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

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SWIFT HAULAGE BERHAD

(Registration No. 200001030627 (533234-V))
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE SCHEME OF UP TO 6% OF THE TOTAL NUMBER OF ISSUED SHARES IN SWIFT HAULAGE BERHAD ("SWIFT HAULAGE" OR "COMPANY") (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE EMPLOYEES' SHARE SCHEME; AND**
 - (II) PROPOSED ALLOCATION TO THE EXECUTIVE DIRECTOR OF SWIFT HAULAGE**
- AND**

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



MIDF AMANAH INVESTMENT BANK BERHAD

(Registration No. 197501002077 (23878-X))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("EGM") of our Company is to be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the Twenty-Third Annual General Meeting ("23rd AGM") of Swift Haulage, or at any adjournment thereof, whichever is later.

The Notice of EGM together with the Proxy Form, Administrative Guide for the EGM and this Circular can be downloaded from the Company's website at www.swiftlogistics.com.my. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Proxy Form should be completed and lodged at our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Proxy Form electronically at <https://tihi.online> not less than 48 hours before the time appointed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Monday, 29 May 2023 at 12.00 noon
Date and time of the EGM	: Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the 23 rd AGM of Swift Haulage, or at any adjournment thereof, whichever is later
Venue of the EGM	: Virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan

This Circular is dated 28 April 2023

DEFINITIONS

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

“Act”	: Companies Act 2016
“Award Letter”	: A letter of offer to Eligible Persons issued pursuant to an offer made by the ESS Committee under the By-Laws
“BNM”	: Bank Negara Malaysia
“Board”	: Board of Directors of Swift Haulage
“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 I of this Circular
“Circular”	: This circular dated 28 April 2023 to the shareholders of Swift Haulage in relation to the Proposed ESS
“Constitution”	: Constitution of the Company
“Directors”	: The directors of Swift Haulage and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting
“Eligible Persons”	: The Executive Director, Executive Employees and Senior Management of Swift Group (excluding subsidiaries which are dormant), who meet the criteria of eligibility for participation in the Proposed ESS as set out in the By-Laws
“EPS”	: Earnings per Share
“ESOS Awards”	: The grant of such number of ESOS Options to the Eligible Persons to subscribe for the Shares at the ESOS Exercise Price in the manner and subject to the terms and conditions provided in the By-Laws
“ESOS Award Date”	: The date of which ESOS Awards are awarded to any Eligible Person pursuant to an Award Letter
“ESOS Exercise Price”	: The price at which the ESOS Participant shall be entitled to subscribe for the Shares by exercising his/her ESOS Options as determined in accordance with the By-Laws
“ESOS Options”	: The right of an ESOS Participant to subscribe for new Swift Shares under the Proposed ESOS pursuant to the contract constituted by the selected Eligible Person’s acceptance of an ESOS Award in the manner as indicated in the By-Laws
“ESOS Participants”	: Eligible Persons who have accepted a grant of ESOS Options in accordance with the terms of the Proposed ESS

DEFINITIONS (CONT'D)

“ESS Award”	: An award made in writing by the ESS Committee to an Eligible Person from time to time within the duration of the ESS to participate in the Proposed ESOS and/or Proposed SGP in the manner stipulated in the By-Laws
“ESS Award Date”	: The SGP Award Date and/or the ESOS Award Date, as the case may be
“ESS Committee”	: The committee comprising such Directors and/or Senior Management to be approved by the Board to implement and administer the Proposed ESS in accordance with the By-Laws
“ESS Participants”	: The ESOS Participants and/or SGP Participants, as the case may be
“ESS Period”	: The period of the Proposed ESS as set out in the By-Laws
“Executive Employees”	: Such employees as the ESS Committee may determine to be executive employees of our Group
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 31 March 2023, being the latest practicable date prior to the printing and despatch of this Circular
“Maximum Scenario”	: Assuming all of the treasury shares retained by our Company as at the LPD are resold at cost prior to the implementation of the Proposed ESS
“Minimum Scenario”	: Assuming none of the treasury shares retained by our Company as at the LPD are resold at cost prior to the implementation of the Proposed ESS
“NA”	: Net assets attributable to ordinary equity holders of our Company
“Principal Adviser” or “MIDF Investment”	: MIDF Amanah Investment Bank Berhad (Registration No. 197501002077 (23878-X))
“Proposed Allocation”	: Proposed allocation of the ESS Awards to the Executive Director of Swift Haulage
“Proposed ESOS”	: The proposed employees’ share option scheme, a component of the Proposed ESS
“Proposed ESS”	: Swift Group’s employees’ share scheme comprising the Proposed ESOS and the Proposed SGP on the terms as set out in the By-Laws
“Proposed SGP”	: The proposed share grant plan, a component of the Proposed ESS
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Senior Management”	: Such employees as the ESS Committee may determine to be senior management of our Group
“Swift Haulage” or the “Company”	: Swift Haulage Berhad (Registration No. 200001030627 (533234-V))
“Swift Group” or the “Group”	: Swift Haulage and its subsidiaries

DEFINITIONS (CONT'D)

“Swift Shares” or “Shares”	: Ordinary shares in Swift Haulage
“SGP Awards”	: The grant of awards of such number of Swift Shares to the Executive Director and/or Senior Management at no payment by the Executive Director and/or Senior Management
“SGP Award Date”	: The date of which an SGP Award is awarded to any Eligible Person pursuant to an Award Letter
“SGP Participants”	: Executive Director and/or Senior Management who have accepted the SGP Awards in accordance with the terms of the Proposed ESS
“VWAP”	: Volume weighted average market price

All references to “**our Company**” in this Circular are to Swift Haulage and references to “**our Group**” mean our Company and our subsidiaries. References to “**we**” and “**our**” are to our Company and where the context requires, our Company and our subsidiaries.

All references to “**you**” and “**your**” in this Circular are made to our shareholders, unless the context otherwise requires.

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

Any reference to any act law, ordinance, enactment or guideline in this Circular is a reference to that act, law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, unless otherwise stated.

Any discrepancy in the figures in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed ESS. You are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed ESS before voting at the forthcoming EGM of our Company.

Key information	Description	Reference to Circular
Issue size	The maximum number of Swift Shares which may be made available under the Proposed ESS shall not in aggregate exceed 6% of the total number of issued Shares in our Company (excluding treasury shares) at any point in time during the ESS Period.	Section 2
Rationale and justifications	<ul style="list-style-type: none"> (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group; (ii) to attract and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any capital gains arising from appreciation in the value of our Company's shares; (iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty; (iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and (v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level. 	Section 4
Approvals required/obtained	<p>The Proposed ESS is conditional upon the following approvals being obtained:</p> <ul style="list-style-type: none"> (i) Bursa Securities, the approval of which has been obtained vide Bursa Securities' letter dated 20 April 2023; and (ii) the shareholders of Swift Haulage at the forthcoming EGM of our Company. 	Section 9
Interests of Directors, major shareholders, chief executive and/or persons connected	The Executive Director of Swift Haulage is entitled to participate in the Proposed ESS. The Executive Director of Swift Haulage is therefore deemed interested in the Proposed ESS to the extent of his allocations, if any, as well as allocations to persons connected with him, if any, under the Proposed ESS.	Section 10
Directors' statement and recommendation	<p>The Board, after having considered all aspects of the Proposed ESS, including the rationale and financial effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of our Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed ESS to be tabled at the forthcoming EGM of our Company.</p>	Section 13



SWIFT HAULAGE BERHAD

(Registration No. 200001030627 (533234-V))
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

Registered Office

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

28 April 2023

Board of Directors

Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor (*Independent Non-Executive Chairman*)
Loo Yong Hui (*Non-Independent Executive Director / Group Chief Executive Officer*)
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar (*Non-Independent Non-Executive Director*)
Loo Hooi Keat (*Non-Independent Non-Executive Director / Advisor*)
Dato' Gopikrishnan A/L N.S. Menon (*Independent Non-Executive Director*)
Datuk Noripah Binti Kamso (*Independent Non-Executive Director*)
Rozainah Binti Awang (*Independent Non-Executive Director*)

To: The shareholders of Swift Haulage Berhad

Dear Sir/ Madam,

PROPOSED ESS

1. INTRODUCTION

On 4 April 2023, MIDF Investment had, on behalf of the Board, announced that our Company proposed to undertake the establishment of an employees' share scheme, which comprises the Proposed ESOS and the Proposed SGP, of up to 6% of the total number of issued shares in our Company (excluding treasury shares of Swift Haulage) at any point in time throughout the duration of the Proposed ESS, for the Executive Director and eligible employees of our Group (excluding subsidiaries which are dormant), who fulfil the eligibility criteria as set out in the By-Laws.

On 20 April 2023, MIDF Investment had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 20 April 2023, resolved to approve the listing of and quotation for such number of new Shares, representing up to 6% of Swift Haulage's total number of issued shares (excluding treasury shares of Swift Haulage) that may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities subject to the conditions as set out in Section 9 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ESS AND PROPOSED ALLOCATION AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED ESS AND PROPOSED ALLOCATION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED HERewith IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESS AND PROPOSED ALLOCATION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ESS

The Proposed ESS serves to attract, retain, motivate and reward the Eligible Persons through the award of Swift Shares or the rights to subscribe for Swift Shares as determined by the ESS Committee in accordance with the By-Laws.

The Proposed ESS will be administered in accordance with the By-Laws by the ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such Directors and/or Senior Management to be approved by the Board. The Board will formulate and approve the terms of reference of the ESS Committee.

The Proposed ESS shall comprise the Proposed ESOS and the Proposed SGP. The Proposed ESOS is intended to allow our Company to award ESOS Options to the Executive Director and Executive Employees of our Group (excluding subsidiaries which are dormant), subject to them fulfilling certain vesting conditions as determined by the ESS Committee at a later date after the establishment of the Proposed ESS whilst the Proposed SGP is intended to award Swift Shares to the Executive Director and/or Senior Management.

In implementing the Proposed ESS, the ESS Committee may at its absolute discretion decide that the ESOS Awards or SGP Awards be satisfied by the following methods:

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

In considering whether to issue new Shares, transfer the existing Shares or any other methods as set out above, the ESS Committee will take into consideration, amongst others, factors such as the issue price of the new Shares (which shall be determined based on fair value of the Shares as at the date of the ESS Awards), the prevailing market price of the Shares, funding requirements of our Group, future returns and the potential cost arising from the granting of the ESS Awards. Further details on the potential cost arising from the granting of the ESS Awards are set out in Section 7.3 of this Circular.

2.1 Proposed ESOS

Under the Proposed ESOS, the ESS Committee may, within the ESS Period and at its discretion, make ESOS Awards in writing to the Executive Director and/or Executive Employees at the ESS Award Date to subscribe for Swift Shares at a prescribed ESOS Exercise Price, subject to the terms and conditions of the By-Laws. Pursuant to the contract constituted by the ESOS Participants in the manner indicated in the By-Laws, the ESOS Participant has a right to subscribe for new Shares under the Proposed ESOS.

Under the Proposed ESOS, the ESOS Awards will be granted from time to time during the tenure of the Proposed ESOS at the sole and absolute discretion of the ESS Committee. Upon acceptance of the ESOS Awards by the Eligible Persons, the ESOS Awards will be vested to the ESOS Participants over the ESS Period, subject to the ESOS Participants fulfilling certain vesting conditions (if any) as determined by the ESS Committee at a later date after the establishment of the Proposed ESS.

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price shall be based on a price to be determined by the Board upon recommendation of the ESS Committee based on the 5-day VWAP of Swift Shares at the ESOS Award Date, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the ESS Period.

2.2 Proposed SGP

Under the Proposed SGP, the ESS Committee may, within the ESS Period and at its discretion, grant the SGP Awards to the Executive Director and/or Senior Management of our Group (excluding subsidiaries which are dormant).

Under the Proposed SGP, the SGP Awards will be awarded to the Eligible Persons on an annual basis or at the sole and absolute discretion of the ESS Committee. Upon acceptance of the SGP Awards by the SGP Participants, the SGP Awards will be vested to the SGP Participants over the ESS Period at no cost.

The selected Eligible Persons to be granted the SGP Awards will be assessed based on, amongst others, individual performance, fulfilment of performance targets and/or criteria set, and the overall financial performance of our Group within the period to be determined by the ESS Committee at a later date after the establishment of the Proposed ESS.

2.3 Indicative salient terms of the Proposed ESS

(i) Maximum number of Shares available under the Proposed ESS

As at the LPD, our Company has an issued share capital of RM385,755,438 comprising 881,198,602 Swift Shares (excluding treasury shares).

The maximum number of Swift Shares which may be made available under the Proposed ESS shall not in aggregate exceed 6% of the total number of issued Shares of our Company (excluding treasury shares) at any point of time during the ESS Period.

(ii) Basis of allotment and maximum allowable allotment

The allocation of Swift Shares to be made available for the ESS Awards shall be determined by the ESS Committee from time to time during the tenure of the Proposed ESS as determined by the ESS Committee.

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

- (a) the total number of Swift Shares made available under the Proposed ESS shall not exceed the amount stated in Section 2.3(i) above;
- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities and/or any other relevant authorities from time to time) of the total number of issued Shares made available under the Proposed ESS shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued Shares of our Company (excluding treasury shares);
- (c) up to 67% of the total ESS Awards to be issued under the Proposed ESS shall be allocated for ESOS Awards (for Executive Director and Executive Employees) whereas the remaining 33% shall be allocated for SGP Awards (for Executive Director and Senior Management);
- (d) not more than 45% of the total ESOS Awards shall be allocated to the Executive Director and/or Senior Management; and
- (e) the Eligible Persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

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

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

For avoidance of doubt, the ESS Committee may at its sole and absolute discretion determine whether granting of the ESS Awards to the Eligible Persons will be staggered over the duration of the Proposed ESS or in a single grant and/or whether the ESS Awards will be subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance targets, the determination of which will be carried out at a later date after the establishment of the Proposed ESS.

(iii) Eligibility

Subject to the discretion of the ESS Committee, only Eligible Persons who fulfil the following conditions as at the ESS Award Date shall be eligible to participate in the Proposed ESS:

- (a) in respect of an Executive Employee and/or Senior Management of our Group (excluding subsidiaries which are dormant), he/she:
 - (aa) has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is employed on a full-time basis and is on the payroll of any company in our Group (excluding subsidiaries which are dormant) and such employment has been confirmed;
 - (cc) is under an employment contract for a fixed duration and has been in the employment of any company in our Group (excluding subsidiaries which are dormant) for such period as may be determined by the ESS Committee; and/or
 - (dd) falls within any other eligibility criteria 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 the Executive Director, he/she:
 - (aa) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (bb) has been appointed as an Executive Director of our Company; and
 - (cc) fulfils any other eligibility criteria as may be set by the ESS Committee from time to time,

provided always that the selection of any Director or employee for participation in the Proposed ESS and the number of ESS Awards to be awarded to an Eligible Person under 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.

Notwithstanding the above, the ESS Committee may, in its absolute discretion, but subject to compliance with the Listing Requirements, waive any of the conditions of eligibility as set out in the By-Laws.

(iv) Proposed Allocation

Subject to the provisions of the By-Laws, our Company proposes to seek shareholders' approval at the forthcoming EGM for the proposed allocation of ESS Awards to Loo Yong Hui, the Non-Independent Executive Director/ Group Chief Executive Officer of not more than 10% of the total ESS Awards granted.

(v) Duration and termination

The Proposed ESS, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the Proposed ESS (“**Effective Date**”). Our Company may, if the Board deems fit and upon the recommendation of the ESS Committee, extend the Proposed ESS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

Such extended Proposed ESS shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed ESS and our Company shall serve appropriate notices on each ESS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed ESS.

The Proposed ESS may be terminated by our Company at any time before the date of expiry of the Proposed ESS in accordance with the terms of the By-Laws provided that an announcement is released to Bursa Securities on the following:

- (a) the effective date of termination;
- (b) the number of ESOS Options exercised pursuant to the Proposed ESOS and the Swift Shares vested pursuant to the Proposed SGP; and
- (c) the reasons for termination of the Proposed ESS.

Upon expiry or termination of the Proposed ESS, any ESS Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of our Company by way of resolution in a general meeting and written consent of the ESS Participants in relation to the unvested Swift Shares and/or unexercised ESOS Options are not required to effect the termination of the Proposed ESS.

(vi) Basis of determining the ESOS Exercise Price

For the Proposed ESOS, subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price which will be payable by the ESOS Participants upon the exercise of the ESOS Options shall be based on the 5-day VWAP of Swift Shares as at the ESOS Award Date, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the tenure of the Proposed ESS, as determined by the Board upon recommendation of the ESS Committee.

For avoidance of doubt, the new Shares pursuant to the Proposed SGP will vest with the SGP Participants at no cost to the SGP Participants.

(vii) Ranking of the new Swift Shares pursuant to the Proposed ESS

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

Any new Shares to be issued under the Proposed ESS and/or existing Shares procured by our Company for the transfer under the SGP Awards or exercise of the ESOS Options (including vide treasury shares), shall upon allotment and issuance or transfer and full payment, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution and such amendments thereafter, if any.

(viii) Retention Period

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

(ix) Alteration of share capital during the duration of the Proposed ESS

In the event of any alteration in the capital structure of our Company prior to the last day of the duration of the Proposed ESS, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Swift Shares or reduction of capital or any other variation of capital, our Company may in its discretion in good faith cause such adjustment to be made to the number of Swift Shares which shall be exercisable or vested under the ESOS Options or SGP Awards and/or the ESOS Exercise Price.

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

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

(x) Listing of and quotation for the new Shares

Bursa Securities had vide its letter dated 20 April 2023, approved the listing of and quotation for such number of new Swift Shares, representing up to 6% of the total number of issued shares in our Company, which may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

Our Company will receive proceeds pursuant to the exercise of the ESOS Options by the Eligible Persons. However, the actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the ESOS Exercise Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of our Group. The working capital will be used to fund our Group's day-to-day operations to support existing business operations which shall include, but not limited to, the payment of trade and other payables, staff costs such as salaries, statutory contributions and employee benefits e.g. medical claims and other operating expenses. Our 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 ESS Period.

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

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund our Group's working capital.

The estimated expenses in relation to the Proposed ESS are approximately RM0.3 million.

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ESS

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

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;
- (ii) to attract and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any capital gains arising from appreciation in the value of our Shares;
- (iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and
- (v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

5. FUND RAISING EXERCISES IN THE PAST 12 MONTHS

For the avoidance of doubt, our Company has not conducted any fund-raising exercises for the past 12 months up to the LPD.

6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a strong growth of 7.0% in the fourth quarter of 2022 (3Q 2022: 14.2%), as support from the stimulus measures and low base effect waned. At 7.0%, the fourth quarter growth was still above the long-term average of 5.1%. On a quarter-to-quarter seasonally adjusted basis, the economy registered a decline of 2.6% (3Q 2022: 1.9%). For 2022 as a whole, the economy expanded by 8.7% (2021: 3.1%).

All economic sectors registered growth in the fourth quarter of 2022. The services sector expanded by 8.9% (3Q 2022: 16.7%), supported by consumer-related subsectors amid better labour market conditions and the continued recovery in tourism activities. The sector also benefitted from improvements in real estate and business services activities.

Domestic demand grew by 6.8% (3Q 2022: 13.1%), mainly supported by private sector expenditure.

Private consumption expanded by 7.4% (3Q 2022: 15.1%), supported by improving labour market conditions and policy measures. Spending was driven by consumption of necessities, particularly for transport as well as housing and utilities, and selected discretionary components such as recreational services and culture.

Public consumption grew by 2.4% (3Q 2022: 4.5%), reflecting continued support from Government spending on emolument and supplies and services.

For 2023, the Malaysian economy is expected to expand at a more moderate pace, amid a challenging external environment. Growth will be driven by domestic demand, supported by the continued recovery in labour market and realisation of multi-year investment projects. The services and manufacturing sectors will continue to drive the economy.

