**

If and whenever a Share, by reason of any consolidation or subdivision or conversion of the Shares occurs, the ESOS Exercise Price and/or SGP Price shall be adjusted and the additional number of Shares comprised in the ESOS Options and/or SGP Award shall be calculated in accordance with the following formula:

$$\begin{array}{r} \text{New ESOS} \\ \text{Exercise Price} \\ \text{and/or SGP Price} \end{array} = S \times \frac{\text{Total number of issued Shares (excluding treasury shares) immediately preceding such consolidation or subdivision}}{\text{Total number of issued Shares (excluding treasury shares) immediately after such consolidation or subdivision}}$$

$$\begin{array}{r} \text{Additional number} \\ \text{of Shares} \end{array} = T \times \frac{\text{Total number of issued Shares (excluding treasury shares) immediately after such consolidation or subdivision}}{\text{Total number of issued Shares (excluding treasury shares) immediately preceding such consolidation or subdivision}}$$

Where:

S = Existing ESOS Exercise Price and/or SGP Price; and

T = Existing number of Shares comprised in the ESOS Options and/or SGP Award

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision becomes effective (being the date the Shares are traded on Bursa Securities), or such other period as may be prescribed by Bursa Securities.

(b) **Capitalisation of profits/reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), the ESOS Exercise Price and/or SGP Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares relating to the ESOS Options and/or SGP Awards shall be calculated as follows:

$$\begin{array}{r} \text{Additional number} \\ \text{of Shares} \end{array} = T \times \left(\frac{A + B}{A} \right) - T$$

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

Where:

- A = The aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;
- B = The aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature); and
- T = T as in By-Law 17.7(a) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

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

then and in respect of each such case, the ESOS Exercise Price and/or SGP 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-Law 17.7(c)(ii) hereof, the additional number of Shares relating to the ESOS Options and/or SGP Awards 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 17.7(g) below) of each 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 new Shares under By-Law 17.7(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 17.7(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (bb) In the case of any other transaction falling within By-Law 17.2(c) hereof, the fair market value as determined by an auditor and/or Recognised Principal Adviser of the Company of that portion of the Capital Distribution attributable to one (1) Share; and

D* = The value of the rights attributable to one (1) Share (as defined below).

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

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

Where:

- C = C as in By-Law 17.7(c) above;
- E = The subscription price for one (1) new Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and
- F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or subscribe for security convertible into one (1) additional Share or rights to acquire or subscribe for additional Shares.

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

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

Where:

- C = C as in By-Law 17.7(c) above;
- E* = The subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and
- F* = The number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 17.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (not falling under By-Law 17.7(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend declared or provided for in the audited financial statements of the Company for 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 as shown in the audited consolidated financial statement of comprehensive income of the Company.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

(d) **Capitalisation of profits/reserves and rights issue of Shares/convertible securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 17.7(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the ESOS Exercise Price and/or SGP Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 17.7(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the additional number of Shares relating to the ESOS Options and/or SGP Awards shall be calculated as follows:

$$\begin{array}{l} \text{Additional} \\ \text{number of} \\ \text{Shares} \\ \text{comprised} \\ \text{in ESOS} \\ \text{Options} \end{array} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

$$\begin{array}{l} \text{Additional} \\ \text{number of} \\ \text{Shares to} \\ \text{be vested} \\ \text{under the} \\ \text{SGP} \\ \text{Awards} \end{array} = T \times \left(\frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right) - T$$

Where:

- B = B as in By-Law 17.7(b) above;
- C = C as in By-Law 17.7(c) above;
- G = The aggregate number of issued and fully paid-up Shares on the Entitlement Date;
- H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H* = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- I = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation, as the case may be;
- I* = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and
- T = T as in By-Law 17.7(a) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

(e) **Rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 17.7(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for ordinary shares as provided in By-Law 17.7(c)(iii) above, the ESOS Exercise Price and/or SGP Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares relating to the ESOS Options and/or SGP Awards shall be calculated as follows:

- (1) in respect of the ESOS Options:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

- (2) in respect of the SGP Awards:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)} \right) - T$$

Where:

- C = C as in By-Law 17.7(c) above;
- G = G as in By-Law 17.7(d) above;
- H = H as in By-Law 17.7(d) above;
- H* = H* as in By-Law 17.7(d) above;
- I = I as in By-Law 17.7(d) above;
- I* = I* as in By-Law 17.7(d) above;
- J = The aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

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

T = T as in By-Law 17.7(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

(f) **Capitalisation of profits/reserve, rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 17.7(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 17.7(c)(iii) above, and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the ESOS Exercise Price and/or SGP 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 relating to the ESOS Options and/or SGP Awards shall be calculated as follows:

(1) in respect of the ESOS Options:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

(2) in respect of the SGP Awards:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)} \right) - T$$

Where:

B = B as in By-Law 17.7(b) above.

C = C as in By-Law 17.7(c) above;

G = G as in By-Law 17.7(d) above;

H = H as in By-Law 17.7(d) above;

H* = H* as in By-Law 17.7(d) above;

I = I as in By-Law 17.7(d) above;

I* = I* as in By-Law 17.7(d) above;

J = J as in By-Law 17.7(e) above;

K = K as in By-Law 17.7(e) above; and

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

T = T as in By-Law 17.7(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 17.7(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the ESOS Exercise Price and/or SGP Price shall be adjusted by multiplying it by the following fraction:

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

Where:

- L = the number of 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 Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 17.7(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an auditor and/or Recognised Principal Adviser of the Company and shall be:

- (i) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into 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 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,

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

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 Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 17.7(g), the "Average Price" of a Share shall be the average price of one (1) Share as derived from the last traded prices for one or more board lots of 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 Shares is determined.

