

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, the valuation certificate and valuation report prepared in relation to the Proposed Land Acquisition (as defined below), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



PTT SYNERGY GROUP BERHAD

Registration No. 197101000134 (10493-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED ACQUISITION OF 2 PARCELS OF FREEHOLD DEVELOPMENT LAND BY PROJEK TETAP TEGUH SDN. BHD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF PTT SYNERGY GROUP BERHAD (“PTT” OR “COMPANY”) FOR A TOTAL CASH CONSIDERATION OF RM70,555,432.50;**
- (II) **PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE SCHEME FOR THE ELIGIBLE DIRECTORS AND EXECUTIVE / EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (WHICH ARE NOT DORMANT); AND**
- (III) **PROPOSED PRIVATE PLACEMENT OF UP TO 36,000,000 NEW ORDINARY SHARES IN THE COMPANY (“SHARES”), WHICH REPRESENTS APPROXIMATELY 20% OF THE TOTAL NUMBER OF ISSUED SHARES**

(COLLECTIVELY, REFERRED AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of the Company which is scheduled to be held at 2A-1-G, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 15 December 2023 at 10:30 a.m. or any adjournment thereof, for the purpose of considering the Proposals, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time and date fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 13 December 2023 at 10:30 a.m.
Day, date and time of the EGM : Friday, 15 December 2023 at 10:30 a.m.

This Circular is dated 30 November 2023

DEFINITIONS

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

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AmInvestment Bank	: AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
ATTG	: Aim Tetap Teguh Group Sdn Bhd (Registration No. 202001023181 (1379501-T))
BCSB	: Buildcon-Cimaco Concrete Sdn Bhd (Registration No. 198901002961 (180267-D))
Board	: Board of Directors of PTT
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	: The rules, terms and conditions of the Proposed ESS and shall include any amendments or variations made thereto from time to time, the draft of which is set out in Appendix II of this Circular
Circular	: This circular to shareholders of the Company dated 30 November 2023 in relation to the Proposals
Constitution	: The constitution of the Company
Dato Rahim	: Dato' Abd Rahim Bin Jaafar
Director(s)	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was a director within the preceding 6 months of the date of the Proposals
EGM	: Extraordinary general meeting
Eligible Person(s)	: Eligible director(s) and employees of PTT Group (excluding dormant subsidiaries) who fulfill the conditions of eligibility as stipulated in the By-Laws
EPS	: Earnings per Share
ESGP Award(s)	: The grant of an award of such number of PTT Shares to the Eligible Person without any cash consideration payable by the Eligible Persons
ESOS	: Employees' share option scheme
ESOS Options	: The right of an ESOS Participant to subscribe for new and/or existing PTT Shares under the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Options in the manner as indicated in the By-Laws

DEFINITIONS (CONT'D)

ESOS Participants	: The Eligible Person who has accepted a grant of ESOS Options in accordance with the terms of the By-laws
ESS Award Date	: The date the ESS Awards is made in writing by the ESS Committee
ESS Award(s)	: An award made in writing by the ESS Committee to an Eligible Person from time to time within the duration of the Scheme to participate in the Proposed ESOS and/or Proposed ESGP in the manner stipulated in the By-Laws
ESS Committee	: The committee appointed by the Board comprising such Executive Director(s) and/or senior management of the Group to be approved by the Board to implement and administer the ESS in accordance with the By-Laws
ESS Participant(s)	: The Eligible Person who has accepted a grant of ESOS Options/ESGP Awards in accordance with the terms of the By-Laws
ESS Period	: A duration of 5 years commencing from the effective date of the implementation of the Scheme and may be extended for a period of up to another 5 years, provided that the tenure of the Proposed ESS shall not, in aggregate, exceed a duration of 10 years from the effective date of the implementation of the Scheme or such longer period as may be permitted by Bursa Securities or any other relevant authorities
Executive Director	: A natural person who is a Director for the time being, in an executive capacity and is involved in the day-to-day management of the Company
Existing Tenancies	: Collectively, the First Tenancy Agreement and Second Tenancy Agreement
FDI(s)	: Foreign direct investment(s)
First Tenancy Agreement	: Tenancy agreement dated 5 November 2021 entered into between the Vendors and BCSB for BCSB to occupy 87,120 sq ft of the Land for its concrete batching plants operation for a period of three (3) years commencing from 1 August 2021 and ending on 31 July 2024 at a monthly rental rate of RM6,000.00
FYE	: Financial year ended/ending, as the case may be
HMSB	: HB Mix Sdn Bhd (Registration No. 201701024228 (1238394-T))
Knight Frank or Valuer	: Knight Frank Malaysia Sdn Bhd (Registration No. 200201017816 (585479-A))
Land	<p>: 2 parcels of freehold development land (comprising of Land 1 and Land 2) with an aggregate land area of approximately 18.00 acres located at Daerah Seberang Perai Selatan, Pulau Pinang.</p> <p>Land 1 – Title No. GRN 40425, Lot 386, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang with land area of 16.13 acres (approximately 65,287.1185 square metres)</p> <p>Land 2 - Title No. GM 223, Lot 481, Locality of Sg. Bakap, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang with land area of 1.86 acres (approximately 7,544.149 square metres)</p>
Listing Requirements	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time

DEFINITIONS (CONT'D)

LPD	: 17 November 2023, being the latest practicable date prior to the printing of this Circular
NA	: Net assets
Placement Shares	: Up to 36,000,000 new PTT Shares to be issued and allotted pursuant to the Proposed Private Placement
Projek TT or Purchaser	: Projek Tetap Teguh Sdn Bhd (Registration No. 202301035021 (1528944-X)), an indirect wholly-owned subsidiary of PTT
Proposals	: Collectively, the Proposed Land Acquisition, Proposed ESS and Proposed Private Placement
Proposed ESGP	: The employees' share grant plan, a component of the Proposed ESS
Proposed ESOS	: The employees' share option scheme, a component of the Proposed ESS
Proposed ESS or Scheme	: Proposed establishment and implementation of an ESS, comprising the Proposed ESOS and Proposed ESGP, of up to 15% of the total number of issued PTT Shares (excluding treasury shares, if any) at any point in time over the duration of the ESS for the Eligible Persons
Proposed Land Acquisition	: The proposed acquisition by Projek TT of the Land from the Vendors at the Purchase Consideration of RM70.56 million
Proposed Private Placement	: Proposed Private Placement of up to 36,000,000 new Shares, which represents approximately 20% of the total number of issued Shares, at issue price(s) to be determined and to placee(s) to be identified at a later stage
PTT Group or Group	: Collectively, PTT and its subsidiaries
PTT or Company	: PTT Synergy Group Berhad (Registration No. 197101000134 (10493-P))
PTT Share(s) or Share(s)	: Ordinary share(s) in PTT
Purchase Consideration	: Purchase consideration of RM70,555,432.50 payable by Projek TT to the Vendors pursuant to the terms of the SPA for the Proposed Land Acquisition
RM and sen	: Ringgit Malaysia and sen respectively
Second Tenancy Agreement	: Tenancy agreement dated 10 March 2023 entered into between the Vendors and HMSB for HMSB to occupy 65,340 sq ft of the Land for its concrete batching plants operation for a period of three (3) years commencing from 1 May 2023 and ending on 30 April 2026 with an automatic extension of one (1) year commencing from 1 May 2026 and ending on 30 April 2027 at a monthly rental rate of RM6,000.00
SPA	: Conditional sale and purchase agreement dated 10 October 2023 entered into between Projek TT and the Vendors for the Proposed Land Acquisition
sq ft	: Square feet
TSL	: Teo Swee Leng
TSP	: Teo Swee Phin

DEFINITIONS (CONT'D)

Valuation Certificate	:	Valuation certificate dated 30 October 2023 prepared by Knight Frank
Vendors or Landowners	:	Collectively, Leong Woay Hong @ Neoh Woay Hong, Low Chee Heng, Low Cheng Hiang, Low Meng Kiang, Low Saw Cheng, Low Saw Sim, Ong Kah Boey, and Than Way Cheng @ Tan Way Cheng
VWAP	:	Volume weighted average market price

All references to “you” in this Circular are to the shareholders of PTT.

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by the Board after due enquiry, 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 PTT's plans and objectives will be achieved.

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NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR AND THE APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.

No.	Key Information	Summary	Reference to this Circular
1.	Details of the Proposed Land Acquisition	<p>The Proposed Land Acquisition entails the acquisition of the Land by Projek TT from the Vendors for a cash consideration of RM70,555,432.50 to be satisfied in accordance with the terms and conditions of the SPA. The salient terms of the SPA are set out in Appendix I of this Circular.</p> <p>The Land has good connectivity to North–South Expressway (NSE) and Sultan Abdul Halim Muadzam Shah Bridge (the Penang Second Bridge) via Jalan Perusahaan Valdor.</p> <p>The Land and its immediate surroundings are well served by established public transport network in terms of rail line and bus service.</p> <p>The key information of the Land are as follows:-</p> <p>Description / : 2 parcels of development land Existing / : zoned for industrial use located in Proposed Usage the District of Seberang Perai Selatan, Pulau Pinang with an aggregate land area of approximately 18.00 acres.</p> <p>Buildings erected : As at the date of valuation, the front and building age portion of the Land (with land area of approximately 3.50 acres) is currently tenanted by BCSB and HMSB and operated as concrete batching plants. Save for the Existing Tenancies, the remaining area of the Land is currently vacant.</p> <p>Tenure of land : Freehold (years)</p> <p>Restrictions-in- : “Tiada” interest</p> <p>Encumbrances : None</p> <p>Market value : RM70,600,000, as ascribed by Knight Frank vide its Valuation Certificate, based on the comparison method.</p> <p>Date of valuation : 21 September 2023</p>	Section 2 and Appendix I

EXECUTIVE SUMMARY (CONT'D)

No.	Key Information	Summary	Reference to this Circular
2.	Details of the Proposed ESS	<ul style="list-style-type: none"> Proposed establishment of a new employees' share scheme comprising Proposed ESOS and Proposed ESGP for the Eligible Persons involving up to 15% of the total number of issued Shares, subject to the provisions of the By-Laws. The Scheme shall be in force for a duration of 5 years from the effective date of implementation of the Scheme subject to any extension of the Scheme as provided under the By-Laws. Subject to any adjustments that may be made in accordance with the By-Laws, the ESOS Exercise Price and the Share Grant Price shall be based on the five (5)-day VWAP of PTT Shares, immediately preceding the ESS Award Date, with a discount of not more than 10% or such other percentage of discount as may be permitted by the relevant authorities. The new PTT Shares to be issued pursuant to the Proposed ESS shall upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing Shares. 	Section 3
3.	Details of the Proposed Private Placement	<ul style="list-style-type: none"> Proposed Private Placement of up to 36,000,000 Placement Shares, representing approximately 20% of the total number of issued Shares as at the LPD. The Placement Shares will be placed to independent investor(s) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007, who/which shall be identified at a later date. The issue price(s) shall be fixed at a price of not more than 15% discount to the 5-day VWAP of PTT Shares immediately preceding the price-fixing date(s). The Board is of the view that such discount would provide the Company with more flexibility in fixing the issue price for the Placement Shares and will be attractive enough to entice potential investor(s) to subscribe for the Placement Shares. The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued PTT Shares. Based on the illustrative issue price of RM1.00 per Placement Share, the gross proceeds to be raised amounting to RM36.00 million are intended to be utilised mainly for working capital for construction and development projects and to defray expenses for the Proposals. 	Section 4

EXECUTIVE SUMMARY (CONT'D)

No.	Key Information	Summary	Reference to this Circular
4.	Rationale for the Proposals	<p><u>Proposed Land Acquisition</u></p> <p>It's the Group's plan to expand its footprint in the industrial space segment as its key synergistic pillar and core competence, focusing on built-to-suit and warehousing solutions that caters exclusively to its customers' needs. The Group is also seeking alternative sources of recurring revenue by venturing into warehouse leasing business which are complementary and synergistic to the Group's existing industrial development business.</p> <p>The Group intends to develop the Land into a customised industrial space for build-to-suit lease, which will provide an additional source of recurring income and better earnings prospects for the Group's business in the future. The Land is a valuable addition to the Group's landbank given the good connectivity to main expressway, good accessibility to other neighbouring industrial developments, its potential for attracting international industrial players as well as the demand for industrial land in District of Seberang Perai Selatan vis-à-vis the industrial property market outlook in Penang.</p> <p>The Proposed Land Acquisition is expected to further strengthen the Group's involvement within the industrial development segment and provide visibility for its future construction order book.</p> <p><u>Proposed ESS</u></p> <p>The Proposed ESS is intended to recognize, reward, retain and motivate the Eligible Persons whose contributions are important to the Group and to attract prospective skilled and experienced employees to the Group by making the total compensation package more competitive.</p> <p>The Proposed ESS is also intended to motivate the Eligible Persons to optimize their performance and maintain loyalty to the Group as well as create a greater sense of dedication and belonging of the Eligible Persons as they will be able to participate directly in the long-term growth of the Group. The Proposed ESS will help to foster an ownership culture within the Group by aligning the interests of the Eligible Persons with the interests of shareholders of the Company.</p> <p><u>Proposed Private Placement</u></p> <p>The Proposed Private Placement will enable the Group to raise additional funds expeditiously to meet the funding requirements of its existing and future projects without having to incur interest expenses or service principal repayment as compared to short term bank borrowings as well as preserve cash flow for reinvestment and/or operational purposes for further growth. Upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of the Group.</p>	Section 5

EXECUTIVE SUMMARY (CONT'D)

No.	Key Information	Summary	Reference to this Circular
5.	Approvals required and conditionality	<p>The Proposals are subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"> (i) approval of Bursa Securities, for the following:- <ul style="list-style-type: none"> (a) listing of and quotation for such number of new PTT Shares to be issued pursuant to the Proposed ESS, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Scheme; and (b) listing of and quotation for the Placement Shares, on the Main Market of Bursa Securities. The approval was obtained vide Bursa Securities' letter dated 22 November 2023 and subject to the conditions as set out in Section 11 of this Circular. (ii) approval of shareholders of PTT at the forthcoming EGM to be convened; and (iii) approval of any other relevant regulatory authorities, if applicable. <p>The Proposals are not conditional upon any other corporate exercises that have been announced and/or pending implementation by PTT. The Proposed Land Acquisition, Proposed ESS and Proposed Private Placement are not inter-conditional upon each other.</p>	Section 11
6.	Statement by the Board	<p>The Board, having considered all aspects of the Proposals including terms and conditions of the SPA, rationale of the Proposals as well as outlook and prospects of the Group, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 13



PTT SYNERGY GROUP BERHAD
(Registration No. 197101000134 (10493-P))
(Incorporated in Malaysia)

Registered Office

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

30 November 2023

Board of Directors

Dato' Abd Rahim bin Jaafar (*Executive Chairman*)
Teo Swee Leng (*Deputy Chairman*)
Teo Swee Phin (*Managing Director*)
Datin Ng Fong Shiang (*Executive Director*)
Dato' Mahamed bin Hussain (*Independent Non-Executive Director*)
Datuk Ir. Ruslan bin Abdul Aziz (*Independent Non-Executive Director*)
Dato' Paul Lim Tau Ern (*Independent Non-Executive Director*)
Toh Seng Thong (*Independent Non-Executive Director*)

To: The shareholders of PTT

Dear Sir/Madam,

- (I) PROPOSED LAND ACQUISITION**
 - (II) PROPOSED ESS; AND**
 - (III) PROPOSED PRIVATE PLACEMENT**
-

1. INTRODUCTION

On 10 October 2023, AmlInvestment Bank had, on behalf of the Board, announced that the Company wishes to undertake the Proposals comprising the Proposed Land Acquisition, Proposed ESS and Proposed Private Placement.

On 23 November 2023, AmlInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 22 November 2023, granted its approval for the following:

- (i) listing of and quotation for such number of new PTT Shares to be issued pursuant to the Proposed ESS, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Scheme; and
- (ii) listing of and quotation for the Placement Shares,

on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 11 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES, BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED LAND ACQUISITION

2.1 Background information on the Proposed Land Acquisition

The Proposed Land Acquisition entails the acquisition of the Land by Projek TT from the Vendors for a cash consideration of RM70,555,432.50, which is to be satisfied in the manner set out under Section 2.3 of this Circular and in accordance with the terms and conditions of the SPA.

The salient terms of the SPA in relation to the Proposed Land Acquisition are set out in Appendix I of this Circular.

2.2 Information on the Land

The Land is located along Jalan Perusahaan Valdor within Kawasan Perindustrian Valdor, Sungai Bakap, Pulau Pinang. The Land enjoys good accessibility via Jalan Perusahaan Valdor to other neighbouring localities such as Batu Kawan, Jawi and Simpang Ampat, Sungai Bakap and Nibong Tebal. In addition, the Land also has good connectivity to North–South Expressway (NSE) and Sultan Abdul Halim Muadzam Shah Bridge (the Penang Second Bridge) via Jalan Perusahaan Valdor.

The Land and its immediate surroundings are well served by established public transport network in terms of rail line and bus service. The nearest rail station, namely Nibong Tebal KTM station is located approximately 8.2 km radius from the Land. There are also bus terminals located within 20 km radius of the Land which include Hentian Raya Parit Buntar, Bus Terminal Bukit Mertajam and Penang Sentral.

The Land is surrounded within a mature development area comprising residential, commercial and industrial developments. Its immediate and wider surroundings include established and mature suburbs / townships such as Eco Meadows, Hijauan Valdor, Eco Horizon, Utropolis Batu Kawan, Bandar Tasek Mutiara, Hijauan Hills and Raintree Park. Notable commercial landmarks / developments in the immediate and wider localities include Econsave Jawi, IKEA Batu Kawan, Vervea @ Aspen Vision City and Vervea Trade and Exhibition Centre. Other industrial developments located in the surrounding and larger vicinity of the Land include Batu Kawan Industrial Park, Kawasan Perindustrian Nafiri, Taman IKS, Penang Science Park, Penang Science Park North, Bukit Minyak Industrial Park and Taman Industri Bukit Panchor.

The location of the Land is indicated below:



A summary of the Land's details are as follows:-

Description / Existing / Proposed Usage : 2 parcels of development land zoned for industrial use located in the District of Seberang Perai Selatan, Pulau Pinang with an aggregate land area of approximately 18.00 acres.

Registered owner / Beneficial owner :

Name of Landowners	Share of the Land
Leong Woay Hong @ Neoh Woay Hong	1/16
Low Chee Heng	1/16
Low Cheng Hiang	1/16
Low Meng Kiang	1/8
Low Saw Cheng	1/16
Low Saw Sim	1/16
Ong Kah Boey	1/16
Than Way Cheng @ Tan Way Cheng	1/2

Identification (Title and Lot No.) : There are 2 parcels of freehold development land⁽ⁱ⁾ which bear the following title and lot no.:-

Land 1 – Title No. GRN 40425, Lot 386, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang

Land 2 - Title No. GM 223, Lot 481, Locality of Sg. Bakap, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang

Buildings erected and building age : As at the date of valuation, the front portion of the Land (with land area of approximately 3.50 acres) is currently tenanted⁽ⁱ⁾ and operated as concrete batching plants. Save for the aforementioned, the remaining area of the Land is currently vacant

Land area (acres) : Land 1 – 16.13 acres (approximately 65,287.1185 square metres)
Land 2 – 1.86 acres (approximately 7,544.149 square metres)

Tenure of land (years) : Freehold

Category of land use : "Tiada"

Express conditions : (First Grade)
The Land:-

(a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the National Land Code or on the creation of a Land Administrator's right of way; and

(b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State of Penang only if the proprietor for the time being dies without heirs;

and the title shall confer the absolute right to all forest produced and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).

Restrictions-in-interest : "Tiada"

Encumbrances : None

Market value : RM70,600,000, as ascribed by Knight Frank vide its Valuation Certificate, based on the comparison method.

Date of valuation : 21 September 2023

Net book value : Not available as the Land is held by individuals

Existing use : Vacant, save for a portion of Land 1 (refer to note (i) below)

Note:

(i) As at LPD, there are 2 existing tenancies entered into between the Vendors and the respective tenants in respect of certain portion of Land 1 of which the salient terms of the tenancies are as follows:-

<i>Tenant</i>	<i>Date of tenancy agreement</i>	<i>Tenure and renewal term</i>	<i>Area occupied in Land 1</i>	<i>Rental rate (monthly)</i>
BCSB	5 November 2021	Three (3) years commencing from 1 August 2021 and ending on 31 July 2024	2.0 acres (approximately 8,093.713 square metres)	RM6,000.00
HMSB	10 March 2023	Three (3) years commencing from 1 May 2023 and ending on 30 April 2026 and with an automatic extension of one (1) year commencing from 1 May 2026 and ending on 30 April 2027	1.50 acres (approximately 6,070.285 square metres)	RM6,000.00

*In accordance with the terms of the SPA and pursuant to a deed of novation to be dated on the completion date of the SPA ("**Deed of Novation**"), all the benefits, rights, interest, obligations and liabilities under the Existing Tenancies shall be assigned and novated to the Purchaser. Further details on the special provisions relating to the Existing Tenancies, are set out in Section 7 of Appendix I of this Circular.*

2.3 Mode of satisfaction for the Purchase Consideration

The Purchase Consideration will be satisfied entirely in cash in the following manner:

Type of payment	Purchase Consideration	Particulars*
Deposit Sum comprising: (i) Earnest Deposit	RM1,411,108.80	<ul style="list-style-type: none"> Payable prior to the execution of the SPA. As at the LPD, such amount has been deposited with the Vendors' solicitors as stakeholders Non-refundable if conditions precedents of the SPA are not fulfilled by the Extended Cut-Off Date (being 6 months from the date of the SPA) or the Purchaser defaults in payment of the Purchase Consideration
(ii) Balance Deposit Sum	RM5,644,434.45	<ul style="list-style-type: none"> Payable upon execution of the SPA. As at the LPD, such amount has been deposited to the Vendors' solicitors as stakeholders Non-refundable if conditions precedents of the SPA are not fulfilled by the Extended Cut-Off Date (being 6 months from the date of the SPA) or the Purchaser defaults in payment of the Purchase Consideration
Balance Sum	RM63,499,889.25	<ul style="list-style-type: none"> Payable within the period after the date of fulfillment of all condition precedents set out in the SPA but within six (6) months from the date of the SPA or any other extended period and under terms mutually agreed upon by the Vendors and the Purchaser

Note:

* Pursuant to the SPA, the Deposit Sum, Balance Sum (if already been paid) and other monies paid to the Vendors will be refunded to the Purchaser free of interest should the SPA be terminated due to events of default caused by the Vendors.

Please refer to Section 3 of Appendix I of this Circular for further details.

2.4 Basis and justification of the Purchase Consideration

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis and after taking into consideration, amongst others, the following:-

- (i) The market value of the Land of RM70.60 million, as ascribed by the Valuer in its Valuation Certificate.

The market value of the Land was arrived at based on the comparison method approach, where the market value is derived from making comparison to similar properties that were either transacted recently (listings and offers may also be considered) within the same location or comparable localities. Where dissimilarities exist, adjustments are made. The comparison method approach is the only valuation methodology adopted by the Valuer after taking into consideration that there are no approved development plans and no submission has been made to secure development approval from relevant authorities for the Land. Please refer to the Valuation Certificate appended under Appendix III of this Circular for more details on the valuation of the Land.

- (ii) The rationale for the Proposed Land Acquisition as set out in Section 5.1 of this Circular and prospects of the Group as set out in Section 7.5 of this Circular.

2.5 Liabilities to be assumed

Save for the covenants, undertakings and obligations of Projek TT under the SPA (including the Existing Tenancies pursuant to the Deed of Novation), there are no liabilities, contingent liabilities or guarantees to be assumed by PTT and its subsidiaries pursuant to the Proposed Land Acquisition.

2.6 Estimated financial commitments

Save for the Purchase Consideration, the requisite stamp duty and registration fees payable for the transfer of the Land in favour of Projek TT, PTT Group is not expected to incur any other additional financial commitment in relation to the Proposed Land Acquisition.

2.7 Source of funding

The Purchase Consideration of RM70.56 million will be funded via a mix of internally generated funds and bank borrowings. As at the LPD, Projek TT has secured a RM63.5 million term loan facility for the satisfaction of the Purchase Consideration and the remaining balance shall be financed via internally generated funds.

3. PROPOSED ESS

The Proposed ESS will be implemented and administered by a committee, comprising members who shall be duly appointed and authorised by the Board and governed by the rules, terms and conditions of the Proposed ESS. The ESS Committee will have absolute discretion in administering the Scheme including prescribing financial and/or performance criteria and/or such other conditions as it may deem fit, subject to the terms of reference to be formulated by and established by the Board to regulate and govern the ESS Committee's functions and responsibilities under the By-Laws. Offers will be granted to the Eligible Person(s) who meet(s) the criteria of eligibility for participation as set out in Section 3.4 of this Circular under the Proposed ESS.

The members of the ESS Committee may comprise of Executive Directors and/or senior management of the Group (whose insights may be beneficial as the granting of the ESOS Options and/or the ESGP Awards to Eligible Persons are generally benchmarked against certain performance targets, which are linked to the operations, performance and overall objectives/strategy of the Company) as well as other persons identified and appointed from time to time by the Board. However, the composition of the ESS Committee has yet to be determined at this juncture. In the event any Eligible Person is a member of the ESS Committee, the ESS Committee shall ensure that such Eligible Person shall not participate in and will abstain from the deliberation or discussion of their own allocation and/or allocation to persons connected with them.

The principal features of the Proposed ESS are as follows:-

3.1 Details of the Proposed ESS

(i) Proposed ESOS

The Proposed ESOS will involve the granting of the ESOS Options to the Eligible Persons to subscribe for new and/or existing PTT Shares at a pre-determined price, in accordance with the By-Laws. Upon acceptance of the ESOS Options by the ESOS Participants, the ESOS Options will be vested to the ESOS Participants over the tenure of the Proposed ESS. At this juncture, there is no performance target which has been set for the vesting of the ESOS Options.