(Source: Quarterly Bulletin 4Q 2022, BNM)

6.2 Overview and outlook of the transportation and logistic industry in Malaysia

The transportation and storage subsector surged by 30.7% in the first half of 2022, backed by the significant growth of all segments following a more vigorous highway, port and airport activities. The traffic volume of toll highways increased by 59.8% to 803.2 million vehicles in the first half of 2022, mainly due to the normalisation of interstate travel especially during festive seasons and school holidays amid the transition to endemicity. The growth of total cargo and container handled in ports was supported by strong external demand with total trade increased by 28.2% to RM1,354.9 billion. The subsector's notable performance was also supported by a substantial increase of 597.4% to 21.2 million air passenger traffic at airports during the six-month period. In the second half of 2022, the subsector is expected to rebound by 24.8%, mainly attributed to the land transport segment following continuous increase in highway traffic volume as well as improve in ridership of rail transport. In addition, the water transport segment is projected to continue contributing to the subsector's growth primarily through high container and cargo shipment activities. The air transport segment is expected to record a strong growth in tandem with higher air passenger traffic amid gradual resumption of international flights. Overall, the subsector is projected to increase by 27.6% in 2022.

For 2023, the transportation and storage subsector is anticipated to grow by 7%, supported by all segments due to the expansion in rail, highway, port and airport activities as well as sustained external demand. The land transport segment is projected to increase attributed to full operations of Mass Rapid Transit (MRT) Putrajaya Line and Sungai Besi-Ulu Kelang Elevated Expressway. Likewise, the air transport segment is forecast to rise in line with the increase in passenger traffic, following further improvement in tourism-related activities and more international flight services. Meanwhile, the water transport segment is expected to expand moderately as trade growth softens.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

6.3 Prospects of our Group

Our business operations are deemed as “essential services” and were allowed to conduct business operations as normal during the COVID-19 pandemic period. However, our financial performance was affected by the economic disruptions caused by the COVID-19 pandemic due to various lockdown measurements and tighter border control imposed by the governments of other countries.

As Malaysia transitioned to the endemic phase of COVID-19 on 1 April 2022, further easing of restrictions by the Malaysian Government and the reopening of international borders had positive impact to our business. Our Group’s revenue had increased by RM56.5 million from RM588.3 million for the financial year ended (“FYE”) 31 December 2021 to RM644.8 million for the FYE 31 December 2022, partly driven by the recovery of business activities from the easing of COVID-19 restrictions.

Further, the economy is showing signs of recovery. BNM had reported that the Malaysian economy registered a positive growth of 14.2% in the third quarter of 2022. Growth was supported mainly by improved domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan. BNM expects Malaysia’s growth trajectory for 2023 to improve given the resumption of economic activities, further improvement in the labour market, continued policy support and expansion in external demand.

Our Group continues its focus on expanding its customer base domestically and regionally with the expansion in warehouse capacity and, at the same time, improved cost management of its operations. Our Group is cautiously confident of its financial performance for the next financial year, barring any unforeseen surprises. Our Group will continue to maintain its strategy to focus on servicing its customers with innovative logistics solutions and expand the logistics capacity, including mergers and acquisitions, to enhance the shareholders’ value.

(Source: Management of Swift Haulage)

7. EFFECTS OF THE PROPOSED ESS

7.1 Issued share capital

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

The pro forma effects of the Proposed ESS on the share capital of our Company are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	889,804,502	389,899,318	889,804,502	389,899,318
Treasury shares adjustment	(8,605,900)	(4,143,880)	-	-
Issued share capital (net of treasury shares)	881,198,602	385,755,438	889,804,502	389,899,318
Shares to be issued pursuant to the Proposed ESS	52,871,916	⁽¹⁾ 22,734,924	53,388,270	⁽¹⁾ 22,956,956
Enlarged issued share capital	934,070,518	408,490,362	943,192,772	412,856,274

Note:

- (1) For illustrative purposes only, the indicative issue price is calculated based on RM0.43, being approximately 8.92% discount to the 5-day VWAP of Swift Shares up to and including the LPD of RM0.4721 per Swift Share.

7.2 NA per Share and gearing

Save for the potential impact of Malaysian Financial Reporting Standards 2, on “Share-Based Payment” (“**MFRS 2**”) issued by the Malaysian Accounting Standards Board (as elaborated in Section 7.3 of this Circular), the Proposed ESS is not expected to have any immediate effect on the NA, NA per Share and gearing of our Group until such time new Shares are issued. Any potential effect on the NA, NA per Share and gearing of our Group in the future will depend on factors such as the actual number of Shares to be issued which can only be determined at the point of the exercise of the ESOS Options and ESOS Exercise Price and/or the vesting of the SGP Awards.

Upon vesting of the SGP Awards and/or exercise of the ESOS Options pursuant to the Proposed ESS, the NA per Share of our Group is expected to:

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

at such point of exercise and/or vesting.

7.3 Earnings and EPS

The Proposed ESS may have an effect on the earnings of our Group for the financial year ending 31 December 2023 and throughout the duration of the Proposed ESS upon implementation due to possible impact of the MFRS 2 on share-based payment. However, any potential effect on the EPS of our Group in the future would depend on the number of ESOS Options granted and exercised, the ESOS Exercise Price payable upon the exercise of the ESOS Options under the Proposed ESOS and the number of Shares granted under the Proposed SGP, as well as the earnings impact of the MFRS 2 on share-based payment.

In accordance with MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which are expected to vest at each date of offer and is recognised in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of our Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of our Shares, the risk-free rate, the ESOS Exercise Price and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of our Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

Under the MFRS 2, the potential cost of awarding the new Shares under the Proposed SGP will need to be measured at fair value on the date of granting and recognised as an expense in the statement of profit or loss and other comprehensive income of our Group over the vesting period of such Shares under the SGP Award. The extent of the effect of the Proposed SGP on our Group's EPS cannot be determined at this juncture as it would depend on the fair value of the new Shares at the respective dates of the SGP Award. However, it is important to note that the potential cost of the award pursuant to the Proposed SGP do not represent a cash outflow and is only an accounting treatment.

Nevertheless, our Company has taken note of the potential impact of the MFRS 2 on our Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options and/or the new Shares to the Eligible Persons.

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7.4 Substantial shareholders' shareholdings

The Proposed ESS will not have an immediate effect on the shareholdings of the substantial shareholders of our Company unless the substantial shareholders of our Company are ESS Participants themselves and/or 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 our Company 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 Shares issued under the Proposed SGP at any point in time.

For illustrative purposes, as at the LPD, assuming all of the treasury shares retained by our Company are resold at cost and the maximum number of Shares available under the Proposed ESS are issued to the Eligible Persons, the pro forma effects of the Proposed ESS on the substantial shareholders' shareholdings are as follows:

Substantial shareholders	As at the LPD			(I) Assuming all treasury shares are resold			(II) After (I) and the Proposed ESS		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	No. of Shares	(2)%	No. of Shares	No. of Shares	(3)%	No. of Shares
Persada Bina Sdn Bhd	335,921,102	38.12	-	-	-	335,921,102	335,921,102	35.62	-
Loo Yong Hui	50,000	0.01	(4)335,921,102	50,000	0.01	(4)335,921,102	(5)5,388,827	0.57	(4)335,921,102
Loo Hooi Keat	16,093,600	1.83	(6)335,921,102	16,093,600	1.81	(6)335,921,102	16,093,600	1.71	(6)335,921,102
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	(4)335,921,102	-	-	(4)335,921,102	-	-	(4)335,921,102
Kumpulan Wang Persaraan (Diperbadankan)	79,496,094	9.02	-	79,496,094	8.93	-	79,496,094	8.43	-

Notes:

- (1) Based on the number of issued Shares of 881,198,602 Shares (excluding 8,605,900 treasury shares) as at the LPD.
- (2) Based on the number of issued Shares of 889,804,502 Shares (assuming all treasury shares are resold).
- (3) Based on the number of the enlarged issued Shares of 943,192,772 Shares under the Maximum Scenario.
- (4) Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.
- (5) Assuming the maximum allocation allowed under the By-Laws i.e. 10% of the total ESS Awards is issued to Loo Yong Hui, who is an Eligible Person.
- (6) Deemed interested pursuant to Section 59(1)(c) of the Act by virtue of the substantial shareholdings of his son, Loo Yong Hui in Persada Bina Sdn Bhd.

7.5 Convertible securities

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

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Swift Shares as traded on Bursa Securities for the past 12 months from April 2022 to March 2023 up to the LPD are set out below:

	High RM	Low RM
2022		
April	0.815	0.705
May	0.735	0.650
June	0.670	0.435
July	0.510	0.425
August	0.610	0.485
September	0.580	0.480
October	0.500	0.445
November	0.520	0.435
December	0.525	0.460
2023		
January	0.520	0.470
February	0.515	0.460
March	0.485	0.455
Closing market price of Swift Shares as at 3 April 2023 (being the latest trading day prior to the announcement on the Proposed ESS)		0.465
Last transacted market price as at the LPD		0.465

(Source: Bloomberg)

9. APPROVALS REQUIRED/ OBTAINED

The Proposed ESS is conditional upon the following approvals being obtained:

- (i) Bursa Securities, for the listing of and quotation for such number of new Shares, representing up to 6% of Swift Haulage's total number of issued shares (excluding treasury shares of Swift Haulage) that may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities. Bursa Securities' approval has been obtained vide its letter dated 20 April 2023 and is subject to the following conditions:

No.	Conditions	Status of compliance
(a)	Swift Haulage 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;	To be complied
(b)	MIDF Investment is required to furnish Bursa Securities with certified true copy of the resolutions passed by the shareholders in general meeting approving the proposals; and	To be complied
(c)	Swift Haulage is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new Shares listed pursuant to the Proposed ESS, as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

- (ii) The shareholders of Swift Haulage at the forthcoming EGM.

The Proposed ESS is not conditional upon any other proposals undertaken or to be undertaken by our Company.

For information, pursuant to Section 85(1) of the Act which must be read together with Clause 16.6 of the Constitution, the shareholders of the Company have pre-emptive rights to be offered any new Swift Shares which rank equally to the existing issued Swift Shares or other convertible securities.

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

“85. Pre-emptive rights to new shares

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

Clause 16.6 of the Constitution provides as follows:

- “16.6. Subject to any direction to the contrary that may be given by the Company in general meeting of Members, all new Shares or other convertible Securities shall, before issue, be offered to such persons who as at the date of the offer, are entitled to receive notices from the Company of general meetings of Members, in proportion, as nearly as circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may, subject to this Constitution, dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to the Shares or Securities held by persons entitled to an offer of new Shares or Securities), cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

In order for the Board to issue any new Shares or other convertible securities without any pre-emptive rights, such pre-emptive rights must be waived. By approving the resolutions in relation to the Proposed ESS which entail the allotment and issuance of new Swift Shares (including the new Shares to be issued arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are waiving their pre-emptive rights pursuant to Section 85(1) of the Act which must be read together with Clause 16.6 of the Constitution to first be offered the Swift Shares which, upon waiving the same, will result in a dilution to their shareholding percentage in the Company.

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

Save as disclosed below, none of the Directors, major shareholders and chief executive of our Company and/or persons connected with them has any interest in the Proposed ESS.

Under the Proposed ESS, Loo Yong Hui, being the Non-Independent Executive Director/ Group Chief Executive Officer, is an Eligible Person and is entitled to participate in the Proposed ESS. He is therefore deemed interested in the Proposed ESS to the extent of his respective allocations, if any, as well as allocations to persons connected with him, if any, under the Proposed ESS.

Loo Yong Hui has abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Allocation at the relevant Board meetings of our Company. Further, Loo Hooi Keat, the Non-Independent Non-Executive Director/ Advisor has abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Allocation to his son, Loo Yong Hui, at the relevant Board meetings of our Company.

Loo Yong Hui will also abstain from voting and undertake to ensure that persons connected with him (including his father, Loo Hooi Keat and major shareholder, Persada Bina Sdn Bhd) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolution pertaining to the Proposed Allocation at the forthcoming EGM.

For information, the shareholdings of the Non-Independent Executive Director/Group Chief Executive Officer in our Company as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
Loo Yong Hui	50,000	0.01	335,921,102	(2) 38.12

Notes:

- (1) Based on the total number of issued Shares of 881,198,602 Shares (excluding 8,605,900 treasury shares) as at the LPD.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed ESS is expected to be implemented by the second quarter of 2023.

The tentative timetable in relation to the Proposed ESS is set out below:

Timeline	Events
31 May 2023	• EGM
Early June 2023	• Implementation of the Proposed ESS

12. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other corporate exercises which we have announced but not yet completed prior to the printing of this Circular:

- (i) the Proposed ESS; and
- (ii) agreement for sale and purchase entered into between Aspen Vision Properties Sdn. Bhd. and our Company, for the proposed acquisition by our Company of 437,500 ordinary shares and 1,311,625 preference shares representing 17.5% of the total issued and paid-up share capital in Global Vision Logistics Sdn. Bhd. for a total purchase consideration of RM19,163,093, which was announced by our Company on 24 March 2023 and is expected to be completed within five (5) months from the agreement execution date.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed ESS, including the rationale and financial effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of our Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed ESS to be tabled at the forthcoming EGM of our Company.

The Board (save for Loo Yong Hui and Loo Hooi Keat), having considered all aspects of the Proposed Allocation, is of the opinion that the Proposed Allocation is in the best interest of our Company and recommends that you vote in favour of the resolution pertaining to the Proposed Allocation to be tabled at the forthcoming EGM of our Company.

14. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the Twenty-Third Annual General Meeting of the Company, or at any adjournment thereof, whichever is later, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposed ESS.

If you are unable to attend, participate, speak and vote in person at the EGM, you may appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, you are requested to complete, sign and return the enclosed Proxy Form enclosed with this Circular in accordance with the instructions contained therein, to be deposited at the office of our Company's Share Registrar, namely Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Proxy Form electronically at <https://tiih.online> not less than 48 hours before the time for holding the EGM or at any adjournment thereof. The completion, signing and return of the Proxy Form will not preclude you from attending and voting in person, should you subsequently decide to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SWIFT HAULAGE BERHAD

TAN SRI DATO SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

SWIFT HAULAGE BERHAD
[REGISTRATION NO. 200001030627 (533234-V)]

EMPLOYEES' SHARE SCHEME COMPRISING EMPLOYEES' SHARE OPTION SCHEME AND SHARE GRANT PLAN

1. DEFINITIONS AND INTERPRETATIONS

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

Term	Meaning
Act	Companies Act 2016 as amended from time to time including all regulations made thereunder any re-enactment thereof
Adviser	Any person who is eligible to act as a principal adviser that fulfils the requirements as set out in the Guidelines on Submission of Corporate and Capital Market Product Proposals as well as Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia
Auditor	Shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors licensed by the Audit Oversight Board of Malaysia as may be nominated or approved by the Board for the purpose of carrying out such matter as required under this By-Laws
Authorised Nominee	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository
Award Letter	A letter of offer to the Eligible Person issued pursuant to an offer made by the ESS Committee under Part B or Part C, as the case may be, of these By-Laws
Board	Board of Directors of the Company, as may be constituted from time to time
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 ESS as set out herein, and shall include any amendments or variations made thereto from time to time
CDS	Central Depository System as governed under SI(CD)A
CDS Account	A Central Depository System account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositor
Company	SWIFT HAULAGE BERHAD [Registration No. 200001030627 (533234-V)] and where the context admits, includes its successors-in-title
Constitution	The constitution of the Company, including any amendment thereto that may be made from time to time
Date of Expiry	The last day of the duration of the ESS pursuant to By-Law 6.1 hereof

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Term	Meaning
Depositor	A holder of a CDS Account
Director	Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: (a) occupies or acts in the position of a director; (b) is in accordance with whose directions or instructions of the directors of a corporation are accustomed to act; or (c) is an alternate or substitute director, in the Group
Effective Date	The date on which the ESS comes into force as provided in By-Law 6.1
Eligible Person	Executive Directors of the Company, Executive Employees and/or Senior Management of the Group who fulfil the conditions of eligibility as stipulated in By-Law 7
Entitlement Date	The date as at the close of business on which the names of the shareholders of the Company must appear on the Company's record of depositors in order to participate in any dividends, rights, allotments or other distributions
ESOS	The employees' share option scheme, a component of the ESS as more particularly set out in Part B of these By-Laws
ESOS Award	The grant of such number of ESOS Options to the Eligible Person to subscribe for the Shares at the ESOS Exercise Price in the manner and subject to the terms and conditions provided in these By-Laws
ESOS Award Date	The date of which an ESOS Award is awarded to any Eligible Person pursuant to an Award Letter
ESOS Exercise Price	The price at which the ESOS Participant shall be entitled to subscribe for Shares by exercising his/her ESOS Options as determined in accordance with By-Law 37
ESOS Options	The right of an ESOS Participant to subscribe for the Shares under the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner as indicated in By-Law 35
ESOS Participant	Eligible Person who has accepted a grant of ESOS Options in accordance with the terms of the ESS
ESS	The Group's Employees' Share Scheme comprising the ESOS and the SGP on the terms as set out in these By-Laws
ESS Awards	An award made in writing by the ESS Committee to an Eligible Person from time to time within the duration of the ESS to participate in the ESOS and/or SGP in the manner stipulated in the By-Laws
ESS Award Date	The SGP Award Date and/or the ESOS Award Date, as the case may be
Executive Director	A natural person who is a Director in a full time executive capacity and is involved in the day-to-day management of the company

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Term	Meaning
Executive Employees	Such employees as the ESS Committee may determine to be executive employees of the Group
Exercise Period	The specific period or periods within the ESS Period during which the ESOS Options may be exercised by the Participants, as determined by the ESS Committee subject to By-Law 6
Government	The Government of Malaysia
Group	The Company and its Subsidiaries which are not dormant
Listing Requirements	The Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Guidance Notes issued in relation thereto
Market Days	Any days on which Bursa Securities is open for trading in securities
Maximum Allowable Allocation	The maximum number of the Shares that can be offered to an Eligible Person as stipulated in By-Law 8
Person connected	Has the meaning given to “person connected” adopted in Paragraph 1.01 of the Listing Requirements
Registered Office	The registered address of the Company being Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur
RM and sen	Ringgit Malaysia and sen, respectively
Rules of Bursa Depository	The Rules of Bursa Depository as issued pursuant to the SI(CD)A
SGP	The Share Grant Plan, a component of the ESS as more particularly set out in Part C of these By-Laws
SGP Award	The grant of an award of such number of the Shares to the Senior Management and/or Executive Director at no payment by the Senior Management and/or Executive Director
SGP Award Date	The date of which an SGP Award is awarded to any Senior Management and/or Executive Director pursuant to an Award Letter
SGP Participant	Senior Management and/or Executive Director who has accepted the SGP Award in accordance with the terms of the ESS
Senior Management	Such employees as the ESS Committee may determine to be senior management of the Group
Shares	Ordinary shares in the Company
SI(CD)A	Securities Industry (Central Depositories) Act 1991
Subsidiaries	Subsidiary companies within the meaning of Section 4 of the Act of the Company which are not dormant and shall include subsidiary companies which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiary companies which have been divested in the manner provided for in By-Law 23.2 and which is determined by the ESS Committee at its absolute discretion from time to time to be a corporation participating under the ESS in accordance with By-Law 7

Term	Meaning
Trust	The trust established to facilitate the implementation of SGP
Trust Deed	The trust deed constituting the Trust
Trustee	The trustee for the time being appointed to be the trustee for the ESS pursuant to By-Law 15.5
Vesting Conditions	The conditions, which are determined and imposed by the ESS Committee, required to be fulfilled by a Participant to the satisfaction of the ESS Committee before the ESOS Option and/or SGP Award is capable of being vested onto the Participant pursuant to the terms of these By-Laws

1.1 In these By-Laws:

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESS Award offered and accepted prior to the expiry of the ESS and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (c) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (d) any discretion or power which may be exercised or any determination which may be made hereunder by the ESS Committee or the Board may be exercised at the ESS Committee's or the Board's absolute and unfettered discretion and the ESS Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities. In addition, the Board shall have the final authority to make any decision or determination pursuant to these By-Laws and may override any decision made by the ESS Committee as it deems fit;
- (e) the headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;
- (f) if an event occurs 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 provided always if such date shall fall beyond the duration of the ESS, then the stipulated day shall be taken to be the preceding Market Day; and
- (g) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns.

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PART A: GENERAL PROVISIONS OF THE ESS

2. NAME OF THE ESS

This ESS will be called the “Swift Employees’ Share Scheme” and shall comprise the ESOS and the SGP.