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

For the purpose of By-Law 17.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the weighted average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

- 17.8 If an event occurs that is not set out in By-Law 17.7 or if application of any of the formula to an event results in a manifest error or does not, in the opinion of the LTIP Committee, achieve the desired result of preventing the dilution or enlargement of the Eligible Person's rights, the LTIP Committee may agree to an adjustment subject to the provision of By-Law 17.7 provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the LTIP Committee.
- 17.9 Notwithstanding the provisions referred to in this By-Laws, the LTIP Committee may exercise its discretion to determine whether any adjustments to the ESOS Exercise Price and/or SGP Price, the number of Options and/or new Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the ESOS Exercise Price and/or SGP Price and/or the number of Options and/or new Shares notwithstanding that no such adjustment formula has been explicitly set out in this By-Laws.
- 17.10 Upon any adjustment being made pursuant to this By-Laws, the LTIP Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal representatives where applicable) in writing informing him of the adjusted ESOS Exercise Price and/or SGP Price thereafter in effect and/or the revised number of Shares thereafter to be issued on the exercise of the ESOS Options and/or to be vested under the SGP Awards.

18. TAKE-OVER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

- 18.1 In the event of:
- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror);

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (b) the Offeror becoming entitled or bound to exercise the rights of compulsory acquisition of Shares under the provisions of the Capital Markets and Services Act 2007 or other relevant laws applicable at the material time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) 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 of the Company under Section 366 of the Act or its reconstruction and amalgamation with any other company or companies under Section 370 of the Act,

the LTIP Committee may at its discretion to the extent permitted by law allow the exercise of any ESOS Options and/or the vesting of any SGP Awards (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (1) the ESOS Vesting Date or SGP Vesting Date (whichever applicable) is not due or has not occurred; and/or
- (2) the other terms and conditions set out in the LTIP Award have not been fulfilled or satisfied.

19. DIVESTMENT FROM THE GROUP

19.1 If a Grantee who was in the employment of a corporation in the Group which was subsequently divested, then such Grantee:

- (i) shall:
 - (a) not be entitled to continue to exercise all such unexercised vested ESOS Options held by him/her; and
 - (b) cease to be capable of being vested with any unvested ESOS Options or unvested SGP Awards granted to him/her under the LTIP,

from the date of completion of such divestment; and
- (ii) shall not be eligible to participate for further LTIP Awards under the LTIP as from the date of completion of such divestment.

19.2 For the purposes of By-Law 19.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the LTIP Committee at its absolute discretion.

20. WINDING UP

20.1 In the event that a resolution is passed or a court order is made for the winding up of the Company, all outstanding LTIP Awards shall be automatically terminated and be of no further force and effect in accordance with By-Law 13 above. Subject to By-Law 13 above, in the event a petition is presented in court for the winding up or liquidation of the Company, all rights to exercise and/or vest the Award shall automatically be suspended from the date of presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the Award shall accordingly be unsuspending.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

21. DURATION OF THE LTIP

21.1 The LTIP is conditional upon:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) approval from Bursa Securities for the listing and quotation of such number of new Shares representing up to fifteen percent (15%) of the total number of issued Shares of the Company on the Main Market of Bursa Securities;
- (iii) approval of the shareholders of the Company for the LTIP being obtained;
- (iv) receipt of the approval(s) of any other relevant authorities and/or parties (where applicable); and
- (v) fulfilment or waiver (as the case may be) of all applicable conditions attached to the above approvals (if any).

The LTIP, when implemented, shall be in force for a period of five (5) years from the effective date of implementation of the LTIP, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements in relation to the LTIP ("**Effective Date**"). The Company may, if the Board deems fit and upon recommendation of the LTIP Committee, extend the LTIP for a period of up to another five (5) years immediately from the expiry of the first five (5) years, and shall not in aggregate exceed ten (10) years from the Effective Date.

Such extended LTIP shall be implemented in accordance with the terms of these By-Laws, save for any amendments and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the LTIP and the Company shall serve appropriate notices on each of the Grantees and/or make any necessary announcements to any parties and/or Bursa Securities, if required, prior to the Date of Expiry.

21.2 The LTIP Award can only be made during the Duration of the LTIP and before 5.00 p.m. on the Date of Expiry.

21.3 On the expiry of the LTIP, any LTIP Award which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void.

21.4 Subject to the compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the LTIP Committee, at any time before the Date of Expiry, terminate the LTIP in accordance with the terms of these By-Laws, provided that the Company makes an announcement immediately to Bursa Securities on the following:

- (a) the effective date of termination of the LTIP ("**Termination Date**");
- (b) the number of ESOS Options exercised under the ESOS and the Shares vested under the SGP; and
- (c) the reasons for termination of the LTIP.

21.5 In the event of termination as stipulated in By-Law 21.4, the following provisions shall apply:

- (a) no further LTIP Award shall be made by the LTIP Committee from the Termination Date;
- (b) all LTIP Awards which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date; and

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (c) all LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially granted under the LTIP) shall automatically be deemed cancelled and be null and void on the Termination Date.

21.6 For the avoidance of doubt, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of the Grantees who have unexercised ESOS Options and/or unvested SGP Awards are not required to effect a termination of the LTIP pursuant to By-Law 21.4 unless otherwise required by the Listing Requirements and/or other applicable laws.

22. SUBSEQUENT EMPLOYEES' SHARE SCHEME

22.1 The Company may, in addition to the LTIP, implement more than one (1) employees' share scheme provided that the aggregate number of Shares available under all the employee share schemes implemented by the Company is not more than the maximum limit prescribed in any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

23. COMPENSATION AND DISCLAIMER OF LIABILITY

23.1 The LTIP shall afford the Grantee no additional right to compensation or damages in the event of the cessation of his employment or appointment for any reason whatsoever.

23.2 Participation in this LTIP by an Eligible Person is a matter entirely separate from his terms and conditions of employment and participation in this LTIP shall in no respects whatsoever affect in any way a Grantee's terms and conditions of employment. In particular (but without limiting the generality of the foregoing words) any Grantee who leaves employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this LTIP which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, dismissal without just cause or excuse, or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

23.3 Notwithstanding anything to the contrary and subject to the Act, the Board, the LTIP Committee and/or the Company including any companies in the Group and its Directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising or incurred or suffered in any event in respect of the LTIP, including but not limited to the Company's delay in allotting and issuing the new Shares or in applying for or procuring the listing of the new Shares on Bursa Securities in accordance with these By-Laws for any reason whatsoever.

24. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE LTIP

24.1 Subject to By-Law 24.2, compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the LTIP Committee may at any time and from time to time recommend to the Board any additions, amendments or modifications to or deletions of the By-Laws as it shall, at its sole discretion, deem fit. Further, the Board shall have the power at any time and from time to time by resolution to add, amend, modify and/or delete all or any of the terms in the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the Listing Requirements and the Rules of Bursa Depository.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 24.2 Subject to By-Law 24.1, the approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws save and except if such additions, amendments and/or modifications and/or deletions would:
- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (b) increase the number of Shares available under the LTIP beyond the Maximum Shares stipulated in By-Law 5.1; or
 - (c) prejudice any rights of the shareholders of the Company; or
 - (d) alter to the advantage of the Eligible Persons, any matter which is required to be contained in the By-Laws by virtue of the Listing Requirements.

25. DISPUTES

- 25.1 Any dispute or difference of any nature arising hereunder shall be referred to the decision of the LTIP Committee. The said decision shall be final and binding on the parties unless the Eligible Person or Grantee, as the case may be, shall dispute the same by notice to the LTIP Committee within fourteen (14) days of the receipt of the decision of the LTIP Committee, in which case, such dispute or difference shall be referred to the decision of an approved company auditor as defined under Section 263 of the Act (acting as expert and not as arbitrator), whose decision shall be binding in all respects and whose costs shall be borne by the party against whom the decision is given on appeal.

26. COSTS AND EXPENSES

- 26.1 All fees, costs and expenses incurred in relation to the LTIP including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the LTIP Award, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the LTIP and the holding or subsequent dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty).

27. LISTING AND QUOTATION OF NEW SHARES

- 27.1 The new Shares to be allotted and issued to the Grantees pursuant to the exercise of the ESOS Options and/or vesting of Shares pursuant to the LTIP will be listed and quoted on the Main Market of Bursa Securities.

28. CONSTITUTION

- 28.1 Notwithstanding the rules, terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution, the provisions of the Constitution shall prevail at all times save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

29. NOTICE

- 29.1 Any notice which under the LTIP is required to be given to or served upon the LTIP Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee and the LTIP Committee shall be given or served in writing and either delivered by hand or sent to the registered office of the Company by facsimile or ordinary letter or to the LTIP Committee or the Company by electronic mail. Proof of posting shall not be evidence of receipt of the letter.
- 29.2 Any notice under the LTIP required to be given to or served upon an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by electronic mail, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person or Grantee at his/her place of employment, to his/her electronic mail address, at his/her last facsimile transmission number known to the Company, or to his/her last-known address. Any notice served by hand, by facsimile, by electronic mail or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and acknowledged, (if by facsimile transmission) is transmitted with a confirm log print-out for the transmission indicating the date, time and transmission of all pages, (if by electronic mail) the dispatch of the electronic mail, (if any post) three (3) days after postage.
- 29.3 Any notice served by a party after the Company's official working hours shall be deemed to have been served on the next working day.

30. SEVERABILITY

- 30.1 Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

31. GOVERNING LAW

- 31.1 The LTIP, the By-Laws, and all LTIP Awards made and granted and actions taken under the LTIP shall be governed by and construed in accordance with the Malaysian law.

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DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

PART B: ESOS**32. ESOS AWARDS**

- 32.1 The LTIP Committee may at its discretion at any time and from time to time as it shall deem fit during the Duration of the LTIP make an ESOS Award in writing for acceptance in accordance with By-Law 33 below to an Eligible Person based on the criteria for allotment as set out in By-Law 6 above and otherwise in accordance with the terms of this LTIP.
- 32.2 The actual number of ESOS Options which may be offered to an Eligible Person shall be at the discretion of the LTIP Committee subject to any adjustments that may be made under By-Law 17. The number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment of such Eligible Person and shall be in multiples of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the LTIP Committee.
- 32.3 An ESOS Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such longer period as may be determined by the LTIP Committee at its sole and absolute discretion ("**Offer Period**").
- 32.4 The LTIP Committee shall state the following particulars in the letter of offer of an ESOS Award ("**ESOS Award Letter**"):
- (i) the number of ESOS Options that are subject of the ESOS Award;
 - (ii) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the vesting and exercise of the ESOS Options;
 - (iii) the date of the ESOS Award;
 - (iv) the Option Period;
 - (v) the ESOS Exercise Price;
 - (vi) the Offer Period as mentioned in By-Law 32.3;
 - (vii) the Vesting Conditions;
 - (viii) the ESOS Vesting Date(s);
 - (ix) the basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, achievement of Performance Targets, Maximum Allowable Allotment, minimum period for which an ESOS Option must be held before it can be exercised (if any), and such other information that the LTIP Committee may in its sole and absolute discretion deem fit; and
 - (x) any other information deemed necessary by the LTIP Committee.
- 32.5 Without prejudice to By-Law 4, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 32.4 above, the following provisions shall apply:
- (i) As soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental letter of offer, stating the correct particulars referred to in By-Law 32.4 above;

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- (ii) In the event that the error relates to particulars other than the ESOS Exercise Price, the ESOS Exercise Price applicable in the supplemental letter of offer shall remain as the ESOS Exercise Price as per the original letter of offer; and
 - (iii) In the event that the error relates to the ESOS Exercise Price, the ESOS Exercise Price stated in the supplemental letter of offer shall be the ESOS Exercise Price applicable as at the date of the original letter of offer, save and except with respect to any ESOS Option which has already been exercised as at the date of issue of the supplemental letter of offer.
- 32.6 When an ESOS Award is made pursuant to these By-Laws, the LTIP Committee shall ensure that the Company makes an announcement of the following to Bursa Securities on the date of the ESOS Award:
- (i) the date of ESOS Award;
 - (ii) the ESOS Exercise Price;
 - (iii) the number of Options or Shares offered;
 - (iv) the market price of its Shares on the date of the ESOS Award;
 - (v) the number of Options or Shares to each Director, if any; and
 - (vi) the vesting period of the Options or Shares offered, if any.