(ii) Proposed ESGP

The Proposed ESGP entails a share grant which entitles Eligible Persons to receive fully paid PTT Shares on a vesting date, their equivalent cash value or combinations thereof, without any cash consideration payable by the Eligible Persons, in accordance with the By-Laws. As such, no proceeds would be raised by the Company pursuant to the Proposed ESGP. The ESGP Award is granted in the form of a restricted share plan and/or a performance share plan. At this juncture, there is no performance target which has been set for the vesting of the ESGP Award.

For avoidance of doubt, pursuant to the establishment of the Proposed ESS, the ESS Committee will also have discretion in granting to selected Eligible Persons the following:-

- (i) the right to receive ESOS Options; and/or
- (ii) the right to receive ESGP Awards at specified dates.

The allocation of the ESS Awards between the ESOS Options and the ESGP Awards will be determined at a later stage by the ESS Committee.

3.2 Mode of Settlement

Subject to the prevailing legislations and the Listing Requirements, the Company will have the flexibility and discretion in determining the mode of settlement of the ESS Awards by way of:-

- (i) issuance of new PTT Shares;
- (ii) acquisition and transfer of existing PTT Shares;
- (iii) any other mode of satisfaction that may be permitted by the Act and Listing Requirements (as amended from time to time or any re-enactment thereof), including but not limited to payment of the equivalent cash value of such new PTT Shares and/or existing Shares; or
- (iv) a combination of any of the above.

In determining the various mode of settlement, the ESS Committee will take into account factors such as the prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group. The Company shall have the flexibility to approve the vesting of the ESS Awards, wholly or partly, in the form of cash rather than Shares, in which event the Eligible Persons shall receive the aggregate value of the relevant number of Shares in cash, subject to provisions stated in the By-Laws.

Any decision by the Company to pursue a cash settlement for the ESS Awards, may hinge on, inter-alia the Company's available cash balances at that juncture vis-à-vis the total cash payment required for the purposes of settling the ESS Awards as well as the Company's funding requirements. Furthermore, factors such as the expected dilution in EPS should such ESS Awards be exercised into new PTT Shares and in the event that any of the Eligible Person is unable to receive the vested PTT Shares for whatsoever reason shall also be taken into consideration in making the above determination. The inclusion of the cash option as a mode of settlement of the ESS Awards is fair and equitable to the ESS Participants as such Eligible Person have the flexibility in determining whether to retain the cash or to re-invest such proceeds into the Company and participate as a shareholder in the growth of the PTT Group.

To facilitate the implementation and administration of the Proposed ESS, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by a trustee ("**Trustee**") in accordance with the terms of the trust deed to be entered into between the Company and the Trustee constituting the trust. The Company shall have the power to appoint or rescind the appointment of any trustee as it deems fit in accordance with the provisions of the trust deed.

The Trustee shall, at such times as the ESS Committee shall direct, subscribe for and/or purchase the necessary number of existing PTT Shares to accommodate any issue or transfer of PTT Shares to Eligible Persons. For this purpose, the Trustee will be entitled from time to time to the extent permitted by law to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

3.3 Maximum number of Shares available under the Proposed ESS

The maximum number of Shares to be allotted and issued pursuant to the Proposed ESS shall not at any point in time in aggregate exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares, if any) or such other percentage of the total number of issued Shares (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed ESS ("**Maximum Shares**").

In the event the aggregate number of Shares which may be awarded under the Proposed ESS exceeds the Maximum Shares at any point in time as a result of the Company purchasing and/or cancelling Shares in accordance with the provisions of the Act or undertaking any corporate proposal(s) resulting in the reduction of the Company's total number of issued Shares, no further ESS Awards shall be awarded by the Board until such aggregate number of Shares already awarded under the Proposed ESS falls below the Maximum Shares. During this period, entitlement to the Shares arising from the Proposed ESS which have already been awarded at that point in time shall remain valid in accordance with the By-Laws.

3.4 Eligibility

The following Eligible Persons will be eligible to participate in the Proposed ESS if, as at the date the ESS Awards is made in writing by the ESS Committee, he/she fulfils the following conditions:-

- (i) in relation to an employee within the Group, he/she:-
 - (a) has attained the age of eighteen (18) years and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (b) is employed on a full-time basis and is on the payroll of any company of the Group and his/her employment has been confirmed; or
 - (c) falls within any other eligibility criteria that may be determined by the ESS Committee, in accordance with the By-Laws, from time to time at its sole discretion, whose decision shall be final and binding;

- (ii) in relation to an Executive Director of the Company and/or an Executive Director of any subsidiaries of PTT (excluding dormant subsidiaries), he/she:-
 - (a) has attained the age of eighteen (18) years and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (b) has been appointed as an Executive Director of the Company or any other company of the Group; or
 - (c) falls within any other eligibility criteria that may be determined by the ESS Committee, in accordance with the By-Laws, from time to time at its sole discretion, whose decision shall be final and binding,

provided always that the selection of any of the abovementioned persons for participation in the Proposed ESS shall be at the sole discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding. In determining the eligibility of an Eligible Persons to participate in the Proposed ESS, the ESS Committee may consider amongst other factors, the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESS Committee may in its sole discretion deem fit.

The specific allocation of ESS Awards granted under the Scheme to any of the Eligible Persons who is an executive director, chief executive, major shareholders of the Company or a person connected with a director, chief executive or major shareholder of the Company must have been approved by the shareholders of the Company at a general meeting and they shall not participate in the deliberation or discussion of their own allocation.

For avoidance of doubt, the ESS Committee may from time to time at its absolute discretion determine any other eligibility criteria and/or waive any of the conditions of the eligibility as set out above, for the purposes of selecting an Eligible Person. If any Eligible Person is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of the ESS Awards.

Eligibility under the ESS Awards does not confer upon an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the Shares in the ESGP Awards comprised herein unless the ESS Committee has awarded ESS Awards to the Eligible Person and the Eligible Person has accepted the ESS Awards in accordance with the terms of the ESS Awards and the provisions of the By-Laws.

3.5 Maximum allowable and basis of allocation

The basis of allocation of the aggregate number of the Shares which may be comprised in the ESOS Options and/or ESGP Awards and the maximum number of Shares which may be offered to an Eligible Person shall be determined entirely at the sole discretion of the ESS Committee subject to provisions in the By-Laws and after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the ESS Period relating to employees' and/or directors' share issuance schemes, the Eligible Person's performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESS Committee may in its sole discretion deem fit. An Eligible Person shall abstain from deliberations or discussions in respect of their respective allocation.

To the extent possible and subject always to provisions in the By-Laws, the ESS Committee will ensure that there should be equitable allocation to the various grades of Eligible Persons. The ESS Committee will also ensure that not more than 10% (or such percentage as allowable by relevant authorities) of the total number of PTT Shares to be issued under the Proposed ESS shall be allocated to any Eligible Persons, who either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any) ("**10% Rule**"). Furthermore, not more than 70% of the PTT Shares available under the Proposed ESS shall be allocated to the Directors and/or senior management of PTT Group (excluding dormant subsidiaries) who are Eligible Persons.

The ESS Committee shall also have the sole discretion in determining (i) whether the granting of the ESS Awards shall be awarded in one (1) single ESS Award at a time determined by the ESS Committee, or (ii) several ESS Awards, where the vesting of Shares comprised in the ESS Awards is staggered or made in several tranches at such times and on terms determined by the ESS Committee. In deciding between options (i) and (ii) above, the ESS Committee shall consider, amongst others, whether it wishes to provide a one-off reward for the relevant Eligible Person's contribution to the Group in order to incentivise the person to continue their employment with the Group, or to motivate the relevant person progressive achievement of certain milestones and/or performance targets as that person's career advances with the Group moving forward.

3.6 Duration of the Proposed ESS

The Proposed ESS, when implemented, shall be in force for a duration of five (5) years from the effective date of the implementation of the Scheme and may be extended for a period of up to another five (5) years, provided that the tenure of the Proposed ESS shall not, in aggregate, exceed a duration of ten (10) years from the effective date of the implementation of the Scheme.

For avoidance of doubt, no further approvals from the shareholders of the Company shall be required for the extension of the ESS Period and the Company shall serve appropriate notices on the ESS Participants and/or make any necessary announcements to any parties and/or Bursa Securities (if required) prior to the expiry of the first five (5) years.

Notwithstanding anything to the contrary, on expiry of the Proposed ESS, all unvested ESS Awards shall lapse and be deemed terminated and be null and void and be of no further force and effect.

3.7 Basis of determining the ESOS Exercise Price and the Share Grant Price

The price payable for PTT Shares upon exercise of any ESOS Options granted under the Proposed ESOS ("**ESOS Exercise Price**") and the reference price of the Shares to be granted pursuant to the ESGP Awards ("**Share Grant Price**") shall be based on the 5-day VWAP of PTT Shares, immediately preceding the ESS Award Date, with a discount of not more than 10% on the said VWAP or such basis as the relevant authorities may permit.

The ESOS Exercise Price and/or the Share Grant Price shall be subject to adjustments in accordance with the By-Laws. For avoidance of doubt, no monetary consideration is required to be paid by the Eligible Persons for the acceptance of and subsequent vesting of the ESGP Awards.

3.8 Alteration of share capital and adjustment to the Proposed ESS

In the event of any alteration in the capital structure of the Company during the ESS Period (whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction or any other variation of capital), the ESS Committee may, at its discretion, determine the alterations necessary to the following:-

- (i) in respect of the Proposed ESOS, the ESOS Exercise Price and/or the number of unexercised ESOS Options, and/or the ESOS Exercise Price for the unexercised ESOS Options which is open for acceptance; and

- (ii) in respect of the Proposed ESGP, the number of Shares comprised in unvested ESGP Awards, and/or the maximum number of existing Shares which may be delivered in settlement pursuant to the ESGP Awards.

Such alterations (if any) will be in accordance with the By-Laws.

Save for any alteration in the capital structure of the Company during the ESS Period arising from bonus issues, subdivision or consolidation of shares, an approved company auditor or the Company's adviser (which must be a principal adviser under the Guidelines on Submission of Corporate and Capital Market Product Proposals issued by the Securities Commission Malaysia), must be engaged to confirm in writing that all adjustments made are in their opinion fair and reasonable. The opinion of the external auditors or adviser shall be final, binding and conclusive.

3.9 Ranking of new PTT Shares pursuant to the Proposed ESS

The new PTT Shares to be issued pursuant to the Proposed ESS shall upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares except that the new PTT Shares to be issued pursuant to the Proposed ESS shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of PTT, for which the entitlement date is prior to the date of allotment and issuance of such new PTT Shares.

PTT Shares to be transferred pursuant to the Proposed ESS shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to shareholders of PTT, for which the entitlement date is prior to the date the PTT Shares are credited into the relevant securities accounts of the ESS Participants maintained by Bursa Malaysia Depository Sdn Bhd.

3.10 Listing of and quotation for the new PTT Shares to be issued pursuant to the Proposed ESS

Bursa Securities had vide its letter dated 22 November 2023 approved the listing of and quotation for such number of new PTT Shares to be issued pursuant to the Proposed ESS, representing up to 15% of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the Scheme on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 11 of this Circular.

3.11 Utilisation of proceeds

No proceeds will be received pursuant to the Proposed ESGP as Eligible Persons will not be required to pay for the Shares that may be issued and/or transferred to them.

Proceeds to be received by PTT pursuant to the exercise of ESOS Options will depend on, *inter-alia*, the number of ESOS Options granted and exercised at the relevant point in time and the ESOS Exercise Price, which are not determinable at this juncture. Any proceeds from the exercise of ESOS Options are expected to be used for working capital requirements of the Group, which may include, amongst others, payment for trade and other payables, staff costs such as salaries, statutory contributions and employee benefits as well as distribution expenses. The proceeds to be utilised for each component of working capital are subject to the Group's operating requirements at the time of utilisation and therefore cannot be determined at this juncture. However, the Company expects to utilise the proceeds for the said working capital requirements within a period of 12 months, as and when the proceeds are received throughout the duration of the Proposed ESS.

Pending the utilisation of proceeds raised by the Company as and when the ESOS Options are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board deems fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

3.12 Retention period

PTT Shares to be allotted and issued or transferred to Eligible Persons pursuant to the Proposed ESS will not be subjected to any retention period unless the ESS Committee stipulates otherwise in the ESS Awards from time to time. However, the ESS Participant is encouraged to hold the Shares as an investment rather than to realise immediate gains from disposal.

Notwithstanding the above, the ESS Committee shall be entitled to prescribe or impose, in relation to any ESS Awards, any condition relating to any retention period or restriction on transfer (if applicable) as the ESS Committee sees fit.

3.13 Termination of the Proposed ESS

Subject to compliance with the Listing Requirements, the By-Laws, other requirements of Bursa Securities and any other relevant authorities, the Scheme may be terminated by the ESS Committee at any time before the expiry of the ESS Period, provided that the Company shall immediately announce to Bursa Securities the following:-

- (i) effective date of termination of the Scheme ("**Termination Date**");
- (ii) number of ESOS Options exercised under the Proposed ESOS and/or Shares vested under the Proposed ESGP; and
- (iii) reasons and justification for termination of the Proposed ESS.

Notwithstanding anything to the contrary, all unvested and/or unexercised ESS Awards shall lapse and shall be null and void on the Termination Date. The approval or consent of the shareholders of PTT by way of a resolution in a general meeting and written consent of the Eligible Persons are not required to effect the termination of the Scheme unless otherwise required by the Listing Requirements and/or any other applicable laws.

4. PROPOSED PRIVATE PLACEMENT

4.1 Placement size

As at the LPD, the issued share capital of the Company is RM164,277,489 comprising 180,081,081 Shares and the Company does not have any treasury shares. The Proposed Private Placement entails the issuance of up to 36,000,000 Placement Shares, representing approximately 20% of the total number of issued Shares as at the LPD.

4.2 Placement arrangement

The Placement Shares will be placed to independent investor(s) ("**Placee(s)**") where the Placees shall also be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007, who/which shall be identified at a later date.

The Placement Shares will not be placed to the following parties:

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

Subject to prevailing market conditions and timing of identification of the Placee(s), the Proposed Private Placement may be implemented in a few tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. Such arrangement would accord flexibility to the Company to procure interested investors to subscribe for the Placement Shares from time to time. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation.

4.3 Basis and justification of the issue price of the Placement Shares

The issue price of the Placement Shares, where applicable, shall be determined separately and fixed by the Company after receipt of the requisite approvals for the Proposed Private Placement. The issue price will be determined after taking into consideration the prevailing market conditions and the 5-day VWAP of PTT Shares immediately preceding the price-fixing date to be determined by the Board. An announcement will be made once the issue price of the Placement Shares is determined.

The issue price(s) for the Proposed Private Placement shall be fixed subject to discount of not more than 15% to the 5-day VWAP of PTT Shares immediately preceding the price-fixing date(s). The Board is of the view that such discount would provide the Company with more flexibility in fixing the issue price for the Placement Shares and will be attractive enough to entice potential investor(s) to subscribe for the Placement Shares.

For illustration purposes, assuming the issue price per Placement Share has been fixed at RM1.00 (**"Illustrative Issue Price"**), which represents a discount of RM0.1749 or 14.89% to the 5-day VWAP of PTT Shares up to and including the LPD of RM1.1749, the gross proceeds to be raised from the Proposed Private Placement at the Illustrative Issue Price will be approximately RM36.00 million.

4.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued PTT Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment of the Placement Shares.

4.5 Listing and quotation of the Placement Shares

Bursa Securities had vide its letter dated 22 November 2023 approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 11 of this Circular.

4.6 Details of fund-raising exercises undertaken by the Company in the past 12 months

On 7 March 2023, the Company had completed the private placement of 9,000,000 PTT Shares at an issue price of RM1.07, representing 10% of the Company's total number of issued Shares at that point in time (**"10% Private Placement"**). For information purposes, the 10% Private Placement was undertaken pursuant to a general mandate obtained from the shareholders of the Company, pursuant to Sections 75 and 76 of the Act.

The total gross proceeds raised from the 10% Private Placement was RM9,630,000 and the status of the utilisation of the said proceeds are as follows:-

Details of utilisation	Proceeds raised (RM'000)	Amount utilised (RM'000)	Remaining proceeds (RM'000)
Working capital for construction projects	9,491	9,491	-
Expenses in relation to the 10% Private Placement	139	139	-
Total	9,630	9,630	-

Save for the 10% Private Placement, the Company had not undertaken any other fund-raising exercise in the past 12 months prior to the LPD.

4.7 Utilisation of proceeds

The exact amount of proceeds to be raised from the Proposed Private Placement cannot be determined at this juncture as the amount would depend on, amongst others, the issue price and actual number of Placement Shares to be issued.

Based on the Illustrative Issue Price of RM1.00 per Placement Share, the gross proceeds to be raised from the Proposed Private Placement are intended to be utilised in the following manner:-

Details of utilisation	Note	Gross Proceeds (RM'000)	Estimated timeframe for the utilisation of proceeds*
Working capital for construction and development projects	(i)	35,000	Within 12 months
Estimated expenses for the Proposals	(ii)	1,000	Within 3 months
Total		36,000	

Notes:-

- * From the listing date of the Placement Shares on the Main Market of Bursa Securities.
- (i) The Company intends to allocate the proceeds of up to RM35.0 million to be raised from the Proposed Private Placement to part finance the working capital requirements of the Group's construction and development projects. As at the LPD, PTT Group has 17 on-going construction projects with a total outstanding order book of RM486.13 million as well as 3 on-going property development projects with estimated gross development value of RM1.03 billion. Such proceeds are expected to be allocated in the following manner:-

Details	(RM'000)
Purchase of construction materials and labour cost	14,000
Payment to main contractors and/or sub-contractors	14,000
Rental of machineries and payment for consultancy fees	7,000
Total	35,000

In addition to the working capital requirements for PTT Group's existing projects, the working capital may also be used to fund any new construction contracts secured by the Group and any new property development projects to be undertaken by the Group subsequent to the LPD.

The actual allocation of the working capital may differ and is subject to the Group's funding requirement and the status of the construction contracts at the material point of time.

- (ii) To defray expenses such as professional fees, placement fees and fees payable to the relevant authorities and miscellaneous expenses which include expenses for EGM and printing of circular to PTT's shareholders. Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for the Group's working capital requirements.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the issue price of the Placement Shares and the actual number of Placement Shares issued. Any variance to the total gross proceeds raised from the Proposed Private Placement will be adjusted against the proceeds earmarked for working capital.

Pending full utilisation of the proceeds from the Proposed Private Placement, the Company intends to place these proceeds in interest-bearing deposit accounts with licensed financial institution(s) or in short term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

For information purposes, as at the LPD :-

(a) The details of PTT Group's on-going property development projects are as follows:-

No	Project name	Asset description	Location	Status of Development	Estimated GDV (RM' mil)	Estimated GDC (RM'mil)
1.	Elmina Business Park	An industrial development comprising purpose-built warehouses together with automated warehouse management system	Shah Alam, Selangor	On-going	550.0	408.0
2.	Tropicana Business Park	Up to 45 units of double-storey warehouse development to be developed over 3 phases	Pontian, Johor	On-going	462.2	369.7
3.	Taman Sri Mawar, Mantin	A residential development comprising 40 units of double storey terrace house	Mantin, Negeri Sembilan	On-going	22.2	18.3
Total					1,034.4	796.0

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(b) The details of PTT Group's on-going construction projects are as follows:-

No.	Description	Project location	Date of Commencement	Completion as at the LPD (%)	Contract value (RM' million)
1	Proposed design, construction and completion of road works from Jalan Kg Pasir Raja, Hulu Dunggun, Terengganu to the border of Terengganu and Pahang (Phase 3A)	Hulu Dunggun, Terengganu	August 2021	53.00	69.88
2	Upgrading of water treatment plant at Bukit Selambau, Kedah	Bukit Selambau, Kedah	January 2022	21.00	110.02
3	Construction and completion of a highway from Kota Baru to Kuala Krai, Kelantan, Package 3C (Keroh to Kuala Krai)	Kuala Krai, Kelantan	January 2022	28.00	188.80
4	Upgrading of water treatment plant at Sungai Limau, Daerah Paling, Kedah	Sungai Limau, Kedah	January 2022	24.00	75.01
5	Common infrastructure works and other related works for the development of Phase 1, Industrial Park at PTD 14020, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Pontian, Johor	July 2022	28.00	53.80
6	Site clearance, earthworks and retaining wall for the development of Phase 2, Industrial Park at PTD 14015, PTD 14016, PTD 14021 and PTD 14026 Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Pontian, Johor	March 2023	33.00	46.89
7	Construction and completion of earthworks and other related works for development of Phase 3B at Bandar Bukit Raja 2, Klang, Selangor Darul Ehsan	Klang, Selangor	March 2021	99.00	44.18
8	Earthworks for the development of Phase 1, Industrial Park at PTD 14020, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Pontian, Johor	December 2020	99.00	51.90

No.	Description	Project location	Date of Commencement	Completion as at the LPD (%)	Contract value (RM' million)
9	Site clearance, earthworks and retaining walls (Phase 2) for commercial and residential development on Lot 981 to Lot 987 and Lot 994 to Lot 996 in Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Pontian, Johor	February 2021	99.00	25.17
10	Engineering, procurement, construction and commissioning of the East Coast Rail Link ("ECRL") Project for the construction and completion of subgrade works from CH095+143 to CH097+351, Section 3	Kuala Terengganu, Terengganu	September 2021	99.00	18.14
11	Engineering, procurement, construction and commissioning of the ECRL Project for the construction and completion of subgrade earthworks and culvert works from CH276+650 to 291+050 and from CH293+267 to CH303+080, Section 5	Kuantan, Pahang	October 2021	99.00	72.72
12	Engineering, procurement, construction and commissioning of the ECRL Project for the construction and completion of subgrade works from CH114+395 to CH130+728	Kuala Terengganu, Terengganu	March 2022	82.00	88.10
13	Engineering, procurement, construction and commissioning of the ECRL Project for the construction and completion of subgrade works from CH97+351 to CH114+282	Kuala Terengganu, Terengganu	June 2022	96.00	48.27
14	Earthworks on part of Lot 110206, Kuantan	Kuantan, Pahang	November 2022	47.00	6.00
15	Construction and completion of earthworks and ancillary works for Phase 4A (I-2), Bandar Bukit Raja Stage 3, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Klang, Selangor	February 2023	46.00	24.45

No.	Description	Project location	Date of Commencement	Completion as at the LPD (%)	Contract value (RM' million)
16	Construction and completion of earthworks and ancillary works for Phase 4A (I-6 & I-10), Bandar Bukit Raja Stage 3, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Klang, Selangor	February 2023	46.00	25.31
17	Proposed construction and completion of earthworks and retaining wall, main drain, detention pond and other associated works for Phase 4A (Package 1), Elmina Business Park 2, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Rawang, Selangor	November 2023	0.00	53.29
Total					1,001.93

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5. RATIONALE FOR THE PROPOSALS

5.1 Proposed Land Acquisition

Apart from the Group's involvement in the construction business, the Group's business segments also include property development which entails the development of industrial lands for local and foreign businesses. As part of the Group's plan to expand its footprint in the industrial space segment, the Group is currently focusing on industrial development as its key synergistic pillar and core competence, focusing on built-to-suit and warehousing solutions that caters exclusively to its customers' needs. It is also the intention of the Company to seek alternative sources of recurring revenue by venturing into warehouse leasing business which are complementary and synergistic to the Group's existing industrial development business.

As at the LPD, PTT Group has 2 existing industrial development projects namely Elmina Business Park located in Shah Alam, Selangor and Tropicana Industrial Park located in Pontian, Johor with an aggregate estimated gross development value of approximately RM1 billion and are expected to complete by 2026 and 2028 respectively. In respect of its Elmina Business Park, PTT had also recently secured a lease arrangement for the leasing of a warehouse to be constructed by PTT, with a third-party logistics and storage solution player. Such build-to-suit lease arrangements is expected to contribute positively to the Group's recurring income going forward.

As part of PTT's effort to further grow its industrial property development business, it is the intention of the Group to develop the Land to be acquired through the Proposed Land Acquisition into a customised industrial space and potentially emulate the business model of its Elmina Business Park as mentioned above. As at the LPD, the Group is in the midst of exploring such opportunities with several corporations involved in the manufacturing and logistics sectors ("**Industrial Space Opportunities**"). The Group anticipates that such existing Industrial Space Opportunities will crystallise within the next twelve (12) months, failing which the Group shall still continue to explore and pursue new Industrial Space Opportunities.

Alternatively, in the event such plans do not materialise, PTT may also explore utilising the Land for mixed industrial development purposes whereby PTT will develop and construct industrial units with common infrastructure and facilities. The Group has yet to set a definitive timeline in regard to such alternative strategy of developing the Land into a mixed industrial development as the Group's current preference is to pursue the Industrial Space Opportunities in the near to mid-term horizon. However, should there be robust demand for mixed industrial development, the Company may reconsider its options at that material point in time.

By leveraging the Group's experience in its current industrial park development (Elmina Business Park and Tropicana Industrial Park) as well as the expertise and resources from its in-house construction arm for earthworks and civil engineering works, the Group expects to achieve cost synergies that may eventually translate into lower overall costs for its customers for its future industrial development plans.