3. THE OBJECTIVES OF THE ESS

The establishment of this ESS is primarily serves to align the interest of the Eligible Persons to the performance of the Group. As such, the ESS is established to achieve the objectives as set out below:

- (a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to attract and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;
- (c) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (d) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (e) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

4. APPLICATION OF PART A

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

5. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESS

- 5.1 The total number of the Shares issued under the ESS shall not in aggregate be more than 6% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESS (“**Maximum Shares**”). The ESS Committee has the discretion in determining whether the total number of the Shares which may be made available under the ESS shall be staggered over the duration of the ESS.
- 5.2 Notwithstanding the provision of By-Law 5.1 above or any other provisions contained herein, in the event the aggregate number of the Shares awarded exceeds the Maximum Shares at any point in time as a result of the Company:
 - (a) purchasing or cancelling its own Shares in accordance with the provisions of the Act;
 - (b) undertaking any corporate proposal resulting in reduction of its total number of issued Shares,no further ESS Awards shall be granted until such aggregate number of the Shares (excluding treasury shares, if any) already awarded falls below the Maximum Shares. Any ESS Award granted prior to the adjustment of the issued share capital and/or Shares of the Company shall remain valid and exercisable in accordance with the provisions of this ESS.
- 5.3 Notwithstanding the above, the Company may implement more than 1 ESS during the ESS Period provided that the aggregate Shares available for issuance under all the share issuance schemes implemented by the Company are not more than 15% of its total number of issued Shares (excluding treasury shares, if any) at any one time pursuant to the Listing Requirements.
- 5.4 For the avoidance of doubt, the number of Shares comprised in any unexercised ESOS Options or unvested SGP Awards which become null and void under By-Laws 11.1 until 11.4 shall not form part of the Maximum Shares and shall continue to be available under the ESS.

6. DURATION AND TERMINATION OF THE ESS

6.1 The effective date for the implementation of the ESS 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 ("**Effective Date**"):

- (a) submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) receipt of the approval from Bursa Securities for the listing of the new Shares on the Main Market of Bursa Securities, to be issued under the ESS;
- (c) procurement of the shareholders' approval for the ESS at an extraordinary general meeting;
- (d) receipt of the approval of any other relevant authorities for the ESS (if any); and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above approvals, if any.

The ESS, when implemented, shall be in force for a period of 5 years from the Effective Date and may be extended for a period of up to another 5 years and shall not in aggregate exceed 10 years from the Effective Date ("**ESS Period**"). Such extended ESS Period shall be implemented in accordance with the terms of these By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force.

Unless otherwise required by the relevant authorities, 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 each ESS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the expiry of the first 5 years.

6.2 The ESS Awards can only be made during the ESS Period before the Date of Expiry.

6.3 Subject to By-Law 6.4, the Company may at any time during the ESS Period, terminate the ESS and, upon expiry of the notice period stipulated in By-Law 6.4, shall immediately announce to Bursa Securities the:

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

6.4 Prior to the termination of the ESS pursuant to By-Law 6.3, the Company shall provide 30 days' notice to all ESS Participants and allow the ESS Participants to:

- (a) exercise any vested but unexercised ESOS Options; and
- (b) subject to By-Law 11.1, transfer any shares of any vested SGP Awards prior to the Termination Date.

6.5 Notwithstanding anything to the contrary, all unvested and/or unexercised ESOS Options and/or SGP Awards shall lapse be deemed terminated and be null and void on the Date of Expiry or earlier termination of the ESS pursuant to By-Law 6.3.

6.6 The Company shall submit, through its Adviser and no later than 5 Market Days after the Effective Date of the implementation of these By-Laws, a confirmation to Bursa Securities of the full compliance of By-Law 6.1 above stating the Effective Date of implementation of the ESS, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the ESS.

6.7 In the event of termination as stipulated in By-Law 6.3 above, the following provisions shall apply:

- (a) no further ESS Award shall be made by the ESS Committee from the Termination Date;

- (b) all ESS Award which has yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
- (c) any ESS Award which has yet to be vested or exercised (as the case may be and whether fully or partially) granted under the ESS shall be deemed cancelled and be null and void; and
- (d) approval or consent of the shareholders of the Company by way of a resolution in an extraordinary general meeting and written consent of the ESS Participant in relation to unvested and/or unexercised ESS Award are not required to effect a termination of the ESS.

7. ELIGIBILITY

7.1 Subject to By-Laws 7.2, 7.3 and 7.4 below, the following persons will be eligible to participate in the ESS if at the ESS Award Date, the following eligibility criteria is fulfilled:

- (a) in respect of the Executive Employees and/or Senior Management of the Group, he/she:
 - (i) has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) is employed on a full-time basis and is on the payroll of by company of the Group and such employment has been confirmed;
 - (iii) is under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESS Committee; and/or
 - (iv) falls within any other eligibility criteria 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 an Executive Director of the Company, he/she:
 - (i) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) has been appointed as an Executive Director of the Company; and
 - (iii) fulfils any other eligibility criteria as may be set by the ESS Committee from time to time.

For avoidance of doubt, the abovementioned conditions are applicable in determining the eligibility to participate in the ESS. However, the selection of any of the abovementioned persons for participation in the ESS shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESS, the ESS Committee may take into account amongst other factors, designation, role, function, length of service and/or contribution to the relevant companies within the Group, and/or such other factors that the ESS Committee may in its sole and absolute discretion deem fit.

7.2 Subject to these By-Laws and to any applicable laws, where an employee has or had anytime (whether before or after the Effective Date) been seconded from the companies within the Group to a company which is not part of the Group, such seconded employee shall, unless otherwise determined by the ESS Committee at its sole discretion, be eligible to be considered for participation in the ESS, and for the purpose of these By-Laws, reference to "Eligible Person" shall include the seconded employee.

7.3 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, but not as a consultant, shall be treated as an employee of the Group. However, the following persons are not Eligible Persons and do not qualify for participation in the ESS:

- (a) subject to By-Law 23 below, employees of a company which has ceased to be a subsidiary of the Company; and
- (b) an Executive Director or an employee of a company within the Group which is dormant unless otherwise determined by the ESS Committee but subject to the relevant prevailing laws and regulations.

7.4 If the Eligible Person is:

- (a) a director, major shareholder, chief executive officer of the Company or a holding company of the Company; or
- (b) a person connected to such director, major shareholder, chief executive officer of the Company or a holding company of the Company,

the specific ESS Award made by the Company to such Eligible Person must first be approved by the shareholders of the Company at a general meeting, unless such approval is no longer required under the Listing Requirements and they shall not participate in the deliberation or discussion of their own allocation.

7.5 Unless otherwise determined by the ESS Committee, an ESS Participant under the ESS shall not be precluded from participating in any other share issuance scheme, share grant scheme, or share scheme which may be implemented by any other company in the Group during the ESS Period. For the avoidance of doubt, in the event the ESS Participant is transferred to another company within the Group which has its own share issuance scheme, share grant scheme or share scheme, such ESS Participant is entitled to continue participating in the ESS and exercise all unexercised ESS Awards granted under this ESS, in accordance with these By-Laws.

7.6 An Executive Director or Senior Management of the Group may be eligible to participate in either or both the SGP and/or the ESOS, as may be determined by the ESS Committee.

7.7 Eligibility under the ESS does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESS and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the Shares in the SGP comprised herein unless an ESS Award pursuant to an Award Letter has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award.

7.8 Notwithstanding anything to the contrary in these By-Laws and subject always to By-Laws 16 and 17, the ESS Committee may, in its absolute discretion, but subject to compliance with the Listing Requirements, other applicable laws, the requirements of Bursa Securities and any other relevant authorities (as the case may be) waive the eligibility criteria set out in this By-Law 7. The eligibility and number of the ESS Awards to be awarded to an Eligible Person under the ESS shall be at the sole and absolute discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

8. MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION

8.1 Subject to By-Law 5 and any adjustments which may be made under these By-Laws, the aggregate number of the Shares that may be allocated to any of the Eligible Persons who are entitled to participate in the ESS shall be on the basis set out in By-Law 8.2 subject always to the following main parameters ("**Maximum Allowable Allocation**"):

- (a) the Eligible Persons do not participate in the deliberation or discussion of their own allocation and those of persons connected to them;
- (b) no allocation of more than 10% of the Maximum Shares will be made to any Eligible Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (c) up to 67% of the Maximum Shares shall be allocated for the ESOS Awards (for Executive Director and Executive Employees) whereas the remaining 33% shall be allocated for SGP Awards (for Executive Director and Senior Management); and
- (d) no allocation of more than 45% of the total ESOS Awards will be made in aggregate to the Executive Directors and/or Senior Management who are Eligible Persons,

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

- 8.2 The basis for determining the aggregate number of the Shares that may be offered and/or allocated under the ESS to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, among 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 and after taking into consideration the seniority, job grading, performance, annual appraised performance, length of service and/or contribution to the Group by the Eligible Person and/or such other matters which the ESS Committee may in its sole and absolute discretion deem fit and the Maximum Allowable Allocation as decided by the ESS Committee.
- 8.3 Subject to By-Law 16, the ESS Committee may at its sole and absolute discretion and pursuant to By-Law 15, amend or vary and/or include or preclude any basis or criteria which is applied in considering the ESS Awards to the Eligible Persons including the Maximum Allowable Allocation for which it shall deem necessary to introduce during the ESS Period provided that these bases are in compliance with the relevant Listing Requirements and applicable laws.
- 8.4 In the event that an Eligible Person is promoted, he/she shall be entitled to continue to hold all unvested ESOS Options and to exercise all vested but unexercised ESOS Options and/or be entitled to hold all unvested SGP Awards held by him/her. The Maximum Allowable Allocation applicable to such Eligible Person shall be the Maximum Allowable Allocation that may be awarded corresponding to the category of the employee of which he/she then is a party, subject always to the Maximum Shares.
- 8.5 In the event that an Eligible Person is demoted, he/she shall be entitled to exercise all vested but unexercised ESOS Options and/or to all vested SGP Awards unless otherwise determined by the ESS Committee and the number of unvested ESOS Options and/or SGP Awards held by him/her at that time may be reduced by the ESS Committee in its sole and absolute discretion.
- 8.6 Any Eligible Person who holds more than 1 position within the Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 8.7 The ESS Committee may make more than 1 ESS Award to an Eligible Person provided that the aggregate number of the ESS Awards so offered to an Eligible Person throughout the entire ESS Period does not exceed the Maximum Allowable Allocation of such Eligible Person.
- 8.8 The ESS Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESOS Options and/or SGP Awards. The decision of the ESS Committee shall be final and binding.
- 8.9 The allocation of the ESOS Options and the SGP Awards pursuant to the ESS shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 8.10 The ESS Committee may at its sole and absolute discretion determine whether granting of the ESS Awards to the Eligible Person will be in 1 single grant or staggered over the duration of the ESS and/or whether the ESS Awards are subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to performance target.
- 8.11 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 allocations as well as persons connected with them, if any.
- 8.12 At the time the ESS Award is awarded in accordance with these By-Laws, the ESS Committee shall set out the basis of the award, identifying the category or grant of the Eligible Person and the Maximum Allowable Allocation that may be awarded to such Eligible Person under the ESS Award.

9. RIGHTS ATTACHING TO ESS AWARDS AND THE NEW SHARES

- 9.1 The ESOS Options and/or the SGP Awards, as the case may be, shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless such Shares have been issued, allotted and credited into the CDS Account of the Participant.
- 9.2 A Participant shall not be entitled to any dividends, right or other entitlements on his/her unvested or unexercised ESOS Options and/or unvested SGP Awards, as the case may be, until and unless such Shares have been issued, allotted and credited into the CDS Account of the Participant.

9.3 The new Shares to be allotted upon the vesting and exercise of the ESOS Options and/or vesting of the SGP Awards, as the case may be (if any), shall upon allotment and issuance rank *pari passu* in all respects with the existing Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is prior to the date of allotment of and issuance of the said new Shares and are subject to the provisions of the Constitution of the Company. If applicable, in the event that any existing Shares and/or treasury Shares are to be transferred upon the vesting and exercise of the ESOS Options and/or vesting of the SGP Awards of any Shares under the SGP Awards, the existing Shares and/or treasury Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, made or paid to the shareholder of the Company, the Entitlement Date of which is on or after the date the Shares are credited into the CDS Account of the relevant Participants.

9.4 All Shares will be subject to all provisions of the Constitution of the Company.

10. NON-TRANSFERABILITY

10.1 An ESOS Option and/or SGP Award, as the case may be, is personal to the Participant and, prior to the allotment and/or transfer to the Participant of the Shares to which the ESS Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever.

10.2 Unless permitted under these By-Laws, an ESS Award or the rights of the ESOS Participants under the ESOS Options shall not be transferred, assigned, disposed of or subject to any encumbrances by the ESS Participant. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option and/or ESS Award, as the case may be.

11. TERMINATION AND CLAWBACK

11.1 Upon occurrence of one or more of the following events prior to (i) the full vesting of the ESS Award (including prior to the acceptance of the ESS Award by the Eligible Persons), or (ii) issue and allotment of new Share or credit of existing and/or treasury Shares into the ESS Participant's CDS Account pursuant to the SGP Award and/or exercise of any ESOS Option, as the case may be, such ESS Award and/or ESOS Option or the balance thereof that remained unvested, not issued and allotted/transferred or unexercised, as the case may be, shall forthwith cease to be valid without any claim against the Company:

- (a) resignation, termination or cessation of employment of an Eligible Person or ESS Participant, for any reason;
- (b) expiry, termination or cessation of a contract of service of an Eligible Person or ESS Participant, for any reason;
- (c) resignation, retirement or removal of an Executive Director, for any reason;
- (d) the company which employs the Eligible Person or the ESS Participant ceasing to be part of the Group; or
- (e) without prejudice to the provisions of By-Laws 33.1, the Eligible Person or the ESS Participant is subject to disciplinary proceedings and the employment of the Eligible Person or ESS Participant is terminated.

11.2 Notwithstanding By-Law 11.1 above, the ESS Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such unvested ESS Awards shall vest all or in part (provided that no ESS Award shall vest after the Date of Expiry) or permit such issue and allotment of new Shares or transfer of existing Shares and/or treasury Shares pursuant to vested SGP Award and/or the exercise of any ESOS Option all or in part if such cessation occurs by reason of:

- (a) retirement upon or after attaining the retirement age under the Group's retirement policy; or
- (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (c) redundancy or retrenchment pursuant to the acceptance by that ESS Participant or a voluntary separation scheme offered by a company within the Group; or

- (d) resignation, retirement or removal of Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director; or
 - (e) transfer to any company outside the Group at the direction of the Company; or
 - (f) ill-health, injury, physical or mental disability; or
 - (g) any other circumstances which are acceptable to the ESS Committee.
- 11.3 Unless otherwise agreed in writing by the ESS Committee at its absolute discretion, upon the resignation of the ESS Participant from his/her employment or contract of service with the Group, an ESOS Option and/or SGP Award, as the case may be, shall lapse forthwith on the date the Participant tenders his/her resignation.
- 11.4 In the event a bankruptcy proceeding has commenced against an ESS Participant, the ESOS Option or the SGP Award, as the case may be, shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised ESOS Options and/or SGP Awards in respect of the ESS Award shall be capable to be vested to the said ESS Participant. However, an ESOS Option or SGP Award, as the case may be, shall immediately become void and of no further force and effect upon the ESS Participant being adjudicated a bankrupt.
- 11.5 For the avoidance of doubt, in the event of the liquidation or winding up of the Company in accordance with By-Law 29 or termination of the ESS in accordance with By-Law 6.3, all unexercised or unvested or partially unexercised or partially unvested ESOS Options and SGP Awards shall lapse and cease to be valid.
- 11.6 An ESOS Option or SGP Award, as the case may be, shall cease to be valid without any claim against the Company upon the happening of any event which results in the ESS Participant being deprived of the beneficial ownership of the ESOS Option or SGP Award on the date such event occurs.
- 11.7 Upon the termination of the ESOS Options and/or SGP Awards, as the case may be, pursuant to this By-Law 11, the ESS Participant shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her ESOS Options and/or SGP Awards, as the case may be, or his/her ESOS Options and/or SGP Awards, as the case may be, ceasing to be valid.
- 12. ALTERATION OF SHARE CAPITAL**
- 12.1 Notwithstanding anything contained in these By-Laws and subject to any applicable laws, the Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of the Shares or reduction of capital or any other variation of capital, the ESS Committee may at its discretion in good faith, determine:
 - (a) in respect of the Proposed ESOS, the ESOS Exercise Price and/or the number of unexercised ESOS Options; and
 - (b) in respect of the Proposed SGP, the number of Shares comprised in unvested SGP Awards, shall be adjusted.
- 12.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 12.1:
 - (a) any adjustment to the ESOS Exercise Price shall be rounded up to the nearest 1 sen; and
 - (b) in determining a Participant's entitlement to subscribe for the Shares and/or number of the Shares to be vested, any fractional entitlements will be disregarded.

- 12.3 By-Law 12.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new Shares or other securities convertible into the Shares or rights to acquire or subscribe for the Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
 - (b) a special issue of new Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
 - (c) a private placement/restricted issue of new Shares by the Company;
 - (d) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to the Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
 - (e) an issue of new Shares upon the exercise of ESOS Options or SGP Awards (if any) pursuant to the ESS;
 - (f) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act; or
 - (g) an issue of further ESOS Options or SGP Awards to Eligible Persons under these By-Laws.
- 12.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part (Division 7, Subdivision 2) of the Act, By-Law 12.1 shall be applicable in respect of such parts of the scheme involving any alteration in the capital structure of the Company, save that By-Law 12.3 shall be applicable in respect of such parts of the ESS which involves any alteration in the capital structure of the Company which falls within By-Law 12.3.
- 12.5 An adjustment pursuant to By-Law 12.1 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 the Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 12.6 Save for any alteration in the capital structure of the Company during the duration of the ESS arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an approved company Auditor or the Company's Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. Such confirmation shall be final and binding on all parties.
- 12.7 The Board shall be guided by the adjustments as provided in the Schedule of this By-Laws in determining the adjustments to be made pursuant to this By-Law 12.
- 12.8 Upon any adjustment being made, the ESS Committee shall, within 20 Market Days give notice in writing to the ESS Participant (or his/her duly appointed personal representatives where applicable), to inform him/her of the adjustment and the event giving rise thereto.
- 12.9 Notwithstanding the other provisions referred to in the Schedule of this By-Laws, in any circumstances where the ESS Committee considers that adjustments to the ESOS Exercise Price and/or any Shares relating to the ESOS Options and/or the SGP Awards to be issued or vested as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that an adjustment to the ESOS Exercise Price and/or the adjustments to the number of the Shares to be issued or vested relating to the ESOS Options and/or the SGP Awards should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an Auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or Auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or Auditor to be in their opinion appropriate.

13. QUOTATION OF NEW SHARES

- 13.1 If at the time of allotment of the new Shares pursuant to the exercise of an ESOS Option or allotment of the Shares pursuant to an SGP Award (if any), the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission for the listing of and quotation for the new Shares so allotted in accordance with By-Law 39.5 and By-Law 44.1, as the case may be.
- 13.2 The Company, the Trustee and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and Issuing the Shares or in procuring Bursa Securities to list the Shares for which the Participant is entitled to.

14. RETENTION PERIOD

- 14.1 The Shares to be allotted and issued or transferred to the Participant pursuant to the ESS will not be subjected to any retention period unless otherwise as stated in the ESS Award as determined by the ESS Committee from time to time. The expression "retention period" shall mean the period in which the Shares are awarded and issued pursuant to the ESS must not be sold, transferred, assigned or otherwise disposed by the Participant. However, the Participant is encouraged to hold the Shares as an investment rather than to realise immediate gains from disposal.
- 14.2 Notwithstanding By-Law 14.1 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.