33. ACCEPTANCE OF ESOS AWARD

- 33.1 An ESOS Award shall be accepted by the Eligible Person within the Offer Period by way of a written notice of acceptance addressed to the LTIP Committee accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the ESOS Options (regardless of the number of Shares comprised therein). The date of receipt by the LTIP Committee of such written notice shall constitute the Date of Acceptance.
- 33.2 The LTIP Committee shall within thirty (30) days of the Date of Acceptance issue to the ESOS Grantee an option certificate in such form as may be determined by the LTIP Committee.
- 33.3 If the ESOS Award is not accepted in the manner set out in By-Law 33.1 above, such ESOS Award shall upon the expiry of the Offer Period automatically lapse and be null and void and of no further effect. The new Shares comprised in such Options may, at the discretion of the LTIP Committee, be re-offered to other Eligible Persons or for future ESOS Awards.
- 33.4 The Options or such part thereof as may be satisfied in the ESOS Award will only vest with the ESOS Grantee on the ESOS Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, including the following:
- (i) the said ESOS Grantee has not been adjudicated a bankrupt;
 - (ii) the said ESOS Grantee remains an Employee or a Director and has not given notice of resignation, or received a notice of termination, or has otherwise ceased or had his/her employment terminated; and
 - (iii) any other conditions as may be determined by the LTIP Committee.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 33.5 The LTIP Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the LTIP Committee shall have the right to make reference to, among others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the LTIP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.
- 33.6 The Company shall keep and maintain a register of Grantees at its expense and shall enter in that register the names and addresses of the Grantees and such information as may be prescribed by the LTIP Committee.

34. CANCELLATION OF ESOS AWARD

- 34.1 The LTIP Committee may cancel any ESOS Award awarded under this LTIP or any Options that has not been exercised and any unvested ESOS Options awarded under this LTIP. In the event of any such cancellation, the LTIP Committee may, at its discretion, authorise the granting of new ESOS Award (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Award) in such manner, at such ESOS Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this LTIP had the cancelled ESOS Award not been awarded.

35. EXERCISE OF ESOS OPTIONS

- 35.1 Each Option shall be exercisable into one (1) new Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 35.2 Subject to By-Laws 13, 18, 19, 20 and 21, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him or her (subject to By-Law 35.4 during the Duration of the LTIP) as provided in these By-Laws whilst he/she is in the employment with the Group or during his/her tenure as a Director and within the Option Period.
- 35.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. Notwithstanding anything herein to the contrary, in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 17 which results in the number of Shares comprised in an Option not being in multiples of one hundred (100) Shares, then the requirement that an Option shall be exercised in multiples of one hundred (100) Shares shall not be applicable for the ESOS Grantee's final exercise of the Option.
- 35.4 An ESOS Grantee shall exercise his/her ESOS Options vested in him/her in such form and manner as the LTIP Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the ESOS Award Letter. The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the LTIP Committee from time to time. Any ESOS Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 35.5 Subject to By-Law 35.4, an ESOS Grantee shall exercise his/her ESOS Options by issuing the Notice of Exercise, stating the number of ESOS Options to be exercised and number of Shares to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the ESOS Exercise Price in relation to the number of Shares in respect of which the Notice of Exercise is given PROVIDED THAT the number of new Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 35.2 and 35.3 above. The LTIP Committee may pursuant to By-Law 24 hereof, at any time and from time to time, before or after the ESOS Award is awarded, limit the exercise of the ESOS Option to a maximum number of new Shares and/or such percentage of total new Shares comprised in the ESOS Award during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 35.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee, despatch the notice of allotment to the ESOS Grantee stating the number of Shares so credited and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).
- 35.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the LTIP Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Award.
- 35.8 Any failure to comply with the procedures specified by the LTIP Committee or to provide information required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the LTIP Committee. The LTIP Committee shall inform the ESOS Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the ESOS Grantee shall be deemed not to have exercised his/her Option.
- 35.9 Every ESOS Award shall be subjected to the condition that no new Shares shall be issued pursuant to the ESOS Award if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the LTIP or such period as may be extended.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

36. ESOS EXERCISE PRICE

- 36.1 Subject to any adjustments made under By-Law 17 and pursuant to the Listing Requirements, the ESOS Exercise Price shall be a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5-day volume weighted average price ("**VWAP**") of the Shares immediately preceding the date of the ESOS Awards, with a discount of not more than ten percent (10%) during the duration of the LTIP.
- 36.2 The ESOS Exercise Price as determined by the LTIP Committee shall be binding and conclusive on the Grantees.
- 36.3 The ESOS Exercise Price shall be stipulated in each option certificate.

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DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

PART C: SGP**37. SGP AWARDS**

- 37.1 During the Duration of the LTIP, the LTIP Committee may at its discretion at any time and from time to time as it shall deem fit make an SGP Award in writing for acceptance in accordance with By-Law 38 below to an Eligible Person based on the criteria for allotment as set out in By-Law 6 and otherwise in accordance with the terms of this LTIP.
- 37.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee subject to any adjustments that may be made under By-Law 17. The number of Shares so awarded shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment of such Eligible Person and shall be in multiples of one hundred (100) Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in an SGP Award and the terms and conditions of each may differ. Nothing herein shall require any SGP Award offered to be the same as SGP Awards previously or subsequently offered whether to the same or a different Eligible Person.
- 37.3 The LTIP Committee will in its letter of offer for an SGP Award to an Eligible Person ("**SGP Award Letter**") state, among others:
- (i) the number of Shares that are subject of the SGP Award;
 - (ii) the date of the SGP Award;
 - (iii) the Vesting Conditions;
 - (iv) the SGP Vesting Date(s);
 - (v) the Validity Period as mentioned in By-Law 37.4;
 - (vi) the SGP Price;
 - (vii) the basis of the allocation of the SGP Award(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, achievement of Performance Targets, Maximum Allowable Allotment and such other information that the LTIP Committee may in its sole and absolute discretion deem fit; and
 - (viii) any other information deemed necessary by the LTIP Committee.
- 37.4 The SGP Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such period as the LTIP Committee at its sole and absolute discretion determines on a case to case basis ("**Validity Period**").
- 37.5 Without prejudice to By-Law 4, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 37.3 above in the SGP Award Letter, the Company shall, as soon as possible but in any event no later than one (1) month after discovery of the error, issue a supplemental SGP Award Letter, stating the correct particulars referred to in By-Law 37.3.
- 37.6 The SGP Price shall, subject always to the provisions of By-Law 17, be determined by the LTIP Committee based on the VWAP of the Shares for the five (5) Market Days immediately preceding the date of the SGP Award.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