The Proposed Land Acquisition is expected to further strengthen the Group's involvement within the industrial development segment as the Land is potentially a valuable addition to the landbank of the Group, after taking into consideration the factors set out below:-

- (i) the Land being freehold in nature, is sizeable and regular in shape which is suitable for development and allows for better infrastructure, amenities and utilities planning. Public utilities and services such as mains water, electricity supply and telephone lines will be available for connection to the Land upon development;
- (ii) the Land enjoys good accessibility via Jalan Perusahaan Valdor to the other neighbouring industrial developments such as Batu Kawan Industrial Park, Kawasan Perindustrian Nafiri and Taman IKS Simpang Ampat which house several prominent industrial players from foreign multinational corporations (MNCs) and local large companies such as Bosch Malaysia, Vitrox Corporation Berhad, Greatech Technology Berhad, Pentamaster Corporation Berhad and TF AMD Microelectronics Sdn Bhd;

- (iii) the Land has good connectivity to the North – South Expressway (NSE) and Penang Second Bridge via Jalan Perusahaan Valdor;
- (iv) the industrial property segment and property market outlook in Penang - PTT takes cognisance that the industrial property segment in Penang (specifically the District of Seberang Perai where the Land is located), is robust and had rebounded steadily after the Covid-19 pandemic. Based on the property market outlook as set out in Section 7.3 of this circular, the industrial property market in Penang has been gathering strength since 2021, recording higher annual volume and value of transactions compared with the period before the Covid-19 pandemic. Overall, the number of industrial property transactions have seen a year-on-year increase since the Covid-19 pandemic, recording a total of 362 transactions in 2020, 464 in 2021 and 522 in 2022 with corresponding value of transactions amounting to RM815.6 million in 2020, RM1,612.64 million in 2021 and RM1,623.4 in 2022. The District of Seberang Perai has consistently made up the highest portion of number and value of transactions in the State of Penang from 2018 to 2022. During this period, the District of Seberang Perai contributed 83.6% of the total number of transactions and 78.4% in value of all industrial property transactions in Penang. For the most recent year 2022, demand for industrial properties is primarily concentrated in the District Seberang Perai Tengah and Seberang Perai Selatan;
- (v) the demand for industrial land in the District of Seberang Perai Selatan - vacant plot of land is the most transacted industrial property in the District of Seberang Perai Selatan from 2018 to 2022 which bodes well with the industrial designated vacant plots in the district and this trend is expected to grow further following the launch of new industrial park in Batu Kawan, namely Bandar Cassia Technology Park by Penang Development Corporation in May 2023. Such sustained demand is further supported by the expansion of manufacturing facilities to Batu Kawan Industrial Park by certain local industry players and multinational corporations such as Bosch Malaysia (24.7 acres in 2020), Vitrox Corporation Berhad (21.0 acres in 2021), Greatech Technology Berhad (11.6 acres in 2021), Pentamaster Corporation Berhad (11.8 acres in 2021) and TF AMD Microelectronics Sdn Bhd (14.0 acres in 2022). *(Source: Knight Frank research)*; and
- (vi) the potential of the Land in attracting international industrial players given the popularity of Penang as a destination for manufacturing foreign direct investments in Malaysia as follows:-
 - In 2020 (notwithstanding the Covid-19 pandemic outbreak), Penang managed to attract RM10.6 billion in FDI, which was third highest in Malaysia.
 - In 2021, Penang recorded the highest FDI of RM74.4 billion, being the highest manufacturing FDI recipient in Malaysia.
 - In 2022, Penang managed to attract RM9.8 billion in FDI, which was third highest in Malaysia after Johor and Kedah.

For information purposes, upon the completion of the Proposed Land Acquisition, the Group will have total aggregate landbank of approximately 233 acres.

The Board takes cognisance that the Vendors had requested for the Deposit Sum to be forfeited if the condition precedents set out in the SPA are not fulfilled. Notwithstanding this, taking into consideration the key strengths and advantages associated with the Land highlighted above which corresponds with the Group's focus on industrial property development, if the Proposed Land Acquisition is successful, the Board is of the view that it will provide an opportunity for PTT, which has core expertise in both industrial developments and construction, to further enhance its industrial developments portfolio and provide visibility for its future construction order book. Further, should the opportunity for build-to-suit lease be crystallised, it will provide the Group with an additional source of recurring income which in turn, will provide better earnings prospects for the Group's business in the future.

5.2 Proposed ESS

The Board believes that the Proposed ESS will act as an incentive plan to give an opportunity to the Eligible Persons to directly participate in the equity of the Company which will align the interests of the Eligible Persons with the objectives of the Group to create sustainable value enhancement for shareholders. Accordingly, the Proposed ESS is intended to:-

- (i) continue the Company's efforts to recognise, reward, retain and motivate Eligible Persons whose contributions are important to the smooth operation and continued growth of the Group;
- (ii) attract prospective skilled and experienced employees to the Group by making the total compensation package more competitive;
- (iii) motivate Eligible Persons to optimise his/her performance and maintain high levels of contribution through higher levels of productivity and greater loyalty to the Group;
- (iv) create a greater sense of dedication and belonging of Eligible Persons as they will be able to participate directly in the long-term development and growth of the Group;
- (v) reinforce pay for performance to achieve a balance between retention and value creation; and
- (vi) foster an ownership culture within the Group by aligning the interests of Eligible Persons with the interests of shareholders of the Company.

The objective of incorporating both the Proposed ESOS and the Proposed ESGP under the Scheme is to accord the Company flexibility in determining the mode/manner of rewarding its employees at the relevant point in time which will take into account various factors, amongst others, the dilutive effect arising from the issuance of new Shares to the earnings and funding requirements of the Group.

5.3 Proposed Private Placement

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising as:-

- (i) it enables the Group to raise additional funds without having to incur interest expenses or service principal repayment as compared to short term bank borrowings in light of the recent rising interest rate regime in Malaysia or issuance of debt securities. This will improve the liquidity and financial flexibility of the Group as well as preserve cash flow for reinvestment and/or operational purposes for further growth after taking into consideration of the borrowings obtained to fund the Purchase Consideration;
- (ii) it enables the Group to raise funds expeditiously to meet the funding requirements of its existing and future projects; and
- (iii) upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of the Group.

6. RISK FACTORS OF THE PROPOSED LAND ACQUISITION

Save as disclosed below, the Board does not foresee any other material risk arising from the Proposed Land Acquisition.

6.1 Non-completion risk

The completion of the Proposed Land Acquisition is conditional upon the fulfilment of all necessary conditions precedent as set out in the SPA, further details of which are set out in Appendix I of this Circular. There is no assurance that the Company would be able to obtain all the requisite approvals nor ensure that all parties to the SPA fulfil their respective obligations as set out in the SPA. If any of the conditions precedent set out in the SPA is not fulfilled within the stipulated timeframe set out in the SPA, the Deposit Sum of approximately RM7.06 million will be forfeited by the Vendors as agreed liquidated damages and the SPA may be terminated. Consequently, the Proposed Land Acquisition will not be completed and the potential benefits arising thereon may not be materialised.

However, the Board will take reasonable steps to complete the Proposed Land Acquisition by *inter alia* ensuring that all conditions of the SPA which are within the Group's control are met on a timely basis.

6.2 Funding risk

The Purchase Consideration is to be financed via a combination of internally generated funds and bank borrowings. The Company intends to utilise the term loan facility of RM63.50 million obtained by Project TT to partially finance the Purchase Consideration which has an indicative interest rate of 6.20% per annum (computed based on its lender's funding costs as at LPD). For information purposes, based on PTT's audited financial statement for FYE 30 June 2023, interest rates for the term loans obtained ranges from 4.85% to 7.70% per annum. In this respect, as the Group's interest rate exposure during the tenure of its borrowings will be largely dependent on its lenders' funding costs. Hence, future fluctuation of interest rates may have an effect on the Group's cash flows and profitability.

Accordingly, the potential higher borrowing levels will increase the Group's risks, taking into consideration that the Group may be exposed to the risk of fluctuations in interest rates. Furthermore, the increase in the Group's gearing ratio may impede its ability to secure additional borrowings for future business operations and/or affect its ability in obtaining funding on terms which are commercially acceptable.

The management of PTT will seek to mitigate the aforesaid risk by closely monitoring the interest rate environment, gearing level and internal cash requirement of the Group to ensure an effective cashflow management.

6.3 Non-registration of memorandum of transfer

The Land is currently registered under the name of the Landowners. Pursuant to the Proposed Land Acquisition and in accordance with the terms of the SPA, the individual documents of title for the Land shall be transferred to Projek TT.

However, there can be no assurance that the memorandum of transfer of the Land can be successfully registered in the name of Projek TT. Such non-registration could be due to reasons beyond the control of PTT, Projek TT and/or the Vendors. In such event, pursuant to the terms of the SPA, the Company shall be entitled to terminate the SPA and the Vendors shall, *inter alia* refund to the Purchaser the full amount of all monies paid by the Purchaser.

Nonetheless, PTT shall take all reasonable steps to ensure that the transfer of title of the Land will be promptly registered and/or perfected with the relevant authorities.

6.4 Investment risk

It is the Group's intention to develop the Land into a customised industrial space for build-to-suit lease and hence, subject to risks inherent in the property development industry. Such risks may include competition for tenants, changes in market rates for comparable rentals, industrial property overhang and competition from other industrial property developers as well as other general risks associated with the property development industry such as adverse change in real estate market prices, delay in completion of the projects, costs of materials and labour charges and changes in economic, social and political conditions.

While the Board intends to reduce the impact of such risks through practicing efficient operating procedures and prudent financial management, including reviewing its property development strategies and continuously monitoring the prevailing market conditions, there can be no assurance that the intended benefits from the Proposed Land Acquisition will materialise and the Group is able to generate sufficient return on the Land.

7. INDUSTRY OVERVIEW AND PROSPECTS

Information in the ensuing Sections 7.1, 7.2 and 7.4 of this Circular are extracted from the most recent available government publications and other publicly available resources.

7.1 Overview and prospects of the Malaysian economy

Overall, Malaysia's economic recovery in 2022 was largely driven by stronger domestic demand as economic activity normalised. However, the pace of recovery varied across different economic sectors. While economic activity in export-oriented industries thrived, some sectors such as that of the leisure- related services remained below pre-pandemic levels. This was mostly due to tourist arrivals recovering only at a gradual pace during the year.

Headline inflation averaged higher in 2022 at 3.3% (2021: 2.5%). Underlying inflation, as measured by core inflation, also rose, averaging at 3.0% (2021: 0.7%). The surge in global commodity prices and prolonged supply-related disruptions were key factors that resulted in cost-push inflationary pressures. The continued US dollar strength against the ringgit also led to higher import prices, which added to the cost pressures. While inflation was largely driven by these cost factors, the strengthened domestic demand following the economic reopening also contributed to the increasing inflationary pressures. However, upward pressures on prices were partly contained by domestic price controls, subsidies, and prevailing spare capacity in the economy.

(Source: Annual Report 2022, Bank Negara Malaysia)

Going forward, growth of the Malaysian economy will be driven largely by resilient domestic expenditure, with some support from E&E exports recovery. Household spending will be supported by steady growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. Additionally, continued progress of multi-year infrastructure projects and implementation of catalytic initiatives will support investment activity. Budget 2024 measures will also provide additional impetus to economic activity. Meanwhile, domestic financial conditions remain conducive to sustain credit growth, as financial institutions continue to operate with strong capital and liquidity buffers.

The growth outlook is subject to downside risks from weaker-than expected external demand, and larger and protracted declines in commodity production. Nevertheless, stronger-than-expected tourism activity, a stronger recovery from the E&E downcycle, and faster implementation of projects provide upside to Malaysia's economic outlook.

In line with expectations, headline and core inflation have continued to ease through the year amid the more moderate cost conditions. This would likely continue for the remainder of 2023 amid moderate momentum of price increases. Overall, headline inflation is expected to average between 2.5% and 3.0% in 2023.

Moving into 2024, headline and core inflation are projected to remain modest barring further cost shocks. However, risks to the inflation outlook remain highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments. Of note, the Government's intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions.

(Source: BNM Quarterly Bulletin, 3Q 2023, Vol. 38 No. 3, Bank Negara Malaysia)

As the world endures constant changes with varying paces of growth across the globe, the global economy is anticipated to exhibit moderate growth after experiencing a period of economic downturn. The growth pace is projected to persist across most regions in the upcoming years. Lingered uncertainties have prompted the IMF1 to project the global growth outlook to 3% in 2023 and 2024 (2022: 3.5%). Nevertheless, it remains constrained due to heightened downside risks, particularly tightening of monetary policies to ease inflationary pressures, hence, impeding a robust global economic recovery. Meanwhile, world trade growth is also expected to moderate to 2% in 2023 amid prolonged geopolitical tensions and to record 3.7% in 2024.

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The GDP is forecast to expand by approximately 4% in 2023 and between 4% and 5% in 2024. The Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 (NIMP 2030), and the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

Furthermore, Malaysia's domestic demand in 2023 continues to be buoyed by expansion in consumption and investment spending. This is also supported by favourable labour market condition and easing inflationary pressures as well as vibrant tourism activities. The surge of private investment is attributed to the multiyear execution of infrastructure ventures and sustained capital investments in the services and manufacturing sectors. The robust activity in private sector expenditure is expected to offset the effects of moderate public spending in 2023.

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, GDP 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.

(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)

7.2 Overview and prospects of the property market in Malaysia

The property market recorded an increase in 2022 supported by a better performance in all sectors compared to the previous year. In 2022, total transactions volume and value increased by 29.5% and 23.6%, respectively to 389,107 transactions and RM179.07 billion (2021: 300,497 transactions; RM144.87 billion). Total transactions volume in 2022 is the highest volume recorded within the period of 10 years (2012: 427,520 transactions) whilst total transactions value is higher than the previous record high in 2014 (162.97 billion).

The property market continued to record growth in 2022, supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals.

Several initiatives which outlined under Budget 2022 by the government to a certain extent helped improve property market activities. These are:

- (i) RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes.
- (ii) Lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies.
- (iii) Guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

The property market recorded a total of 389,107 transactions worth RM179.07 billion for 2022. This indicated an increase of 29.5% in volume and 23.6% in value compared to 2021. Of the total transactions recorded in the review year, 20.7% (80,373) and 76.5% (297,700) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

The residential sub-sector led the overall property market, with 62.5% contribution in volume. This was followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value, residential led with 52.6% share, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) and development land and others (7.4%).

The residential overhang situation improved as the numbers reduced compare to previous year. A total of 27,746 overhang units worth RM18.41 billion recorded in 2022, reduced by 24.7% and 19.2% in volume and value respectively against 2021 (36,863 units worth RM22.79 billion).

The industrial sub-sector recorded 8,082 transactions worth RM21.16 billion in 2022. Compared to 2021, the market activity increased by 44.5% in volume and 24.8% in value. Selangor continued to dominate the market, with 33.8% of the nation's volume, followed by Johor and Perak, each with 14.0% and 8.1% market share.

The industrial overhang remained manageable. The overhang volume decreased to 880 units worth nearly RM1.15 billion, down by 22.1% volume and 27.6% in value against 2021. On similar note, the unsold under construction decreased to 450 units, down by 31.2%. The unsold not constructed recorded 51 units, more than 22 units recorded in 2021.

Sarawak held most of the overhang, with 33.8% share, followed by Johor (23.3%) and Pulau Pinang (9.7%). By type, terraced and semi-detach units formed the bulk of the overhang, each with 59.2% and 29.8% share. Most of the overhang were above RM1 million, forming 45.2% of the national total.

On the construction front, the industrial sub-sector saw a mixed movement. Completions increased by nearly one-fold to 589 units whilst starts increased by 13.1% to 537 units. On the contrary, the new planned supply was down by 31.7% to 468 unit. Selangor contributed the highest number of completions, accounting for 34.1% of the national total, followed by Sarawak (23.8%) and Pulau Pinang (20.7%). There were slightly more than 120,000 existing industrial units, slightly more than 4,000 units in the incoming supply and nearly 7,000 units in the planned supply as at end-2022.

As the country's GDP growth is environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under the 12th Malaysia Plan (RMK-12) are expected to remain supportive of the property sector.

(Source: Annual Property Market 2022, Valuation and Property Services Department, Ministry of Finance Malaysia)

7.3 Overview and prospects of the property market in Penang

- (i) The residential sub-sector has consistently dominated the state's property market in terms of transacted volume, followed by the commercial, agriculture, development land and industrial sub-sectors.

In the first half of 2023 (1H2023), a total of 8,170 units of residential transactions were recorded with a market share of 72.4% of the total volume of transactions. Meanwhile, in terms of value of transactions, the residential sub-sector recorded RM3,491.29 million during the same period.

The volume and value of transactions by property sub-sector in Penang from 2018 to 1H2023 are as follows:-

Property Sub-Sector	Volume of Transactions (No. of Units)					
	2018	2019	2020	2021	2022	1H2023
Residential	12,551	12,718	11,736	13,648	17,892	8,170
Commercial	1,304	1,448	1,324	1,269	1,973	1,400
Industrial	458	392	362	464	522	302
Agriculture	1,570	1,481	1,351	1,139	1,779	770
Development Land	1,192	1,075	999	1,005	1,313	642
Others	12	4	0	1	2	1
TOTAL	17,087	17,118	15,772	17,526	23,481	11,285

Property Sub-Sector	Value of Transactions (RM Million)					
	2018	2019	2020	2021	2022	1H2023
Residential	5,465.21	4,960.34	4,583.46	5,966.21	7,958.60	3,491.29
Commercial	1,111.94	1,269.93	1,302.14	1,317.42	1,520.34	3,516.08
Industrial	1,167.82	864.90	815.63	1,612.64	1,623.41	702.92
Agriculture	573.27	725.01	503.46	417.54	939.09	436.17
Development Land	1,866.76	810.59	610.33	1,134.36	1,333.54	759.49
Others	4.68	2.34	0	0.03	1.32	0.13
TOTAL	10,189.68	8,633.11	7,815.02	10,448.20	13,376.30	8,906.08

- (ii) In the second quarter of 2023 (2Q2023), Seberang Perai Tengah District dominated the existing supply of industrial properties with a total of 5,449 units or circa 56.05% share. This was followed by Seberang Perai Utara District and Seberang Perai Selatan District with 1,474 units and 1,083 units respectively.

In terms of property type, terraced, semi-detached and detached categories were primarily concentrated in Seberang Perai Tengah District. Meanwhile, majority of flatted factories were located in Timur Laut District. The cluster category was only located in Seberang Perai Selatan District with 17 units.

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The existing supply of industrial property by district and type as at 2Q2023 are as follows:-

Property Type	Timur Laut	Barat Daya	Seberang Perai Utara	Seberang Perai Tengah	Seberang Perai Selatan	Total
Terraced	269	429	1,045	3,099	315	5,157
Semi-Detached	4	86	236	1,206	468	2,000
Detached	79	284	191	1,128	283	1,965
Flatted Factory	476	23	0	12	0	511
Industrial Complex	4	62	2	4	0	72
Cluster	0	0	0	0	17	17
TOTAL	832	884	1,474	5,449	1,083	9,722

- (iii) The industrial property market in Pulau Pinang has been gathering strength since 2021, recording higher annual volume and value of transactions compared with the performance during the period before COVID-19 pandemic.

In 1H2023, Pulau Pinang recorded a total of 302 units of industrial transactions with respective value of RM702.92 million.

The volume and value of industrial transactions in Pulau Pinang from 2018 to 1H2023 are as follows:-

Year	2018	2019	2020	2021	2022	1H2023
Volume of Transactions (No. of units)	458	392	362	464	522	302
Value of Transactions (RM Million)	1,167.82	864.91	815.63	1,612.64	1,623.42	702.92

- (iv) In 2022, demand for industrial properties is primarily concentrated in District of Seberang Perai Tengah and Seberang Perai Selatan.

The volume and value of industrial transactions by district in Pulau Pinang from 2018 to 2022 are as follows:-

District	Volume of Transactions (No. of Units)						Share (%)
	2018	2019	2020	2021	2022	Total	
Timur Laut	49	25	23	33	47	177	8.05%
Barat Daya	54	31	26	42	31	184	8.37%
Seberang Perai Utara	76	68	62	70	77	353	16.06%
Seberang Perai Tengah	223	206	182	224	260	1,095	49.82%
Seberang Perai Selatan	56	62	69	95	107	389	17.70%
TOTAL	458	392	362	464	522	2,198	100.00%
Annual Change (%)	-	-14.41%	-7.65%	28.18%	12.50%		

District	Value of Transactions (RM Million)						Share (%)
	2018	2019	2020	2021	2022	Total	
Timur Laut	85.23	23.48	34.83	22.15	63.11	228.81	3.76%
Barat Daya	360.92	254.54	92.86	221.14	158.78	1,088.25	17.89%
Seberang Perai Utara	86.71	81.03	93.55	73.71	67.39	402.40	6.61%
Seberang Perai Tengah	433.40	388.22	446.47	786.97	669.34	2,724.40	44.78%
Seberang Perai Selatan	201.56	117.63	147.92	508.67	664.79	1,640.57	26.96%
TOTAL	1,167.82	864.90	815.63	1,612.64	1,623.41	6,084.40	100.00%
Annual Change (%)	-	-25.94%	-5.70%	97.72%	0.67%		

(Sources: Knight Frank research, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

7.4 Overview and outlook of the construction industry in Malaysia

The construction sector grew by 7.2% (2Q 2023: 6.2%) due to higher support from ongoing large infrastructure projects and small-scale projects.

(Source: BNM Quarterly Bulletin, 3Q 2023, Vol. 38 No. 3, Bank Negara Malaysia)

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

The sector is forecast to expand by 5.9% in the second half of the year supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of Government's initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For the year, performance of the sector is expected to remain steady and grow by 6.3%.

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(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance)

7.5 Prospects of the Group

The Company is principally involved in the construction, property development business and trading of piping, sanitary ware and building materials. In this respect, the Group's property development business is currently focused on the development of industrial properties, with its current on-going projects comprising of Elmina Business Park and Tropicana Business Park. In respect of Elmina Business Park, the Group had also expanded its construction and development services to include construction of purpose-built warehouse for leasing purposes.

In line with the Group's strategy to expand its industrial development segment, the Proposed Land Acquisition provides PTT with the opportunity to tap into the industrial development sector in the state of Penang and allow the Group to further expand its geographical coverage for its industrial development projects in addition to the Group's existing projects located in Selangor and Johor. Furthermore, PTT's strength as a civil engineering contractor, specialising in earthworks and infrastructure projects provides synergistic benefits when it comes to development of the Land arising from PTT's expertise.

The state of Penang has historically been a key market for commercial and industrial properties in the northern region due to its strategic location, excellent infrastructure, skilled workforce, robust supply chain and strong state government support. In the past, it has also experienced growth from FDI as international companies set up or expanded their manufacturing facilities in Penang. The above is evidenced by Penang's performance in 2022, whereby it received RM13.7 billion in manufacturing investments of which, RM9.7 billion (71%) were FDIs and RM4.0 billion (29%) were domestic direct investments. *(Source: Penang attracts RM13.7bil approved manufacturing investments in 2022, Malaysian Investment Development Authority)*

In view of the expected growth in industrial market in Penang and coupled with the positive attributes of the Land such as its size, regular in shape, strategic location and accessibility, the Group is confident that the Land is deemed attractive for industrial use such as manufacturing plant, logistics, distribution centre and warehousing and thus, attracts industrial players to set up their operations on the Land. In addition, the launch of Bandar Cassia Technology Park which is located within the vicinity of the Land, will further attract more industry players to set up their manufacturing plant in Penang and enhance the attractiveness of the Land given its strategic location and accessibility. Accordingly, the Group is currently exploring with several manufacturing and logistic corporations on the possibility of constructing purpose-built industrial properties on the Land, with the potential of long-term lease arrangement, similar to that of Elmina Business Park.

Premised on the above, the Board is optimistic of the future development potential of the Land as it can potentially provide the Group with alternative source of recurring income through build-to-suit lease as well as provide visibility for the Group's future construction order book should the Land be utilised for mixed industrial developments. This will in turn improve the Group's revenue as well as the Group's future overall financial performance in the medium-to-long term.

(Source: Management of PTT)

8. EFFECTS OF THE PROPOSALS

8.1 Issued share capital

The Proposed Land Acquisition does not involve any issuance of new shares in the Company and hence the proposal will not have any effect on the issued share capital of the Company.

Furthermore, the Proposed ESS is not expected to have any immediate effect on the existing share capital of PTT. However, the share capital of the Company will increase progressively depending on the number of new PTT Shares that may be issued in connection with the Proposed ESS. Nevertheless, there will be no effect on the share capital of the Company if the ESS Awards granted under the Proposed ESS are satisfied vide treasury shares (if any), existing PTT Shares or settled in cash to the relevant Eligible Persons.

For illustration purposes, the proforma effects of the Proposed Private Placement and the Proposed ESS on the issued share capital of PTT are shown in the table below:-

	No. of Shares	RM
Issued share capital as at the LPD	180,081,081	164,277,489
PTT Shares to be issued pursuant to the Proposed Private Placement	36,000,000	36,000,000 ⁽¹⁾
	216,081,081	200,277,489
Pursuant to the Proposed ESS	32,412,162 ⁽²⁾	34,681,013 ⁽³⁾
Enlarged issued share capital	248,493,243	234,958,502

Notes:-

- (1) Calculated based on the Illustrative Issue Price of RM1.00.
- (2) Calculated based on 15% of the total number of issued shares of PTT, assuming the Proposed Private Placement has been completed prior to the implementation of the Proposed ESS.
- (3) Calculated based on the illustrative ESOS Exercise Price / Share Grant Price of RM1.07, which represents a discount of approximately RM0.1049 or 8.93% to the 5-day VWAP of PTT Shares up to and including the LPD of RM1.1749.

8.2 Substantial shareholders' shareholdings

The Proposed Land Acquisition does not involve any issuance of new shares in the Company and hence the proposal will not have any effect on the substantial shareholders' shareholdings of the Company.

The Proposed ESS will not have an immediate effect on the shareholdings of the substantial shareholders of PTT until such time when the new Shares are issued pursuant to the Proposed ESS, which should result in a dilution in their shareholdings. Any potential effect on the substantial shareholdings in PTT will depend on the number of ESOS Options granted and new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS as well as the number of new PTT Shares issued under the Proposed ESGP at any point in time.

The proforma effects of the Proposed Private Placement on the substantial shareholders' shareholdings of PTT are as follows:

Substantial shareholder	(I) As at the LPD				(II) After (I) and the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	%	No. of Shares	% ⁽³⁾
ATTG	100,766,049	55.96	-	-	100,766,049	46.63	-	-
TSP	14,920,312	8.29	100,766,049 ⁽²⁾	55.96	14,920,312	6.90	100,766,049 ⁽²⁾	46.63
TSL	17,624,620	9.79	100,766,049 ⁽²⁾	55.96	17,624,620	8.16	100,766,049 ⁽²⁾	46.63
Dato Rahim	-	-	100,766,049 ⁽²⁾	55.96	-	-	100,766,049 ⁽²⁾	46.63

Notes:-

(1) Based on the issued share capital of 180,081,081 PTT Shares as at the LPD.