15. ADMINISTRATION

- 15.1 The ESS shall be administered by the ESS Committee comprising such Directors and/or Senior Management of the Group as shall be appointed from time to time by the Board. The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESS Committee.
- 15.2 The ESS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the ESS in such manner as it shall in its discretion deem fit.
- 15.3 Without limiting the generality of By-Law 15.2, the ESS Committee may, for the purpose of administering the ESS, do all acts and things, rectify any error in the ESS Award, 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 ESS which the ESS Committee may in its discretion consider to be necessary or desirable for giving full effect to the ESS, including the powers to:
- (a) subject to the provisions of the ESS, construe and interpret the ESS and the ESS Award granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESS and its administration. The ESS Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the ESS or in any agreement providing for the ESS Award in a manner and to the extent it shall deem necessary to expedite and make the ESS fully effective;
 - (b) determine all questions of policy and expediency that may arise in the administration of the ESS and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company; and
 - (c) do all acts and things, rectify any errors in a ESS Award, execute all documents and delegate any of its powers and duties relating to the ESS as it may at its discretion consider necessary or desirable for giving effect to the ESS.
- 15.4 In implementing the ESS, the ESS Committee may at its absolute discretion decide that the ESS Awards be satisfied by the following methods:
- (a) issuance of new Shares;
 - (b) transfer of the Company's treasury shares;
 - (c) acquisition of existing Shares from the market;

- (d) payment of the equivalent cash value of such new Shares and/or existing Shares;
 - (e) any other methods; or
 - (f) a combination of any of the above.
- 15.5 The Board and/or the ESS Committee may establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time, subject to the provisions set out in the Trust Deed, for purposes of subscribing for new Shares or acquiring existing Shares from the market or dealing with existing Shares acquired from the market and transferring them to the SGP Participants or ESOS Participants at such time as the Committee may direct. To enable the Trustee to subscribe for new Shares and/or purchase existing Shares from the market for purposes of implementing the aforesaid 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 its subsidiaries.
- 15.6 The Trustee shall exercise the voting rights attached to such Shares in such manner and extent as may be directed by the ESS Committee in writing.
- 15.7 The Trustee shall administer the Trust in accordance with the Trust Deed. For purposes 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 discretion direct for the implementation and administration of the Trust.
- 15.8 The Company and/or the ESS Committee shall have the power from time to time, appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.
- 15.9 Any decision or determination of the ESS Committee made pursuant to the provisions of the ESS (other than a matter to be certified and/or approved by the Auditors or Advisers) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the ESS or any rule, regulation or procedure hereunder or as to any rights under the ESS). The ESS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 15.10 Neither the ESS nor the ESS Award under the ESS shall impose on the Company, the Board, or the ESS Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any ESS Award pursuant to any provision of these By-Laws;
 - (b) the failure or refusal by the ESS Committee to exercise, or the exercise by the ESS Committee of, any discretion under the ESS; and/or
 - (c) any decision or determination of the ESS Committee made pursuant to any provision of these By-Laws.
- 16. AMENDMENT AND/OR MODIFICATION TO THE ESS**
- 16.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the ESS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-Laws shall be made which will:
- (a) prejudice any rights then accrued to any ESS Participant without the prior consent or sanction of that Participant, as the case may be;
 - (b) increase the number of the Shares available under the ESS beyond the Maximum Shares set out in By-Law 5 above;
 - (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or

- (d) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 16.2 Any amendments/modifications to the By-Laws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 16.3 Upon amending and/or modifying all or any of the provisions of the ESS, the Company shall within 5 Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended By-Laws and a confirmation letter in the form required under the Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 16.4 The ESS Committee shall within 10 Market Days of any amendment and/or modification made pursuant to these By-Laws notify the ESS Participants in writing of any amendment and/or modification made pursuant to these By-Laws.

17. DISPUTES AND ERRORS AND OMISSIONS

- 17.1 In the event of any dispute or difference arising between the ESS Committee and an Eligible Person or an ESS Participant, as to any matter or thing of any nature arising hereunder, the ESS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the ESS Participant, as the case may be, **PROVIDED THAT** where the dispute or difference 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.
- 17.2 In the event the Eligible Person or the ESS Participant, as the case may be, shall dispute the decision made by the ESS Committee within 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 in respect of the decision and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.
- 17.3 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.
- 17.4 If in consequence of an error or omission, the ESS Committee discovers or determines that:
 - (a) an Eligible Person who was selected by the ESS Committee as a ESS Participant, has not been given the opportunity to participate in the ESS on any occasion; or
 - (b) the number of the Shares allotted, issued, transferred or vested to any ESS Participant on any occasion is found to be incorrect;

the ESS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the ESS and/or the aggregate number of the Shares to which the ESS Participant is correctly entitled to is credited into the ESS Participant's CDS Account.

18. THE ESS NOT A TERM OF EMPLOYMENT OR CONTRACT OF SERVICE

The ESS shall not form part of or constitute or in any way be construed as a term or condition of employment or contract of service of any Eligible Person. This ESS 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 or contract of service in the Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service. The terms of employment or contract of service of an Eligible Person shall not be affected by his/her participation in the ESS.

19. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESS including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the Shares pursuant to the exercise or vesting of any ESOS Option or SGP Award shall be borne by the Company. Notwithstanding this, the ESS Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an ESS Award and exercise of the ESOS Option, opening and maintaining of his/her respective CDS Account and sale of the Shares in the market.

20. CONSTITUTION

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

21. INSPECTION OF AUDITED ACCOUNTS

All ESS Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company.

22. TRANSFER FROM OTHER COMPANIES TO THE GROUP

In the event that:

- (a) a Director or an employee who was employed or under a contract of service in a company which is not within the Group and is subsequently transferred from such company to any company within the Group; or
- (b) a Director or an employee who was in the employment or under a contract of service with a company which subsequently becomes a member of the Group as a result of a restructuring exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first mentioned company in (a) and (b) above are hereinafter referred to as the **"Previous Company"**), such a Director or an employee of the Previous Company (**"the Affected Director/ Employee"**), subject to By-Law 6, will be eligible to participate in the ESS only for the remaining duration of the ESS, if the Affected Director/ Employee becomes an **"Eligible Person"** within the meaning under these By-Laws, subject always to the ESS Committee's discretion.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary pursuant to Section 4 of the Act, the ESS shall apply to the Directors and employees of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of **"Eligible Person"** under these By-Laws.

23. DIVESTMENT FROM THE GROUP

23.1 If an ESS Participant who held office or was in employment or under a contract of service with a company which ceases to be a company within the Group due to a subsequently disposal or divested (in whole or in part) from the Group, then such ESS Participant:

- (a) shall cease to be capable of being vested any unvested ESS Awards awarded to him/her under the ESS;
- (b) will not be entitled to exercise any unexercised vested ESOS Options, unless the ESS Committee at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested ESS Awards including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the ESS Committee, all existing ESS Awards shall automatically lapse and be null and void and of no further force and effect; and
- (c) shall not be eligible to participate for further ESS Awards under the ESS as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

- 23.2 For the purpose of By-Law 23.1, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

24. TAKEOVER AND DISPOSAL OF ASSETS

- 24.1 Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over 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 the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Participants that it intends so to exercise such rights on a specific date ("**Specified Date**"); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the ESS Committee may at its discretion to the extent permitted by law permit the vesting of the ESS Awards and the ESS Participants will be entitled to within such period to be determined by the ESS Committee to subscribe and/or exercise all or any of his/her ESS Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the ESS Awards under these By-Laws. In the event that the ESS Participants elect not to exercise some or all of the ESOS Options held by him/ her, the unexercised ESOS Options shall be automatically terminated and lapse by the date proscribed be null and void and of no further force and effect.

In the foregoing circumstances, all ESS Awards which the ESS Committee permits to be vested and/or exercised, shall automatically lapse and become null and void to the extent they remain unvested and/or unexercised by the date prescribed by the ESS Committee notwithstanding that the ESS Award vesting date has not commenced or has not expired.

25. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

- 25.1 Notwithstanding By-Laws 39 and 41 and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies, the ESS Committee may at its absolute discretion decide whether a ESS Participant may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised ESS Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective **PROVIDED ALWAYS THAT** no ESS Awards shall be vested and ESS Awards shall be subscribed and/or exercised after the expiry of the ESS Award vesting date. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised ESS Awards shall automatically lapse and shall become null and void and of no further force and effect.

26. NO COMPENSATION

- 26.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the ESS Awards or the ESS pursuant to the provisions of these By-Laws.
- 26.2 Notwithstanding any provisions of these By-Laws:
- (a) the ESS shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the ESS Award) against the Company or any company within the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within the Group;

- (b) no ESS Participants or his/her legal representative, as the case may be, 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 to his/her ESS Awards or his/her ESS Awards ceasing to be valid pursuant to the provisions of these By-Laws; and
- (c) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the ESS) or the ESS Committee shall in no event be liable to the ESS Participants or his/her legal representative, as the case may be, 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. TAXES

- 27.1 All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the SGP Awards and/or exercising of the ESOS Options under the ESS shall be borne by the ESS Participants for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

28. DISCLOSURES IN ANNUAL REPORT

- 28.1 The Company will make such disclosures in its annual report for as long as the ESS continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the Audit Committee verifying that the allocation of ESOS Options and/or SGP Awards pursuant to the ESS is in compliance with the criteria for allocation.

29. WINDING UP

- 29.1 All outstanding ESOS Options and SGP Awards shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

30. SEVERABILITY

- 30.1 If any time any term, condition, stipulation or provision in these By-Laws is or becomes illegal, void, prohibited or unenforceable in any respect, the same 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 and provision herein contained.

31. GOVERNING LAW AND JURISDICTION

- 31.1 These By-Laws shall be governed by and construed in accordance with the laws of Malaysia and the ESS Participant shall 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.
- 31.2 Any proceeding or action shall be instituted or taken in Malaysia and the ESS Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 31.3 Any ESS Award made to the Eligible Persons pursuant to the ESS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.

32. NOTICE

32.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the ESS Participant pursuant to the ESS shall be in writing and shall be deemed to be sufficiently given if it is:

- (a) sent by ordinary post by the Company to the Eligible Person or the ESS Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received 3 Market Days after posting;
- (b) given by hand to the Eligible Person or the ESS Participant, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the ESS Participant, such notice or request be deemed to have been received upon confirmation notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the ESS Participant shall be communicated in writing to the Company and the ESS Committee.

32.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the ESS Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at Suite 8.02, Level 8, Intan Millennium Square 2 (IMS 2), No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia or any other business address which may be notified in writing by the ESS Committee from time to time.

32.3 Notwithstanding By-Law 32.1, where any notice is required to be given by the Company or the ESS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or the ESS Participants, as the case may be, the Company or the ESS Committee may give notice 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 notice to be made under By-Law 32.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Person or ESS Participants, as the case may be.

33. DISCIPLINARY PROCEEDINGS

33.1 In the event that an ESS Participant is subject to a performance improvement plan (“**PIP**”) or disciplinary proceedings (whether or not such PIP or disciplinary proceedings will give rise to a dismissal or termination of service), the ESS Committee shall have the right, to suspend the ESS Participant’s ESS Award from being vested pending the achievement of the stipulated improvement plan targets by the ESS Participant or the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP or charges made or brought against the ESS Participant **PROVIDED ALWAYS THAT:**

- (a) in the event that such ESS Participant shall subsequently achieve the stipulated improvement plan targets or be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such SGP Participant to continue to hold or be vested his/her ESS Award;
- (b) in the event the ESS Participant fails to achieve the stipulated improvement plan targets or disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESS Participant, the ESS Award shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such ESS Participant notwithstanding that such recommendation may be subsequently challenged by the ESS Participant in any other forum;
- (c) in the event such ESS Participant only partially achieves the stipulated improvement plan targets or is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the ESS Participant may continue hold or be vested his/her ESS Award and/or adjust such number of ESS Awards to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting; and

- (d) in the event that no decision can be achieved and/or the disciplinary proceedings cannot be concluded after the expiry of the ESS Period, the ESS Award shall immediately lapse, null and void on the Date of Expiry without any notice to the ESS Participants.

The ESS Committee may, after a warning or caution letter has been issued to a ESS Participant by the relevant company within the Group suspend the ESS Participant's ESS Award from being vested until such time as the ESS Committee determines at its discretion whether or not the ESS Participant may continue to be vested the Shares under his/her ESS Award and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting.

For the purpose of this By-Laws, an ESS Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (a) he/ she is suspended from work pending investigation into his/her conduct;
- (b) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (c) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.

34. MULTIPLE JURISDICTIONS

- 34.1 In order to facilitate the making of any ESS Awards under the ESS, the ESS Committee and/or the Board may provide for such special terms to apply to any ESS who are employed by the Group in any particular jurisdiction, or who are nationals or any particular jurisdiction that is outside Malaysia, as the ESS Committee and/or the Board may consider necessary and/or appropriate to accommodate the differences in local law, tax policy or custom. Moreover, the ESS Committee and/or the Board may approve such supplements to or amendments, restatement or alternative versions of this ESS as it may consider necessary and/or appropriate for such purposes, without thereby affecting the terms of this ESS as is in effect for any other purpose. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this ESS as then in effect unless this ESS could have been amended to eliminate such inconsistency.
- 34.2 Any ESS Participant to whom the ESS Award is offered, is required to ensure that he/she complies with all applicable laws and regulations in each country or jurisdiction in or from which he/she accepts the ESS Award. By his/hers acceptance of the ESS Award, each ESS Participant represents, warrants and agrees that he/she has and will continue to observe all applicable laws and regulations in the jurisdiction in which he/she accepts the ESS Award.
- 34.3 In the event that any foreign laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of the Company to allow the Eligible Persons in their foreign subsidiaries to participate in the ESS, as alternative, a cash settled performance based scheme may be made available to them.

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PART B : ESOS

35. AWARD OF ESOS OPTIONS

- 35.1 The ESS Committee may, at any time during the duration of the ESS as defined in By-Law 6, make the ESOS Awards in writing to any Eligible Person (based on the criteria of allocation as set out in By-Law 8) as selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee.
- 35.2 The actual number of the Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee and subject to any adjustments that may be made under By-Law 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 35.3 An ESOS Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each ESOS Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 35.4 The ESS Committee may state the following particulars in the Award Letter (where applicable and amongst others):
- (a) the ESOS Award Date;
 - (b) the number of ESOS Options that are being offered to the Eligible Person;
 - (c) the number of the Shares which the Eligible Person shall be entitled to upon the vesting and exercise of the ESOS Options being offered;
 - (d) the ESS Period;
 - (e) the Exercise Period;
 - (f) the ESOS Exercise Price;
 - (g) the Validity Period as defined in By-Law 36.1;
 - (h) the Vesting Conditions (if any/ if applicable), the performance period, service period, vesting period, and vesting dates but in any event such periods and dates shall not be later than the Date of Expiry; and
 - (i) any other information deemed necessary by the ESS Committee.
- 35.5 Without prejudice to By-Laws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 35.4, the following provisions shall apply:
- (a) within 1 month after discovery of the error, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 35.4;
 - (b) in the event that the error relates to particulars other than the ESOS Exercise Price, the ESOS Exercise Price applicable in the supplemental Award Letter shall remain as the ESOS Exercise Price as per the original Award Letter; and
 - (c) in the event that the error relates to the ESOS Exercise Price, the ESOS Exercise Price applicable in the supplemental Award Letter shall be the ESOS Exercise Price applicable as at the date of the original Award Letter, save and except with respect to any ESOS Option which have already been exercised as at the date of issue of the supplemental Award Letter.
- 35.6 Subject to By-Law 3, nothing herein shall prevent the ESS Committee from making more than 1 ESS Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of the Shares which may be offered to any Eligible Person (inclusive of the Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in By-Law 8.
- 35.7 The ESS Committee has the discretion not to make further additional ESOS Awards.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 35.8 The ESOS Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person prior to the acceptance of the ESOS Awards by the Eligible Person in the manner set out in By-Law 36.
- 35.9 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 12.1 and 12.2 and the Company informing the ESOS Participant of such adjustment pursuant to By-Law 12.8, upon the return by an ESOS Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within 1 month from the date of return of the original Award Letter, to reflect the adjustment made to the number of ESOS Options granted to the ESOS Participant and/or the ESOS Exercise Price.
- 35.10 The ESS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 35.11 The Company shall keep and maintain at its own expense a register of ESOS Participants and shall enter the names, addresses and identity card numbers of the ESOS Participants, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options exercised, the ESOS Award Date and the ESOS Exercise Price and other particulars as may be prescribed under Section 129 of the Act.
- 35.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any ESOS Award to any or all of the Eligible Persons.
- 35.13 Each vested ESOS Option shall on payment of the ESOS Exercise Price be exercisable into 1 Share, fully issued, in accordance with the provisions of these By-Laws.
- 35.14 In the event the ESS Committee decides that the ESOS Option is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Award shall be decided by the ESS Committee at its sole and absolute discretion and each ESOS Award shall be separate and independent from the others.

36. ACCEPTANCE OF THE AWARD

- 36.1 An ESOS Award shall be valid for a period of 30 days from the ESOS Award Date or such period as the ESS Committee at its discretion, determines on a case to case basis ("**Validity Period**"). Acceptance of the said ESOS Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each ESOS Award (regardless of the number of shares comprised therein).
- 36.2 In the event that the Eligible Person fails to accept the ESOS Award or pay the acceptance consideration as set out in By-Law 36.1 within the Validity Period and in the manner aforesaid, or in the event of death or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Awards, the said ESOS Award shall be deemed to have lapsed. The ESOS Options comprised in such ESOS Awards may, at the discretion of the ESS Committee, be re-offered to other Eligible Person.
- 36.3 Upon acceptance of the ESOS Awards by the Eligible Persons, the ESOS Awards will be vested to the ESOS Participants on the ESOS vesting date during the duration of the ESS, subject to the ESOS Participants fulfilling the Vesting Conditions, if any, as determined by the ESS Committee.

37. ESOS EXERCISE PRICE

- 37.1 The ESOS Exercise Price which will be payable by the ESOS Participants upon the exercise of the ESOS Option shall be based on a discount (as determined by the ESS Committee) of not more than 10% of the 5 day volume weighted average market price of the Shares transacted on Bursa Securities immediately preceding the ESOS Award Date (or such basis as the relevant authorities may permit).
- 37.2 The ESOS Exercise Price shall be subject to any adjustments provided under By-Law 12.

38. VESTING CONDITIONS

- 38.1 Subject to By-Laws 6, 7 and 38.2, the ESOS Options or such part thereof will only vest to the ESOS Participant on the vesting dates if:
- (a) the ESOS Participant remains in employment by or appointment in the Group as at the vesting date; and

- (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 38.2 The ESS Committee shall have the 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, among others, the audited consolidated results of the Company, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting standards, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 38.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the ESOS Options, the ESS Committee shall notify the ESOS Participant of the number of ESOS Options vested and the vesting date of such ESOS Options. No ESOS Participant shall have any right to exercise any ESOS Options granted to the ESOS Participant until the ESOS Options are vested on the ESOS Participant pursuant to these By-Laws. The decision and/or determination of the ESS Committee on the vesting of the ESOS Options on the ESOS Participant pursuant to these By-Laws shall be final and conclusive.
- 38.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that ESOS Options shall lapse and be null and void.
- 38.5 Unless otherwise determined by the ESS Committee but subject to the applicable laws, the unvested ESOS Award shall automatically lapse and be null and void in the event of the death of the ESOS Participant.