38. ACCEPTANCE OF SGP AWARD

- 38.1 An SGP Award shall be accepted by the Eligible Person within the Validity Period by way of a written notice of acceptance accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the SGP Award (regardless of the number of Shares comprised therein).
- 38.2 If the SGP Award is not accepted in the manner set out in By-Law 38.1 above, the SGP Award shall upon the expiry of the Validity Period automatically lapse and be null and void and of no further effect. The Shares comprised in such SGP Award may, at the discretion of the LTIP Committee, be re-offered to other Eligible Persons.
- 38.3 The Shares will vest with the SGP Grantees at no cost to the SGP Grantees pursuant to the SGP Award.
- 38.4 In the event that the LTIP Committee shall determine, if applicable, that the Performance Targets or performance period are not fully and duly satisfied, the LTIP Committee may, at its discretion, adjust the number of Shares (if any) which may vest in the SGP Grantee on the SGP Vesting Date(s) and/or take into account the shortfall in such manner as the LTIP Committee may in its discretion otherwise deem fit.

39. AWARD OF SHARES

- 39.1 The LTIP Committee may, by giving notice in writing to the SGP Grantee, vary or waive any of the conditions or include additional conditions, as will be used to determine the number of Shares awarded or vested to such SGP Grantee on the SGP Vesting Date.
- 39.2 The determination whether the SGP Grantee has achieved the stipulated conditions shall be determined by the LTIP Committee at its absolute discretion.
- 39.3 Upon making the determination pursuant to By-Laws 39.2, the LTIP Committee shall vest the Shares under the SGP Award to the SGP Grantee subject to the Maximum Allowable Allotment and By-Law 7.
- 39.4 As soon as practicable after a determination is made pursuant to By-Laws 39.2 and 39.3 to vest the Shares under the SGP Award, the LTIP Committee shall notify each SGP Grantee the:
- (a) number of Shares vested in him/her;
 - (b) retention period for those Shares (if any);
 - (c) dates on which the Shares awarded shall vest (where applicable); and
 - (d) any other conditions of the vesting of the Shares.
- 39.5 No SGP Grantee shall have any right to or interest in the Shares comprised in an SGP Award until and unless the Shares are vested in him/her on and with effect from the SGP Vesting Date.
- 39.6 The LTIP Committee may, in its sole and absolute discretion, decide that the vesting of the Shares under the SGP Award, be satisfied by the allotment and issuance of Shares.

DRAFT BY-LAWS OF THE PROPOSED LTIP (CONT'D)

- 39.7 The Company shall within eight (8) Market Days after the SGP Vesting Date, or such other period as may be prescribed or allowed by Bursa Securities, and subject to the Constitution, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the SGP Grantee, despatch the notice of allotment and/or notice of transfer to the SGP Grantee stating the number of Shares so credited and apply to Bursa Securities for the quotation for any new Shares arising from the vesting of an SGP Award. The said Shares will be credited directly into the CDS Account of the respective SGP Grantee. No physical share certificates will be issued and/or delivered to the SGP Grantee or his authorised nominee (as the case may be).

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accepts full responsibility for the accuracy of the information given herein. The Board hereby confirms that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

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

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad ("**RHB Bank**"), and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") form a diversified financial group. RHB Banking Group may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, among others, brokerage, securities trading, asset and fund management and credit transaction service businesses. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or its affiliates, in addition to the role as set out in this Circular. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of the Company and/or its affiliates for their own accounts or their proprietary accounts.

Furthermore, in the ordinary course of business, RHB Banking Group may at any time offer or provide its services or engage in any transactions (whether on its own account or otherwise) with the Company and/or its affiliates and/or any other entity or person, hold long or short positions in the securities offered by the Company and/or its affiliates, make investments recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of the Company and/or its affiliates.

The business of RHB Banking Group generally act independently of each other, and accordingly, there may be situations where parts of RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

As at the LPD, RHB Banking Group has extended credit facilities amounting to RM17.50 million ("**Credit Facilities**") (which has yet to be utilised) to Eupe Group. The Credit Facilities represent approximately 0.06% of the audited consolidated NA of RHB Bank of approximately RM28.72 billion as at 31 December 2022.

Notwithstanding the above, RHB Investment Bank is of the opinion that concerns of any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to Eupe for the Proposals is mitigated by the following:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser to Eupe for the Proposals is in the ordinary course of its business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser to Eupe for the Proposals;

ADDITIONAL INFORMATION (CONT'D)

- (ii) the Credit Facilities were approved by RHB Banking Group's relevant credit committee and granted on an arm's length basis and is not material when compared to the audited consolidated NA of RHB Bank of approximately RM28.72 billion as at 31 December 2022;
- (iii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iv) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act, 2013, the CMSA and RHB Banking Group's own internal controls which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

As at the LPD, save as disclosed above, RHB Investment Bank confirms that it is not aware of any conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to Eupe for the Proposals.

3. MATERIAL COMMITMENTS

As at the LPD, there is no material commitment incurred or known to be incurred by the Group which may have a material impact on the financial results/position of the Group.