(2) Deemed interested by virtue of his interests in ATTG pursuant to Section 8(4) of the Act.

(3) Based on the issued share capital of 216,081,081 PTT Shares assuming the Proposed Private Placement has been completed.

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8.3 NA and Gearing

8.3.1 Proposed ESS

Save for the potential accounting impact of the MFRS 2 - "Share-Based Payment" issued by the Malaysian Accounting Standards Board ("MFRS 2") as described in Section 8.4 of this Circular, the Proposed ESS is not expected to have any immediate effect on the NA and NA per Share of PTT until such time the new Shares are issued in connection with the exercise of ESOS Options and/or vesting of ESGP Awards. Any potential effects on the NA and NA per Share of PTT will depend on the actual number of Shares to be issued arising from the exercise of the ESOS Options and/or vesting of ESGP Awards, as well as the ESOS Exercise Price. Additionally, the Proposed ESS is not expected to have any material effect on the Group's gearing level.

8.3.2 Proposed Land Acquisition and Proposed Private Placement

Based on the latest audited financial statements of PTT as at 30 June 2023, the pro forma effects of the Proposed Land Acquisition and Proposed Private Placement on the NA per PTT Share and gearing of PTT are set out below:

	Audited as at 30 June 2023 RM	(I) Subsequent events up to the LPD ⁽¹⁾ RM	(II) After (I) and the Proposed Land Acquisition RM	(III) After (II) and the Proposed Private Placement RM
Share capital	83,196,408	164,277,489	164,277,489	200,277,489 ⁽³⁾
Reserves	2,308,166	2,308,166	2,308,166	2,308,166
Retained earnings	4,052,275	1,952,275	2,096,275 ⁽²⁾	1,096,275 ⁽⁴⁾
NA attributable to equity holders of the parent	89,556,849	168,537,930	168,681,930	203,681,930
No. of PTT Shares in issue	99,000,000	180,081,081	180,081,081	216,081,081
NA per PTT Share (RM) ⁽⁵⁾	0.90	0.94	0.94	0.94
Total borrowings (including lease liabilities)	71,025,240	301,920,168	365,420,168 ⁽⁶⁾	365,420,168
Total cash and bank balances, fixed deposits with licensed banks and short-term investments	11,305,811	26,124,307	19,068,874 ⁽⁶⁾	54,068,874
Gearing (times) ⁽⁷⁾	0.67	1.64	2.05	1.53

Notes:

- (1) *Adjusted for the subsequent event which was the acquisition of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd by the Company, which was completed on 10 August 2023, for a total consideration of RM152.0 million of which RM62.0 million was satisfied through cash consideration and RM90.0 million was satisfied through the issuance of new PTT Shares at a fair value of RM1.00 per PTT Share on even date.*
- (2) *Strictly for illustration purposes, after incorporating rental income of RM144,000 per annum from the Existing Tenancies, upon completion of the Proposed Land Acquisition.*
- (3) *Calculated based on the illustrative issue price of the Placement Shares of RM1.00 per Placement Share.*
- (4) *After deducting the estimated expenses of approximately RM1.0 million in relation to the Proposals.*
- (5) *Computed based on NA attributable to equity holders of the parent over the total number of PTT Shares in issue.*
- (6) *Assuming that the RM63.50 million term loan is fully utilised to part finance the Purchase Consideration and the remaining is funded by internally generated funds.*
- (7) *Computed based on total borrowings less total cash and bank balances, fixed deposits with licensed banks and short-term investments over the NA attributable to equity holders of the parent.*

8.4 Earnings per Share

The Proposed Land Acquisition is not expected to have a material impact on the earnings of PTT Group for the FYE 30 June 2023 as the Proposed Land Acquisition is only expected to be completed by the second quarter of 2024. Nevertheless, the Proposed Land Acquisition is expected to contribute positively to the future earnings of PTT Group. Any profit to be realised from the Land is dependent on the final plan for the Land i.e. whether the Group will undertake build-to-suit lease for its customers (akin to its business model in Elmina Business Park) or to develop the Land into a mixed industrial use space consists of industrial and/or commercial units and sell the ready built unit to its customers. Upon completion of the Proposed Land Acquisition, the Group is expected to receive rental income of RM12,000 per month until the respective expiry dates of the Existing Tenancies.

The Proposed ESS is not expected to have any immediate material effect on the earnings and EPS of the Group until such time when the ESS Awards are granted. In accordance with the MFRS 2, the Proposed ESS will result in a change to the earnings of the Group over the period from the ESS Award Date to the vesting date of the ESS Awards. However, the potential effect of the Proposed ESS on the future earnings and EPS of the Group cannot be determined at this juncture as it will depend on, amongst others, the number of ESS Awards granted and exercised as well as the various factors that affect the fair value of the ESS Awards as at the respective ESS Award Date. The Board takes cognisance of the potential effect of the Proposed ESS on the earnings of the Group and will take proactive measures to manage the earnings impact in the granting of ESS Awards.

The Proposed Private Placement is not expected to have a material effect on the earnings of the Group for the FYE 30 June 2023. However, it is expected to contribute positively to the future earnings of the Group when the benefits of the use of the proceeds from the Proposed Private Placement are realised. The EPS will be diluted accordingly as a result of the increase in the number of the Shares issued in relation to the Proposed Private Placement. The effects of the Proposed Private Placement on the future earnings and/or EPS of the Group would depend on, among others, the actual number of new PTT Shares issued in relation to the Proposed Private Placement as well as the returns derived from the use of proceeds from the Proposed Private Placement.

8.5 Convertible securities

PTT does not have any convertible securities as at the LPD.

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

None of the Directors, major shareholders and/or chief executive of PTT and/or persons connected with them has any interest, either direct and/or indirect, in the Proposed Land Acquisition and Proposed Private Placement.

Presently, all executive directors of PTT are eligible to participate in the Proposed ESS and are therefore deemed to be interested in the Proposed ESS to the extent of their respective allocations as well as the allocations to persons connected with them (if any) under the Proposed ESS ("**Interested Directors**"). Notwithstanding the foregoing, the Board has deliberated on the Proposed ESS and has agreed to present the Proposed ESS to the shareholders of the Company for their consideration and approval.

Accordingly, all Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the specific allocation of the ESS Awards to themselves as well as the specific allocations to any persons connected with them (if any) at the relevant Board meetings of the Company.

Further, the Interested Directors will also abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in PTT on resolutions pertaining to any specific allocations of the ESS Awards to themselves, as well as the specific allocations to any persons connected with them (if any) under the Proposed ESS at the EGM to be convened.

The details of the Directors' shareholdings in the Company as at the LPD are as follows:-

	Direct		Indirect	
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾
TSP	14,920,312	8.29	100,766,049 ⁽ⁱⁱ⁾	55.96
TSL	17,624,620	9.79	100,766,049 ⁽ⁱⁱ⁾	55.96
Dato Rahim	-	-	100,766,049 ⁽ⁱⁱ⁾	55.96

Notes:-

(i) Based on the issued share capital of 180,081,081 PTT Shares as at the LPD.

(ii) Deemed interested by virtue of his interests in ATTG pursuant to Section 8(4) of the Act.

ATTG, the major shareholder of PTT, is deemed interested in view that TSP, TSL and Dato Rahim are the directors and shareholders of ATTG. Accordingly, ATTG will abstain and has undertaken to ensure that persons connected with it will abstain from voting in respect of the specific allocations to any persons connected with it under the Proposed ESS at the EGM to be convened.

Save as disclosed above, none of the Directors, chief executive, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed ESS.

For information purposes, pursuant to the 10% Rule (as defined under Section 3.5 of this Circular), TSP, TSL and Dato' Rahim (who are Executive Directors of PTT), indirectly own more than 20% of the equity interest in PTT as at LPD.

Subject to the provisions of the By-Laws, the Company proposes to seek its shareholders' approval at the forthcoming EGM for the proposed maximum allocation of ESS Awards to the following Executive Directors of the Company (the Executive Directors' respective theoretical maximum allocation pursuant to the Proposed ESS is illustrated in the table below):-

Name	Designation	Theoretical Maximum Allocation (No. of ESS Awards) (Up to) ⁽¹⁾
Dato' Abd Rahim Bin Jaafar	Executive Chairman	3,200,000
Teo Swee Leng	Deputy Chairman	3,200,000
Teo Swee Phin	Managing Director	3,200,000

Note:-

(1) For illustration purposes, the theoretical maximum allocation has been computed based on the 10% Rule, assuming Proposed ESS of up to 32,412,162 PTT Shares (being 15% of PTT's issued capital as at LPD).

10. HIGHEST PERCENTAGE RATIO FOR THE PROPOSED LAND ACQUISITION

The highest percentage ratio applicable for the Proposed Land Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 40.12% based on the proforma consolidated statement of financial position of PTT Group as at 30 June 2022, after taking into consideration the acquisition of 100% equity interest in Pembinaan Tetap Teguh Sdn Bhd. For information purposes, the Proforma Financial Position has been reviewed by Moore Stephens Associates PLT, PTT's external auditor.

11. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following approvals being obtained:-

- (i) approval of Bursa Securities, for the following:-
 - (a) listing of and quotation for such number of new PTT Shares to be issued pursuant to the Proposed ESS, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Scheme; and
 - (b) listing of and quotation for the Placement Shares,

on the Main Market of Bursa Securities. The approval was obtained vide Bursa Securities' letter dated 22 November 2023 and subject to the following conditions:-

No.	Conditions	Status of compliance
1	PTT and AmlInvestment Bank must fully comply with the relevant provisions under the Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement.	To be complied
2	AmlInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS 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 general meeting approving the Proposed ESS.	To be complied
3	PTT/ AmlInvestment Bank to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders at EGM approving the Proposed Private Placement.	To be complied

No.	Conditions	Status of compliance
4	PTT and AmlInvestment Bank to inform Bursa Securities upon the completion of the Proposed Private Placement.	To be complied
5	PTT and AmlInvestment 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
6	PTT is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) approval of shareholders of PTT at the forthcoming EGM to be convened for the following:-

- (a) the Proposals; and
- (b) the waiver of statutory pre-emptive rights for the new PTT Shares to be issued pursuant to the Proposed ESS and the Placement Shares under Section 85(1) of the Act.

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."

Section 85(1) of the Act, when read together with Clause 50 of the Constitution of the Company, may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

Accordingly, in conjunction with the Proposed ESS and Proposed Private Placement, the Company wish to seek for its shareholders' approval for an express waiver of their Pre-emptive Rights to be offered any new PTT Shares ranking equally to the existing issued shares of the Company arising from the issuance of the Placement Shares pursuant to the Proposed Private Placement and new PTT Shares to be issued arising from the Proposed ESS under Section 85 of the Act and Clause 50 of the Constitution of the Company at the EGM to be convened.

If you vote in favour of the proposed resolutions pertaining to the Proposed ESS and Proposed Private Placement to be tabled at the EGM to be convened, you will irrevocably waive your Pre-emptive Rights and such proposed resolutions, if passed, would tantamount to you agreeing to waive your Pre-emptive Rights in respect of the allotment and issuance of the Placement Shares pursuant to the Proposed Private Placement and new PTT Shares pursuant to the Proposed ESS, which will result in a dilution to your shareholding in the Company.

(iii) approval of any other relevant regulatory authorities, if applicable.

The Proposals are not conditional upon any other corporate exercises that have been announced and/or pending implementation by PTT. The Proposed Land Acquisition, Proposed ESS and Proposed Private Placement are not inter-conditional upon each other.

12. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

As at the LPD, there are no other corporate exercises which have been announced but are pending completion.

13. STATEMENT BY THE BOARD

The Board, having considered all aspects of the Proposals including terms and conditions of the SPA, rationale of the Proposals as well as outlook and prospects of the Group, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

For avoidance of doubt, the Interested Directors have abstained and will continue to abstain from expressing any opinion and recommendation insofar as their specific allocations and specific allocations to any persons connected to them (if any) under the Proposed ESS are concerned.

14. EXPECTED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Board expects to implement the Proposed ESS by first quarter of 2024 and complete the Proposed Land Acquisition and Proposed Private Placement by second quarter of 2024.

15. ADVISERS

AmInvestment Bank has been appointed to act as the Principal Adviser to the Company for the Proposals.

In addition, Knight Frank has been appointed by the Board to conduct the valuation on the Land.

16. EGM

The EGM, the Notice of which is enclosed in this Circular, will be held at 2A-1-G, Space U8, No.6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 15 December 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposals as described therein.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the Form of Proxy enclosed in this Circular, in accordance with the instructions printed thereon as soon as possible, in any event, so as to arrive at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time set for holding the EGM or at any adjournment thereof.

The completion and lodgement of the Form of Proxy will not preclude you from attending, participating, speaking and voting at the EGM should you subsequently decide to do so.

17. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
PTT SYNERGY GROUP BERHAD

DATO' ABD RAHIM BIN JAAFAR
EXECUTIVE CHAIRMAN

APPENDIX I – SALIENT TERM OF THE SPA

The salient terms of the SPA are set out below:

1. Purchase Consideration

The Purchase Consideration for the acquisition of the Land is RM70,555,432.50 calculated at the rate of RM90.00 per sq ft and the individual land price is as follows:

- (i) Land 1 – RM63,247,023.00; and
- (ii) Land 2 – RM7,308,409.50.

2. Conditions Precedent

The parties acknowledge that the respective rights and obligations of the parties under the SPA shall be subject to and conditional upon the following conditions precedent being obtained by the Purchaser at its own costs and expenses within 4 months commencing from the date of the SPA (“**Cut-Off Date**”) or an automatic extension of 2 months from the expiry of the Cut-Off Date (“**Extended Cut-Off Date**”), as the case may be (“**Conditions Precedent**”):

- (i) the approval from the board of directors of the Purchaser for the acquisition of the Land from the Vendors upon the terms and conditions of the SPA, and the entry of the SPA by the Purchaser; and
- (ii) the approval from the shareholder(s) of the Purchaser (including the relevant approvals from the parent company of the Purchaser) at an EGM to be convened for the acquisition of the Land from the Vendors upon the terms and conditions of the SPA, and the entry of the SPA by the Purchaser (“**Purchaser’s Shareholders’ Approval**”).

Non-Fulfilment of Conditions Precedent

- (i) If any of the Conditions Precedent stipulated in Sections 2(i) and 2(ii) above are not obtained by the expiry of the Extended Cut-Off Date, the Vendors shall be entitled to terminate the SPA. Upon such termination, the Deposit Sum paid pursuant to the SPA shall be forfeited by the Vendors from the date of termination and the SPA shall be rendered null and void and neither party shall be entitled to claim against the other save for any antecedent breach.

Unconditional Date

The SPA shall become unconditional on the date on which the last of the Conditions Precedent has been duly fulfilled, in which the parties shall be in receipt of the following, whichever is later (“**Unconditional Date**”):

- (i) the Vendors’ solicitors receipt of a certified true copy of the approval from the board of directors of the Purchaser; and
- (ii) the Vendors’ solicitors receipt of a certified true copy of the extract of the Purchaser’s Shareholders’ Approval.

3. Mode of Payment of the Purchase Consideration

3.1 Deposit Sum

The Deposit Sum comprising of the following has been or shall be paid by the Purchaser to the Vendors in the following manner:

- (i) RM1,411,108.80 being the earnest deposit has been deposited with the Vendors' solicitors as stakeholders prior to the date of the SPA, the receipt of which the Vendors acknowledged; and
- (ii) simultaneous with the execution of the SPA, the Purchaser shall deposit RM5,644,434.45 being the balance deposit sum with the Vendors' solicitors as stakeholders.

Upon receipt of the Deposit Sum or any portion thereof by the Vendors' solicitors as set out in this Section 3.1, the Vendors' solicitors are authorised to release the Deposit Sum or its portions only to the Vendors upon the Vendors' execution of the SPA and such other deeds and documents as mentioned in the SPA and after depositing by the Vendors with the Vendors' solicitors of such documents or deeds or agreements as stipulated in the SPA in the manner prescribed in the SPA.

3.2 Balance Sum

The balance sum of RM63,499,889.25 shall be remitted or deposited by the Purchaser or the Purchaser's financier to the Vendors' solicitors as stakeholders within the period for the full payment of the Balance Sum by the Purchaser to the Vendors after the Unconditional Date but within 6 months from the date of the SPA or any other extended period and under terms mutually agreed upon by the parties, provided that in the event the Vendors and/or the Vendors' solicitors fails to provide the Transfer Documents, necessary documents, letters, deeds or any other documents within the specified period stipulated in the SPA, the Completion Period shall be extended by such corresponding period of time as is granted to the Completion Period free of interest ("**Completion Period**").

3.3 Discharge of Obligation to Pay

- (i) all payments made to the Vendors' solicitors as stakeholders unless otherwise stated shall be deemed to be payment to the Vendors and toward settlement of the Purchase Consideration.
- (ii) the parties expressly agreed that in the event the Purchase Consideration or any part thereof and/or all other monies (if any) payable by the Purchaser under the SPA is paid by way of bank draft, cashier's order or the Purchaser's local cheque, the relevant payment shall be deemed received by the Vendors or Vendors' solicitors on the date of the said bank draft, cashier's order or the Purchaser's cheque is honoured by the paying bank and credited into the Vendors or Vendors' solicitor's account. For avoidance of doubt, the Vendors or Vendors' solicitors shall deposit the cheque within 2 business days upon their receipt of the same from the Purchaser and/or the Purchaser's solicitors.
- (iii) in the event the Purchase Consideration or any part thereof and/or all other monies (if any) payable by the Purchaser under the SPA is paid to the Vendors or Vendors' solicitors by way of telegraphic transfer or through RENTAS, the said payment shall be deemed received by the Vendors or Vendors' solicitors on the date that the monies have actually been credited into the account of the payee bank or the date the Vendors or Vendors' solicitors receipt of a copy of the remittance slip or evidence for such payment, whichever is earlier.

4. Transfer

4.1 Transfer

The Vendors shall upon the execution of the SPA execute and deliver or caused to be delivered to the Purchaser's solicitors the 8 copies of valid and registrable Memoranda of Transfer (Form 14A of the National Land Code) of Land 1 and Land 2, executed by the Vendors as transferor in favour of the Purchaser as transferees ("**Transfer**").

4.2 Adjudication of Transfer

- (i) The Purchaser's solicitors shall, and are authorised by the parties hereto:
 - (a) to submit the Transfer duly executed by the Vendors in relation to the transfer of the Land to the Collector of Stamp Duty for adjudication of stamp duty chargeable thereon, if any, and stamping within the time period as stated in the notice of assessment of the stamp duty payable on the Transfer;
 - (b) notify the Purchaser to pay stamp duty as adjudicated, if any and thereafter the Purchaser's solicitors are to retain the Transfer in safe custody as stakeholders pending presentation for registration of the Transfer of the Land in favour of the Purchaser; and
 - (c) if the SPA is or shall be terminated or rescinded, to forthwith return the Transfer, the original titles for the Land (if the original titles shall have released to the Purchaser's solicitors) to the Vendors' solicitors with the Vendors' benefits, interest and rights to the Land remaining intact and free from encumbrances created or attributable to the Purchaser, subject to Section 4.2(ii) below.
- (ii) In the event that stamp duty has been paid on the Transfer and the sale and purchase herein is not completed in accordance with the provisions of the SPA, the Purchaser's solicitors shall be authorised to make an application to the Collector of Stamp Duty for the cancellation of the Transfer and refund the stamp duty paid by the Purchaser.

4.3 Presentation of Transfer

Subject to receipt by the Vendors' solicitors of either the Balance Sum and the agreed interest at the prescribed rate of 4% per annum ("**Prescribed Rate**") on the Balance Sum or such part thereof as is still outstanding commencing from the day immediately following the expiration of the 3 months period from the date of the SPA to the date of full payment of the Purchase Consideration ("**Agreed Interest**") or the undertaking in writing addressed to the Vendors from the Purchaser's financier whereby the Purchaser's financier undertakes to release the Purchaser's loan to the Vendors' financier as stakeholder ("**Purchaser's Financier's Undertaking**") and the differential sum, if any, between the Balance Sum and the Purchasers' loan ("**Differential Sum**") (if any), the parties agree that the Purchaser's solicitors shall be expressly authorised either to present the Transfer together with the transfer documents being original titles of the Land, copy of the Vendors' latest identity card duly certified by the Vendors' Solicitors, a copy of the current quit rent and assessment receipt of the Land duly certified by the Vendors' Solicitors and such other documents necessary for the transfer of the Land ("**Transfer Documents**") at the land registry for registration or to release the Transfer and the Transfer Documents to the Purchaser's financier's solicitors or as the case may be.

5. Limited Power of Attorney

5.1 The Vendors agree to execute and deposit with the Purchaser a limited power of attorney for the following purposes simultaneous with the execution of the SPA:

- (i) prepare the design concept for the development of the Land; and
- (ii) submit to the relevant authorities as developer an application for the planning permission (Kebenaran Merancang), the layout plans approval, the building plans approval and such other approvals for and in connection with the proposed development of the Land,

items (i) and (ii) above shall collectively be referred to as ("**KM**") and in this connection, the Vendors agree to vest unto the Purchaser the powers to do, sign and/or execute all acts, documents and things whatsoever in connection with the submission of such applications for the KM at the Purchaser's own cost and expense and subject to the terms and conditions therein contained.

5.2 In the event that the SPA shall be lawfully terminated by the Vendors -

- (i) such grant of the limited power of attorney shall be deemed and treated as revoked; and
- (ii) the Purchaser shall keep the Vendors fully indemnified against any demand action suit proceeding costs damage and expense and any other like situation which may arise as a result of the default and negligence of the Purchaser in relation to the grant of the power of attorney by the Vendors to the Purchaser.

6. The Purchaser's Loan

6.1 In the event the Purchaser obtains loan from the Purchaser's financier, then the Purchaser shall complete the purchase of the Land by ensuring that the following be effected within the Completion Period (subject to payment of the Agreed Interest):

- (i) the Purchaser shall prior to the Completion Period, but so that there shall be sufficient time for the Purchaser's financier to release the Purchaser's loan within the Completion Period:
 - (a) pay the Differential Sum, if any, to the Vendors' solicitors as stakeholders within the Completion Period; and
 - (b) cause and ensure that the Purchaser's financier shall have given the Purchaser's Financier's Undertaking to the Vendors or the Vendors' solicitors and the Vendors' solicitors are in receipt of the Purchaser's Financier's Undertaking.
- (ii) the Purchaser shall cause and ensure that the Purchaser's financier shall have within the Completion Period released and paid to the Vendors' solicitors as stakeholders the Purchaser's loan.

APPENDIX I – SALIENT TERM OF THE SPA (CONT'D)

- 6.2 Subject to receipt by the Vendors' solicitors of either the Balance Sum or the Purchaser's Financier's Undertaking and the Differential Sum (if any), the Vendors shall within 7 days upon the receipt by the Vendors' solicitors of the written request from the Purchaser's financier's solicitors, deliver and deposit the following documents with the Purchaser's financier's solicitors:
- (i) the original Vendors' written undertaking addressed to the Purchaser's financier, undertaking to refund to the Purchaser's financier all moneys paid by the Purchaser's financier to the Vendors in the manner provided under the SPA if for any reason the transfer of the Land cannot be registered with the relevant land registry resulting in the non-registration of the Purchaser's charge; and
 - (ii) the duly affirmed and stamped statutory declaration executed by each of the Vendors declaring that the Vendors has not been bankrupt as at the date of the Vendors' statutory declaration and that to the best knowledge and belief of the Vendors, there are no bankruptcy proceeding pending or threatened against the Vendors.

7. Special provisions relating to the Existing Tenancies

- 7.1 The parties shall simultaneously with the execution of the SPA execute the Deed of Novation for the assignment of the Existing Tenancies and deposit the same with the Vendors' solicitors as stakeholders.
- 7.2 The Vendors shall at its own costs and expenses serve a written notice to BCSB and HMSB in the form and substance prescribed in the Deed of Novation and cause BCSB and HMSB to acknowledge receipt of the said written notice and the contents of the Deed of Novation within 7 business days from the Completion Date, being the date on which payment of the full Balance Sum is paid to the Vendors' solicitors as stakeholders ("**Completion Date**").
- 7.3 The Deed of Novation duly executed by the Vendors with BCSB and HMSB acknowledgement of the same shall be released by the Vendors' solicitors to the Purchaser's solicitors within 7 business days from the Completion Date.
- 7.4 In consideration of the Purchaser agreeing to purchase the Land and settling the Purchase Consideration in the manner and upon the terms and conditions contained in the SPA, the parties mutually agree that:
- (i) subject to the completion of the SPA, the Purchaser shall be entitled to the Existing Tenancies rental receivable under and pursuant to the Existing Tenancies with immediate effect on the Completion Date;
 - (ii) in relation to the tenancy entered into with BCSB, the Vendors shall pay the sum of RM18,000.00 paid by BCSB to the Vendors as deposit under the First Tenancy Agreement ("**BCSB Tenancy Deposit**") to the Purchaser within 7 business days from the Completion Date; and
 - (iii) in relation to the tenancy entered into with HMSB, the Vendors shall pay the sum of RM12,000.00 paid by HMSB to the Vendors as deposit under the Second Tenancy Agreement ("**HMSB Tenancy Deposit**") to the Purchaser within 7 business days from the Completion Date.
- 7.5 The Purchaser's solicitors are authorised to submit the Deed of Novation for adjudication and stamping upon the Purchaser's solicitors' receipt of the same duly executed by the Vendors, the Purchaser and BCSB and HMSB respectively. It is agreed by the parties that the stamp duty payable on the Deed of Novation shall be borne by the Purchaser.
- 7.6 In the event the Existing Tenancies are terminated prior to the Completion Period, it shall not affect the sale and purchase of the Land of the SPA subject to Section 11.1(ii) below.