39. EXERCISE OF ESOS OPTIONS

- 39.1 For the purpose of exercising the ESOS Option:
 - (a) except as otherwise determined by the ESS Committee but subject to the applicable laws and By-Law 11.1, the ESOS Option shall be exercisable during the ESOS Participant's lifetime during the ESS Period or such other period specified in the Award Letter only by the ESOS Participant or, in the event of the ESOS Participant's legal incapacity to do so, the Participant's guardian or legal representative acting on behalf of the ESOS Participant in a fiduciary capacity under the applicable laws and any required court supervision or, in the case of disability or death of the ESOS Participant, by his legal representative or his estate in accordance with By-Law 39.1(b).
 - (b) in the event of death of the ESOS Participant, the legal representative of the deceased ESOS Participant may, during the Exercise Period, exercise the ESOS Options which have vested in the deceased ESOS Participant under the ESS provided that the transmission of the ESOS Options from the deceased ESOS Participant to the legal representative of the deceased ESOS Participant must be approved by the ESS Committee within the period of 6 months (or such other longer period as the ESS Committee may determine as its discretion) from the event of death.
- 39.2 Subject to By-Laws 39.3 and 33.1, an ESOS Option can be exercised by the ESOS Participant by notice in the prescribed form to the Company on the 1st or 15th day of every month during the Exercise Period in respect of all or any part of the Shares comprised in the ESOS Option, such part being in multiples of 100 Shares. For the avoidance of doubt, if the 1st or 15th day of any month shall fall on a day which is not a Market Day, then the notice in writing by the ESOS Participant to the Company shall be submitted on the Market Day immediately following the 1st or 15th day of the said month. Any partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option in respect of the balance of the Shares comprised in the ESOS Option. In the event that an ESOS Participant's balance of ESOS Options exercisable in accordance with these By-Laws shall be less than 100 new Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 39.3 Subject to By-Laws 12 and 16, the ESS Committee may, at any time and from time to time, before and after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of the Shares and/or such percentage of the total Shares comprised in the ESOS Option during such periods within the ESS Period, subject to the exercise of the ESOS Option to any Vesting Condition determined by the ESS Committee at its sole and absolute discretion including but not limited to performance/ service targets being achieved before an ESOS Option can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the ESOS Option) as the ESS Committee may, in its sole discretion deem appropriate including amending or varying any terms or conditions imposed earlier.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 39.4 Every such notice to exercise the ESOS Option referred to in By-Law 39.2 shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers order drawn and payable in Malaysia or any other form acceptable to the ESS Committee for the full amount of the ESOS Exercise Price (calculated in accordance with the provisions of By-Law 37) in relation to the number of the Shares in respect of which the written notice is given.
- 39.5 If the ESOS Participant exercise the ESOS Options, subject to the fulfilment of the vesting conditions (if any), in accordance with the By-Laws, the Company shall as soon as reasonably practicable following the exercise:
- (a) credit such Shares to the ESOS Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice stating such number of the Shares credited into the CDS Account of the ESOS Participant; or
 - (b) allot and issue such new Shares to the ESOS Participant in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice of allotment to the ESOS Participant, make an application for the listing of and quotation for the new Shares and credit such Shares to the ESOS Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository.
- For this purpose, no physical share certificate will be issued to the ESOS Participant.
- 39.6 The ESOS Participant who exercises his/her ESOS Option shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in By-Law 39.2 together with the requisite remittance of monies. The Shares to be issued or transferred pursuant to the exercise of an ESOS Option will be credited directly into the CDS Account of the ESOS Participant or his/her Authorised Nominee, as the case may be, and in the case of new Shares, a notice of allotment or notice stating the number of shares credited into such CDS Account will be issued to the ESOS Participant within the period prescribed by Bursa Securities and no physical share certificate will be issued.
- 39.7 All ESOS Options to the extent unexercised and/or unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 39.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESS Committee. The ESS Committee shall inform the ESOS Participant of the rejection of the notice of exercise within 10 Market Days from the date of rejection and the ESOS Participant shall not have deemed to have exercised his/her ESOS Option.
- 39.9 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by an ESOS Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Options or for any errors in any ESOS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 39.10 Every ESOS Option shall be subjected to the condition that no Shares shall be vested, issued and/or credited pursuant to the exercise of an ESOS Option if such vesting, issue and/or crediting 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 ESS Period or such period as may be extended.

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PART C : SGP

40. SGP AWARDS

- 40.1 The ESS Committee may, at any time during the ESS Period, grant a SGP Award in writing to any Senior Management and/or Executive Director (based on the criteria of allocation as set out in By-Law 8) as selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee.
- 40.2 The actual number of the Shares which may be offered to a Senior Management or Executive Director shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-Law 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 40.3 A SGP Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each SGP Award shall be made in writing and is personal to the Senior Management and/or Executive Director and is non-assignable and non-transferable.
- 40.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of the Shares to be granted to the Eligible Person;
 - (b) the ESS Period;
 - (c) the SGP Award Date;
 - (d) the Vesting Conditions (if any/if applicable), the performance period, service period, vesting period, and vesting dates but in any event such periods and dates shall not be later than the Date of Expiry; and
 - (e) any other information deemed necessary by the ESS Committee.
- 40.5 The ESS Committee shall notify each SGP Participant of the SGP Award of such performance targets, performance period, service period, vesting period, Vesting Conditions, vesting dates or such other conditions to be stipulated by the ESS Committee and the number of the Shares vested onto him/ her on the vesting dates **PROVIDED THAT** there may be excluded from such notice any information the disclosure of which the ESS Committee shall reasonably consider would prejudice confidentiality.
- 40.6 Without prejudice to By-Laws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Laws 40.4 and/or 40.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 40.4 and/or 40.5 within 1 month after discovery of the error.
- 40.7 Subject to By-Law 40, nothing herein shall prevent the ESS Committee from making more than 1 SGP Award to any Senior Management or Executive Director **PROVIDED ALWAYS THAT** the total aggregate number of the Shares which may be offered to any Senior Management or Executive Director (inclusive of the Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of that Senior Management or Executive Director as set out in By-Law 8.
- 40.8 The ESS Committee has the discretion not to make further additional SGP Awards.
- 40.9 The SGP Awards shall automatically lapse and be null and void in the event of the death of the Senior Management or Executive Director prior to the acceptance of the SGP Awards by the Senior Management or Executive Director in the manner set out in By-Law 42.
- 40.10 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 12.1 and 12.2 and the Company informing the SGP Participant of such adjustment pursuant to By-Law 12.5, upon the return by a SGP Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within 1 month from the date of return of the original Award Letter, to reflect the adjustment made to the number of the Shares granted to the SGP Participant.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

40.11 The ESS Committee may, by giving notice in writing to the Senior Management or Executive Director, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.

40.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any SGP Award to any or all of the Senior Management and Executive Director.

41. ACCEPTANCE OF THE SGP AWARD

41.1 A SGP Award shall be valid for a period of 30 days from the SGP Award Date or such period as the ESS Committee at its discretion, determines on a case to case basis ("**Validity Period**"). Acceptance of the said SGP Award by an Eligible Person shall be made by way of a written notice from the Senior Executive and/or Executive Director to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each SGP Award (regardless of the number of shares comprised therein).

41.2 In the event that the Senior Executive and/or Executive Director fails to accept the SGP Award or pay the acceptance consideration as set out in By-Law 41.1 within the Validity Period and in the manner aforesaid, or in the event of death or the Senior Executive and/or Executive Director becomes a bankrupt prior to his/her acceptance of the SGP Awards, the said SGP Award shall be deemed to have lapsed. The Shares comprised in such SGP Awards may, at the discretion of the ESS Committee, be re-offered to other Senior Executive and/or Executive Director.

41.3 Upon acceptance of the SGP Awards by the Senior Executive and/or Executive Director, the SGP Awards will be vested to the SGP Participants on the SGP vesting date during the duration of the ESS, subject to the SGP Participants fulfilling the vesting conditions, if any, as determined by the ESS Committee.

42. VESTING CONDITIONS

42.1 Subject to By-Laws 6, 7 and 42.2, the Shares comprised in the SGP Award or such part thereof will only vest to the SGP Participant on the vesting dates if:

- (a) the SGP Participant remains in employment with the Group as at the vesting date; and
- (b) the other Vesting Conditions (if any) are fully and duly satisfied.

42.2 The ESS Committee shall have the 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, among others, the audited consolidated results of the Company, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting standards, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

42.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the SGP Award, the ESS Committee shall notify the SGP Participant of the number of the Shares vested or which will be vested to the SGP Participant on the vesting date of such Shares. No SGP Participant shall have any right to or interest in the Shares granted to him unless and until the Shares are vested in him on and with effect from the date of vesting of the said Shares. The decision and/or determination of the ESS Committee on the vesting of the Shares on the SGP Participant pursuant to these By-Laws shall be final and conclusive-

42.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that SGP Award shall lapse and be of no value.

42.5 For the avoidance of doubt, the Shares will vest with the SGP Participants at no cost to the SGP Participants upon acceptance of the SGP Award by the SGP Participants and fulfilment of the Vesting Conditions and all other conditions as stipulated By-Law 42.2 (if any).

42.6 Unless otherwise determined by the ESS Committee but subject to the applicable laws, the SGP Award shall automatically lapse and be null and void in the event of the death of the SGP Participant.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

43. REFERENCE PRICE

- 43.1 The reference price for the SGP Awards to be granted shall be based on a discount (as determined by the ESS Committee) of not more than 10% of the 5 day volume weighted average market price of the Shares transacted on Bursa Securities on the date of granting of the SGP Awards to the SGP Participants ("**Reference Price**").

44. DELIVERY OF THE SHARES

- 44.1 In respect of the Shares which are vested onto an SGP Participant pursuant to By-Law 42, the Company shall as soon as reasonably practicable following the date of vesting:
- (a) credit such Shares to the SGP Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice stating such number of the Shares credited into the CDS Account of the SGP Participant;
 - (b) allot and issue such new Shares to the SGP Participant in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice of allotment to the SGP Participant, make an application for the listing of and quotation for the new Shares and credit such Shares to the SGP Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository; or
 - (c) remit the cash equivalent to the Reference Price of the Shares as set out in the SGP Awards.

For this purpose, no physical share certificate will be issued to the SGP Participant.

- 44.2 The ESS Committee, the Board and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the Shares.
- 44.3 The SGP Participant shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of the SGP Participant or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be issued to the SGP Participant and no physical share certificate will be issued.
- 44.4 All SGP Awards to the extent unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 44.5 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in crediting the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a SGP Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGP Awards or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 44.6 Every SGP Award shall be subjected to the condition that no Shares shall be vested and/or credited pursuant to an SGP Award if such vesting and/or crediting 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 ESS Period or such period as may be extended.

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THE SCHEDULE

In addition to By-Law 12.1 and not in derogation thereof, the ESOS Exercise Price and the number of the Shares relating to the ESOS Option so far unvested and/or unexercised and/or relating to a SGP Award in so far as unvested shall from time to time be adjusted by the ESS Committee in accordance with the following relevant provisions in consultation with an Adviser and/or Auditor:

- (a) If and whenever a Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of the Shares without capitalisation of profits or reserves) or conversion occurs, the ESOS Exercise Price shall be adjusted and the adjusted number of the Shares relating to the ESOS Option/ SGP Award (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$\begin{aligned} \text{(i)} \quad \text{New ESOS Exercise Price} &= \frac{S \times L}{M} \\ \text{(ii)} \quad \text{Additional number of the Shares} &= \frac{T \times M}{L} - T \end{aligned}$$

where:

- L = the aggregate number of Shares in issue immediately prior to the consolidation or subdivision or conversion;
- M = the aggregate number of Shares in issue immediately after such consolidation or subdivision or conversion;
- S = existing ESOS Exercise Price; and
- T = Existing number of Shares relating to the ESOS Option/ SGP Award.

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares), the ESOS Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of the Shares relating to the ESOS Option to be issued/ the additional number of Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Additional number of the Shares} = \frac{T \times (A + B)}{A}$$

where

- A = the aggregate number of issued Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares);

APPENDIX I – DRAFT BY-LAWS (CONT'D)

T = as above.

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

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations); or
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for the Shares by way of rights; or
- (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares,

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

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

and in respect of the case referred to in Clause (c)(ii) above, the adjusted number of Shares comprised in the ESOS Option to be issued/the adjusted number of Shares to be vested and transferred under a SGP Award shall be calculated as follows:

where

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

T = as above.

C = the Current 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 announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

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

(ii) in the case of any other transaction falling within Clause (c), the fair market value, as determined by the Adviser and/or an auditor, of that portion of the Capital Distribution attributable to 1 Share.

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

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

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

where:

- C = As C above
- E = the subscription consideration for 1 additional Share under the terms of such offer or invitation or subscription price for 1 additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for 1 Share under the offer or invitation;
- F = the number of the Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into rights to acquire or subscribe for 1 additional Share; and
- D* = the value of rights attributable to 1 Share (as defined below).

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

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

where:

- C = As C above
- E* = the subscription price for 1 additional Share under the terms of such offer or invitation; and
- F* = the number of the Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of Clause (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of the Shares (not falling under Clause (b)) or other securities credited account by way of capitalisation of profits or reserves (but excluding an of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares).

Any distribution out of profits or reserves made (whenever paid) shall 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 profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the ESOS Exercise Price 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 an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of the Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + B) \times C}{(G \times C) + (H \times I)}$$

where:

- B = as B above;
- C = as C above;
- G = the aggregate number of issue Shares on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into the Shares or rights to acquire or subscribe for the Shares, as the case may be;
- H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights;
- I = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share, as the case may be;
- I* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares; and
- T = as T above.

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in Clause (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, the ESOS 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 adjusted number of Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;

APPENDIX I – DRAFT BY-LAWS (CONT'D)

I* = as I* 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 the Shares by the ordinary shareholders;

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

T = as T 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.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also make, an offer or invitation to acquire or subscribe for the Shares to its ordinary shareholders as provided in Clause (c)(ii) above, together with rights to acquire or subscribe for the Shares as provided in Clause (c)(iii) above, and the book closure date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the ESOS 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 adjusted number of the Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

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

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

where:

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

For the purpose of this paragraph (g), the "Total Effective Consideration" shall be determined by the ESS Committee with the concurrence of the external auditors shall be:

- (i) in the case of the issue of the 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 the Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and 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 in full of such rights.

For the purpose of this paragraph (g), "Average Price" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for 1 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 Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the subscription price of such Shares. Each 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 this Schedule:

- (i) "Current Market Price" means in relation to each Share for any relevant day the 5 day volume weighted average market price for each Share on Bursa Securities for the 5 consecutive Market Days before such date for one or more board lots of the Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines proscribed by any competent authorities, if any.

APPENDIX II – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTERESTS

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

MIDF Investment has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser for the Proposed ESS.

Malaysian Industrial Development Finance Berhad ("**MIDF**") is the holding company of MIDF Investment. MIDF, MIDF Investment and other subsidiaries of MIDF (collectively referred to as "**MIDF Group**") and its related and associated companies are involved in diversified financial activities. MIDF Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and its affiliates, in addition to MIDF Investment's role as the Principal Adviser for the Proposed ESS. Further, in the ordinary course of business, any member of the MIDF Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group and our affiliates or any other entity or transactions for its own account or the account of its customer. This is a result of the business of the MIDF Group generally acting independent of each other and accordingly, there may be situations where parts of the MIDF Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, MIDF Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on our Group's financial results/position:

	RM'000
Property, plant and equipment	6,396
Approved but not contracted for	-
Contracted but not provided for	6,396

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on our Group's financial results/position:

	RM'000
Secured bank guarantees	16,867

5. MATERIAL LITIGATION

As at the LPD, saved as disclosed below, our Company and/or our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group:-

(i) Shah Alam High Court No. BA-22NCVC-427-10/2022**Swift Logistics Yard Sdn Bhd ("Plaintiff") against North West Depoh Sdn Bhd ("Defendant")**

Perbadanan Kemajuan Negeri Selangor ("**PKNS**") is the registered owner of the land held under H.S.(D) 116369 No. P.T. 185, Bandar Sultan Suleiman, Daerah Klang, Negeri Selangor Darul Ehsan ("**Land**"). The Land was leased to the Plaintiff from 19 July 2012 until 20 November 2022.

The Plaintiff entered into a sale and purchase agreement with PKNS on 26 August 2021 ("Sale and Purchase Agreement") to purchase the said Land and the completion of the sale transaction was on 21 March 2022 upon obtaining approval from the Economic Planning Unit of the Prime Minister's Department. The Plaintiff has fully satisfied the requirements of the Sale and Purchase Agreement and has beneficial rights to the Land ("Sale Transaction"). At the completion of the sale transaction stage, the Defendant lodged a private caveat on 12 April 2022 preventing the process of the transfer of title from PKNS to the Plaintiff.

The Land was rented to the Defendant vide a tenancy agreement entered into between the Plaintiff and Defendant on 14 January 2015 ("**Tenancy**"). The Tenancy was renewed and revised throughout the years and came to an end on 15 January 2023. Under the Tenancy, the Defendant was to deliver vacant possession to the Plaintiff in stages commencing from 1 April 2022. However, the Defendant had failed and/or neglected and/or refused to deliver the same.

On 20 May 2022, the Plaintiff filed a legal suit against the Defendant under the Shah Alam Sessions Court number BA-B52-21-05/2022 claiming for, amongst others, the Defendant to deliver vacant possession of the Land and pay double rental in the sum of RM461,204.08 a month from 1 June 2022 until the delivery of vacant possession and damages to be assessed.

The Defendant has alleged that the Tenancy is coupled with equity on the said Land. The Defendant also filed a counterclaim against the Plaintiff, amongst others, that the Tenancy is coupled with equity on the said Land, a declaration that the Defendant has the right to occupy the said Land under equity, an order that the Plaintiff shall not evict and/or prohibit the Defendant from occupying the Land and damages of RM6,000,000 or alternatively RM1,270,000.

The Sessions Court suit was then transferred to Shah Alam High Court on 17 October 2022 and registered under the suit number BA-22NCVC-427-10/2022. The Defendant had filed an injunction application to prevent the Plaintiff from evicting the Defendant until the current writ action has been disposed. On 16 February 2023, the High Court had allowed the Defendant's injunction application with costs on grounds amongst others, that there are serious issues to be tried. On 21 February 2023, the Plaintiff filed a Notice to Appeal to the Court of Appeal on the decision of the High Court. The Court of Appeal has fixed the case management on 26 April 2023. The parties are to file their respective written submissions by 11 April 2023 and written submissions in reply by 26 April 2023. The hearing has been fixed on 10 May 2023.

The solicitors of the Plaintiff are of the view that the Plaintiff has a reasonable and good chance in succeeding in its claim against the Defendant as well as dismissing the Defendant's counterclaim.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's registered office 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) from the date of this Circular up to the date of the forthcoming EGM of our Company:

- (i) Constitution of our Company;
- (ii) Audited consolidated financial statements of Swift Haulage for the past 2 financial years up to 31 December 2022;
- (iii) The relevant cause papers in respect of the material litigation as set out in Section 5 of this **Appendix II**;
- (iv) Draft By-Laws; and
- (v) The letter of consent and declaration of conflict of interests referred to in Section 2 of this **Appendix II**.

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SWIFT HAULAGE BERHAD

(Registration No.: 200001030627 (533234-V))
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Swift Haulage Berhad ("**Swift Haulage**" or the "**Company**") will be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millenium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the Twenty-Third Annual General Meeting of the Company, or at any adjournment thereof, whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF AN EMPLOYEES' SHARE SCHEME ("ESS") OF UP TO 6% OF THE TOTAL NUMBER OF ISSUED SHARES OF SWIFT HAULAGE (EXCLUDING TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE ESS FOR THE EXECUTIVE DIRECTOR AND ELIGIBLE EMPLOYEES OF SWIFT HAULAGE AND ITS SUBSIDIARIES, WHICH ARE NOT DORMANT ("PROPOSED ESS")

"THAT, subject to the approvals being obtained from all relevant authorities and/or parties in relation to the Proposed ESS and to the extent permitted by law and the Constitution of the Company ("**Constitution**"), the Board of Directors of the Company ("**Board**") be and is hereby authorised to undertake the following:

- (i) to establish, implement and administer the Proposed ESS for the benefit of the Executive Director and employees of the Company and its subsidiaries, which are not dormant ("**Swift Group**") who meet the criteria of eligibility for participation in the Proposed ESS and to implement and administer the same in accordance with the rules, terms and conditions of the Proposed ESS as set out therein, and shall include any amendments or variations made thereto from time to time ("**By-Laws**") which is set out in **Appendix I** of the Circular;
- (ii) to issue and allot and/or procure the transfer of such number of new or existing ordinary shares in Swift Haulage ("**Swift Shares**" or "**Shares**") (as adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed ESS, provided that the total number of the Shares be allotted and issued pursuant to granting of the Shares ("**SGP Awards**") and/or options to subscribe for and/or acquire the Shares ("**ESOS Options**") (collectively, the "**ESS Awards**") to the Executive Director and eligible employees of Swift Group in relation to the Proposed ESS shall not exceed 6% in aggregate of the total number of issued Shares of the Company (excluding treasury shares) at any point in time throughout the duration of the Proposed ESS and such new Shares shall, upon allotment and issuance, carry the same rights as the existing Shares, save and except that the new Shares would not be entitled to dividend, rights, allotments and/or other forms of distribution which may be declared, made or paid to shareholders of Swift Haulage, the entitlement date of which is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the ESOS Options;
- (iii) to add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESS;

- (iv) to extend the duration of the Proposed ESS for a period of up to another 5 years, provided always that such extension of the Proposed ESS is made in accordance with the provisions of the By-Laws shall not in aggregate exceed a duration of 10 years from the date the Proposed ESS takes effect or such other period determined by the relevant authorities;
- (v) to appoint and authorise a committee ("**ESS Committee**") by which the Proposed ESS will be administered in accordance with the By-Laws by the said ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of Directors and/or senior management personnel of the Swift Group to be approved by the Board;
- (vi) to make the necessary application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESS; and
- (vii) to do all such acts and things, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules and regulations, or 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.