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there is no other contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results/position of the Group:

Contingent liabilities	RM'000
Claims for liquidated ascertained damages in respect of one of the residential projects undertaken by the Group. In particular, please refer to Section 5(i) of Appendix II of this Circular for further details of one of the material claims amounting to approximately RM6.44 million	7,418
Claim for additional professional fees by an architect in respect of one of the landed residential projects undertaken by the Group, based on the architect's belief that construction costs used for the calculation of his professional fees should be higher than what we have agreed on. Please refer to Section 5(ii) of Appendix II of this Circular for further details of the claim amounting to approximately RM3.58 million	3,578
Total	10,996

ADDITIONAL INFORMATION (CONT'D)

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, the Group is not involved in any other material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any other proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:

- (i) On 6 August 2021 and 6 September 2021, Lee Chui May and 72 others (collectively, the "**Plaintiffs**") filed a writ and statement of claim against Eupe Bangsar South Development (JV) Sdn Bhd ("**EBSDSB**"), a 50%-owned subsidiary of EKSB which in turn is a wholly-owned subsidiary of the Company, at the High Court of Kuala Lumpur ("**KL High Court**") (via Civil Suit No. WA-22NCvC-540-08/2021 and WA-22NCvC-597-09/2021 respectively, which were then consolidated into one suit on 11 October 2021) ("**Suit 1**") for additional liquidated ascertained damages ("**LAD**") in relation to the late delivery of vacant possession in respect of one of EBSDSB's residential projects, following the Federal Court decision on 26 November 2019 in *Ang Ming Lee & Ors v Menteri Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan & Anor* and other appeals ("**Ang Ming Lee**") which has consequently reduced the duration of delivery of vacant possession from 48 months to 36 months retrospectively.

The Plaintiffs are claiming for, among others, the following:

- (a) LAD amounting to a total of RM6,437,746.42; and
 (b) costs ranging from RM10,000 to RM50,000.

EBSDSB has filed an application to summarily dismiss part or whole of the Plaintiffs' claims ("**Order 14A Application**"). On 24 May 2023, the Parties presented their submissions for the Order 14A Application and the KL High Court Judge had then reserved his decision until the disposal of the Federal Court Civil Suit No. 02(i)-72-08/2022(W) & 02(i)-74-08/2022(W) and Federal Court Civil Suit No. 02(i)-70-08/2022(W) & 02(i)-71-08/2022(W) ("**FC Cases**") which are, among others, re-examining the decision of Ang Ming Lee.

Subject to the outcome of the FC Cases, the Board has been advised by its solicitors that EBSDSB has a reasonably good chance in defending the Plaintiffs' claim in Suit 1. In any event, the facts in Suit 1 can be distinguished from the facts of the case of Ang Ming Lee. In the event EBSDSB is successful in its Order 14A Application, the Board has been advised by its solicitors that the potential loss of EBSDSB is estimated to be reduced by half.

- (ii) On 5 January 2022, Azza Associate Architects ("**Azza**") commenced a civil suit against EKSB, a wholly-owned subsidiary of the Company, at the High Court of Sungai Petani ("**Sungai Petani High Court**") (Civil Suit No. KB-22NCvC-1-01/2022) ("**Suit 2**") for the following reliefs and/or orders:
- (a) an order for the immediate payment of alleged outstanding fees due from EKSB to Azza in the amount of RM3,577,859.76 (using the Jabatan Kerja Raya (Malaysian Public Works Department) index) or alternatively the sum of RM3,128,964.30 (using the Special Release 2 index by the Department of Statistics Malaysia, Prime Minister's Department) or such other sums as determined by the Sungai Petani High Court;
- (b) further and/or in the alternative, the grant of a declaration that Azza is entitled to the payment of the balance of its fees calculated at 1% of the actual total construction cost incurred by EKSB in respect of the 700 acres of mixed development land located at Mukim Pinang Tunggal, Daerah Kuala Muda, Kedah belonging to EKSB ("**Sri Astana Project**") in respect of which Azza rendered its services as an architect;

ADDITIONAL INFORMATION (CONT'D)

- (c) consequent upon the grant of the declaration in (b) above, EKSB be ordered to provide Azza and/or the Registrar of the Sungai Petani High Court the actual construction cost of the Sri Astana Project incurred by EKSB, supported by relevant documents, so as to enable the Sungai Petani High Court and/or Azza to calculate the quantum of the outstanding fees payable by EKSB to Azza based on the formula, i.e. 1% of the total construction costs and thereafter for a consequential order that EKSB do pay Azza such sums as may be found, by the Sungai Petani High Court, to be due and payable by EKSB to Azza calculated as aforesaid;
- (d) general damages to be assessed by the Sungai Petani High Court and when so assessed to be paid by EKSB to Azza forthwith;
- (e) interest on such sums as may be found due and payable to Azza at such rate and for such periods as the Sungai Petani High Court deems fit and proper; and
- (f) costs of the action to be paid by EKSB to Azza on a fully indemnity basis subject to allocator fee.

By way of counterclaim, EKSB claims that there was a fundamental breach of the letter of award dated 7 April 2015 ("**LOA**") by Azza and seeks, among others, special damages in the total sum of RM112,350 as well as general and exemplary damages arising from the fundamental breach and/or termination of the LOA by Azza.

Suit 2 is fixed for trial before the Sungai Petani High Court Judge on 12 and 13 June 2024.

The Board has been advised by its solicitors that EKSB has a reasonably good chance of succeeding in its counterclaim and in defending Suit 2 filed by Azza for the alleged outstanding fees due from EKSB to Azza.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution;
- (ii) audited consolidated financial statements of Eupe Group for the FYE 28 February 2022 and FYE 28 February 2023 and the latest unaudited consolidated financial statements of Eupe Group for the financial period ended 31 August 2023;
- (iii) draft By-Laws of the Proposed LTIP as set out in Appendix I of this Circular;
- (iv) letter of consent and declaration of conflict of interest referred to in Section 2 of Appendix II of this Circular; and
- (v) the relevant cause papers in relation to the material litigation referred to in Section 5 of Appendix II of this Circular.