8. Events of DefaultPurchaser's default

- 8.1 Upon the occurrence of any of the events of default (including but not limited to, default by the Purchaser in payment of the Purchase Consideration or any part thereof, breach of the Purchaser's obligations under the SPA and breach of the Purchaser's representations or warranties provided in the SPA) by the Purchaser pursuant to the SPA, the Vendors shall issue a notice to the Purchaser to remedy the breach within 14 days (if capable of remedy). If the Purchaser fails to remedy the breach within 14 days from the receipt of the notice from the Vendors, the Vendors shall be entitled by notice in writing to the Purchaser terminate the SPA where, amongst others, the Deposit Sum paid by the Purchaser shall be forfeited to the Vendors and any other monies paid by the Purchaser to the Vendors shall be refunded by the Vendors to the Purchaser, free of interest, within 14 days from the date of notice of termination, failing which the Vendors shall be liable for interest at the Prescribed Rate calculated on a daily rest basis on any outstanding sum not refunded and/or paid.

Vendors' default

- 8.2 Upon the occurrence of any of the events of default (including but not limited to, breach of any provisions by the Vendors of the provisions of the SPA resulting in the non-completion of the sale and purchase of the Lands in accordance with the SPA, or breach of the Vendors' representations or warranties provided in the SPA) by the Vendors pursuant to the SPA which is remediable but the Vendors fail, neglect or refuse to remedy the breach within 14 days from the date of the Vendors' receipt of a written notice from the Purchaser, the Purchaser shall be entitled at its option either to specific performance of the contract against the Vendors or by giving 14 days' notice in writing to the Vendors to terminate the SPA where, amongst others, the Vendors shall refund the Purchaser the Deposit Sum and any other moneys paid by the Purchaser to the Vendors, free of interest, within 14 days from the date of notice of termination and pay a sum equivalent to the Deposit Sum as agreed liquidated damages to the Purchaser, failing which the Vendors shall be liable for interest at the Prescribed Rate calculated on a daily rest basis on any outstanding sum not refunded and/or paid.

9. Release of Balance Sum

- 9.1 Upon the Vendors' solicitors' receipt of the Balance Sum and the Agreed Interest as stakeholders, the Vendors' solicitors are authorised to deal with the Balance Sum and the Agreed Interest in the following manner:
- (i) to pay to the Purchaser's solicitors as stakeholders the BCSB Tenancy Deposit and the HMSB Tenancy Deposit (if the tenancy agreement still subsists), and all apportioned outgoings due and payable by the Vendors in relation to the Land to the Purchaser, if any, within 7 business days from the Completion Date; and
 - (ii) to release the balance thereof to the Vendors upon the expiry of 7 business days from the date of presentation of the Transfer for registration at the land registry subject always the legal/vacant possession of the Land shall have been delivered to the Purchaser, the written notice in Section 7.2 above shall have been served to BCSB and HMSB, and the Deed of Novation in Section 7.3 above shall have been delivered to the Purchaser's solicitors.
- 9.2 Within 14 business days from the Completion Date, the parties expressly agree to do all acts, execute all documents, and file the relevant required forms to the relevant authorities or bodies or utilities providers as may be necessary in respect of the change of ownership record of the Land. The parties agree that neither the Vendors' solicitors nor the Purchaser's solicitors shall be obliged to perform any of the foregoing.

10. Non-registration of land

- 10.1 In the event that the Transfer cannot be registered for any reason whatsoever, not occasioned by any act default, willful omission, or blameworthy conduct on the part of any of the parties hereto, then either party shall have the right to terminate the SPA by giving notice in writing to the other party, and the Vendors shall, subject to the Purchaser returning the original titles to the Land and Transfer (provided that in the event that the Transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the Purchaser's solicitors shall be entitled to forward the duly stamped Transfer to the Collector of Stamp Duty for cancellation) to the Vendors free from encumbrances attributable to the Purchaser or any other person(s) claiming through or under any of them, and with the Vendors' title and interest intact, refund to the Purchaser the Purchase Consideration or any part thereof paid by the Purchaser, free of interest within 14 business days from the date of notice of termination, failing which the Vendors shall be liable for interest at the Prescribed Rate calculated on a daily rest basis on any outstanding sum not refunded and/or paid.
- 10.2 Upon the happening of the events in Section 10.1 above, the SPA shall be terminated and be of no further force and effect and neither party shall have any further rights against the other save and except for any antecedent breach of the SPA.

11. Delivery of legal possession**11.1 Delivery of Legal Possession and/or Vacant Possession**

- (i) Legal possession of the Land shall be deemed delivered by the Vendors to the Purchaser on the Completion Date.
- (ii) If the Existing Tenancies are terminated prior to the Completion Date, vacant possession of the Land shall be deemed delivered to the Purchaser on "as is where is" basis on the Completion Date.

11.2 Risk

The risk in the Land shall pass to the Purchaser upon delivery of legal possession and/or vacant possession, as the case may be.

12. Real Property Gains Tax

- 12.1 The parties acknowledge that they shall within 60 days from the date of the SPA comply with the requirement of the Real Properties Gains Tax Act ("**RPGT Act**") by submitting the necessary returns to the Director General of Inland Revenue Department ("**DGIR**") and to comply with all the necessary directives that may be issued by the DGIR.
- 12.2 The Vendors confirm that the disposal of the Land shall not be subject to the real property gains tax as the Land have been acquired by the Vendors for more than 5 years, accordingly, the Purchaser and/or the Purchaser's solicitors, as the case may be, is not required to retain any sum from the Purchase Consideration under section 21B of the RPGT Act. The Vendors shall execute and provide a completed and signed copy of the Form CKHT 3 to the Purchaser's solicitors within 30 days from the date of the SPA.
- 12.3 The Vendors agree, covenant and undertake with the Purchaser to keep the Purchaser fully indemnified against all claims, costs, damages, fines or penalties which may be brought, suffered or levied against the Purchaser as a result of the Vendors' non-compliance and/or default with any of the provisions of the RPGT Act relating to the required payment of real property gains tax (if any) by the Vendors under the SPA.

13. Private caveat

The Vendors expressly agree that the Purchaser and the Purchaser's financier shall each be entitled at any time after the execution of the SPA at the Purchaser's cost and expense to enter a private caveat against the Land until the presentation of the Transfer has been effected provided always that in the event that the SPA is lawfully terminated in accordance with the terms herein, the Purchaser shall withdraw or cause to withdraw such private caveat(s) at the Purchaser's own cost and expense. The Purchaser shall simultaneously with the execution of the SPA, execute and deposit with the Purchaser's solicitors a notice for withdrawal of private caveat together with the requisite registration fee. The Purchaser's solicitors are authorised to withdraw the aforesaid private caveat upon any lawful termination of the SPA.

14. Quit rent assessment and other outgoings

14.1 All outgoings payable in respect of or in connection with the Land shall be apportioned between the parties as at the date of delivery of legal possession or vacant possession, as the case may be, set out in Section 11.1 of this Appendix, and the amount due upon such apportionment shall forthwith be paid by the party from whom it is due to the other.

14.2 The Vendors shall indemnify the Purchaser against any loss or penalty which may be imposed by the relevant authority in respect of any late or non-payment of the outgoings and utilities for the period prior to the date of such apportionment. The Purchaser shall indemnify the Vendors against any loss or penalty which may be imposed by the relevant authority in respect of any late or non-payment of the outgoings and utilities for the period subsequent to the date of such apportionment.

15. Costs and expenses

15.1 Each party shall bear its own solicitors' costs and expenses of, and incidental to, the preparation and completion of the SPA, Deed of Novation and the Transfer.

15.2 All expenses related to the registration of the Transfer, Deed of Novation and the Power of Attorney including but not limited to all stamp duty and registration fees imposed by the Collector of Stamp Duty shall be borne by the Purchaser. If any penalties arise due to delays caused by the Purchaser, the Purchaser shall also be responsible for these penalties imposed by the Collector of Stamp Duty.

15.3 If any party is obliged to do anything under the SPA, it agrees, save as otherwise provided under the SPA, to do so at its own cost and risk.

15.4 In the event of a delay in submitting the Transfer for registration caused by the delay on the Vendors' or its solicitors' part, which exceeds the specified period as stipulated in the SPA, the Vendors shall bear and pay and reimburse the Purchaser and keep the Purchaser fully reimbursed for the penalty that may be imposed by the relevant land office/registry for the delay in presentation of the Transfer.

**PTT SYNERGY GROUP BERHAD
BY-LAWS OF THE EMPLOYEES' SHARE SCHEME**

PART I

1. NAME OF THE SCHEME

This Scheme (as defined herein) shall be called the “PTT Synergy Group Berhad Employees’ Share Scheme”.

2. OBJECTIVES OF SCHEME

2.1 The objectives of the ESS (as defined herein) are as follows:

- (a) To recognise and reward the Eligible Persons (as defined herein) by giving recognition to their contributions and services that are considered vital to the operations and sustained growth and profitability of the Group (as defined herein);
- (b) To retain, motivate and reward the Eligible Persons by allowing them to participate in the Company’s profitability and eventually realise capital gains arising from any appreciation in the value of the Shares (as defined herein);
- (c) To attract prospective employees with relevant skills and experience to the Group (as defined herein) by making the total compensation package more competitive; and
- (d) To foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Persons upon vesting of the Shares as they will be able to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

2.2 In addition to the objectives set out in By-Law 2.1 above, the objective of the RSP (as defined herein) is to act as an incentive for Eligible Persons and recognise and retain appropriate Eligible Persons who have contributed to the development, growth and success of the Group during the course of their employment.

2.3 In addition to the objectives set out in By-Law 2.1 above, the objective of the PSP (as defined herein) is to act as an incentive for the management personnel and to recognise the contribution of the management personnel (who are the Eligible Persons) of the Group of such rank or position as may be designated by the ESS Committee from time to time in recognition of their contribution as drivers of the growth and performance of the Group during the tenure of the PSP.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

Act	: The Companies Act 2016
Adviser	: A person who is permitted to carry out regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 and who is licensed to make submissions to the SC for corporate proposals
Award Date	: The date of the letter or e-mail in which an ESS Award is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
Board	: The Board of Directors for the time being of PTT
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd [198701006854 (165570-W)]
Bursa Securities	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
By-Laws	: The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 27)
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 PTT	: PTT Synergy Group Berhad [197101000134 (10493-P)], a public limited company incorporated in Malaysia under the Companies Act, 1965 and includes its successor-in-title and permitted assigns
Date of Expiry	: Last day of the Duration of the Scheme as defined in By-Law 25.1
Director	: A natural person who holds a directorship within the Group for the time being, in an executive capacity, within the meaning stipulated in the Act, which for the avoidance of doubt excludes alternate and substitute directors
Disciplinary Proceedings	: Proceedings instituted by a PTT Group company against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by that PTT Group company in the course of that Employee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Employee

APPENDIX II – DRAFT BY-LAWS (CONT'D)

Duration of the Scheme	: The duration of the Scheme as defined in By-Law 25 and includes any extension of the duration
Effective Date	: The date on which the Scheme comes into force as provided in By-Law 25.1
Eligible Person(s)	: The Employee(s) and Directors of the PTT Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Employee	: A natural person who has attained the age of eighteen (18) years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
Entitlement Date	: The date as at the close of business on which the names of shareholders must appear in PTT's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions
ESGP	: The employee share grant plan comprising the RSP and the PSP
ESGP Award	: A contingent award of Shares comprising of a PSP Grant and/or RSP Grant made in writing by the ESS Committee to the Eligible Persons to participate in the ESGP as set out under By-Law 11
ESGP Grantee	: A PSP Grantee and/or RSP Grantee, as the case may be
ESOS	: The employees' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out herein
ESOS Offer	: An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	: An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Options or Options	: The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS Award	: Collectively, the ESOS Offer and the ESGP Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of these By-Laws

APPENDIX II – DRAFT BY-LAWS (CONT'D)

ESS Committee	: The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or management personnel of PTT Group identified from time to time by the Board
ESS or Scheme	: PTT Synergy Group Berhad Employees' Share Scheme comprising the ESOS and the ESGP
Exercise Price	: The price at which an ESOS Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	: An ESOS Grantee and/or ESGP Grantee, as the case may be
Group or PTT Group	: The Company and its subsidiary company(ies) as defined in Section 4 of the Act which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23
Listing Requirements	: The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Market Day	: A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	: The maximum number of Shares in respect of the ESS Awards that can be offered and allotted and/or transferred to an Eligible Person in accordance with the provisions of By-Law 6
Maximum Limit	: The maximum number of Shares that may be offered and issued under the ESS which shall not exceed fifteen percent (15%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the existence of the ESS, as stipulated in By-Law 4.1
Offer Period	: A period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole discretion during which an ESOS Offer is valid
Option Period	: The period commencing from the Effective Date to a date not exceeding five (5) years or such other date as stipulated by the ESS Committee in the ESOS Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 17 or 25 respectively

APPENDIX II – DRAFT BY-LAWS (CONT'D)

Performance Target	: The performance targets determined by the ESS Committee, which are to be achieved by the Grantee and/or Group and/or business units within the Group as determined by the ESS Committee, during such period as specified in the ESGP Award
“persons connected”	: Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in paragraph 1.01 of the Listing Requirements
PSP	: The performance share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
PSP Grant	: A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the PSP
RSP	: The restricted share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
RSP Grant	: A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the RSP
Rules of Bursa Depository	: The rules of Bursa Depository, as issued pursuant to SICDA
SC	: Securities Commission Malaysia
Shares	: Ordinary shares in the relevant ordinary share capital of the Company from time to time
SICDA	: Securities Industry (Central Depositories) Act 1991, as amended from time to time
Vesting Conditions	: The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an ESGP Award to be vested in a Grantee
Vesting Date(s)	: The date or dates on which all or some of the Shares to which an ESS Award relates is vested pursuant to the ESS Award stipulated by the ESS Committee
Vesting Notice	: Has the meaning ascribed to it in By-Law 13.3

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
 - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or Bank Negara Malaysia and/or the SC);
 - (c) 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 ESGP Award or ESOS Offer (as may be applicable) made, offered and/or accepted within the Duration of the Scheme; and
 - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.
- 3.6 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 Scheme.
- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole discretion and the Board shall not be under any obligation to give any reasons therefor;
 - (b) by the ESS Committee may be exercised in the ESS Committee's sole discretion and the ESS 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 ESS Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "PTT Synergy Group Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The aggregate maximum number of Shares which may be made available under the Scheme and all other employee share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not in aggregate exceed fifteen percent (15%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate fifteen percent (15%) of the total number of issued share capital of the Company (excluding treasury shares, if any) as a result of the Company purchasing or cancelling its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued share capital of the Company, then such ESS Awards granted prior to the adjustment of the issued share capital (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESS Committee shall not make any further ESS Awards unless the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.

5. ELIGIBILITY

- 5.1 Only Eligible Persons who fulfil the following conditions on the date on which an offer is made in writing by the ESS Committee to such persons to participate in the Scheme shall be eligible to participate in the Scheme:
- (a) In respect of an Employee, the Employee must fulfil the following criteria as at the Award Date:
- (i) he/she is at least eighteen (18) years of age on the Award Date and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
 - (ii) he/she is employed by, and is on the payroll of, any company in the Group and his/her employment has been confirmed by any company in the Group; or
 - (iii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Laws 5.1(a)(i) and 5.1(a)(ii) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) In respect of a Director, the Director must fulfil the following criteria as at the Award Date:
- (i) he/she is at least eighteen (18) years of age on the Award Date and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
 - (ii) he/she has been appointed as a Director of the Company or any other company in the Group; or

- (iii) such Director falls within any other eligibility criteria (including variations to the eligibility criteria under By-Laws 5.1(b)(i) and 5.1(b)(ii) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding; and
 - (iv) specific allocation of ESS Awards to a Director of the Company under the Scheme must have been approved by the shareholders of PTT in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme.
- (c) In respect of a Director, chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESS Awards granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
- (d) For both the RSP and the PSP, in addition to the criteria referred to in paragraphs (a) and (b) above, such Employee or Director shall hold a management rank or position in the PTT Group, or such rank or position as may be designated by the ESS Committee from time to time as at the Award Date.
- (e) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Award Date:
 - (i) he/she is at least eighteen (18) years of age; and
 - (ii) he/she is employed full time by and on the payroll of the newly acquired company and his/her employment has been confirmed by the newly acquired company and he/she has been an employee of any company in the Group.
- (f) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESS Committee from time to time.

Except as may be prescribed by the ESS Committee or as stipulated in an ESOS Offer, there are no performance targets to be achieved by the Grantee before ESOS Options can be exercised and the Shares arising from the exercise of ESOS Options can be vested.

For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.

- 5.2 Without prejudice to the generality of the foregoing and subject to the ESS Committee's discretion otherwise, any ESS Award made by the ESS Committee shall become void, of no effect and cease to be capable of acceptance by Eligible Persons upon any of the following events occurring:
- (a) the death of the Eligible Person selected by the ESS Committee to whom an ESS Award is made ("**Selected Person**");
 - (b) the Selected Person having received a letter of termination or ceasing to be an employee of the PTT Group, for any reason whatsoever;

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- (c) the Selected Person giving notice of his/her resignation from service/employment;
 - (d) the corporation which employs the Selected Person ceasing to be part of the PTT Group; or
 - (e) without prejudice to the provisions of By-Law 17.10, the Selected Person is subject to Disciplinary Proceedings and the employment of the Selected Person is terminated.
- 5.3 The ESS Committee may from time to time at its discretion select and identify suitable Eligible Persons to be offered the ESS Awards. In the event that any Eligible Persons are a member of the ESS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation of ESS Awards.
- 5.4 Any eligible Employee (including a Director) who holds more than one (1) position within the PTT Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of any one (1) category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 5.5 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESS Awards unless an ESS Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award in accordance with By-Law 8 hereof.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 21, the aggregate maximum number of Shares that may be allocated to any one (1) category/designation of employment of the Eligible Person shall be determined entirely at the sole and absolute discretion of the ESS Committee.
- 6.2 Not more than ten percent (10%) of the aggregate number of Shares to be issued under the Scheme and any other employee share scheme of the Company which may still be subsisting at the point in time when an ESS Award is offered shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasury shares, if any). Further, not more than 70% of the Shares available under the Scheme shall be allocated to the Directors and/or senior management of the Group (excluding dormant subsidiaries) who are Eligible Persons.
- 6.3 Subject to By-Law 6.2, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESS Committee may in its sole discretion deem fit.

At the time an ESS Award is offered, the ESS Committee shall set out the basis of the allocation of the ESS Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4 and/or By-Law 11.3 (as the case may be).

- 6.4 The ESS Committee may make more than one (1) ESS Award to an Eligible Person **PROVIDED THAT** the aggregate number of ESS Awards so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.5 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Directors.
- 6.6 For the avoidance of doubt, the ESS Committee shall have sole discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Grantees via:
- (a) one (1) single ESS Award at a time determined by the ESS Committee; or
 - (b) several ESS Awards, where the vesting of Shares comprised in those ESS Awards is staggered or made in several tranches at such times and on terms determined by the ESS Committee.
- 6.7 In the event the ESS Committee decides that the ESS Award is to be staggered, the number of Shares to be offered in each ESS Award and the timing for the vesting of the same shall be decided by the ESS Committee at its sole discretion and each ESS Award shall be separate and independent from the others.
- 6.8 No Director or Employee shall participate in the deliberation and discussion of their own respective allocations.

PART III

7. ESOS OFFER

- 7.1 During the Duration of the Scheme, the ESS Committee may at its discretion at any time from the Effective Date and from time to time make an ESOS Offer in writing for acceptance in accordance with this By-Law 7 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 Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESS Committee, subject to any adjustments that may be made under By-Law 21, provided that 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 Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.
- 7.3 In the event the ESS Committee decides that the Offer is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Offer shall be decided by the ESS Committee at its sole discretion and each ESOS Offer shall be separate and independent from the others.
- 7.4 The ESS Committee shall determine at its discretion and state the following particulars in the letter of an ESOS Offer:
- (a) The number of ESOS Options that are being offered to the Eligible Person;
 - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being offered;
 - (c) The date of the ESOS Award;

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- (d) The Option Period;
- (e) The Exercise Price;
- (f) The Vesting Conditions (if any/if applicable);
- (g) The Vesting Date(s) (if any/if applicable);
- (h) The Offer Period;
- (i) The basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESS Committee may in its sole discretion deem fit;
- (j) The retention period and/or restriction on transfer, if any/applicable for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option;
- (k) The manner and conditions of exercise of the ESOS Options; and
- (l) Any other information deemed necessary by the ESS Committee.

7.5 An ESOS Offer shall be valid during the Offer Period.

7.6 No ESOS Offer shall be made to any Director and/or major shareholder of PTT, a person connected with any Director and/or major shareholder who are Eligible Persons unless such ESOS Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in a general meeting.

7.7 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:

- (a) As soon as possible but in any event no later than one (1) month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.4;
- (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and
- (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.

8. ACCEPTANCE OF ESOS OPTIONS AND VESTING CONDITIONS

8.1 An ESOS Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 8.2 If an ESOS Offer is not accepted in the manner set out in By-Law 8.1 above, the ESOS Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for any future ESOS Offer.
- 8.4 The Company shall within thirty (30) days from the acceptance of the ESOS Offer by the Eligible Person ("**Acceptance Date**"), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESS Committee.
- 8.5 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the ESOS Grantee on the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the ESOS Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS Vesting Date or has otherwise ceased or had his/her employment terminated;
 - (b) the ESOS Grantee has not been adjudicated a bankrupt; and/or
 - (c) any other conditions which are determined by the ESS Committee.
- 8.6 The ESS 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 ESS Committee shall have the right to make reference to, amongst 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 ESS 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 ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 8.7 The ESS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

9. EXERCISE OF ESOS OPTIONS

- 9.1 Each ESOS Option shall be exercisable into one (1) new Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 17, 22, 23, 24 and 25, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4) during the Duration of the Scheme as provided in these By-Laws whilst he/she is in the employment of the PTT Group and within the Option Period.

- 9.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares constituting one (1) board lot. 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 21 which result in the number of Shares comprised in an Option not being in multiples of not less than one hundred (100), then the requirement that an Option shall be exercised in multiples of not less than one hundred (100) Shares shall not be applicable for the ESOS Grantee's final exercise of the Option.
- 9.4 An ESOS Grantee shall exercise his/her ESOS Options in such form and manner as the ESS Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the letter of ESOS Offer. The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the ESS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.5 Subject to By-Law 9.4, a Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options 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 ESS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 9.2 and 9.3 above. The ESS Committee may pursuant to By-Law 27 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the 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.
- 9.6 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/Articles of Association of the Company, in the event that the Shares are delivered to the ESOS Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee 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, and a notice of allotment stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).
- 9.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESS 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 and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a 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 Offer.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 9.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as 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 ESS Committee, and the ESS Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her Option.
- 9.9 Every ESS Award shall be subjected to the condition that no new Shares shall be issued pursuant to the ESS 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 Scheme or such period as may be extended.

10. EXERCISE PRICE

The Exercise Price of each new Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 21 hereof, be as follows:

- (a) a price to be determined by the Board upon recommendation of the ESS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding date of the ESOS Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme; and
- (b) the Exercise Price as determined by the ESS Committee shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 21.

PART IV

11. ESGP AWARD

- 11.1 The ESS Committee may, within the Duration of the Scheme, at its discretion at any time from the Effective Date and from time to time make an ESGP Award in writing for acceptance in accordance with By-Law 12 below to any Eligible Persons based on the criteria for allocation as set out in By-Law 5 and otherwise in accordance with the terms of these By-Laws.
- 11.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Law 21 but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.1. The ESS Committee may stipulate any terms and conditions it deems appropriate in an ESGP Award and the terms and conditions of each ESGP Award may differ. Nothing herein shall require any ESGP Award offered to be the same as ESGP Awards previously or subsequently offered whether to the same or a different Eligible Person.
- 11.3 (a) The ESS Committee will determine at its discretion and state in its offer document for an ESGP Award to an Eligible Person ("**ESGP Award Letter**"), amongst others:
- (i) whether the ESGP Award is a PSP Grant and/or RSP Grant;
 - (ii) the number of Shares to be vested on the Vesting Date(s) if the Performance Targets are fully met;
 - (iii) the date of ESGP Award;

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- (iv) the Vesting Conditions;
 - (v) the Vesting Date(s);
 - (vi) the Validity Period as mentioned in By-Law 11.3(b);
 - (vii) the basis of allocation of the ESGP Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation;
 - (viii) the retention period and/or restriction on transfer, if any/applicable, for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the vesting of the ESGP Award; and
 - (ix) any other information deemed necessary by the ESS Committee.
- (b) An ESGP Award shall be valid for acceptance for a period of thirty (30) calendar days from the Award Date or such longer period as may be determined by the ESS Committee at its discretion determines on a case to case basis (“**Validity Period**”).
- 11.4 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 11.3, the Company shall as soon as possible issue a supplemental ESGP Award Letter stating the correct particulars referred to in By-Law 11.3.

12. ACCEPTANCE OF ESGP AWARD

- 12.1 An ESGP Award shall be accepted by an Eligible Person within the Validity Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESGP Award (regardless of the number of Shares comprised therein).
- 12.2 If the ESGP Award is not accepted in the manner set out in By-Law 12.1 above, the ESGP Award shall automatically lapse upon the expiry of the Validity Period and be null and void and be of no further force and effect. The Shares comprised in such ESGP Award may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 12.3 The number of Shares offered in the lapsed ESGP Award shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESGP Awards offered in the lapsed ESGP Award, in any ESGP Award made in the future. However, ESGP Awards not taken up resulting from the non-acceptance of ESGP Awards within the period specified shall thereafter form part of the balance of ESGP Awards available under the ESGP for future awards.
- 12.4 The Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the ESGP Award.