THAT pursuant to Section 85(1) of the Companies Act 2016 which must be read together with Clause 16.6 of the Constitution, approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new Swift Shares ranking equally to the existing issued Swift Shares or other convertible securities arising from any allotment and issuance of new Shares to the Eligible Persons pursuant to the Proposed ESS;

AND THAT, the By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") a draft of which is set out in **Appendix I** of the Circular, be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient for the Proposed ESS to be in effect."

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF THE ESS AWARDS TO LOO YONG HUI

"THAT, subject to the passing of Ordinary Resolution 1 and the approvals of all the relevant authorities being obtained, approval be and is hereby given to the ESS Committee from time to time throughout the duration of the Proposed ESS, to offer and grant to Loo Yong Hui, being the Non-Independent Executive Director/Group Chief Executive Officer of Swift Haulage, ESS Awards of not more than 10% of the total ESS Awards to be issued under the Proposed ESS, provided always that:

- (i) he does not participate in the deliberation or discussion of his own allocation;
- (ii) not more than 10% of the new Shares which may be made available under the Proposed ESS shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the issued shares of Swift Haulage; and
- (iii) 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 authority, as amended from time to time.

THAT the Board is also authorised to issue and/or transfer existing shares (including treasury shares) corresponding to the number of the Shares arising from the exercise of the ESOS Options and/or pursuant to the vesting of the SGP Awards that may be awarded to him under the Proposed ESS.

THAT pursuant to Section 85(1) of the Companies Act 2016 which must be read together with Clause 16.6 of the Constitution, approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered new Swift Shares ranking equally to the existing issued Swift Shares.

AND THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Swift Shares to Loo Yong Hui pursuant to the Proposed ESS.”

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
LIM LIH CHAU (SSM PC NO. 201908001454) (LS0010105)
Company Secretaries

Kuala Lumpur
28 April 2023

Notes:

1. *As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via Tricor's online platform at <https://tjih.online>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.*
2. *The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 18.4(a) of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.*

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Tricor's online platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to is.enquiry@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2023 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*
4. *A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
7. *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.*
8. *The instrument appointing a proxy must be deposited at the registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Proxy Form electronically at <https://tjih.online> not later than forty-eight (48) hours before the time set for holding the meeting.*

Please refer to the Administrative Guide for the EGM of the Company that is available for download at www.swiftlogistics.com.my for further details.

Explanatory Notes:

Section 85(1) of the Companies Act 2016 states that:

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

Clause 16.6 of the Constitution states that:

"Subject to any direction to the contrary that may be given by the Company in general meeting of Members, all new Shares or other convertible Securities shall, before issue, be offered to such persons who as at the date of the offer, are entitled to receive notices from the Company of general meetings of Members, in proportion, as nearly as circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may, subject to this Constitution, dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to the Shares or Securities held by persons entitled to an offer of new Shares or Securities), cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

In order for the Board to issue any new Shares or other convertible securities without any pre-emptive rights, such pre-emptive rights must be waived. By approving the resolutions in relation to the Proposed ESS which entail the allotment and issuance of new Swift Shares (including the new Shares to be issued arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are waiving their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 which must be read together with Clause 16.6 of the Constitution to first be offered the Swift Shares which, upon waiving the same, will result in a dilution to their shareholding percentage in the Company.

SWIFT HAULAGE BERHAD

Registration No. 200001030627 (533234-V)

Administrative Guide for the Extraordinary General Meeting of Swift Haulage Berhad

- Date and Time : Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the Twenty-Third Annual General Meeting of the Company, or at any adjournment thereof, whichever is later
- Venue : Virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millenium Square 2, No. 88, Jalan Batai Laut 4, Taman Indan, 41300 Klang, Selangor Darul Ehsan

Precautionary Measures Against the Coronavirus Disease (“COVID-19”)

- In line with the Government’s directive and Securities Commission Malaysia’s Guidance Note to curb the spread of COVID-19, the Company will conduct the Extraordinary General Meeting (“**EGM**”) on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting (“**RPV**”) facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd’s (“**Tricor**”) **TIIH Online** website at <https://tiih.online>.
- The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the venue of the meeting. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.
- We **strongly encourage** you to attend the EGM via the RPV facilities. You may also consider appointing the Chairman of the meeting as your proxy to attend and vote on your behalf at the EGM.
- Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our EGM at short notice. Kindly check the Company’s website or announcements for the latest updates on the status of the EGM.
- The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

Remote Participation and Voting

- The RPV facilities are available on Tricor’s **TIIH Online** website at <https://tiih.online>.
- Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company (“**Board**”) via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the EGM using the RPV facilities:

Before the EGM Day

Procedure	Action
i. Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services” by selecting “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already an existing user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend EGM remotely	<ul style="list-style-type: none"> Registration is open from Friday, 28 April 2023 until the day of the EGM on Wednesday, 31 May 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate in the EGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: <p>(Registration) Swift Haulage Berhad EGM 2023</p> <ul style="list-style-type: none"> Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 24 May 2023, the system will send you an e-mail after 29 May 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV) .</i></p>

On the EGM Day

Procedure	Action
i. Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 11.00 a.m. i.e. 1 hour before the commencement of meeting at 12.00 noon on Wednesday, 31 May 2023.
ii. Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Stream Meeting) Swift Haulage Berhad EGM 2023 to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible time, after the meeting.
iii. Online remote voting	<ul style="list-style-type: none"> Voting session commences from 12:00 noon on Wednesday, 31 May 2023 until a time when the Chairman announces the end of the session. Select the corporate event: (Remote Voting) Swift Haulage Berhad EGM 2023 or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
iv. End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the EGM, the Live Streaming will end.

Note to users of the RPV facilities:

- i. Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- ii. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- iii. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 24 May 2023 shall be eligible to attend, speak and vote at the EGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
 - In view that the EGM will be conducted on a virtual basis, a member can appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
 - If you wish to participate in the EGM yourself, please do not submit any Proxy Form for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.
 - Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 29 May 2023 at 12.00 noon:**
- i. In Hard copy:
 - a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
 - b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com
 - ii. By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> ▪ Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. ▪ If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of proxy form	<ul style="list-style-type: none"> ▪ After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. ▪ Select the corporate event: Swift Haulage Berhad EGM 2023-“Submission of Proxy Form”. ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. ▪ Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. ▪ Review and confirm your proxy(s) appointment. ▪ Print the proxy form for your record.

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> ▪ Access TIIH Online at https://tiih.online ▪ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ul style="list-style-type: none"> ▪ Login to TIIH Online at https://tiih.online ▪ Select the corporate exercise name: Swift Haulage Berhad EGM 2023 - “Submission of Proxy Form” Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Submit the proxy appointment file. ▪ Login to TIIH Online, select corporate exercise name: Swift Haulage Berhad EGM 2023 - “Submission of Proxy Form”. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select “Submit” to complete your submission. ▪ Print the confirmation report of your submission for your record.

Voting at Meeting

- The voting at the EGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Malaysia”**). The Company has appointed Tricor to conduct the poll voting electronically (**“e-voting”**) via Tricor e-Vote application and **Scrutineer Solutions Sdn Bhd** as Independent Scrutineers to verify the poll results.
- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the meeting and submit your votes at any time from the commencement of the EGM at 12.00 noon. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.

Results of the voting

- The resolutions proposed at the EGM and the results of the voting will be announced at the EGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

Pre-Meeting Submission of Questions to the Board of Directors

- The Board recognises that the EGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the EGM, shareholders may in advance, before the EGM, submit questions to the Board of Directors via Tricor’s TIIH Online website at <https://tiih.online>, by selecting **“e-Services”** to login, post your questions and submit it electronically no later than Monday, 29 May 2023. The Board of Directors will endeavor to address the questions received at the EGM.

Circular

- The Circular is available on the Company's website at www.swiftlogistics.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Circular at <https://tiih.online> by selecting "**Request for Circular**" under the "**Investor Services**".
- Kindly consider the environment before you decide to request for the printed copy of the Circular. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Enquiry

- If you have any enquiry prior to the meeting, please call the Company's Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).



SWIFT HAULAGE BERHAD

(Registration No. 200001030627 (533234-V))
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

PROXY FORM

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We _____ NRIC/Passport no./Registration no. _____
(full name in block)

of _____
(address)

being a *member/members of SWIFT HAULAGE BERHAD ("Company"), hereby appoint:

(1) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____
Email address : _____ Telephone no. : _____

AND

(2) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____
Email address : _____ Telephone no. : _____

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM" or "Meeting") of the Company which will be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millenium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 31 May 2023 at 12.00 noon, or immediately following the conclusion of the Twenty-Third Annual General Meeting of the Company, or at any adjournment thereof, whichever is later, in respect of my/our shareholding in the manner indicated below:

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	Ordinary Resolutions	For	Against
1.	Proposed ESS		
2.	Proposed allocation of the ESS Awards to Loo Yong Hui		

Dated this _____ day of _____ 2023

Signature/Common Seal of Member

** Strike out whichever is not applicable*

For the appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100

Notes:

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via Tricors' online platform at <https://tiih.online>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 18.4(a) of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Tricor's online platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to is.enquiry@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2023 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. 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.
8. The instrument appointing a proxy must be deposited at the registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Proxy Form electronically at <https://tiih.online> not later than forty-eight (48) hours before the time set for holding the meeting.

Please refer to the Administrative Guide for the EGM of the Company that is available for download at www.swiftlogistics.com.my for further details.

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The Share Registrar
SWIFT HAULAGE BERHAD
(Registration No. 200001030627 (533234-V))

c/o **Tricor Investor & Issuing House Services Sdn. Bhd.**
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

AFFIX
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SWIFT HAULAGE BERHAD
[REGISTRATION NO. 200001030627 (533234-V)]

EMPLOYEES' SHARE SCHEME COMPRISING EMPLOYEES' SHARE OPTION SCHEME AND SHARE GRANT PLAN

1. DEFINITIONS AND INTERPRETATIONS

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

Term	Meaning
Act	Companies Act 2016 as amended from time to time including all regulations made thereunder any re-enactment thereof
Adviser	Any person who is eligible to act as a principal adviser that fulfils the requirements as set out in the Guidelines on Submission of Corporate and Capital Market Product Proposals as well as Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia
Auditor	Shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors licensed by the Audit Oversight Board of Malaysia as may be nominated or approved by the Board for the purpose of carrying out such matter as required under this By-Laws
Authorised Nominee	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository
Award Letter	A letter of offer to the Eligible Person issued pursuant to an offer made by the ESS Committee under Part B or Part C, as the case may be, of these By-Laws
Board	Board of Directors of the Company, as may be constituted from time to time
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 ESS as set out herein, and shall include any amendments or variations made thereto from time to time
CDS	Central Depository System as governed under SI(CD)A
CDS Account	A Central Depository System account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositor
Company	SWIFT HAULAGE BERHAD [Registration No. 200001030627 (533234-V)] and where the context admits, includes its successors-in-title
Constitution	The constitution of the Company, including any amendment thereto that may be made from time to time
Date of Expiry	The last day of the duration of the ESS pursuant to By-Law 6.1 hereof

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Term	Meaning
Depositor	A holder of a CDS Account
Director	Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: (a) occupies or acts in the position of a director; (b) is in accordance with whose directions or instructions of the directors of a corporation are accustomed to act; or (c) is an alternate or substitute director, in the Group
Effective Date	The date on which the ESS comes into force as provided in By-Law 6.1
Eligible Person	Executive Directors of the Company, Executive Employees and/or Senior Management of the Group who fulfil the conditions of eligibility as stipulated in By-Law 7
Entitlement Date	The date as at the close of business on which the names of the shareholders of the Company must appear on the Company's record of depositors in order to participate in any dividends, rights, allotments or other distributions
ESOS	The employees' share option scheme, a component of the ESS as more particularly set out in Part B of these By-Laws
ESOS Award	The grant of such number of ESOS Options to the Eligible Person to subscribe for the Shares at the ESOS Exercise Price in the manner and subject to the terms and conditions provided in these By-Laws
ESOS Award Date	The date of which an ESOS Award is awarded to any Eligible Person pursuant to an Award Letter
ESOS Exercise Price	The price at which the ESOS Participant shall be entitled to subscribe for Shares by exercising his/her ESOS Options as determined in accordance with By-Law 37
ESOS Options	The right of an ESOS Participant to subscribe for the Shares under the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner as indicated in By-Law 35
ESOS Participant	Eligible Person who has accepted a grant of ESOS Options in accordance with the terms of the ESS
ESS	The Group's Employees' Share Scheme comprising the ESOS and the SGP on the terms as set out in these By-Laws
ESS Awards	An award made in writing by the ESS Committee to an Eligible Person from time to time within the duration of the ESS to participate in the ESOS and/or SGP in the manner stipulated in the By-Laws
ESS Award Date	The SGP Award Date and/or the ESOS Award Date, as the case may be
Executive Director	A natural person who is a Director in a full time executive capacity and is involved in the day-to-day management of the company

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Term	Meaning
Executive Employees	Such employees as the ESS Committee may determine to be executive employees of the Group
Exercise Period	The specific period or periods within the ESS Period during which the ESOS Options may be exercised by the Participants, as determined by the ESS Committee subject to By-Law 6
Government	The Government of Malaysia
Group	The Company and its Subsidiaries which are not dormant
Listing Requirements	The Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Guidance Notes issued in relation thereto
Market Days	Any days on which Bursa Securities is open for trading in securities
Maximum Allowable Allocation	The maximum number of the Shares that can be offered to an Eligible Person as stipulated in By-Law 8
Person connected	Has the meaning given to “person connected” adopted in Paragraph 1.01 of the Listing Requirements
Registered Office	The registered address of the Company being Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur
RM and sen	Ringgit Malaysia and sen, respectively
Rules of Bursa Depository	The Rules of Bursa Depository as issued pursuant to the SI(CD)A
SGP	The Share Grant Plan, a component of the ESS as more particularly set out in Part C of these By-Laws
SGP Award	The grant of an award of such number of the Shares to the Senior Management and/or Executive Director at no payment by the Senior Management and/or Executive Director
SGP Award Date	The date of which an SGP Award is awarded to any Senior Management and/or Executive Director pursuant to an Award Letter
SGP Participant	Senior Management and/or Executive Director who has accepted the SGP Award in accordance with the terms of the ESS
Senior Management	Such employees as the ESS Committee may determine to be senior management of the Group
Shares	Ordinary shares in the Company
SI(CD)A	Securities Industry (Central Depositories) Act 1991
Subsidiaries	Subsidiary companies within the meaning of Section 4 of the Act of the Company which are not dormant and shall include subsidiary companies which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiary companies which have been divested in the manner provided for in By-Law 23.2 and which is determined by the ESS Committee at its absolute discretion from time to time to be a corporation participating under the ESS in accordance with By-Law 7

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Term	Meaning
Trust	The trust established to facilitate the implementation of SGP
Trust Deed	The trust deed constituting the Trust
Trustee	The trustee for the time being appointed to be the trustee for the ESS pursuant to By-Law 15.5
Vesting Conditions	The conditions, which are determined and imposed by the ESS Committee, required to be fulfilled by a Participant to the satisfaction of the ESS Committee before the ESOS Option and/or SGP Award is capable of being vested onto the Participant pursuant to the terms of these By-Laws

1.1 In these By-Laws:

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESS Award offered and accepted prior to the expiry of the ESS and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (c) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (d) any discretion or power which may be exercised or any determination which may be made hereunder by the ESS Committee or the Board may be exercised at the ESS Committee's or the Board's absolute and unfettered discretion and the ESS Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities. In addition, the Board shall have the final authority to make any decision or determination pursuant to these By-Laws and may override any decision made by the ESS Committee as it deems fit;
- (e) the headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;
- (f) if an event occurs 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 provided always if such date shall fall beyond the duration of the ESS, then the stipulated day shall be taken to be the preceding Market Day; and
- (g) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns.

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PART A: GENERAL PROVISIONS OF THE ESS

2. NAME OF THE ESS

This ESS will be called the “Swift Employees’ Share Scheme” and shall comprise the ESOS and the SGP.

3. THE OBJECTIVES OF THE ESS

The establishment of this ESS is primarily serves to align the interest of the Eligible Persons to the performance of the Group. As such, the ESS is established to achieve the objectives as set out below:

- (a) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (b) to attract and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;
- (c) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (d) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (e) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

4. APPLICATION OF PART A

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

5. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESS

- 5.1 The total number of the Shares issued under the ESS shall not in aggregate be more than 6% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESS (“**Maximum Shares**”). The ESS Committee has the discretion in determining whether the total number of the Shares which may be made available under the ESS shall be staggered over the duration of the ESS.
- 5.2 Notwithstanding the provision of By-Law 5.1 above or any other provisions contained herein, in the event the aggregate number of the Shares awarded exceeds the Maximum Shares at any point in time as a result of the Company:
 - (a) purchasing or cancelling its own Shares in accordance with the provisions of the Act;
 - (b) undertaking any corporate proposal resulting in reduction of its total number of issued Shares,no further ESS Awards shall be granted until such aggregate number of the Shares (excluding treasury shares, if any) already awarded falls below the Maximum Shares. Any ESS Award granted prior to the adjustment of the issued share capital and/or Shares of the Company shall remain valid and exercisable in accordance with the provisions of this ESS.
- 5.3 Notwithstanding the above, the Company may implement more than 1 ESS during the ESS Period provided that the aggregate Shares available for issuance under all the share issuance schemes implemented by the Company are not more than 15% of its total number of issued Shares (excluding treasury shares, if any) at any one time pursuant to the Listing Requirements.
- 5.4 For the avoidance of doubt, the number of Shares comprised in any unexercised ESOS Options or unvested SGP Awards which become null and void under By-Laws 11.1 until 11.4 shall not form part of the Maximum Shares and shall continue to be available under the ESS.

6. DURATION AND TERMINATION OF THE ESS

6.1 The effective date for the implementation of the ESS 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 ("**Effective Date**"):

- (a) submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) receipt of the approval from Bursa Securities for the listing of the new Shares on the Main Market of Bursa Securities, to be issued under the ESS;
- (c) procurement of the shareholders' approval for the ESS at an extraordinary general meeting;
- (d) receipt of the approval of any other relevant authorities for the ESS (if any); and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above approvals, if any.

The ESS, when implemented, shall be in force for a period of 5 years from the Effective Date and may be extended for a period of up to another 5 years and shall not in aggregate exceed 10 years from the Effective Date ("**ESS Period**"). Such extended ESS Period shall be implemented in accordance with the terms of these By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force.

Unless otherwise required by the relevant authorities, 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 each ESS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the expiry of the first 5 years.

6.2 The ESS Awards can only be made during the ESS Period before the Date of Expiry.

6.3 Subject to By-Law 6.4, the Company may at any time during the ESS Period, terminate the ESS and, upon expiry of the notice period stipulated in By-Law 6.4, shall immediately announce to Bursa Securities the:

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

6.4 Prior to the termination of the ESS pursuant to By-Law 6.3, the Company shall provide 30 days' notice to all ESS Participants and allow the ESS Participants to:

- (a) exercise any vested but unexercised ESOS Options; and
- (b) subject to By-Law 11.1, transfer any shares of any vested SGP Awards prior to the Termination Date.

6.5 Notwithstanding anything to the contrary, all unvested and/or unexercised ESOS Options and/or SGP Awards shall lapse be deemed terminated and be null and void on the Date of Expiry or earlier termination of the ESS pursuant to By-Law 6.3.

6.6 The Company shall submit, through its Adviser and no later than 5 Market Days after the Effective Date of the implementation of these By-Laws, a confirmation to Bursa Securities of the full compliance of By-Law 6.1 above stating the Effective Date of implementation of the ESS, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the ESS.

6.7 In the event of termination as stipulated in By-Law 6.3 above, the following provisions shall apply:

- (a) no further ESS Award shall be made by the ESS Committee from the Termination Date;

- (b) all ESS Award which has yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
- (c) any ESS Award which has yet to be vested or exercised (as the case may be and whether fully or partially) granted under the ESS shall be deemed cancelled and be null and void; and
- (d) approval or consent of the shareholders of the Company by way of a resolution in an extraordinary general meeting and written consent of the ESS Participant in relation to unvested and/or unexercised ESS Award are not required to effect a termination of the ESS.