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD

(Registration No. 199601005416 (377762-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Eupe Corporation Berhad ("**Eupe**" or the "**Company**") will be conducted virtually through live streaming and online remote voting platform from the Broadcast Venue at D-26-01, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor, Malaysia on Friday, 22 December 2023 at 11.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions by way of poll, with or without modification(s):

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 19,200,000 NEW ORDINARY SHARES IN EUPE ("EUPE SHARES" OR "SHARES") ("PLACEMENT SHARES"), REPRESENTING 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) OF THE COMPANY ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to allot and issue up to 19,200,000 Placement Shares, representing 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company, by way of private placement to independent third party investor(s) to be identified later ("**Placee(s)**") to be implemented in one or more tranches, at an issue price for each tranche to be determined and fixed by the Board at a later date, within 6 months from the date of approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the Proposed Private Placement or any extended period as may be approved by Bursa Securities **AND THAT** the issue price of the Placement Shares shall be priced at a discount of not more than 10% to the 5-day volume weighted average share price of Eupe Shares immediately preceding the price-fixing date(s);

THAT such Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Eupe Shares, save and except that the holder(s) of the Placement Shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date(s) are prior to the date on which the Placement Shares are credited into the central depository system ("**CDS**") accounts of the Placee(s) and the Placement Shares will be subject to all the provisions of the Company's Constitution relating to transfer, transmission and otherwise;

THAT pursuant to Section 85(1) of the Companies Act, 2016 ("**Act**") read together with Clause 12(3) of the Company's Constitution, approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new Eupe Shares ranking equally to the existing issued Shares of the Company arising from the allotment and issuance of the Placement Shares pursuant to the Proposed Private Placement **AND THAT** the Board is exempted from the obligation to offer such Placement Shares first to the existing shareholders of the Company in respect of the allotment and issuance of the Placement Shares to the Placee(s) pursuant to the Proposed Private Placement;

THAT authority be and is hereby given to the Board to utilise the proceeds from the Proposed Private Placement for such purposes as set out in Section 2.1.4 of the circular to shareholders of the Company dated 7 December 2023 ("**Circular**") and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") and the approval of the relevant authorities, where required and in the best interest of the Company;

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

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN ("LTIP") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) OF THE COMPANY AT ANY POINT IN TIME DURING THE DURATION OF THE LTIP ("PROPOSED LTIP")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, and to the extent permitted by law and the Constitution of the Company, the Board be and is hereby authorised for the following:

- (i) to establish the Proposed LTIP comprising the proposed employees' share option scheme ("**Proposed ESOS**") and the proposed share grant plan ("**Proposed SGP**"), of up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company from time to time for the benefit of the eligible Directors and employees of Eupe and its subsidiaries ("**Eupe Group**" or "**Group**") (excluding dormant subsidiaries, if any) who meet the eligibility criteria for participation in the Proposed LTIP ("**Eligible Persons**") in accordance with the draft by-laws governing the Proposed LTIP ("**By-Laws**") as set out in Appendix I of the Circular;
- (ii) to establish, appoint and authorise a committee ("**LTIP Committee**") to implement and administer the Proposed LTIP for the benefit of the Eligible Persons, in accordance with the By-Laws;
- (iii) to allot and issue and/or procure the transfer of such number of Eupe Shares as may be required from time to time pursuant to the Proposed LTIP, **PROVIDED THAT** the total number of new Shares to be allotted and issued and/or transferred under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the Proposed LTIP **AND THAT** the new Shares to be allotted and issued pursuant to the Proposed LTIP will, upon allotment and issuance, rank equally in all respects with the existing Eupe Shares, save and except that the new Eupe Shares will not be entitled to any dividends, rights, allotments, and/or other forms of distribution where the entitlement date(s) are prior to the date(s) on which the new Shares are credited into the CDS accounts of the Eligible Persons and such new Shares will be subject to all the provisions of the Company's Constitution relating to transfer, transmission and otherwise;
- (iv) to do all necessary and make the necessary applications to Bursa Securities for the listing and quotation of the new Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed LTIP;
- (v) to add, amend, modify, and/or delete all or any of the terms in the By-Laws from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board **PROVIDED THAT** such additions, amendments, modifications, and/or deletions are effected and permitted in accordance with the provisions of the By-Laws relating to modifications, variations and/or amendments, deeds or undertakings and to deliver and/or impose such terms and conditions and/or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed LTIP;

- (vi) to establish a trust to be administered by the trustee ("**Trust**") to be appointed by the Company from time to time for the administration of the Trust ("**Trustee**"), in accordance with the terms and conditions of a trust deed to be executed between the Trustee and the Company, to facilitate the implementation and administration of the Proposed LTIP and be entitled from time to time to the extent permitted by law and as set out under the By-Laws to accept funding and/or assistance, financial or otherwise from the Company, the subsidiaries of the Company and/or third parties to enable the Trustee to subscribe for new Eupe Shares, acquire existing Eupe Shares and/or receive treasury shares for the purpose of the Proposed LTIP and to pay expenses in relation to the administration of the Trust, if required; and
- (vii) to extend the duration of the Proposed LTIP, if the Board deems fit, for up to a maximum period of an additional 5 years ("**Extension**") upon the recommendation by the LTIP Committee, **PROVIDED ALWAYS THAT** the initial Proposed LTIP period of 5 years and such Extension made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years, and that the Board be and is hereby authorised to implement the Extension and do all such acts and things and to execute all necessary documents to give full effect to and complete the Extension with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Extension;

THAT pursuant to Section 85(1) of the Act read together with Clause 12(3) of the Company's Constitution, approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new Eupe Shares ranking equally to the existing issued Shares of the Company arising from the allotment and issuance of the new Shares to be issued pursuant to the Proposed LTIP;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed LTIP and the terms of the By-Laws with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company;

AND THAT the draft By-Laws, as set out in Appendix I of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 3 TO 11

PROPOSED ALLOCATION OF AWARDS UNDER THE PROPOSED LTIP TO DIRECTORS OF EUPE AND PERSONS CONNECTED WITH THEM PURSUANT TO THE PROPOSED LTIP

"**THAT** subject to the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, at any time and from time to time throughout the duration of the Proposed LTIP, to offer and grant to the following Directors and persons connected with them, ESOS options to subscribe for new Shares under the Proposed ESOS and/or Shares to be made available under the Proposed SGP, subject to the provisions of the By-Laws:

- | | | |
|-------|---|-----------------------|
| (i) | Alfian Bin Tan Sri Mohamed Basir (Independent Non-Executive Chairman) | Ordinary resolution 3 |
| (ii) | Dato' Beh Huck Lee (Group Managing Director) | Ordinary resolution 4 |
| (iii) | Muhamad Faisal Bin Tajudin (Executive Director) | Ordinary resolution 5 |
| (iv) | Iskandar Abdullah @ Sim Kia Miang (Senior Independent Non-Executive Director) | Ordinary resolution 6 |