13. ESGP VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

- 13.1 The ESS 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 ESGP Award. The Shares or such part thereof as may be specified in an ESGP Award will only vest with the Grantee on the Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, which includes, amongst others, the following:
- (a) the ESGP Grantee must remain an Employee as at the Vesting Date and shall not have given a notice to resign or received a notice of termination as at the Vesting Date;
 - (b) the ESGP Grantee has not been adjudicated a bankrupt;
 - (c) the Performance Targets are fully and duly satisfied; and/or
 - (d) any other conditions which are determined by the ESS Committee.
- 13.2 The ESS Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. In the event that the ESS Committee determines that the Performance Targets are not fully and duly satisfied, the Company may, at its discretion, adjust the number of Shares (if any) which may vest in the ESGP Grantee on the Vesting Date(s) and/or take into account the shortfall in such manner as the Company may in its discretion otherwise deem fit.
- 13.3 Where the ESS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESS Committee shall notify the ESGP Grantee of the number of Shares vested or which will be vested in him/her on the Vesting Date ("**Vesting Notice**").
- 13.4 No ESGP Grantee shall have any right to or interest in the Share awarded to him/her under an ESGP Award until and unless the Shares are vested in him/her on and with effect from the Vesting Date.
- 13.5 The ESGP Grantee shall provide all information as required in the Vesting Notice and the ESGP Award Letter respectively and the Company shall within eight (8) Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution/Articles of Association of the Company, 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 ESGP Grantee(s) accordingly and apply to Bursa Securities for any new Shares arising from the vesting of an ESGP Award. The Shares to be issued pursuant to the vesting of an ESGP Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the ESGP Grantee or his authorised nominee (as the case may be).

PART V

14. NON-TRANSFERABILITY

- 14.1 An ESS Award is personal to the Grantee and subject to the provisions of By-Laws 14.2, 14.3 and 17.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 14.2 An ESS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 17.8. Any such attempt to transfer, assign, dispose or encumber any ESS Award shall result in the automatic cancellation of the ESS Award.

- 14.3 Notwithstanding this By-Law 14, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESS Awards granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESS Awards under the Scheme.

15. RIGHTS ATTACHING TO SHARES AND ESS AWARDS

- 15.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted or vesting of any ESGP Awards under the Scheme will be subject to the provisions of the Constitution/Articles of Association of the Company and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.
- 15.2 In respect of existing Shares to be transferred to PSP Grantees and RSP Grantees (where applicable), such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date on which the existing Shares are credited into the CDS Accounts of the respective PSP Grantees and RSP Grantees pursuant to the vesting of the ESGP Awards.
- 15.3 The ESS Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options and/or unvested Shares.

16. RESTRICTION ON DEALING/RETENTION PERIOD

- 16.1 The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option or vesting of an ESGP Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESS Committee at its discretion, which may be stipulated in the ESGP Award Letter. The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his/her financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his/her financier's CDS Account. A Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realisation of any immediate gain.

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17. TERMINATION OF THE ESS AWARDS

- 17.1 Prior to the full vesting of any ESS Award and/or the allotment or satisfaction by any other means of an ESS Award in the manner as provided for under By-Law 28.2, such ESS Awards that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:
- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the ESS Awards 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
 - (b) Bankruptcy of the Grantee, in which event the ESS Awards 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
 - (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESS Award, in which event the ESS Awards shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or
 - (d) Winding up or liquidation of the Company, in which event the ESS Awards shall be automatically terminated and/or cease to be valid on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
 - (e) Termination of the Scheme pursuant to By-Law 25.5, in which event the ESS Awards shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By Law 25.5),

whichever shall be applicable.

Upon the termination of the ESS Awards pursuant to By-Laws 17.1(a), (b), (c), (d) or (e) 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 Scheme 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 ESS Award or right to exercise his/her ESOS Option(s) or his/her ESS Award ceasing to be valid.

- 17.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her and/or unvested ESGP Award upon retirement on or after attaining normal retirement age for a period of two (2) years after the last day of his/her employment provided that the Options are exercised within the Option Period and/or the ESGP Award is vested within the Duration of the Scheme. For the avoidance of doubt, By-Law 9.2 shall not be applicable in this event but By-Law 9.5 shall remain applicable.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 17.3 Notwithstanding By-Law 17.1 above, the ESS Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or an ESGP Award to remain unvested (as the case may be) 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 voluntary separation scheme; or
 - (d) Transfer to any company outside the Group at the direction of the Company; or
 - (e) Any other circumstance as may be deemed as acceptable to the ESS Committee in its sole discretion.
- 17.4 Applications under By-Law 17.3 shall be made:
- (a) in a case where By-Law 17.3(a) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said one (1) month period. In the event that no application is received by the ESS Committee within the said period, any unexercised Options held by the Grantee or unvested Shares under the ESGP Award at the expiry of the said period shall be automatically terminated;
 - (b) in a case where By-Laws 17.3(b) or (c) is applicable, within six (6) months after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said six (6) months period. In the event that no application is received by the ESS Committee within the said period, any unexercised Options held by the Grantee and/or such number of unvested Shares under the ESGP (as the case may be) at the expiry of the said period shall be automatically terminated;
 - (c) in a case where By-Law 17.3(d) is applicable, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised Option held by the Grantee and/or such number of unvested Shares under the ESGP at the expiry of the said period shall be automatically terminated.
- 17.5 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee and/or such number of unvested Shares under the ESGP at the expiry of the said period shall be automatically terminated.

- 17.6 The ESS Committee shall consider applications under By-Law 17.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Grantee may exercise the Options and/or be vested with the unvested Shares under the ESGP which are the subject of the approval within the period so approved by the ESS Committee and subject to the provisions of By-Law 9. Any Options and/or Shares in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 17.4 or on the date of the ESS Committee's decision, whichever is the later.
- 17.7 In the event that the ESS Committee receives an application under By-Law 17.3 after the expiry of the relevant period under By-Law 17.4, the ESS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESS Committee's discretion and powers under By-Law 17.6. In the event that the ESS Committee approves the application in whole or in part, the Company shall make an ESOS Offer in respect of the unexercised Options and/or an ESGP Award Letter in respect of the unvested Shares which are the subject of approval to the Grantee and such Options offered and/or Shares awarded, if accepted by the Grantee shall be exercisable:
- (a) only within the period of those Options and/or unvested Shares under the ESGP which were terminated due to the Grantee's delay in making the application;
 - (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options and/or ESGP Awards; and
 - (c) at the subscription price applicable in respect of such terminated Options.
- 17.8 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised and/or any Shares under the ESGP which remain unvested, the following provisions shall apply:
- (a) Such ESOS Options and/or unvested Shares may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased Grantee ("**Representative**") within twelve (12) months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESS Committee;
 - (b) In the event that the Date of Expiry occurs before the Permitted Period, any Options which have not been exercised and/or Shares which have not been vested under the ESGP by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options and/or be vested with any unvested Shares under the ESGP;
 - (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
 - (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESS Committee before the expiry of the Permitted Period, any Options which have not been exercised and/or unvested Shares under the ESGP by the Representative at the expiry of the Permitted Period shall be automatically terminated.

- (ii) The ESS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Representative may exercise the Options and/or be vested with such number of unvested Shares under the ESGP which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESS Award in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESS Committee's decision, whichever is the later.
 - (iii) In the event that the ESS Committee receives an application after the expiry of the Permitted Period, the ESS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESS Committee approves an application in whole or in part, the Company shall make an ESOS Offer and/or ESGP Award in respect of the Options and/or unvested Shares which are the subject of the approval to the Representative and such Options and/or unvested Shares shall be exercisable/vested:
 - (1) within such period as may be stipulated in the ESOS Offer and/or ESGP Award which shall not exceed the Date of Expiry of those Options and/or Shares which were terminated pursuant to sub-paragraph (i) above;
 - (2) in accordance with the provisions of By-Law 9.4; and
 - (3) at the subscription price applicable in respect of the Options which were terminated pursuant to sub-paragraph (i) above.
- 17.9 The provisions of By-Law 17.7 and By-Law 17.8(c)(iii) constitute exceptions to the provisions of By-Law 5.1 and By-Law 10(a).
- 17.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its 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 exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole discretion, on the Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS** that:
 - (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the right of such Grantee to their ESS Award;

- (b) 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 unvested Shares 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;
- (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have the Shares vested in him/her or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESS Awards of such Grantee shall immediately lapse on the Date of Expiry without notice,

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

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

19. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme 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. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

20. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Share under the ESGP Award, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that 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.

PART VI

21. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

21.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or any other alteration in the capital structure of the Company or otherwise howsoever, the ESS Committee may, in its discretion, determine whether:

- (a) In respect of the ESOS:
 - (i) the Exercise Price; and/or
 - (ii) the number of unexercised ESOS Options; and/or
 - (iii) the Exercise Price for the unexercised ESOS Options which is open for acceptance during the Offer Period;
- (b) In respect of the ESGP:
 - (i) the number of Shares which are the subject of the ESGP Award to the extent not yet vested; and/or
 - (ii) the maximum number of existing Shares which may be delivered in settlement pursuant to the ESGP Awards,

shall be adjusted, and if so, the manner in which such adjustments should be made.

21.2 The provisions of this By-Law 21.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) An issue of Shares pursuant to the exercise of ESOS Options and/or vesting of ESGP Awards under the Scheme; or
- (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
- (c) An issue of securities as a private placement (including an issuance of securities pursuant to Sections 75 or 76 of the Act); or
- (d) 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
- (e) A restricted issue of securities; or
- (f) 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
- (g) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

21.3 Save as expressly provided for herein, the external auditors or Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments **other than on a bonus issue, subdivision or consolidation of shares** are in their opinion fair and reasonable. The opinion of the external auditors or Adviser shall be final, binding and conclusive.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 21.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Act, By-Law 21.1 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 21.1 is applicable, but By-Law 21.1 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 21.1 is not applicable as described in By-Law 21.2.
- 21.5 An adjustment pursuant to By-Law 21.1 shall be made according to the following terms:
- (a) 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
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.
- 21.6 Upon any adjustment required to be made pursuant to this By-Law 21, 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:
- (a) In respect of the ESOS, the Option Price or number of ESOS Options which are the subject of the adjusted ESOS Award; and
 - (b) In respect of the ESGP, the number of Shares comprised in the unvested ESGP Awards which are the subject of the adjusted ESGP Award.

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

- 21.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 21 shall be made in accordance with the following formula below, pursuant to By-Law 21.6:

(a) **Consolidation, Subdivision, Conversion or Reduction**

If and whenever Shares shall be consolidated, subdivided, converted or reduced, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined after consultation with the external auditors or Adviser (acting as expert and not arbitrator) in such a manner as to give the Grantee a fair and reasonable entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) **Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B} \times \text{Exercise Price} = \text{Adjusted Exercise Price}$$

the additional number of Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:

A = the aggregate number of issued 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 by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and

T = Number of existing Options held

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:

- (1) 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
- (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (3) 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 Exercise Price for ESOS Options 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 21.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

APPENDIX II – DRAFT BY-LAWS (CONT'D)

Where:

T = T as in By-Law 21.7(b) above;

C = the prevailing market price 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 or (where appropriate) any relevant date as may be determined by the Company; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 21.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 21.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 21.7(c) hereof, the fair market value as determined by the external auditors or Adviser of that portion of the Capital Distribution attributable to one (1) existing Share.

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

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

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

Where:

C = C as in By-Law 21.7(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 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 existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Shares or security convertible into Shares or one (1) additional security with right to acquire or subscribe for one (1) additional Shares; and

D* = The “value of rights attributable to one (1) existing Shares” (as defined below).

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

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

Where:

C = C as in By-Law 21.7(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 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 21.7(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 21.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged 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 statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

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 or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) or (3) 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 Exercise 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 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) 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 number of additional Options to be issued shall be calculated as follows:

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

Where:

- B = B as in By-Law 21.7(b) above;
- G = the aggregate number of issued Shares on the Entitlement Date;
- C = C as in By-Law 21.7(c) above;
- 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 Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, 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;
- T = T as in By-Law 21.7(b) 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 or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) **Rights Issue of Shares and 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 21.7(c)(2) 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 Shares as provided in By-Law 21.7(c)(3) 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 Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of additional Options to be issued shall be calculated as follows:-

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

Where:

- G = A as in By-Law 21.7(d) above;
- C = C as in By-Law 21.7(c) above;
- H = H as in By-Law 21.7(d) above;

- H* = H* as in By-Law 21.7(d) above;
- I = I as in By-Law 21.7(d) above;
- I* = I* as in By-Law 21.7(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;
- 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 21.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) **Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 21.7(c)(2) 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 21.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of additional Options to be issued shall be calculated as follows:

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

Where:

- G = A as in By-Law 21.7(d) above;
- C = C as in By-Law 21.7(c) above;
- H = H as in By-Law 21.7(d) above;
- H* = H* as in By-Law 21.7(d) above
- I = I as in By-Law 21.7(d) above;
- I* = I* as in By-Law 21.7(d) above
- J = J as in By-Law 21.7(e) above;
- T = T as in By-Law 21.7(b) above;

K = K as in By-Law 21.7(e) above; and

B = B as in By-Law 21.7(b) 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) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 21.7(c)(2), 21.7(c)(3), 21.7(d), 21.7(e) or 21.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with 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 Exercise 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 Bursa Securities 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 new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 21.7(g), “**Total Effective Consideration**” shall be determined by the ESS Committee with the concurrence of the external auditors or Adviser and shall be:-

- (i) in 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 new 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;

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

For the purpose of By-Law 21.7(g), "**Average Price**" of a Share shall be the average market 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.

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

- (h) For the purpose of By-Laws 21.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the 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.

- 21.8 In respect of the ESGP, any adjustment pursuant to By-Law 21.1 shall be made in such a manner as to give the Grantee a fair and reasonable ESGP Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.
- 21.9 If an event occurs that is not set out in By-Law 21.7 or if the application of any of the formula set out in By-Law 21.7 to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the ESS Committee may effect an adjustment in such manner deemed appropriate by the ESS Committee 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 ESS Committee.
- 21.10 Notwithstanding the provisions of this By-Law, the ESS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or 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 Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 21.11 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 21.12 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 21, the number of Shares comprised in an ESOS Offer or ESGP Award shall automatically be rounded down to the nearest whole number.

22. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

In the event of:

- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part of the issued share capital not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of 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 for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

then a Grantee who is holding outstanding exercisable Options shall be entitled to exercise all or any of his/her unexercised Options in accordance with By-Law 9.4, within sixty (60) days from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) as above. In the event that the Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

23. DIVESTMENT FROM THE GROUP, ETC

23.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:

- (a) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her and shall cease to be capable of being vested with any unvested Shares under the ESGP Award from the date of completion of such divestment, within a period of three (3) months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such Options and/or the unvested Shares, the unexercised Options and/or unvested Shares under the ESGP Award shall be automatically terminated upon the expiry of the relevant period; and
- (b) shall no longer be eligible to participate for further ESS Awards under the Scheme as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

23.2 For the purposes of By-Law 23.1, 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 50% to 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 ESS Committee as its discretion.

24. WINDING UP

All outstanding ESS Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. 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 ESS Awards shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the ESS Awards shall accordingly be unsuspended.

PART VII**25. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME**

25.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:-

- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance and compliance checklist pursuant to the Listing Requirements;
- (b) approval from Bursa Securities for the listing of and quotation for up to fifteen percent (15%) of the total number of issued share capital of the Company on the Main Market of Bursa Securities;
- (c) procurement of shareholders' approval for the Scheme in a general meeting;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme, when implemented, shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 25.3 below. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

25.2 The ESS Award can only be made during the Duration of the Scheme and before 5.00 p.m. on the Date of Expiry.

25.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.

25.4 Notwithstanding anything to the contrary, all ESS Awards shall lapse at 5.00 p.m. on the Date of Expiry.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 25.5 The Scheme may be terminated by the ESS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:-
- (a) the effective date of termination ("Termination Date");
 - (b) the number of Options exercised under ESOS and/or Shares vested under the ESGP; and
 - (c) the reasons and justification for termination.
- 25.6 The Company may implement more than one (1) employee share scheme provided that the aggregate number of Share available under all the employee share schemes implemented by the Company is not more than fifteen percent (15%) of its total number of issued share capital (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 25.7 In the event of termination as stipulated in By-Law 25.5 above, the following provisions shall apply:-
- (a) No further ESS Awards shall be made by the ESS Committee from the Termination Date;
 - (b) All ESS Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
 - (c) All ESS Awards which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
 - (d) All outstanding ESOS Options which have yet to be exercised by Grantees and/or vested shall be automatically terminated on the Termination Date.
- 25.8 Approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of Grantees who have yet to exercise their Options and/or vest the unvested Shares are not required to effect a termination of the Scheme.

26. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESS Award or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the ESS Award or consideration for the ESS Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the ESS Award themselves) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESS Award or his/her rights/ESS Award ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the ESS Committee shall in no event be liable to the Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESS Committee has been advised of the possibility of such damage.

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

27.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:-

- (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
- (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee, without the prior approval of shareholders obtained at a general meeting.

unless allowed otherwise by the provisions of the Listing Requirements.

27.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8.4, 10, 11.3(b), 12.1, 14, 15, 16, 21 and 25.1 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.

27.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VII

28. ADMINISTRATION AND TRUST

- 28.1 The Scheme shall be administered by the ESS Committee. The ESS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESS Committee shall be final and binding.
- 28.2 In implementing the Scheme, the ESS Committee may in its discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under the ESGP shall be satisfied by any of the following methods:
- (a) Issuance of new Shares;
 - (b) Acquisition and transfer of existing Shares;
 - (c) Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof, including but not limited to payment of the equivalent cash value of such new Shares and/or existing Shares; or
 - (d) A combination of any of the above.
- 28.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company 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 Grantees at such times as the ESS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and (if/where applicable) to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 28.4 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the 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 and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole discretion direct for the implementation and administration of the Trust.
- 28.5 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 28.6 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 28.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESS Committee as it shall deem fit.

29. DISPUTES

- 29.1 In case any dispute or difference shall arise between the ESS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESS Committee during the Duration of the Scheme. The ESS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.
- 29.2 Notwithstanding the foregoing provisions of By-Law 29.1 above, matters concerning adjustments made pursuant to By-Law 21 shall be referred to external auditors of the Company or Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme 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 ESS 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 Scheme.

31. CONSTITUTION/ARTICLES OF ASSOCIATION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution/Articles of Association of the Company, the Constitution/Articles of Association of the Company shall at all times prevail.

32. NOTICE

- 32.1 Subject to By-Law 34.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting;

- (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

- 32.2 Where any notice which the Company or the ESS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to the Scheme, the Company or the ESS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 32.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

33. SEVERABILITY

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.

34. GOVERNING LAW AND JURISDICTION

- 34.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 29 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 34.2 Any proceeding or action shall subject to the provisions of By-Law 29, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 34.3 Any notice/process required to be given to or served upon the Board or the ESS Committee by an Eligible Person shall be given shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person at his place of employment, at his last facsimile transmission number known to the Company, or to his last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 34.4 Any notice/process required to be given to or served upon the Board or the ESS Committee by an Eligible Person shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESS Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.
- 34.5 Any ESOS Offer to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the ESS Committee, Eligible Person, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board of the ESS Committee) or to such e-mail address of the employee provided by the Company (if to be given to or served upon the Eligible Person) or such communication by other digital means as may be prescribed by the Board and/or ESS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market day immediately following the day on which the electronic mail is dispatched or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.
- 34.6 Notwithstanding By-Law 34.5, where any Normal Correspondence is required to be given by the Company or the ESS Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons, the Company or the ESS Committee may give the Normal Correspondence through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 34.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons.
- 34.7 In order to facilitate the offer of any ESS Award (and/or the benefit thereof) under this Scheme, the ESS Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any ESS Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.
- 34.8 No action has been or will be taken by the Company to make an ESS Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESS Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an ESS Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESS Award or will exercise the ESOS Option or be vested the Shares under the ESGP Award.

APPENDIX II – DRAFT BY-LAWS (CONT'D)

- 34.9 Any Eligible Person to whom an ESS Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the ESS Award or exercise the ESOS Option or be vested the Shares under the ESGP Award. By their acceptance of an ESS Award, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the ESS Award and/or will exercise the ESOS Option or be vested the Shares under the ESGP Award.

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**PRIVATE & CONFIDENTIAL****PTT Synergy Group Berhad**

2A-1-1(B), Space U8

No. 6, Persiaran Pasak Bumi

Taman Bukit Jelutong, Seksyen U8

40150 Shah Alam

Selangor Darul Ehsan

Date: 30 October 2023

Reference No.: V/PG/COR/23/115/cyc

Dear Sir / Madam,

VALUATION CERTIFICATE FOR TWO (2) PARCELS OF DEVELOPMENT LAND ZONED FOR INDUSTRIAL USE IDENTIFIED AS:-**I. TITLE NO. GRN 40425, LOT 386, MUKIM 12, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG****II. TITLE NO. GM 223, LOT 481, LOCALITY OF SG. BAKAP, MUKIM 12, DISTRICT OF SEBERANG PERAI SELATAN, PULAU PINANG****(HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTIES")**

We were instructed by PTT Synergy Group Berhad (hereinafter referred to as the "Client") for our firm to ascertain the Market Value of the legal interest in the Subject Properties stated herein.

This Valuation Certificate is prepared for the inclusion in the Circular in relation to the proposed acquisition of the Subject Properties by Projek Tetap Teguh Sdn Bhd, an indirect wholly-owned subsidiary of PTT Synergy Group Berhad.

This Valuation Certificate is prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal Valuation Report.

We have conducted the site inspection on various occasions; being the latest on **21 September 2023**. For the purpose of this Report and Valuation, we adopted 21 September 2023 as the material date of valuation.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Brief description of the Subject Properties is attached overleaf.

Knight Frank Malaysia Sdn Bhd Co Reg. No. 200201017816 (585479-A)

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IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property Legal interest in two (2) parcels of development land zoned for industrial use identified as :-
 I. Title No. GRN 40425, Lot 386, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang
 II. Title No. GM 223, Lot 481, Locality of Sg. Bakap, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang
 (hereinafter referred to as the "Subject Properties").

Locality Strategically located along Jalan Perusahaan Valdor, Kawasan Perindustrian Valdor, Sungai Bakap, Pulau Pinang. Geographically, it is approximately 26 kilometres due south-east of Penang Sentral, Butterworth and approximately 8 kilometres due south-east of Sultan Abdul Halim Muadzam Shah Bridge (the Second Penang Bridge).

Tenure Interest in perpetuity; in respect of both titles.

Registered Proprietors

Name of Registered Proprietors	Share
Leong Woay Hong @ Neoh Woay Hong	1/16
Low Chee Heng	1/16
Low Cheng Hiang	1/16
Low Meng Kiang	1/8
Low Saw Cheng	1/16
Low Saw Sim	1/16
Ong Kah Boey	1/16
Than Way Cheng ⁽¹⁾	1/2

Note:

(1) We note that there is a discrepancy on the name of registered proprietor as stated in Draft Sale and Purchase Agreement (Than Way Cheng @Tan Way Cheng) and Title Documents (Than Way Cheng). For the purpose of this Report, we have adopted the name of Than Way Cheng.

Land Area

Lot No.	Land Area
Lot 386	65,287.1185 square metres
Lot 481	7,544.1490 square metres
Total	72,831.2675 square metres

Category of Land Use "Tiada"; in respect of both titles.

Express Condition(s)**Lot 386**

(FIRST GRADE)

The Land comprised in this title :

(a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way ; and

(b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs;

and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract an such produce or deposit and remove it beyond the boundaries of the land).



IDENTIFICATION OF PROPERTY (Cont'd)

Express Condition(s)
(Cont'd)

Lot 481

(FIRST GRADE)

The Land comprised in this title :

(a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way ; and

(b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs;

and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).

Restriction-In-Interest(s) "Tiada"; in respect of both titles.

PROPERTY DESCRIPTION

Site Description

The subject site comprises two (2) parcels of development land identified as Lot 386 and Lot 481. Based on the Certified Plan No. CP 10681, we noted that Lot 386 and Lot 481 is separated by a land reserve.

Lot 386

Lot 383 is rectangular in shape with surveyed land area of 65,287.12 square metres. Lot 386 faces south-west and enjoys a direct frontage measuring about 108.74 metres onto the frontage unconstructed laterite road and average depth of about 596.18 metres. The north-western (side) boundary abuts onto a land reserve and its remaining site boundaries abut onto neighbouring lots.

The subject site is generally flat in terrain and lies about the same level as the street elevations. Presently, we note that the site is generally covered with oil palm and light undergrowth; save for the front portion of the subject site which accommodates concrete batching plants. The site boundaries are generally not demarcated by any form of perimeter fencing with exception of its south-eastern (side) boundary which is demarcated by corrugated metal hoarding sheet.

Lot 481

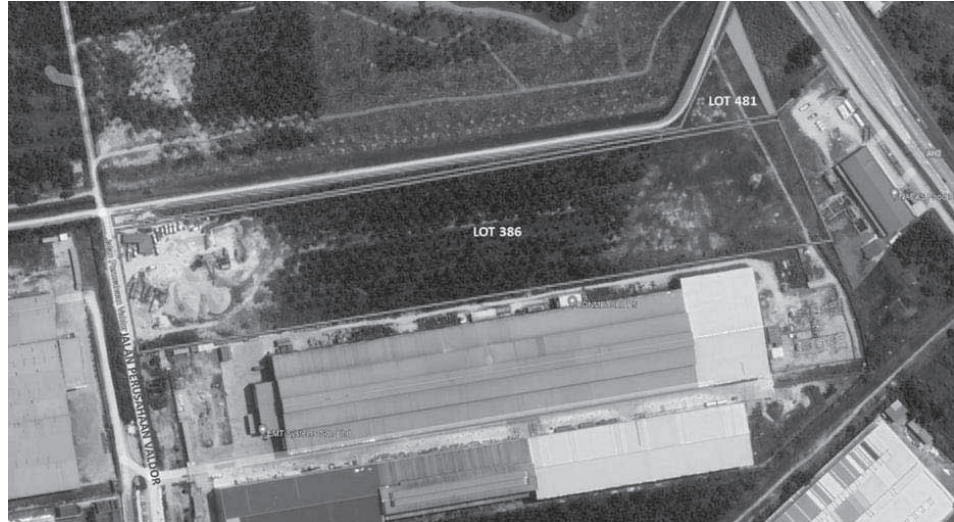
Lot 481 is irregular in shape with elongated rectangular shape at the front portion and triangular shape at the rear portion with surveyed land area of 7,544.15 square metres. Lot 481 faces south-west and has a narrow direct frontage measuring about 8.30 metres onto the frontage unconstructed laterite road, Jalan Perusahaan Valdor. The north-western (side) boundary abuts onto a canal reserve and the south-eastern (side) boundary abuts onto the land reserve whilst its remaining site boundary (rear) abuts onto neighbouring Lot 388.