7. ELIGIBILITY

7.1 Subject to By-Laws 7.2, 7.3 and 7.4 below, the following persons will be eligible to participate in the ESS if at the ESS Award Date, the following eligibility criteria is fulfilled:

- (a) in respect of the Executive Employees and/or Senior Management of the Group, he/she:
 - (i) has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) is employed on a full-time basis and is on the payroll of by company of the Group and such employment has been confirmed;
 - (iii) is under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESS Committee; and/or
 - (iv) falls within any other eligibility criteria 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 an Executive Director of the Company, he/she:
 - (i) has attained the age of 18 years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) has been appointed as an Executive Director of the Company; and
 - (iii) fulfils any other eligibility criteria as may be set by the ESS Committee from time to time.

For avoidance of doubt, the abovementioned conditions are applicable in determining the eligibility to participate in the ESS. However, the selection of any of the abovementioned persons for participation in the ESS shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESS, the ESS Committee may take into account amongst other factors, designation, role, function, length of service and/or contribution to the relevant companies within the Group, and/or such other factors that the ESS Committee may in its sole and absolute discretion deem fit.

7.2 Subject to these By-Laws and to any applicable laws, where an employee has or had anytime (whether before or after the Effective Date) been seconded from the companies within the Group to a company which is not part of the Group, such seconded employee shall, unless otherwise determined by the ESS Committee at its sole discretion, be eligible to be considered for participation in the ESS, and for the purpose of these By-Laws, reference to "Eligible Person" shall include the seconded employee.

7.3 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, but not as a consultant, shall be treated as an employee of the Group. However, the following persons are not Eligible Persons and do not qualify for participation in the ESS:

- (a) subject to By-Law 23 below, employees of a company which has ceased to be a subsidiary of the Company; and
- (b) an Executive Director or an employee of a company within the Group which is dormant unless otherwise determined by the ESS Committee but subject to the relevant prevailing laws and regulations.

7.4 If the Eligible Person is:

- (a) a director, major shareholder, chief executive officer of the Company or a holding company of the Company; or
- (b) a person connected to such director, major shareholder, chief executive officer of the Company or a holding company of the Company,

the specific ESS Award made by the Company to such Eligible Person must first be approved by the shareholders of the Company at a general meeting, unless such approval is no longer required under the Listing Requirements and they shall not participate in the deliberation or discussion of their own allocation.

7.5 Unless otherwise determined by the ESS Committee, an ESS Participant under the ESS shall not be precluded from participating in any other share issuance scheme, share grant scheme, or share scheme which may be implemented by any other company in the Group during the ESS Period. For the avoidance of doubt, in the event the ESS Participant is transferred to another company within the Group which has its own share issuance scheme, share grant scheme or share scheme, such ESS Participant is entitled to continue participating in the ESS and exercise all unexercised ESS Awards granted under this ESS, in accordance with these By-Laws.

7.6 An Executive Director or Senior Management of the Group may be eligible to participate in either or both the SGP and/or the ESOS, as may be determined by the ESS Committee.

7.7 Eligibility under the ESS does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESS and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the Shares in the SGP comprised herein unless an ESS Award pursuant to an Award Letter has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award.

7.8 Notwithstanding anything to the contrary in these By-Laws and subject always to By-Laws 16 and 17, the ESS Committee may, in its absolute discretion, but subject to compliance with the Listing Requirements, other applicable laws, the requirements of Bursa Securities and any other relevant authorities (as the case may be) waive the eligibility criteria set out in this By-Law 7. The eligibility and number of the ESS Awards to be awarded to an Eligible Person under the ESS shall be at the sole and absolute discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

8. MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION

8.1 Subject to By-Law 5 and any adjustments which may be made under these By-Laws, the aggregate number of the Shares that may be allocated to any of the Eligible Persons who are entitled to participate in the ESS shall be on the basis set out in By-Law 8.2 subject always to the following main parameters ("**Maximum Allowable Allocation**"):

- (a) the Eligible Persons do not participate in the deliberation or discussion of their own allocation and those of persons connected to them;
- (b) no allocation of more than 10% of the Maximum Shares will be made to any Eligible Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (c) up to 67% of the Maximum Shares shall be allocated for the ESOS Awards (for Executive Director and Executive Employees) whereas the remaining 33% shall be allocated for SGP Awards (for Executive Director and Senior Management); and
- (d) no allocation of more than 45% of the total ESOS Awards will be made in aggregate to the Executive Directors and/or Senior Management who are Eligible Persons,

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

- 8.2 The basis for determining the aggregate number of the Shares that may be offered and/or allocated under the ESS to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, among 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 and after taking into consideration the seniority, job grading, performance, annual appraised performance, length of service and/or contribution to the Group by the Eligible Person and/or such other matters which the ESS Committee may in its sole and absolute discretion deem fit and the Maximum Allowable Allocation as decided by the ESS Committee.
- 8.3 Subject to By-Law 16, the ESS Committee may at its sole and absolute discretion and pursuant to By-Law 15, amend or vary and/or include or preclude any basis or criteria which is applied in considering the ESS Awards to the Eligible Persons including the Maximum Allowable Allocation for which it shall deem necessary to introduce during the ESS Period provided that these bases are in compliance with the relevant Listing Requirements and applicable laws.
- 8.4 In the event that an Eligible Person is promoted, he/she shall be entitled to continue to hold all unvested ESOS Options and to exercise all vested but unexercised ESOS Options and/or be entitled to hold all unvested SGP Awards held by him/her. The Maximum Allowable Allocation applicable to such Eligible Person shall be the Maximum Allowable Allocation that may be awarded corresponding to the category of the employee of which he/she then is a party, subject always to the Maximum Shares.
- 8.5 In the event that an Eligible Person is demoted, he/she shall be entitled to exercise all vested but unexercised ESOS Options and/or to all vested SGP Awards unless otherwise determined by the ESS Committee and the number of unvested ESOS Options and/or SGP Awards held by him/her at that time may be reduced by the ESS Committee in its sole and absolute discretion.
- 8.6 Any Eligible Person who holds more than 1 position within the Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 8.7 The ESS Committee may make more than 1 ESS Award to an Eligible Person provided that the aggregate number of the ESS Awards so offered to an Eligible Person throughout the entire ESS Period does not exceed the Maximum Allowable Allocation of such Eligible Person.
- 8.8 The ESS Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESOS Options and/or SGP Awards. The decision of the ESS Committee shall be final and binding.
- 8.9 The allocation of the ESOS Options and the SGP Awards pursuant to the ESS shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 8.10 The ESS Committee may at its sole and absolute discretion determine whether granting of the ESS Awards to the Eligible Person will be in 1 single grant or staggered over the duration of the ESS and/or whether the ESS Awards are subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to performance target.
- 8.11 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 allocations as well as persons connected with them, if any.
- 8.12 At the time the ESS Award is awarded in accordance with these By-Laws, the ESS Committee shall set out the basis of the award, identifying the category or grant of the Eligible Person and the Maximum Allowable Allocation that may be awarded to such Eligible Person under the ESS Award.

9. RIGHTS ATTACHING TO ESS AWARDS AND THE NEW SHARES

- 9.1 The ESOS Options and/or the SGP Awards, as the case may be, shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless such Shares have been issued, allotted and credited into the CDS Account of the Participant.
- 9.2 A Participant shall not be entitled to any dividends, right or other entitlements on his/her unvested or unexercised ESOS Options and/or unvested SGP Awards, as the case may be, until and unless such Shares have been issued, allotted and credited into the CDS Account of the Participant.

- 9.3 The new Shares to be allotted upon the vesting and exercise of the ESOS Options and/or vesting of the SGP Awards, as the case may be (if any), shall upon allotment and issuance rank *pari passu* in all respects with the existing Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is prior to the date of allotment of and issuance of the said new Shares and are subject to the provisions of the Constitution of the Company. If applicable, in the event that any existing Shares and/or treasury Shares are to be transferred upon the vesting and exercise of the ESOS Options and/or vesting of the SGP Awards of any Shares under the SGP Awards, the existing Shares and/or treasury Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, made or paid to the shareholder of the Company, the Entitlement Date of which is on or after the date the Shares are credited into the CDS Account of the relevant Participants.

- 9.4 All Shares will be subject to all provisions of the Constitution of the Company.

10. NON-TRANSFERABILITY

- 10.1 An ESOS Option and/or SGP Award, as the case may be, is personal to the Participant and, prior to the allotment and/or transfer to the Participant of the Shares to which the ESS Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever.
- 10.2 Unless permitted under these By-Laws, an ESS Award or the rights of the ESOS Participants under the ESOS Options shall not be transferred, assigned, disposed of or subject to any encumbrances by the ESS Participant. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option and/or ESS Award, as the case may be.

11. TERMINATION AND CLAWBACK

- 11.1 Upon occurrence of one or more of the following events prior to (i) the full vesting of the ESS Award (including prior to the acceptance of the ESS Award by the Eligible Persons), or (ii) issue and allotment of new Share or credit of existing and/or treasury Shares into the ESS Participant's CDS Account pursuant to the SGP Award and/or exercise of any ESOS Option, as the case may be, such ESS Award and/or ESOS Option or the balance thereof that remained unvested, not issued and allotted/transferred or unexercised, as the case may be, shall forthwith cease to be valid without any claim against the Company:
- (a) resignation, termination or cessation of employment of an Eligible Person or ESS Participant, for any reason;
 - (b) expiry, termination or cessation of a contract of service of an Eligible Person or ESS Participant, for any reason;
 - (c) resignation, retirement or removal of an Executive Director, for any reason;
 - (d) the company which employs the Eligible Person or the ESS Participant ceasing to be part of the Group; or
 - (e) without prejudice to the provisions of By-Laws 33.1, the Eligible Person or the ESS Participant is subject to disciplinary proceedings and the employment of the Eligible Person or ESS Participant is terminated.
- 11.2 Notwithstanding By-Law 11.1 above, the ESS Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such unvested ESS Awards shall vest all or in part (provided that no ESS Award shall vest after the Date of Expiry) or permit such issue and allotment of new Shares or transfer of existing Shares and/or treasury Shares pursuant to vested SGP Award and/or the exercise of any ESOS Option all or in part if such cessation occurs by reason of:
- (a) retirement upon or after attaining the retirement age under the Group's retirement policy; or
 - (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (c) redundancy or retrenchment pursuant to the acceptance by that ESS Participant or a voluntary separation scheme offered by a company within the Group; or

- (d) resignation, retirement or removal of Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director; or
 - (e) transfer to any company outside the Group at the direction of the Company; or
 - (f) ill-health, injury, physical or mental disability; or
 - (g) any other circumstances which are acceptable to the ESS Committee.
- 11.3 Unless otherwise agreed in writing by the ESS Committee at its absolute discretion, upon the resignation of the ESS Participant from his/her employment or contract of service with the Group, an ESOS Option and/or SGP Award, as the case may be, shall lapse forthwith on the date the Participant tenders his/her resignation.
- 11.4 In the event a bankruptcy proceeding has commenced against an ESS Participant, the ESOS Option or the SGP Award, as the case may be, shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised ESOS Options and/or SGP Awards in respect of the ESS Award shall be capable to be vested to the said ESS Participant. However, an ESOS Option or SGP Award, as the case may be, shall immediately become void and of no further force and effect upon the ESS Participant being adjudicated a bankrupt.
- 11.5 For the avoidance of doubt, in the event of the liquidation or winding up of the Company in accordance with By-Law 29 or termination of the ESS in accordance with By-Law 6.3, all unexercised or unvested or partially unexercised or partially unvested ESOS Options and SGP Awards shall lapse and cease to be valid.
- 11.6 An ESOS Option or SGP Award, as the case may be, shall cease to be valid without any claim against the Company upon the happening of any event which results in the ESS Participant being deprived of the beneficial ownership of the ESOS Option or SGP Award on the date such event occurs.
- 11.7 Upon the termination of the ESOS Options and/or SGP Awards, as the case may be, pursuant to this By-Law 11, the ESS Participant shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her ESOS Options and/or SGP Awards, as the case may be, or his/her ESOS Options and/or SGP Awards, as the case may be, ceasing to be valid.
- 12. ALTERATION OF SHARE CAPITAL**
- 12.1 Notwithstanding anything contained in these By-Laws and subject to any applicable laws, the Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of the Shares or reduction of capital or any other variation of capital, the ESS Committee may at its discretion in good faith, determine:
 - (a) in respect of the Proposed ESOS, the ESOS Exercise Price and/or the number of unexercised ESOS Options; and
 - (b) in respect of the Proposed SGP, the number of Shares comprised in unvested SGP Awards,shall be adjusted.
- 12.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 12.1:
 - (a) any adjustment to the ESOS Exercise Price shall be rounded up to the nearest 1 sen; and
 - (b) in determining a Participant's entitlement to subscribe for the Shares and/or number of the Shares to be vested, any fractional entitlements will be disregarded.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 12.3 By-Law 12.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new Shares or other securities convertible into the Shares or rights to acquire or subscribe for the Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
 - (b) a special issue of new Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
 - (c) a private placement/restricted issue of new Shares by the Company;
 - (d) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to the Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
 - (e) an issue of new Shares upon the exercise of ESOS Options or SGP Awards (if any) pursuant to the ESS;
 - (f) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act; or
 - (g) an issue of further ESOS Options or SGP Awards to Eligible Persons under these By-Laws.
- 12.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part (Division 7, Subdivision 2) of the Act, By-Law 12.1 shall be applicable in respect of such parts of the scheme involving any alteration in the capital structure of the Company, save that By-Law 12.3 shall be applicable in respect of such parts of the ESS which involves any alteration in the capital structure of the Company which falls within By-Law 12.3.
- 12.5 An adjustment pursuant to By-Law 12.1 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 the Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 12.6 Save for any alteration in the capital structure of the Company during the duration of the ESS arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an approved company Auditor or the Company's Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. Such confirmation shall be final and binding on all parties.
- 12.7 The Board shall be guided by the adjustments as provided in the Schedule of this By-Laws in determining the adjustments to be made pursuant to this By-Law 12.
- 12.8 Upon any adjustment being made, the ESS Committee shall, within 20 Market Days give notice in writing to the ESS Participant (or his/her duly appointed personal representatives where applicable), to inform him/her of the adjustment and the event giving rise thereto.
- 12.9 Notwithstanding the other provisions referred to in the Schedule of this By-Laws, in any circumstances where the ESS Committee considers that adjustments to the ESOS Exercise Price and/or any Shares relating to the ESOS Options and/or the SGP Awards to be issued or vested as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that an adjustment to the ESOS Exercise Price and/or the adjustments to the number of the Shares to be issued or vested relating to the ESOS Options and/or the SGP Awards should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an Auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or Auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or Auditor to be in their opinion appropriate.

13. QUOTATION OF NEW SHARES

- 13.1 If at the time of allotment of the new Shares pursuant to the exercise of an ESOS Option or allotment of the Shares pursuant to an SGP Award (if any), the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission for the listing of and quotation for the new Shares so allotted in accordance with By-Law 39.5 and By-Law 44.1, as the case may be.
- 13.2 The Company, the Trustee and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and Issuing the Shares or in procuring Bursa Securities to list the Shares for which the Participant is entitled to.

14. RETENTION PERIOD

- 14.1 The Shares to be allotted and issued or transferred to the Participant pursuant to the ESS will not be subjected to any retention period unless otherwise as stated in the ESS Award as determined by the ESS Committee from time to time. The expression "retention period" shall mean the period in which the Shares are awarded and issued pursuant to the ESS must not be sold, transferred, assigned or otherwise disposed by the Participant. However, the Participant is encouraged to hold the Shares as an investment rather than to realise immediate gains from disposal.
- 14.2 Notwithstanding By-Law 14.1 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.

15. ADMINISTRATION

- 15.1 The ESS shall be administered by the ESS Committee comprising such Directors and/or Senior Management of the Group as shall be appointed from time to time by the Board. The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESS Committee.
- 15.2 The ESS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the ESS in such manner as it shall in its discretion deem fit.
- 15.3 Without limiting the generality of By-Law 15.2, the ESS Committee may, for the purpose of administering the ESS, do all acts and things, rectify any error in the ESS Award, 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 ESS which the ESS Committee may in its discretion consider to be necessary or desirable for giving full effect to the ESS, including the powers to:
- (a) subject to the provisions of the ESS, construe and interpret the ESS and the ESS Award granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESS and its administration. The ESS Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the ESS or in any agreement providing for the ESS Award in a manner and to the extent it shall deem necessary to expedite and make the ESS fully effective;
 - (b) determine all questions of policy and expediency that may arise in the administration of the ESS and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company; and
 - (c) do all acts and things, rectify any errors in a ESS Award, execute all documents and delegate any of its powers and duties relating to the ESS as it may at its discretion consider necessary or desirable for giving effect to the ESS.
- 15.4 In implementing the ESS, the ESS Committee may at its absolute discretion decide that the ESS Awards be satisfied by the following methods:
- (a) issuance of new Shares;
 - (b) transfer of the Company's treasury shares;
 - (c) acquisition of existing Shares from the market;

- (d) payment of the equivalent cash value of such new Shares and/or existing Shares;
 - (e) any other methods; or
 - (f) a combination of any of the above.
- 15.5 The Board and/or the ESS Committee may establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time, subject to the provisions set out in the Trust Deed, for purposes of subscribing for new Shares or acquiring existing Shares from the market or dealing with existing Shares acquired from the market and transferring them to the SGP Participants or ESOS Participants at such time as the Committee may direct. To enable the Trustee to subscribe for new Shares and/or purchase existing Shares from the market for purposes of implementing the aforesaid 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 its subsidiaries.
- 15.6 The Trustee shall exercise the voting rights attached to such Shares in such manner and extent as may be directed by the ESS Committee in writing.
- 15.7 The Trustee shall administer the Trust in accordance with the Trust Deed. For purposes 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 discretion direct for the implementation and administration of the Trust.
- 15.8 The Company and/or the ESS Committee shall have the power from time to time, appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.
- 15.9 Any decision or determination of the ESS Committee made pursuant to the provisions of the ESS (other than a matter to be certified and/or approved by the Auditors or Advisers) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the ESS or any rule, regulation or procedure hereunder or as to any rights under the ESS). The ESS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 15.10 Neither the ESS nor the ESS Award under the ESS shall impose on the Company, the Board, or the ESS Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any ESS Award pursuant to any provision of these By-Laws;
 - (b) the failure or refusal by the ESS Committee to exercise, or the exercise by the ESS Committee of, any discretion under the ESS; and/or
 - (c) any decision or determination of the ESS Committee made pursuant to any provision of these By-Laws.
- 16. AMENDMENT AND/OR MODIFICATION TO THE ESS**
- 16.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the ESS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-Laws shall be made which will:
- (a) prejudice any rights then accrued to any ESS Participant without the prior consent or sanction of that Participant, as the case may be;
 - (b) increase the number of the Shares available under the ESS beyond the Maximum Shares set out in By-Law 5 above;
 - (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or

- (d) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 16.2 Any amendments/modifications to the By-Laws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 16.3 Upon amending and/or modifying all or any of the provisions of the ESS, the Company shall within 5 Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended By-Laws and a confirmation letter in the form required under the Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 16.4 The ESS Committee shall within 10 Market Days of any amendment and/or modification made pursuant to these By-Laws notify the ESS Participants in writing of any amendment and/or modification made pursuant to these By-Laws.

17. DISPUTES AND ERRORS AND OMISSIONS

- 17.1 In the event of any dispute or difference arising between the ESS Committee and an Eligible Person or an ESS Participant, as to any matter or thing of any nature arising hereunder, the ESS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the ESS Participant, as the case may be, **PROVIDED THAT** where the dispute or difference 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.
- 17.2 In the event the Eligible Person or the ESS Participant, as the case may be, shall dispute the decision made by the ESS Committee within 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 in respect of the decision and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.
- 17.3 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.
- 17.4 If in consequence of an error or omission, the ESS Committee discovers or determines that:
 - (a) an Eligible Person who was selected by the ESS Committee as a ESS Participant, has not been given the opportunity to participate in the ESS on any occasion; or
 - (b) the number of the Shares allotted, issued, transferred or vested to any ESS Participant on any occasion is found to be incorrect;

the ESS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the ESS and/or the aggregate number of the Shares to which the ESS Participant is correctly entitled to is credited into the ESS Participant's CDS Account.