- | | | |
|--------|--|------------------------|
| (v) | Beh Yeow Seang (Non-Independent Non-Executive Director) | Ordinary resolution 7 |
| (vi) | Leow Peen Fong (Independent Non-Executive Director) | Ordinary resolution 8 |
| (vii) | Tham Sau Kien (Independent Non-Executive Director) | Ordinary resolution 9 |
| (viii) | Datin Michelle Gan Eileen (Director of Sales, Marketing and Design and spouse of Dato' Beh Huck Lee) | Ordinary resolution 10 |
| (ix) | Sheryl Beh Wei Shan (Senior Executive, Management Associate and child of Dato' Beh Huck Lee and Datin Michelle Gan Eileen) | Ordinary resolution 11 |

Provided always that:

- (i) the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation as well as allocations to persons connected with them, if any;
- (ii) not more than 10% of the total number of new Shares to be issued under the Proposed LTIP shall be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Shares of the Company; and
- (iii) the allocation of ESOS options and/or Shares 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, Listing Requirements, or any prevailing guidelines issued by Bursa Securities, as amended from time to time;

THAT at any point in time during the duration of the Proposed LTIP, not more than 60% of the total number of ESOS options available under the Proposed ESOS shall be allocated, in aggregate to the Directors (including executive and non-executive Directors) and senior management of Eupe Group (excluding dormant subsidiaries, if any) pursuant to the Proposed ESOS;

AND THAT the Board be and is hereby authorised to allot and issue and/or procure to transfer such number of Shares that may be granted to the abovementioned persons under the Proposed LTIP."

**BY ORDER OF THE BOARD
EUPE CORPORATION BERHAD**

FOO PEI KOON (MAICSA 7067238) (SSM PC NO. 202108000380)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

Company Secretaries
Sungai Petani, Kedah
7 December 2023

Explanatory Notes:

Pursuant to Section 85(1) of the Act read together with Clause 12(3) of the Company's Constitution, the shareholders of Eupe have a statutory pre-emptive right to be offered any new Shares which rank equally to the existing Shares issued by the Company. By voting in favour of the proposed Ordinary Resolution 1 to Ordinary Resolution 11, the shareholders of the Company will be waiving their statutory pre-emptive rights and the proposed Ordinary Resolution 1 to Ordinary Resolution 11 if passed, will exclude the statutory pre-emptive rights of the shareholders of the Company to be offered any new Shares to be issued by the Company pursuant to the Proposed Private Placement and Proposed LTIP, which will result in a dilution of the existing shareholders' shareholdings in the Company.

The details of the Proposed Private Placement and Proposed LTIP are set out in the Circular, which is available on the Company's website at <https://eupe.com.my/extraordinary-general-meeting/2023> and Bursa Securities' website at <https://www.bursamalaysia.com>.

Notes:

1. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Members WILL NOT BE ALLOWED to attend the EGM in person at the broadcast venue on the day of the meeting. Members are to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM remotely via the digital ballot form provided by Mega Corporate Services Sdn Bhd. Please refer to the Administrative Notes for the EGM for further information.*

2. *For the purposes of determining a member who shall be entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 15 December 2023. Only members whose names appear on this Record of Depositors shall be entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at this meeting or appoint proxy(ies) to attend, participate, speak (in the form of real time submission of typed texts) and vote on their behalf.*
3. *A member who is entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak (in the form of real time submission of typed texts) and vote in his place. A proxy may but need not be a member of the Company.*
4. *A member who is entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at a general meeting may appoint not more than 2 proxies to attend, participate, speak (in the form of real time submission of typed texts) and vote instead of the member at the general meeting.*
5. *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**") , it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") , there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*
8. *The appointment of a proxy may be made in hard copy form, to be deposited at the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, or by electronic means via email at EGM-support.EUPE@megacorp.com.my not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Wednesday, 20 December 2023 at 11.00 a.m.*

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.*



EUPE CORPORATION BERHAD
(Registration No. 199601005416 (377762-V))
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We * Tel:
[full name in block, NRIC/Passport/Company No.]

of

being member(s) of Eupe Corporation Berhad ("**Eupe**" or the "**Company**"), hereby appoint:

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:	Mobile Phone No.:		

and

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:	Mobile Phone No.:		

or failing *him/her, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, participate, speak (in the form of real time submission of typed texts) and vote for *me/us on *my/our behalf at the extraordinary general meeting ("**EGM**") of the Company which will be conducted virtually through live streaming and online remote voting platform from the Broadcast Venue at D-26-01, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor, Malaysia on Friday, 22 December 2023 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

Resolution	Particular	For	Against
Ordinary Resolution 1	Proposed Private Placement		
Ordinary Resolution 2	Proposed LTIP		
Ordinary Resolution 3	Proposed allocation to Alfian Bin Tan Sri Mohamed Basir		
Ordinary Resolution 4	Proposed allocation to Dato' Beh Huck Lee		
Ordinary Resolution 5	Proposed allocation to Muhamad Faisal Bin Tajudin		
Ordinary Resolution 6	Proposed allocation to Iskandar Abdullah @ Sim Kia Miang		
Ordinary Resolution 7	Proposed allocation to Beh Yeow Seang		
Ordinary Resolution 8	Proposed allocation to Leow Peen Fong		
Ordinary Resolution 9	Proposed allocation to Tham Sau Kien		
Ordinary Resolution 10	Proposed allocation to Datin Michelle Gan Eileen		
Ordinary Resolution 11	Proposed allocation to Sheryl Beh Wei Shan		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of

Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least 2 authorised officers, one of whom shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Members WILL NOT BE ALLOWED to attend the EGM in person at the broadcast venue on the day of the meeting. Members are to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM remotely via the digital ballot form provided by Mega Corporate Services Sdn Bhd. Please refer to the Administrative Notes for the EGM for further information.*
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6. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*
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10. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Wednesday, 20 December 2023 at 11.00 a.m.*

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*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak (in the form of real time submission of typed texts) and vote at the EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.*

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EUPE CORPORATION BERHAD
(Registration No. 199601005416 (37762-V))

c/o Mega Corporate Services Sdn Bhd
(Registration No. 198901010682 (187984-H))

Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

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