We further note that TNB transmission lines traverse across part of Lot 481 measuring about 1,558.79 square metres (16,779 square feet) shaded in **orange** as shown below. We recommend that further advice from the relevant authorities is sought and services of a qualified Land Surveyor is engaged to determine the exact land area for the said transmission lines.



PROPERTY DESCRIPTION (CONT'D)

Site Description (Cont'd)



The subject site is generally flat in terrain and lies about the same level as the street elevations. Presently, we note that the site is generally covered with oil palm and light undergrowth. The site boundaries are generally not demarcated by any form of perimeter fencing.

We have not conducted any boundary checks, however, we assume that the dimensions correspond with those shown in the title document and relevant plans. As our inspection was done specifically for the purpose of this valuation, it is advised that any parties interested in the Subject Properties for any other reasons whatsoever conduct their own inspection to confirm the relevant site details and engage the services of a qualified Land Surveyor to determine the boundaries if so required.

Planning Permission

Our enquiries with Planning Department, Seberang Perai City Council revealed that the Subject Properties are located within an area designated as follows:-

Plan	Zoning
Penang State Structure Plan 2030	Development Priority Area 1 (DPA 1)
"Draft Rancangan Tempatan Seberang Perai 2030"	Industrial



PROPERTY DESCRIPTION (CONT'D)

Occupancy

At the date of inspection, we note that Lot 481 is currently vacant. For Lot 386, the front portion with land area of approximately 3.50 acres is currently tenanted and operated as concrete batching plants. Brief details of the tenancy agreement are summarised as follows:-

Tenant	Date of Tenancy Agreement	Tenancy Commencement Date	Tenancy Expiry Date	Monthly Rental
Buildcon-Cimaco Concrete Sdn Bhd ⁽¹⁾	5 November 2021	1 August 2021	31 July 2024	RM6,000.00
HB Mix Sdn Bhd ⁽²⁾	10 March 2023	1 May 2023	30 April 2027 ⁽³⁾	RM6,000.00

Note:

- (1) Pursuant to the Tenancy Agreement dated 5 November 2021 made between Than Way Cheng @ Tan Way Cheng ("the Landlord") and Buildcon-Cimaco Concrete Sdn Bhd (the "Tenant") which stated "In the event of a sale of the Said Land to any third party purchaser during the Tenancy Period provided herein, to procure as a condition of sale that the new purchaser of the Said Land assumes all rights, liabilities and obligations of the Landlord howsoever arising under this Agreement, as if the purchaser had any all times been a party to this Agreement. To effect the foregoing, the Landlord shall as a condition of the sale, require the purchaser of the Said Land to enter into and execute a tripartite Deed of Assignment cum Novation among the Landlord, the third party purchaser and the tenant in respect of this Agreement whereby the Landlord shall assign all the Landlord's rights, title and interests under this Agreement in favour of the third party purchaser and the third party purchaser shall assume all obligations, liabilities, undertakings and covenants on the part of the Landlord to be performed and observed under this Agreement including covenant and undertaking in this clause".
- (2) Pursuant to the Tenancy Agreement dated 10 March 2023 made between Than Way Cheng @ Tan Way Cheng ("the Landlord") and HB Mix Sdn Bhd (the "Tenant") which stated "Upon the execution of the Tenancy Agreement, the Landlord shall not cause to allow and agreed or enter in to any Agreement to dispose the Said Land Property during the tenure / duration of the Tenancy Agreement. And in the event the Landlord is desirous to sell off the Said Land, the Landlord shall fully stipulate in the terms and conditions that the Said Land is sold with existing Tenancy Agreement by stating clearly in their Sales and Purchase Agreement with the new Land Owner and to serve a Notice of Attorn to the existing Tenant of the change of Landlord Owners and shall allow the Tenant to continue to operate the business activities until the first terms of four (4) years date of expiration as per stipulated in the First Schedule Section 6 and 7 as the condition herein".
- (3) Duration of Tenancy is three (3) years with an automatic extension of one (1) year.

Registered Transaction History of the Subject Property

Pursuant to a copy of the Draft Sale and Purchase Agreement made between Leong Woay Hong @ Neoh Woay Hong, Low Chee Heng, Low Cheng Hiang, Low Meng Kiang, Low Saw Cheng, Low Saw Sim, Ong Kah Boey and Than Way Cheng @ Tan Way Cheng (the 'Vendors') and Project Tetap Teguh Sdn Bhd (the 'Purchaser'), we noted that the Subject Property will be transacted for a consideration of RM70,555,432.50/-.

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**MARKET VALUE**

Valuation Methodology Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

In arriving at the Market Value of vacant land where no submission has been made as yet to secure development approval from relevant authorities, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation.

Without proper detailed and approved development plans, the Income Approach by Residual Method may not be appropriate as it requires many assumptions and estimations regarding the hypothetical improvements that the end result is very much speculative and subjective.

In absence of definite, detailed and approved development plans, the Residual Method of Valuation is very much a theoretical methodology where the finer details of the hypothetical end product and estimated building costs are much more difficult to determine with precision. Merely relying on master planning, proposed developments, zoning or other planning controls are theoretical in nature as reliability of the Residual Method depends on the confidence placed on the Gross Development Value and Gross Development Cost computations.

Comparison Approach This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, properties being valued (Subject Properties) are compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

We have identified and analysed the selected land sales transactions in the immediate and surrounding vicinity of the Subject Properties and summarised the details in the tables attached overleaf.

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APPENDIX III – VALUATION CERTIFICATE (CONT'D)



MARKET VALUE

Sales Comparison			
	Comparable 1	Comparable 2	Comparable 3
Legal Description	Title No. Geran Mukim 756, Lot 20150, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang	Title Nos. Geran Mukim 710 and Geran Mukim 711, Lot 1698 and Lot 1699 respectively, both located within Mukim 12, District of Seberang Perai Selatan, Pulau Pinang	Title No. Geran 49259, Lot 1214, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang
Locality	Located along Jalan Perusahaan Valdor, Pulau Pinang	Located along Jalan Perindustrian Valdor, Pulau Pinang	Located along Jalan Sungai Bakap, Pulau Pinang.
Property Type	A parcel of development land	A parcel of development land	A parcel of development land
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Land Area	21,700.00 square metres	15,717.00 square metres	47,320.00 square metres
Planning	Zoned for industrial use	Zoned for industrial use	Zoned for industrial use
Consideration	RM18,696,080	RM14,379,950	RM48,110,000
Transaction Date	16 May 2023	29 December 2022	25 May 2022
Vendor(s)	Welcome Potential Sdn Bhd	Lee Kean Chung +2 (Lot 1698) Lee Kean How +1 (Lot 1699)	Cendria Development Sdn Bhd
Purchaser(s)	Eagle Autocity Sdn Bhd	Khoy Engineering Sdn Bhd	Tiong Thye Properties Sdn Bhd
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)		
Analysis	RM861.57 per square metre (RM80.04 per square foot)	RM914.93 per square metre (RM85.00 per square foot)	RM1,016.69 per square metre (RM94.45 per square foot)
Adjustments	General adjustments made for accessibility / infrastructure, terrain / level, land size and lot configuration	General adjustments made for prevailing market condition, accessibility / infrastructure, land size and exposure / frontage.	General adjustments made for prevailing market condition, location / establishment, accessibility / infrastructure, exposure / frontage and lot configuration
Adjusted Analysis	RM818.49 per square metre (RM76.04 per square foot)	RM960.68 per square metre (RM89.25 per square foot)	RM1,014.15 per square metre (RM94.22 per square foot)

**MARKET VALUE (CONT'D)****Valuation Rationale**

Based on the Certified Plan No. CP 10681, we noted that Lot 386 and Lot 481 is separated by a land reserved. Therefore, we have analysed Lot 386 and Lot 481 separately.

Lot 386

From the above adjusted values, we note that the derived values ranged between RM76.04 per square foot to RM94.22 per square foot as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

Although total adjustments (are in excess of 30%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as the selected comparable(s) have relatively similar attributes as compared to the Subject Property. We have placed greater reliance on Comparable 3 as it has bigger land size and similar in shape and site frontage width as compared to other Comparable(s). Thus, we have adopted the adjusted values of RM94.22 per square foot from Comparable 3 as fair presentation after having made the necessary adjustments.

In arriving the final value of Lot 386, we have considered the existing tenancies by capitalising the concluded rental income receivable from the existing tenancies. We have also adopted an outgoing of 5% of annual gross rental as estimated property expenses to reflect the outgoing include the property taxes (quit rent and assessment) and maintenance of the property.

Upon expiry of the tenancies, market derived land value of RM94.22 per square foot is applicable to Lot 386 and further discounted to its present value at the discount rate of 3.00% for the unexpired tenancies. In our opinion, the lack of land transactions (as investment asset) in the market has resulted in continued difficulties in assessing a benchmark for yields. From our investigation, the most probable expected return would be in the region of 2.50% - 3.50%; and thus, we have adopted 3.00% as fair representation.

The value derived from our Comparison Approach together with the costing stated above is summarised as overleaf:-

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APPENDIX III – VALUATION CERTIFICATE (CONT'D)



(i) Tenanted Area

Analysis of Rental Income Receivable

Land Area	Annual Gross Rental	Outgoings	Annual Net Rental	Unexpired Term (Years)	Cap Rate	Year's Purchase	Rental Income
Tenant 1 Buildcon-Cimaco Concrete Sdn Bhd							
87,120 sq ft	RM72,000	5.00%	RM68,400	0.86 years	3.00%	0.8369	RM57,246
Tenant 2 HB Mix Sdn Bhd							
65,340 sq ft	RM72,000	5.00%	RM68,400	3.61 years	3.00%	3.3721	RM230,654
						Sub-Total	RM287,900

Analysis of Present Value of Occupied / Tenanted Area (After expiry of the tenancy)

Land Area	Adopted Land Value	Unexpired Term (Years)	Discount Rate	Present Value (PV) Factor	Market Value after PV Factor	
Tenant 1 Buildcon-Cimaco Concrete Sdn Bhd						
87,120 sq ft	RM94.22 psf	0.86 years	3.00%	0.9749	RM91.85 psf	RM8,002,171
Tenant 2 HB Mix Sdn Bhd						
65,340 sq ft	RM94.22 psf	3.61 years	3.00%	0.8988	RM84.69 psf	RM5,533,413
					Sub-Total	RM13,535,584
					Grand Total (i)	RM 13,823,484

(ii) Non-Tenanted Area

Description	Land Area	Adopted Land Value	Market Value
Remaining non-tenanted Land Area of Lot 386	550,285 sq ft	RM94.22 psf	RM51,846,671
Total Market Value of Lot 386 (i) + (ii)			RM65,670,155
Say			RM66,000,000

Based on the foregoing, we have thus adopted a round value of RM66,000,000 (analysed to be RM93.92 per square foot) in our valuation as fair representation by using the Comparison Approach for Lot 386.

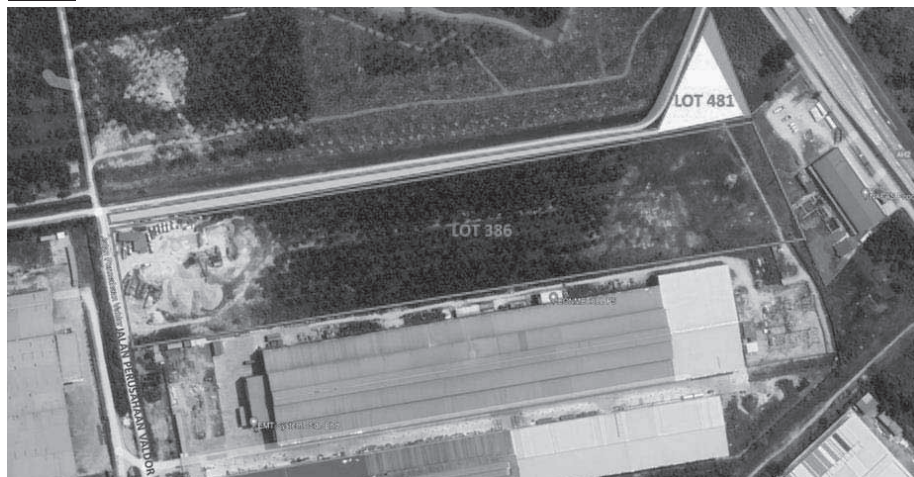
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MARKET VALUE (CONT'D)

Valuation
(Cont'd)

Rationale Lot 481



(i) **Estimated Developable Land Area (Shaded Yellow)**

As Lot 481 is irregular in shape with elongated rectangular at the front portion and triangular shape at the rear portion; and a narrow direct frontage measuring about 27 feet. We have estimated the developable area (triangle portion as shaded yellow in the above plan) and adopted the base land value of Lot 386 (RM94.22 per square feet) and make the diligent adjustments for land size (10%), shape (-10%), frontage / exposure (-5%) to reflect the differences of the Lot 481. Thus, adjusted value of RM89.51 per square foot is applicable to the Lot 481 (Estimated Developable Land - shaded yellow).

(ii) **Estimated Land Area Traversed Across by TNB Transmission Lines (Shaded Orange)**

We further note that TNB transmission lines traverse across part of Lot 481 measuring about 16,779 sq ft (shaded orange). Based on the wayleave for electricity supply lines from Energy Commission revealed that the land under the transmission lines can be used as car parking areas, roads or tracks, oxidation ponds or pond for rearing fish and growing of plants / nursery or farm. Pursuant to Section 11 of Electricity Supply Act 1990 (Act 447) stated that the licensee has the power to enter the land for construction purposes and before entering on the land, the licensee shall give a notice to the landowner or occupier. Therefore, we adopted a 50% of the adjusted land value of RM89.51psf to reflect on the controlled activities which are allowed in the transmission corridor.

(iii) **Remaining Land of Lot 481(Shaded Green)**

For the remaining land area of Lot 481 (elongated rectangular shape as shaded green), due to its physical shape disadvantage and narrow frontage of about 27 feet, the land has limited usage such as driveway, internal circulation or storage areas. Hence, we adopted a value at 40% of the adjusted land value of RM89.51 per square foot to reflect the usage limitation.

APPENDIX III – VALUATION CERTIFICATE (CONT'D)



MARKET VALUE (CONT'D)

Valuation (Cont'd)	Rationale	Description	Land Area	Adopted Value	Market Value
		(i) Estimated Developable Land Area (Shaded Yellow)	28,449 sq ft	RM89.51 psf	RM2,546,340
		(ii) Estimated Land Area Traversed Across by TNB Transmission Lines (Shaded Orange)	16,779 sq ft	RM44.75 psf (50% of adjusted land value RM89.51 psf)	RM750,906
		(iii) Remaining Land of Lot 481 (Shaded Green)	35,977 sq ft	RM35.80 psf (40% of adjusted land value RM89.51 psf)	RM1,288,090
Total Market Value of Lot 481 (i) + (ii) + (iii)					RM4,585,336
say					RM4,600,000

Based on the foregoing, we have thus adopted a round value of RM4,600,000 (analysed to be RM56.65 per square foot) in our valuation as fair representation.

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MARKET VALUE (CONT'D)

We are in the opinion that the **Market Value** of the legal interest in the Subject Properties as **two (2) parcels of development land zoned for industrial use identified as:-**

- I. Title No. GRN 40425, Lot 386, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang
- II. Title No. GM 223, Lot 481, Locality of Sg. Bakap, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang

subject to existing committed tenancies and the titles being free from all encumbrances, good, marketable and registrable, as at 21 September 2023 is **RM70,600,000 (Ringgit Malaysia Seventy Million And Six Hundred Thousand Only).**

Lot	Market Value
386	RM66,000,000 (Ringgit Malaysia Sixty Six Million Only).
481	RM4,600,000 (Ringgit Malaysia Four Million And Six Hundred Thousand Only).
Total	RM70,600,000 (Ringgit Malaysia Seventy Million And Six Hundred Thousand Only).

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
 (signed and sealed by)



MARK SAW KHAY LIANG
 Registered Valuer, V-525

PKT, PJK, FRICS, FRISM, FPEPS, FMIEA, FMIPFM

Date:

Notes: -

- i) Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.
- ii) The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Justin Chee Ting Hwang (Registered Valuer, V-774).

Encl: General Principles Adopted and Limiting Conditions and Standard Terms of Business for Valuation

**GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS**

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) MALAYSIAN VALUATION STANDARDS

This Valuation Report is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) CONFIDENTIALITY

This Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party and / or person. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part of the Valuation Report or Certificate or reference thereto may be included in any published document, circular or statement, nor published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it may appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publications of the Valuation Report, whether in part or in whole.

3) USE OF VALUATION REPORT

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) SOURCE OF INFORMATION

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it express or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources. This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) TITLE SEARCH

Whenever possible, a private title search is conducted at the relevant Land Registry / Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry / Office. Legal advice may be sought to verify the title details, if required.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations (including fire safety and building regulations). It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation / Certificate of Completion and Compliance by the competent authority.

7) LEASES AND TENANCIES

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and / or warranties.

8) DEVELOPMENT AGREEMENTS

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

9) MEASUREMENTS AND AGE OF BUILDING

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors, Malaysia or such other building measurement standards as acceptable and agreed to by the client. Where the age of the building is estimated, this is for guidance only.

For properties situated outside Malaysia, the appropriate / applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

**10) SITE SURVEYS**

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) STRUCTURAL SURVEYS

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) SITE CONDITIONS, SOIL INVESTIGATION AND CONTAMINATION

We do not carry out investigations on the property or neighbouring land in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting as well as the continued use of the property in its current condition or for any redevelopment. We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

13) DELETERIOUS OR HAZARDOUS MATERIALS

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

14) DISEASE OR INFESTATION

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

15) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, no allowances are made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoing (including all outstanding maintenance fee and / or service charges + sinking funds applicable for stratified properties).

17) ATTENDANCE

The instruction and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instruction were given or subsequently agreed upon.

18) VALIDITY PERIOD OF VALUATION REPORT

A Valuation Report is current as at the valuation date only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

19) LIMITATION OF LIABILITY

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between client and the Valuer and clearly set out in the terms of engagement.

**STANDARD TERMS OF BUSINESS FOR VALUATION**

These Standard Terms of Business comprise a part of our Letter of Engagement. The following Standard Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Malaysia Sdn Bhd unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

1. DEFINITIONS

- 1.1 'Terms' means the terms of business set out in this agreement and include any other terms and conditions set out or referred to in our Letter of Engagement. These Terms apply to all services that you instruct us to provide and cannot be varied or amended except in writing and signed by you and Knight Frank.
- 1.2 'Client' (referred to throughout as 'you') means the person, company, firm or other legal entity named in our Letter of Engagement. Knight Frank will not accept instructions to act for any alternative person, company, firm or other legal entity nor will these Terms apply unless we have agreed in writing to act for that alternative entity.
- We reserve the right to refuse to act for such an alternative entity until (if at all) we have undertaken due diligence to fulfill our internal credit, anti-money laundering and risk obligations. In the event that we are instructed to act for a single purpose corporate vehicle we reserve the right to require and be provided with a parent company guarantee for our fees before accepting instructions to act.
- 1.3 'Knight Frank' means Knight Frank Malaysia Sdn Bhd Co Reg. No. 200201017816 (585479-A) (VE (1) 0141).
- 1.4 'Letter of Engagement' means the instruction letter, proposal or tender which is sent to you with these Terms. In the event that there is any conflict between the terms set out in this agreement and the Letter of Engagement, the terms in the Letter of Engagement shall take precedence.
- 1.5 'Services' means the specific services set out in the Letter of Engagement and any other services which we agree to provide in writing.

2. OUR FEES

- 2.1 The client shall pay to Knight Frank fees as set out in our Letter of Engagement. In addition, the client will reimburse Knight Frank the cost of all reasonable out-of-pocket expenses that maybe incurred, unless stated otherwise.
- 2.2 We reserve the right to impose an interest of 10% per annum on the outstanding balance of the invoice which is not settled in full within 14 days from the date of the invoice. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.
- 2.3 If before the valuation is concluded:-
- (a) you end this instruction at any stage, we will charge abortive fees; or
 - (b) you delay the instruction by more than [6] months or materially alter the instruction
- And in each case such fees will be calculated on the basis of reasonable time and expenses incurred, or the amount specified in the Letter of Engagement.
- 2.4 Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from you until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

3. INVOICING AND PAYMENT

We will be entitled to issue an invoice and our fees will become due for payment free from any discount, deduction set-off or counter claim:

- i) within 14 days from the date of invoice; or
- ii) when you withdraw your instructions, in which case Clause 2.3 applies.

4. TAXES

The fees, disbursements and expenses referred to in these Terms unless otherwise stated in the Letter of Engagement are all subject to the addition of Service Tax / GST where applicable (and any other taxes worldwide which may arise).

5. LIMITATIONS ON LIABILITY

- 5.1 Our valuation is confidential to the party to whom it is addressed for the stated purpose as agreed between the client and Knight Frank and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee.
- 5.2 Neither the whole or any part of Knight Frank's report / letter and valuation nor any reference thereto may be included in any document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.
- 5.3 The client agrees not to bring any claims arising out of or in connection with this agreement against any member, employee, shareholder or consultant of Knight Frank.
- Those individuals will not have a personal duty of care to the client and any such claim for losses must be brought against Knight Frank.
- 5.4 Knight Frank will not be liable in respect of any of the following:
- i) for any services outside the scope of the services agreed to be performed by Knight Frank;
 - ii) to any third party; or
 - iii) respect of any direct or indirect consequential losses or loss of profits.



- 5.5 Where any loss is suffered by you for which Knight Frank and any other person are jointly and severally liable to you, the loss recoverable by you from Knight Frank shall be limited so as to be in proportion to Knight Frank's relative contribution to the overall fault.
- 5.6 Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to RM20 million, unless otherwise stated.
- 5.7 Nothing in these Standard Terms (or in our Letter of Engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.
- 6. INDEMNITIES**
- You agree to indemnify Knight Frank against all costs, claims, charges and expenses which Knight Frank shall incur by reason of (but not limited to):
- i) Use of any of Knight Frank's work for purposes other than those agreed by Knight Frank.
 - ii) Misrepresentation by you or with your authority to third parties of advice given by Knight Frank.
 - iii) Misrepresentation to third parties of the extent of Knight Frank's involvement in any particular project.
- 7. ASSIGNMENT**
- Neither this agreement nor any of its terms may be assigned by either you or Knight Frank to any third party unless agreed in writing.
- 8. COMPLAINT PROCEDURE**
- If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in a satisfactory resolution, please contact the relevant Head of Department.
- 9. GOVERNING LAW**
- These Terms of Business shall be governed by and construed in accordance with the laws of Malaysia.

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST**2.1 AmInvestment Bank**

AmInvestment Bank has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of PTT Group.

As at the LPD, the AmBank Group has extended certain credit facilities amounting to approximately RM376.10 million to PTT Group. The said facilities are inclusive of the RM63.5 million term loan facility the PTT Group has obtained from AmBank Group to part finance the Purchase Consideration. The said facilities represent, in aggregate, approximately 0.29% compared to the audited consolidated loans, advances and financing of AMMB Holdings Berhad as at 31 March 2023.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposals does not give rise to a conflict of interest situation in view that:-

- (i) the AmBank Group form a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser in respect of the Proposals is in the ordinary course of business; and
- (ii) each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each departments and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

2.2 Knight Frank

Knight Frank has, before the issuance of this Circular, given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name, Valuation Certificate and all references thereto in the form and context in which it appears in this Circular.

Knight Frank confirms that there is no conflict of interests that exists or is likely to exist in relation to its role as the Independent Valuer to the Company for the Proposed Land Acquisition.

3. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, the Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position or the business of the Group.

Approved and contracted for:	RM'000
Purchase of development land	15,697
Purchase of investment property	11,658
Total	27,355

4. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the Group's financial position.

5. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, there is no material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of the Group, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group:

(A) High Court of Malaya at Shah Alam Civil Suit No.: BA-22C-23-04/2023, Menard Geosystem Sdn Bhd ("MGSB") (as plaintiff) v. Pembinaan Tetap Teguh Sdn Bhd ("PTTSB") (as defendant)

On 26 April 2023, MGSB had filed a writ and statement of claim to the High Court of Malaya at Shah Alam ("**SA High Court**") against PTTSB, a wholly-owned subsidiary of the Company, for the amount due and owing by PTTSB to MGSB in respect of works done as well as idling cost incurred by MGSB.

On 25 March 2021, PTTSB had vide a letter of award appointed MGSB as the contractor for a construction project located in Bandar Bukit Raja 2, Kapar, Klang, Selangor. Based on the letter of award, PTTSB is responsible for the preparation of the working platform for MGSB to carry out works in relation to the prefabricated vertical drain ("**PVD**"). PTTSB is also responsible for the supply of the base machine, oil machine and PVD. MGSB is responsible for the installation of the PVD at the project site after PTTSB fulfills and completes its obligations.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

PTTSB had on 3 February 2023 issued a letter to MGSB informing that the remaining works in respect of the project shall be excluded and had requested for MGSB to remove its machineries in the project site and provide its final claims within 2 days from the date of the letter. MGSB vide its solicitor on 10 February 2023 issued a letter to PTTSB stating the termination of its services.

Prior to the issuance of the letter dated 3 February 2023, PTTSB had issued several letters to MGSB in February 2022, May 2022, July 2022, and November 2022, for amongst others, the granting of extension of time to MGSB to carry out its obligations without additional cost, the delay on the part of MGSB in carry out its works and the non-completion of works on the part of MGSB. Due to the foregoing, PTTSB's position is that it is entitled to impose liquidated ascertained damages on MGSB. A debit note dated 26 April 2023, amounting to RM1,354,422.00, has also been served to MGSB by PTTSB.

MGSB has claimed that the sum of RM842,717.12 which remained due and owing by PTTSB to MGSB in respect of works done by MGSB. Further, MGSB has alleged that PTTSB failed to carry out its obligation and caused delays on MGSB to carry out its works. In consequence thereof, this resulted in MGSB having incurred an idling cost of RM450,000.00.

MGSB has pleaded for the following claims against PTTSB:

- (i) Balance payment of RM842,717.12.
- (ii) Idling cost of RM450,000.00.
- (iii) Interest on item (i) and (ii) above at the rate of 5% per annum starting from 28 February 2023 up to the date of full and final settlement.
- (iv) Cost of action.
- (v) Any other relief that the honourable court thinks fit and proper to be granted.

An amended counterclaim has been filed by the solicitors of PTTSB on 9 June 2023 for the sum of RM1,227,353.52 in respect of the contractual liquidated ascertained damages and cost incurred by PTTSB on the failure of MGSB in completing the necessary works as well as the cost of appointment of a third party to carry out the uncompleted works.

The matter is currently fixed for a trial from 25 February 2025 to 28 February 2025.

The solicitors for PTTSB are of the opinion that it is probable that PTTSB will be successful in its claim against MGSB based on the documents that the solicitors have in hand.

(B) Petaling Jaya Sessions Court Civil Suit No.: BB-B52NCvC-38-04/2023, PTTSB (as plaintiff) v. Arissto (Malaysia) Sdn Bhd (as defendant)

On 26 April 2023, PTTSB had filed a writ and statement of claim to the Petaling Jaya Sessions Court ("**PJ Sessions Court**") against Arissto (Malaysia) Sdn Bhd ("**Defendant**") for the Defendant's breach of contract in respect of the failure of the Defendant in the repayment of the rental due and owing for the 3 properties rented by PTTSB to the Defendant, i.e. Serenia Factory 2 (Lot 119359), Serenia Factory 3 (Lot 119360) and Serenia Factory 4 (Lot 119361) as well as the return of vacant possession of the properties to PTTSB.

PTTSB had entered into 3 separate tenancy agreements with the Defendant all dated 5 April 2021 for the rental of 3 properties to the Defendant ("**Tenancy Agreement(s)**"). In accordance with clause 6.01(a) of the Tenancy Agreement, it is expressly stated that in the event the Defendant fails to pay the rental of the property within 7 days from the day of which the Defendant is obligated to pay the rental to PTTSB, whether such payment is claimed or otherwise, the Tenancy Agreement shall be terminated in view of such breach.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

Despite PTTSB vide its solicitors on 15 February 2023 having issued 3 notices of demand and termination against the Defendant in respect of the 3 rented properties for the sum due and owing, the termination of the Tenancy Agreements and the notice to the Defendant to vacate and return the vacant possession of the properties to PTTSB on or before 1 March 2023, the Defendant has failed, refused and/or neglected to make such rental payment due and owing to PTTSB as well as to vacate and return the vacant possession of the properties to PTTSB.

On 3 March 2023, PTTSB further instructed its solicitors to issue a notice to the Defendant to inform that in view of the Defendant's failure to return the vacant possession of the properties despite the notice of termination being issued as well as the failure of the payment of the rent arrears, the Defendant is responsible and obligated to pay double rental for the 3 properties starting from 2 March 2023 up to the date of the vacant possession of the properties being returned to PTTSB.

As such, PTTSB had pleaded for the following claims against the Defendant:

- (i) Rent and interest for the sum of RM437,721.78 as at 14 February 2023.
- (ii) Interest at the rate of 18% per annum on the sum of RM437,721.78 from 2 March 2023 up to full settlement.
- (iii) Double rental for the 3 properties from 2 March 2023 up to 1 May 2023 amounting to RM540,000.00.
- (iv) Double rental for the 3 properties of RM90,000.00 per month from 2 May 2023 up to the date where vacant possession of the properties is returned to PTTSB.
- (v) Interest at the rate of 5% per annum from the date of the writ up to vacant possession of the properties being returned.
- (vi) Cost of action.
- (vii) Any other relief that the honourable court thinks fit and proper to be granted.

A summary judgment application has been filed by the solicitors of PTTSB on 12 June 2023 and a summary judgment was obtained on 18 August 2023 against the Defendant for the following ("**Judgment**"):

- (i) Rent and interest for the sum of RM437,721.78 as at 14 February 2023.
- (ii) Interest at the rate of 18% per annum on the sum of RM437,721.78 from 2 March 2023 up to full settlement.
- (iii) Double rental for Serenia Factory 2 from 2 March 2023 to 30 May 2023 amounting to RM338,268.08.
- (iv) Double rental for Serenia Factory 3 from 2 March 2023 to 1 July 2023 amounting to RM524,115.63 and in view that the Defendant has yet to deliver vacant possession for the property to PTTSB, the Defendant has to pay the sum of RM90,000.00 per month from 2 July 2023 as double rental for the property up to the date of the delivery of vacant possession to PTTSB.
- (v) Double rental for Serenia Factory 4 from 2 March 2023 to 22 June 2023 amounting to RM421,436.56.
- (vi) Interest at the rate of 5% in respect of the double rentals as mentioned under items (iii), (iv) and (v) above, from the date of Judgment up to full settlement.
- (vii) Delivery of vacant possession by the Defendant in respect of Serenia Factory 3.
- (viii) Cost of RM3,000.00.

As at the LPD, PTTSB had instructed its solicitors to file garnishee proceedings to recover the amount owned by the Defendant to PTTSB in accordance with the Judgment obtained.

Based on the opinion rendered by the solicitors of PTTSB, PTTSB has a high chance in obtaining a garnishee order in view that the Judgment has not been appealed and a stay of execution has not been filed by the Defendant.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

- (C) **High Court of Malaya at Shah Alam Civil Suit No.: BA-22NCC-18-08/2023, Heap Wah Barakah Sdn Bhd (“Heap Wah”) (as plaintiff) v. (i) FZ Infinity Sdn Bhd (“First Defendant”); (ii) Foong Chee Kien (“Second Defendant”); and (iii) Lee Kwan Cheng (“Third Defendant”) (collectively, as “Defendants”)**

On 3 February 2023, Heap Wah, a 70% owned subsidiary of the Company, had filed a writ and statement of claim to the High Court of Malaya at Shah Alam (“**SA High Court**”) against the Defendants for the failure of the First Defendant in honouring the payment for the invoices issued by Heap Wah in respect of the goods and services provided by Heap Wah to the First Defendant.

The Second Defendant is the director and shareholder of the First Defendant and in its capacity, the Second Defendant had executed a credit facility arrangement provided by Heap Wah to the First Defendant to facilitate the purchase of goods from Heap Wah. In view of Heap Wah providing the credit facilities to the First Defendant, the Second and Third Defendant had signed on a letter of guarantee dated 27 September 2021, guaranteeing the indebtedness of the First Defendant together with all interest, costs, charges, etc. to Heap Wah.

Despite Heap Wah vide its solicitors on 9 January 2023 having issued a notice of demand against the Defendants for the sum due and owing to Heap Wah, the Defendants had failed, refused and/or neglected to pay the sum due and owing to Heap Wah.

As such, Heap Wah had pleaded for the following claims against the Defendants:

- (i) A sum of RM1,597,068.90.
- (ii) Interest of RM507,527.02 as at 31 January 2023.
- (iii) Accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from 1 February 2023 up to the judgment being obtained.
- (iv) Accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from the judgment being obtained up to the full settlement of the judgment sum.
- (v) Cost of action.

On 24 March 2023, the SA High Court had entered a judgment in default of appearance against the First Defendant for the claims pleaded by Heap Wah following the First Defendant’s failure to enter into appearance. As such, the First Defendant is ordered to pay Heap Wah in respect of the claims pleaded by Heap Wah as stated above.

On 25 March 2023, the SA High Court had ordered for Heap Wah to serve (i) by substituted service on the Second Defendant by attaching the writ and statement of claim together with the sealed order at the Second Defendant’s last known address via registered post, (ii) by attaching the writ and statement of claim together with the sealed order at the SA High Court statement board and, (iii) by advertising in a local newspaper named “STAR”.

The solicitors for Heap Wah have informed that the Third Defendant was discovered to have passed away and the solicitors have withdrawn the suit against the Third Defendant.

On 10 May 2023, Heap Wah has obtained a judgment in default against the Second Defendant. Thereafter, a bankruptcy notice has been filed by the solicitors of Heap Wah against the second Defendant on 20 October 2023. Heap Wah has instructed its solicitors and the solicitors have filed a winding-up petition against the First Defendant on 20 June 2023 and has obtained a winding-up order against the First Defendant on 11 October 2023. A proof of debt for the sum of RM1,597,068.90 was subsequently filed by the solicitors on 31 October 2023.

6. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past 2 years immediately preceding and up to the date of this Circular:

- (i) The SPA as referred to in this Circular. The SPA is pending completion as at the LPD and is expected to be completed by second quarter of 2024.
- (ii) Sale and purchase agreement dated 15 August 2023 entered into between PTTSB (as vendor) and YMSC Ventures Sdn Bhd (as purchaser) for the disposal of a unit of 3-storey detached factory identified as Plot No. C6, Plot 09 with a built-up area measuring approximately 20,773 square feet and provisional area of the plot measuring approximately 4,051 square metres, within an industrial development known as Cipta 1, Pusat Perindustrian Cipta Selatan, held under master title H.S.(D) 39896, PT No. 55382, Mukim of Dengkil, District of Sepang, State of Selangor, bearing postal address of No. 17, Jalan Cipta Serenia 1, Pusat Perindustrian Cipta Selatan, 43900 Sepang, Selangor Darul Ehsan, for a disposal consideration of RM13,000,000.00. The sale and purchase transaction is pending completion as at the LPD and is expected to be completed on 3 January 2024.
- (iii) Sale and purchase agreement dated 2 June 2023 entered into between Heap Wah Barakah Sdn Bhd (as vendor) and Teo & Yee Trading (M) Sdn Bhd (as purchaser) for the disposal of all that piece of 99 years of leasehold commercial land measuring in area of approximately 156.077 square metres and held under individual title No. H.S.(M) 7337, P.T. 7149, Tempat 6 1/2, Jalan Kelang Lama, Mukim Petaling, District of Petaling, State of Selangor Darul Ehsan, together with a unit of 4-storey commercial shophouse erected thereon bearing postal address of No. 10, Jalan P.U. 9, P.J. Selatan, 46000 Petaling Jaya, Selangor Darul Ehsan, for a disposal consideration of RM1,800,000.00. The sale and purchase transaction is pending completion as at the LPD and is expected to complete by second quarter of 2024.
- (iv) Conditional share sale agreement dated 30 March 2023 and as amended by a supplemental letter agreement dated 12 May 2023 entered into between PTT (as purchaser), TSP, TSL and Faddy bin Nordin (as vendors) for the by PTT for the acquisition of the entire equity interest in PTTSB from the said vendors at a purchase consideration of RM152.0 million ("**PTTSB Acquisition**"). The PTTSB Acquisition has been completed on 10 August 2023.
- (v) Sale and purchase agreement dated 29 December 2022 entered into between PTT Assets Sdn Bhd (as purchaser) and Sime Darby Property (Bukit Raja) Sdn Bhd (as vendor) for the sale and purchase of the property held under H.S.(D) No. 165675, PT 84377, Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan measuring in area of approximately 4,987 sq. m. identified as lot i8B/49, bearing the address of 18, Jalan Inai 2D.KU5, Bandar Bukit Raja together with all buildings erected or to be erected thereon for a total consideration of RM12,256,888.00. The sale and purchase transaction is pending delivery of vacant possession as at the LPD of which the vacant possession of the property shall be delivered to the purchaser tentatively by December 2025.
- (vi) Sale and purchase agreement dated 29 December 2022 entered into between PTT Synergy Group Berhad (as vendor) and Sim Cheng Young (as purchaser) for the sale and purchase of 2 pieces of freehold vacant lands held under Geran 41111 Lot 1696 and Geran 41112 Lot 1926, both of Mukim Beranang, Daerah Ulu Langat, Negeri Selangor measuring approximately 1.2343 hectare and 3.3816 hectare respectively for a total consideration of RM4,755,000.00. The sale and purchase transaction has been completed on 29 December 2022.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

- (vii) Sale and purchase agreement dated 29 October 2021 entered into between Tropicana Industrial Park Sdn Bhd (as landowner), Tropicana Development (Johor Bahru) Sdn Bhd (as developer) and PTT Property Sdn Bhd (as purchaser) for the sale and purchase of part of a freehold land held under H.S.(D) 13683, PTD 14020, Mukim Jeram Batu, Daerah Pontian, Negeri Johor measuring approximately 89.35 hectares owned by the landowner with a current development project undertaken by the developer. The purchaser agreed to purchase 10 individual plots of developed land measuring approximately 20.02 acres from the landowner for a total consideration of RM43,603,560.00. The sale and purchase transaction is pending completion as at the LPD and is expected to be completed by October 2024.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest closing market price of PTT Shares traded on the Main Market of Bursa Securities for the past 12 months preceding the date of the Circular are set out as below:-

	High RM	Low RM
<u>2022</u>		
October	1.130	1.020
November	1.110	1.020
December	1.100	1.010
<u>2023</u>		
January	1.090	1.000
February	1.240	1.000
March	1.210	1.100
April	1.180	1.060
May	1.090	1.010
June	1.180	1.060
July	1.040	0.955
August	1.080	0.970
September	1.190	1.000
October	1.200	1.130
November (up to the LPD)	1.220	1.150
 Last transacted market price on 9 October 2023 (being the last market day prior to the announcement of the Proposals)		 1.170
 Last transacted market price as at the LPD		 1.220

(Source: Bloomberg)

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of PTT at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:-

- (i) the SPA;
- (ii) the constitution of PTT;
- (iii) the audited financial statements of PTT for the past 2 FYEs 30 June 2022 and 30 June 2023 and the latest unaudited quarterly results of PTT for the 3 months financial period ended 30 September 2023;
- (iv) the draft By-Laws as set out in Appendix II of this Circular;
- (v) the letters of consent and declaration of conflict of interest referred to in Section 2 of Appendix IV of this Circular;
- (vi) the Valuation Certificate as set out in Appendix III of this Circular;
- (vii) the valuation report prepared by Knight Frank in relation to the Land;
- (viii) the relevant cause papers for the material litigation referred to in Section 5 of Appendix IV of this Circular; and
- (ix) the material contracts referred to in Section 6 of Appendix IV of this Circular.

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PTT SYNERGY GROUP BERHAD
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of PTT Synergy Group Berhad (“**PTT**” or the “**Company**”) will be held at 2A-1-G, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 15 December 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 2 PARCELS OF FREEHOLD DEVELOPMENT LAND BY PROJEK TETAP TEGUH SDN BHD (“PROJEK TT”), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY FOR A CASH CONSIDERATION OF RM70,555,432.50 (“PROPOSED LAND ACQUISITION”)

“**THAT**, subject to the relevant approvals of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to Projek TT, an indirect wholly-owned subsidiary of the Company, to acquire from Leong Woay Hong @ Neoh Woay Hong, Low Chee Heng, Low Cheng Hiang, Low Meng Kiang, Low Saw Cheng, Low Saw Sim, Ong Kah Boey and Than Way Cheng @ Tan Way Cheng (collectively, “**Vendors**”) 2 parcels of freehold development land held under Title No. GRN 40425, Lot 386, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang and Title No. GM 223, Lot 481, Locality of Sg. Bakap, Mukim 12, District of Seberang Perai Selatan, Pulau Pinang measuring approximately 18.00 acres from the Vendors for a cash consideration of RM70,555,432.50 (details of which are set out in the circular to shareholders of PTT dated 30 November 2023 (“**Circular**”)), upon the terms and conditions as set out in the sale and purchase agreement dated 10 October 2023 entered into between the Vendors and Projek TT, and on such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities.

AND THAT approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to give effect to the Proposed Land Acquisition with full powers and authority to:-

- (a) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of the Company, all such agreements, instruments, documents and/or deeds (including, without limitation, the affixing of the Company’s Common Seal in accordance with the Constitution of the Company, where necessary) as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Land Acquisition;
- (b) assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Land Acquisition and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Land Acquisition in the best interest of the Company; and
- (c) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Land Acquisition.”

ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF UP TO 36,000,000 NEW ORDINARY SHARES IN PTT REPRESENTING APPROXIMATELY 20% OF THE TOTAL NUMBER OF ISSUED SHARES IN PTT ("PROPOSED PRIVATE PLACEMENT")

"THAT subject to and conditional upon the approvals being obtained from all the relevant authorities and/or parties (where required), approval be and is hereby given to PTT to issue and allot up to 36,000,000 new ordinary shares in the Company ("**PTT Shares**" or "**Shares**") ("**Placement Shares**"), representing approximately 20% of the Company's existing total issued Shares by way of private placement to independent third party investor(s) to be identified later, in one or more tranches at an issue price for each tranche to be determined and fixed by the Board at a later date ("**Price-Fixing Date**") upon such terms and conditions as set out in the Circular.

THAT the issue price for each tranche of the Placement Shares shall not be at a discount of more than 15% from the 5-day volume weighted average market price of the PTT Shares immediately preceding the Price-Fixing Date;

THAT the Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing PTT Shares in issue, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or any other form of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such Placement Shares;

THAT the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds derived from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the compliance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approval of the relevant authorities (if required);

THAT the Board be and is hereby authorised to do all acts and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements that are necessary to give full effect to the Proposed Private Placement with full powers to assent to any conditions, variations, modifications and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions they consider fit, necessary, expedient or as may be required to give full effect to and complete the Proposed Private Placement;

THAT pursuant to Section 85 of the Companies Act 2016 ("**Act**") read together with Clause 50 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered Placement Shares which rank equally to the existing PTT Shares **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 Placement Shares to the independent third party investor(s) to be identified later pursuant to the Proposed Private Placement;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all the Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement."

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME ("SCHEME") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME, COMPRISING A SHARE OPTION SCHEME ("PROPOSED ESOS") AND A SHARE GRANT PLAN ("PROPOSED SHARE GRANT PLAN"), FOR THE ELIGIBLE DIRECTORS AND EXECUTIVE / EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES ("PTT GROUP" OR "GROUP") WHICH ARE NOT DORMANT ("PROPOSED ESS")

"THAT, subject to the approvals of all the relevant authorities and/or parties being obtained (where required), including but not limited to the approval of Bursa Securities for the listing of and quotation for the new PTT Shares to be issued pursuant to the Proposed ESS having been obtained, and to the extent permitted by law, Companies Act 2016 and the Company's Constitution, approval be and is hereby given to the Board to:

- (i) establish, implement and administer the Proposed ESS from time to time for the eligible directors and executive/employees of the Group (excluding dormant subsidiaries, if any), who fulfil the criteria of eligibility for participation in the Proposed ESS ("**Eligible Person(s)**") as set out in the By-Laws governing the Scheme ("**By-Laws**"), a draft of which is set out in Appendix II of the Circular, and to give full effect to the Scheme with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities and/or parties or deemed necessary by the Board in the best interest of the Company;
- (ii) make the necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new PTT Shares which may hereafter from time to time be allotted and issued pursuant to the Scheme;
- (iii) issue and allot from time to time such number of new PTT Shares as may be required to be allotted and issued pursuant to the exercise of the share options pursuant to the Proposed ESOS ("**Share Options**") and/or vesting of the share grant pursuant to the Proposed Share Grant Plan ("**Share Awards**") under the Proposed ESS (collectively, the "**ESS Awards**"), provided that the aggregate number of new Shares to be offered under the Proposed ESS shall not exceed in aggregate 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any time during the duration of the Scheme. Such new PTT Shares shall, upon allotment and issuance, rank equally in all respects with the existing PTT Shares, save and except that such new PTT Shares will not be entitled to any dividends, rights, allotments and/or any other form of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such new PTT Shares;
- (iv) amend and/or modify all or any part of the terms and conditions as set out in the By-Laws governing the Proposed ESS from time to time as may be required or permitted by the relevant authorities or deemed necessary by the Board or any committee of the Proposed ESS established or appointed by it, provided that such amendments and/or modifications are effected and permitted in accordance with the provisions of the By-Laws relating to amendments and/or modifications, and to do all such acts, deeds and things, and to execute all such documents and to enter into all such transactions, arrangements, agreements, deeds and undertakings with any party or parties as the Board may deem fit, necessary or expedient or appropriate and to impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS and the provisions of the By-Laws; and
- (v) extend the duration of the Scheme, provided always that the initial period and such extension of the Scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the effective date of the Scheme as determined in accordance with the Listing Requirements and the provisions of the By-Laws (or such other period as may be permitted by Bursa Securities or any other relevant authorities from time to time) without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting;

THAT the By-Laws of the Scheme, a draft of which is set out in **Appendix II** of the Circular, be and is hereby approved and adopted;

THAT the Board be and is hereby authorised to give effect to the Proposed ESS with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities and to take all such steps and do all acts and things as the Board may deem fit or necessary at its absolute discretion;

AND THAT pursuant to Section 85 of the Act read together with Clause 50 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered new PTT Shares pursuant to the Proposed ESS which rank equally to the existing PTT Shares **AND THAT** the Board is exempted from the obligation to offer such new PTT Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new PTT Shares to the Eligible Persons pursuant to the Proposed ESS."

ORDINARY RESOLUTIONS 4 TO 7

PROPOSED ALLOCATION OF ESS AWARDS TO THE FOLLOWING ELIGIBLE PERSONS WHO ARE EXECUTIVE DIRECTORS OF PTT UNDER THE PROPOSED ESS

ORDINARY RESOLUTION 4 – DATO' ABD RAHIM BIN JAAFAR (EXECUTIVE CHAIRMAN)

ORDINARY RESOLUTION 5 – TEO SWEE LENG (DEPUTY CHAIRMAN)

ORDINARY RESOLUTION 6 – TEO SWEE PHIN (MANAGING DIRECTOR)

ORDINARY RESOLUTION 7 – DATIN NG FONG SHIANG (EXECUTIVE DIRECTOR)

"THAT, subject to the passing of Ordinary Resolution 3 and the approvals of the relevant authorities and/or parties for the Proposed ESS having been obtained, approval be and is hereby given to the Board to authorise the ESS Committee, at any time and from time to time throughout the duration of the Proposed ESS, to offer and grant to the above-mentioned directors of PTT, Share Options and such number of Shares in the Company which will be vested in him/her at a specified future date and to allot and issue and/or deliver such number of options, Shares and/or the equivalent cash value or combinations thereof comprised in the Proposed ESS, **PROVIDED THAT –**

- (i) the aggregate number of PTT Shares which may be made available under the Proposed ESS shall not in aggregate exceed 15% of the total number of issued PTT Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESS;
- (ii) the allocation to him/her, who either singly or collectively, through person(s) connected to him/her, holds 20% or more of the total number of issued PTT Shares (excluding treasury shares, if any), must not exceed 10% of the total number of PTT Shares to be made available under the Proposed ESS;
- (iii) he/she must not participate in the deliberation or discussion of his/her own allocation or allocations to person(s) connected to him/her; and
- (iv) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

By Order of the Board
PTT SYNERGY GROUP BERHAD

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
CHEW KIT YEE (SSM PC NO. 202208000376) (MAICSA 7067474)

Company Secretaries
Kuala Lumpur
30 November 2023

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 December 2023 shall be eligible to attend, participate, speak and vote at the EGM or appoint proxy(ies) to attend, participate, speak and vote in his stead at the EGM.
2. A member entitled to attend and vote at the EGM may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same EGM, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to attend, participate, speak and vote at the EGM.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof. The resolutions set out in the notice of EGM are to be voted by poll.
6. Any notice of termination of authority to act as proxy must be received by the Company before the commencement of the EGM or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Act:-
 - (i) the constitution of the quorum at such meeting;
 - (ii) the validity of anything he did as chairman of such meeting;
 - (iii) the validity of a poll demanded by him at such meeting; or
 - (iv) the validity of the vote exercised by him at such meeting.

Explanatory Notes

Pursuant to Section 85 of the Act read together with Clause 50 of the Company's Constitution, the existing shareholders of the Company have a statutory pre-emptive right to be offered any new shares which rank equally to existing shares issued by the Company. By you voting in favour of the proposed Ordinary Resolutions 2 and 3, you will be waiving your statutory pre-emptive right and the proposed Ordinary Resolutions 2 and/or 3, if passed, will exclude your statutory pre-emptive right to be offered any new shares to be allotted and issued by the Company pursuant to the Proposed Private Placement and/or Proposed ESS, which will result in a dilution to your shareholding in the Company.

The details of the Proposals are set out in the Circular.



PTT SYNERGY GROUP BERHAD
[Registration No. 197101000134 (10493-P)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No:
Contact No:
No. of Shares Held:

*I/We, (full name in capital letters)

*NRIC No./ Passport No./ Registration No. of (full address)

being a *member/members of **PTT SYNERGY GROUP BERHAD** ("the Company"), hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

to put on a separate sheet where there are more than 2 proxies

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be held at 2A-1-G, Space U8, No. 6, Persiaran Pasak Bumi, Taman Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 15 December 2023 at 10:30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTIONS	For	Against
1. Proposed Land Acquisition		
2. Proposed Private Placement		
3. Proposed ESS		
4. Proposed allocation of ESS Awards to Dato' Abd Rahim Bin Jaafar		
5. Proposed allocation of ESS Awards to Teo Swee Leng		
6. Proposed allocation of ESS Awards to Teo Swee Phin		
7. Proposed allocation of ESS Awards to Datin Ng Fong Shiang		

* Strike out whichever not applicable

As witness my/our hand(s) this day of, 2023

.....
* Signature /Common Seal of Member



Notes:-

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2. A member entitled to attend and vote at the EGM may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same EGM, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to attend, participate, speak and vote at the EGM.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof. The resolutions set out in the notice of EGM are to be voted by poll.
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 - (ii) the validity of anything he did as chairman of such meeting;
 - (iii) the validity of a poll demanded by him at such meeting; or
 - (iv) the validity of the vote exercised by him at such meeting.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Registered Office
PTT SYNERGY GROUP BERHAD
[Registration No. 197101000134 (10493-P)]
c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan

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