18. THE ESS NOT A TERM OF EMPLOYMENT OR CONTRACT OF SERVICE

The ESS shall not form part of or constitute or in any way be construed as a term or condition of employment or contract of service of any Eligible Person. This ESS 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 or contract of service in the Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service. The terms of employment or contract of service of an Eligible Person shall not be affected by his/her participation in the ESS.

19. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESS including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the Shares pursuant to the exercise or vesting of any ESOS Option or SGP Award shall be borne by the Company. Notwithstanding this, the ESS Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an ESS Award and exercise of the ESOS Option, opening and maintaining of his/her respective CDS Account and sale of the Shares in the market.

20. CONSTITUTION

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

21. INSPECTION OF AUDITED ACCOUNTS

All ESS Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company.

22. TRANSFER FROM OTHER COMPANIES TO THE GROUP

In the event that:

- (a) a Director or an employee who was employed or under a contract of service in a company which is not within the Group and is subsequently transferred from such company to any company within the Group; or
- (b) a Director or an employee who was in the employment or under a contract of service with a company which subsequently becomes a member of the Group as a result of a restructuring exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first mentioned company in (a) and (b) above are hereinafter referred to as the **"Previous Company"**), such a Director or an employee of the Previous Company (**"the Affected Director/ Employee"**), subject to By-Law 6, will be eligible to participate in the ESS only for the remaining duration of the ESS, if the Affected Director/ Employee becomes an **"Eligible Person"** within the meaning under these By-Laws, subject always to the ESS Committee's discretion.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary pursuant to Section 4 of the Act, the ESS shall apply to the Directors and employees of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of **"Eligible Person"** under these By-Laws.

23. DIVESTMENT FROM THE GROUP

23.1 If an ESS Participant who held office or was in employment or under a contract of service with a company which ceases to be a company within the Group due to a subsequently disposal or divested (in whole or in part) from the Group, then such ESS Participant:

- (a) shall cease to be capable of being vested any unvested ESS Awards awarded to him/her under the ESS;
- (b) will not be entitled to exercise any unexercised vested ESOS Options, unless the ESS Committee at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested ESS Awards including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the ESS Committee, all existing ESS Awards shall automatically lapse and be null and void and of no further force and effect; and
- (c) shall not be eligible to participate for further ESS Awards under the ESS as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

- 23.2 For the purpose of By-Law 23.1, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

24. TAKEOVER AND DISPOSAL OF ASSETS

- 24.1 Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over 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 the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Participants that it intends so to exercise such rights on a specific date ("**Specified Date**"); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the ESS Committee may at its discretion to the extent permitted by law permit the vesting of the ESS Awards and the ESS Participants will be entitled to within such period to be determined by the ESS Committee to subscribe and/or exercise all or any of his/her ESS Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the ESS Awards under these By-Laws. In the event that the ESS Participants elect not to exercise some or all of the ESOS Options held by him/ her, the unexercised ESOS Options shall be automatically terminated and lapse by the date proscribed be null and void and of no further force and effect.

In the foregoing circumstances, all ESS Awards which the ESS Committee permits to be vested and/or exercised, shall automatically lapse and become null and void to the extent they remain unvested and/or unexercised by the date prescribed by the ESS Committee notwithstanding that the ESS Award vesting date has not commenced or has not expired.

25. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

- 25.1 Notwithstanding By-Laws 39 and 41 and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies, the ESS Committee may at its absolute discretion decide whether a ESS Participant may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised ESS Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective **PROVIDED ALWAYS THAT** no ESS Awards shall be vested and ESS Awards shall be subscribed and/or exercised after the expiry of the ESS Award vesting date. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised ESS Awards shall automatically lapse and shall become null and void and of no further force and effect.

26. NO COMPENSATION

- 26.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the ESS Awards or the ESS pursuant to the provisions of these By-Laws.
- 26.2 Notwithstanding any provisions of these By-Laws:
- (a) the ESS shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the ESS Award) against the Company or any company within the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within the Group;

- (b) no ESS Participants or his/her legal representative, as the case may be, 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 to his/her ESS Awards or his/her ESS Awards ceasing to be valid pursuant to the provisions of these By-Laws; and
- (c) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the ESS) or the ESS Committee shall in no event be liable to the ESS Participants or his/her legal representative, as the case may be, 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. TAXES

- 27.1 All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the SGP Awards and/or exercising of the ESOS Options under the ESS shall be borne by the ESS Participants for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

28. DISCLOSURES IN ANNUAL REPORT

- 28.1 The Company will make such disclosures in its annual report for as long as the ESS continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the Audit Committee verifying that the allocation of ESOS Options and/or SGP Awards pursuant to the ESS is in compliance with the criteria for allocation.

29. WINDING UP

- 29.1 All outstanding ESOS Options and SGP Awards shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

30. SEVERABILITY

- 30.1 If any time any term, condition, stipulation or provision in these By-Laws is or becomes illegal, void, prohibited or unenforceable in any respect, the same 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 and provision herein contained.

31. GOVERNING LAW AND JURISDICTION

- 31.1 These By-Laws shall be governed by and construed in accordance with the laws of Malaysia and the ESS Participant shall 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.
- 31.2 Any proceeding or action shall be instituted or taken in Malaysia and the ESS Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 31.3 Any ESS Award made to the Eligible Persons pursuant to the ESS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.

32. NOTICE

32.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the ESS Participant pursuant to the ESS shall be in writing and shall be deemed to be sufficiently given if it is:

- (a) sent by ordinary post by the Company to the Eligible Person or the ESS Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received 3 Market Days after posting;
- (b) given by hand to the Eligible Person or the ESS Participant, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the ESS Participant, such notice or request be deemed to have been received upon confirmation notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the ESS Participant shall be communicated in writing to the Company and the ESS Committee.

32.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the ESS Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at Suite 8.02, Level 8, Intan Millennium Square 2 (IMS 2), No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia or any other business address which may be notified in writing by the ESS Committee from time to time.

32.3 Notwithstanding By-Law 32.1, where any notice is required to be given by the Company or the ESS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or the ESS Participants, as the case may be, the Company or the ESS Committee may give notice 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 notice to be made under By-Law 32.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Person or ESS Participants, as the case may be.

33. DISCIPLINARY PROCEEDINGS

33.1 In the event that an ESS Participant is subject to a performance improvement plan (“**PIP**”) or disciplinary proceedings (whether or not such PIP or disciplinary proceedings will give rise to a dismissal or termination of service), the ESS Committee shall have the right, to suspend the ESS Participant’s ESS Award from being vested pending the achievement of the stipulated improvement plan targets by the ESS Participant or the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP or charges made or brought against the ESS Participant **PROVIDED ALWAYS THAT:**

- (a) in the event that such ESS Participant shall subsequently achieve the stipulated improvement plan targets or be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such SGP Participant to continue to hold or be vested his/her ESS Award;
- (b) in the event the ESS Participant fails to achieve the stipulated improvement plan targets or disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESS Participant, the ESS Award shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such ESS Participant notwithstanding that such recommendation may be subsequently challenged by the ESS Participant in any other forum;
- (c) in the event such ESS Participant only partially achieves the stipulated improvement plan targets or is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the ESS Participant may continue hold or be vested his/her ESS Award and/or adjust such number of ESS Awards to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting; and

- (d) in the event that no decision can be achieved and/or the disciplinary proceedings cannot be concluded after the expiry of the ESS Period, the ESS Award shall immediately lapse, null and void on the Date of Expiry without any notice to the ESS Participants.

The ESS Committee may, after a warning or caution letter has been issued to a ESS Participant by the relevant company within the Group suspend the ESS Participant's ESS Award from being vested until such time as the ESS Committee determines at its discretion whether or not the ESS Participant may continue to be vested the Shares under his/her ESS Award and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting.

For the purpose of this By-Laws, an ESS Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (a) he/ she is suspended from work pending investigation into his/her conduct;
- (b) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (c) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.

34. MULTIPLE JURISDICTIONS

- 34.1 In order to facilitate the making of any ESS Awards under the ESS, the ESS Committee and/or the Board may provide for such special terms to apply to any ESS who are employed by the Group in any particular jurisdiction, or who are nationals or any particular jurisdiction that is outside Malaysia, as the ESS Committee and/or the Board may consider necessary and/or appropriate to accommodate the differences in local law, tax policy or custom. Moreover, the ESS Committee and/or the Board may approve such supplements to or amendments, restatement or alternative versions of this ESS as it may consider necessary and/or appropriate for such purposes, without thereby affecting the terms of this ESS as is in effect for any other purpose. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this ESS as then in effect unless this ESS could have been amended to eliminate such inconsistency.
- 34.2 Any ESS Participant to whom the ESS Award is offered, is required to ensure that he/she complies with all applicable laws and regulations in each country or jurisdiction in or from which he/she accepts the ESS Award. By his/hers acceptance of the ESS Award, each ESS Participant represents, warrants and agrees that he/she has and will continue to observe all applicable laws and regulations in the jurisdiction in which he/she accepts the ESS Award.
- 34.3 In the event that any foreign laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of the Company to allow the Eligible Persons in their foreign subsidiaries to participate in the ESS, as alternative, a cash settled performance based scheme may be made available to them.

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PART B : ESOS

35. AWARD OF ESOS OPTIONS

- 35.1 The ESS Committee may, at any time during the duration of the ESS as defined in By-Law 6, make the ESOS Awards in writing to any Eligible Person (based on the criteria of allocation as set out in By-Law 8) as selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee.
- 35.2 The actual number of the Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee and subject to any adjustments that may be made under By-Law 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 35.3 An ESOS Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each ESOS Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 35.4 The ESS Committee may state the following particulars in the Award Letter (where applicable and amongst others):
- (a) the ESOS Award Date;
 - (b) the number of ESOS Options that are being offered to the Eligible Person;
 - (c) the number of the Shares which the Eligible Person shall be entitled to upon the vesting and exercise of the ESOS Options being offered;
 - (d) the ESS Period;
 - (e) the Exercise Period;
 - (f) the ESOS Exercise Price;
 - (g) the Validity Period as defined in By-Law 36.1;
 - (h) the Vesting Conditions (if any/ if applicable), the performance period, service period, vesting period, and vesting dates but in any event such periods and dates shall not be later than the Date of Expiry; and
 - (i) any other information deemed necessary by the ESS Committee.
- 35.5 Without prejudice to By-Laws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 35.4, the following provisions shall apply:
- (a) within 1 month after discovery of the error, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 35.4;
 - (b) in the event that the error relates to particulars other than the ESOS Exercise Price, the ESOS Exercise Price applicable in the supplemental Award Letter shall remain as the ESOS Exercise Price as per the original Award Letter; and
 - (c) in the event that the error relates to the ESOS Exercise Price, the ESOS Exercise Price applicable in the supplemental Award Letter shall be the ESOS Exercise Price applicable as at the date of the original Award Letter, save and except with respect to any ESOS Option which have already been exercised as at the date of issue of the supplemental Award Letter.
- 35.6 Subject to By-Law 3, nothing herein shall prevent the ESS Committee from making more than 1 ESS Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of the Shares which may be offered to any Eligible Person (inclusive of the Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in By-Law 8.
- 35.7 The ESS Committee has the discretion not to make further additional ESOS Awards.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 35.8 The ESOS Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person prior to the acceptance of the ESOS Awards by the Eligible Person in the manner set out in By-Law 36.
- 35.9 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 12.1 and 12.2 and the Company informing the ESOS Participant of such adjustment pursuant to By-Law 12.8, upon the return by an ESOS Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within 1 month from the date of return of the original Award Letter, to reflect the adjustment made to the number of ESOS Options granted to the ESOS Participant and/or the ESOS Exercise Price.
- 35.10 The ESS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 35.11 The Company shall keep and maintain at its own expense a register of ESOS Participants and shall enter the names, addresses and identity card numbers of the ESOS Participants, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options exercised, the ESOS Award Date and the ESOS Exercise Price and other particulars as may be prescribed under Section 129 of the Act.
- 35.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any ESOS Award to any or all of the Eligible Persons.
- 35.13 Each vested ESOS Option shall on payment of the ESOS Exercise Price be exercisable into 1 Share, fully issued, in accordance with the provisions of these By-Laws.
- 35.14 In the event the ESS Committee decides that the ESOS Option is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Award shall be decided by the ESS Committee at its sole and absolute discretion and each ESOS Award shall be separate and independent from the others.

36. ACCEPTANCE OF THE AWARD

- 36.1 An ESOS Award shall be valid for a period of 30 days from the ESOS Award Date or such period as the ESS Committee at its discretion, determines on a case to case basis ("**Validity Period**"). Acceptance of the said ESOS Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each ESOS Award (regardless of the number of shares comprised therein).
- 36.2 In the event that the Eligible Person fails to accept the ESOS Award or pay the acceptance consideration as set out in By-Law 36.1 within the Validity Period and in the manner aforesaid, or in the event of death or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Awards, the said ESOS Award shall be deemed to have lapsed. The ESOS Options comprised in such ESOS Awards may, at the discretion of the ESS Committee, be re-offered to other Eligible Person.
- 36.3 Upon acceptance of the ESOS Awards by the Eligible Persons, the ESOS Awards will be vested to the ESOS Participants on the ESOS vesting date during the duration of the ESS, subject to the ESOS Participants fulfilling the Vesting Conditions, if any, as determined by the ESS Committee.

37. ESOS EXERCISE PRICE

- 37.1 The ESOS Exercise Price which will be payable by the ESOS Participants upon the exercise of the ESOS Option shall be based on a discount (as determined by the ESS Committee) of not more than 10% of the 5 day volume weighted average market price of the Shares transacted on Bursa Securities immediately preceding the ESOS Award Date (or such basis as the relevant authorities may permit).
- 37.2 The ESOS Exercise Price shall be subject to any adjustments provided under By-Law 12.

38. VESTING CONDITIONS

- 38.1 Subject to By-Laws 6, 7 and 38.2, the ESOS Options or such part thereof will only vest to the ESOS Participant on the vesting dates if:
- (a) the ESOS Participant remains in employment by or appointment in the Group as at the vesting date; and

- (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 38.2 The ESS Committee shall have the 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, among others, the audited consolidated results of the Company, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting standards, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 38.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the ESOS Options, the ESS Committee shall notify the ESOS Participant of the number of ESOS Options vested and the vesting date of such ESOS Options. No ESOS Participant shall have any right to exercise any ESOS Options granted to the ESOS Participant until the ESOS Options are vested on the ESOS Participant pursuant to these By-Laws. The decision and/or determination of the ESS Committee on the vesting of the ESOS Options on the ESOS Participant pursuant to these By-Laws shall be final and conclusive.
- 38.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that ESOS Options shall lapse and be null and void.
- 38.5 Unless otherwise determined by the ESS Committee but subject to the applicable laws, the unvested ESOS Award shall automatically lapse and be null and void in the event of the death of the ESOS Participant.
- 39. EXERCISE OF ESOS OPTIONS**
- 39.1 For the purpose of exercising the ESOS Option:
 - (a) except as otherwise determined by the ESS Committee but subject to the applicable laws and By-Law 11.1, the ESOS Option shall be exercisable during the ESOS Participant's lifetime during the ESS Period or such other period specified in the Award Letter only by the ESOS Participant or, in the event of the ESOS Participant's legal incapacity to do so, the Participant's guardian or legal representative acting on behalf of the ESOS Participant in a fiduciary capacity under the applicable laws and any required court supervision or, in the case of disability or death of the ESOS Participant, by his legal representative or his estate in accordance with By-Law 39.1(b).
 - (b) in the event of death of the ESOS Participant, the legal representative of the deceased ESOS Participant may, during the Exercise Period, exercise the ESOS Options which have vested in the deceased ESOS Participant under the ESS provided that the transmission of the ESOS Options from the deceased ESOS Participant to the legal representative of the deceased ESOS Participant must be approved by the ESS Committee within the period of 6 months (or such other longer period as the ESS Committee may determine as its discretion) from the event of death.
- 39.2 Subject to By-Laws 39.3 and 33.1, an ESOS Option can be exercised by the ESOS Participant by notice in the prescribed form to the Company on the 1st or 15th day of every month during the Exercise Period in respect of all or any part of the Shares comprised in the ESOS Option, such part being in multiples of 100 Shares. For the avoidance of doubt, if the 1st or 15th day of any month shall fall on a day which is not a Market Day, then the notice in writing by the ESOS Participant to the Company shall be submitted on the Market Day immediately following the 1st or 15th day of the said month. Any partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option in respect of the balance of the Shares comprised in the ESOS Option. In the event that an ESOS Participant's balance of ESOS Options exercisable in accordance with these By-Laws shall be less than 100 new Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 39.3 Subject to By-Laws 12 and 16, the ESS Committee may, at any time and from time to time, before and after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of the Shares and/or such percentage of the total Shares comprised in the ESOS Option during such periods within the ESS Period, subject to the exercise of the ESOS Option to any Vesting Condition determined by the ESS Committee at its sole and absolute discretion including but not limited to performance/ service targets being achieved before an ESOS Option can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the ESOS Option) as the ESS Committee may, in its sole discretion deem appropriate including amending or varying any terms or conditions imposed earlier.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 39.4 Every such notice to exercise the ESOS Option referred to in By-Law 39.2 shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers order drawn and payable in Malaysia or any other form acceptable to the ESS Committee for the full amount of the ESOS Exercise Price (calculated in accordance with the provisions of By-Law 37) in relation to the number of the Shares in respect of which the written notice is given.
- 39.5 If the ESOS Participant exercise the ESOS Options, subject to the fulfilment of the vesting conditions (if any), in accordance with the By-Laws, the Company shall as soon as reasonably practicable following the exercise:
- (a) credit such Shares to the ESOS Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice stating such number of the Shares credited into the CDS Account of the ESOS Participant; or
 - (b) allot and issue such new Shares to the ESOS Participant in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice of allotment to the ESOS Participant, make an application for the listing of and quotation for the new Shares and credit such Shares to the ESOS Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository.
- For this purpose, no physical share certificate will be issued to the ESOS Participant.
- 39.6 The ESOS Participant who exercises his/her ESOS Option shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in By-Law 39.2 together with the requisite remittance of monies. The Shares to be issued or transferred pursuant to the exercise of an ESOS Option will be credited directly into the CDS Account of the ESOS Participant or his/her Authorised Nominee, as the case may be, and in the case of new Shares, a notice of allotment or notice stating the number of shares credited into such CDS Account will be issued to the ESOS Participant within the period prescribed by Bursa Securities and no physical share certificate will be issued.
- 39.7 All ESOS Options to the extent unexercised and/or unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 39.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESS Committee. The ESS Committee shall inform the ESOS Participant of the rejection of the notice of exercise within 10 Market Days from the date of rejection and the ESOS Participant shall not have deemed to have exercised his/her ESOS Option.
- 39.9 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by an ESOS Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Options or for any errors in any ESOS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 39.10 Every ESOS Option shall be subjected to the condition that no Shares shall be vested, issued and/or credited pursuant to the exercise of an ESOS Option if such vesting, issue and/or crediting 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 ESS Period or such period as may be extended.

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PART C : SGP

40. SGP AWARDS

- 40.1 The ESS Committee may, at any time during the ESS Period, grant a SGP Award in writing to any Senior Management and/or Executive Director (based on the criteria of allocation as set out in By-Law 8) as selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee.
- 40.2 The actual number of the Shares which may be offered to a Senior Management or Executive Director shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-Law 12, shall not be less than 100 Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of 100 Shares.
- 40.3 A SGP Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each SGP Award shall be made in writing and is personal to the Senior Management and/or Executive Director and is non-assignable and non-transferable.
- 40.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of the Shares to be granted to the Eligible Person;
 - (b) the ESS Period;
 - (c) the SGP Award Date;
 - (d) the Vesting Conditions (if any/if applicable), the performance period, service period, vesting period, and vesting dates but in any event such periods and dates shall not be later than the Date of Expiry; and
 - (e) any other information deemed necessary by the ESS Committee.
- 40.5 The ESS Committee shall notify each SGP Participant of the SGP Award of such performance targets, performance period, service period, vesting period, Vesting Conditions, vesting dates or such other conditions to be stipulated by the ESS Committee and the number of the Shares vested onto him/ her on the vesting dates **PROVIDED THAT** there may be excluded from such notice any information the disclosure of which the ESS Committee shall reasonably consider would prejudice confidentiality.
- 40.6 Without prejudice to By-Laws 16 and 17, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Laws 40.4 and/or 40.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-Law 40.4 and/or 40.5 within 1 month after discovery of the error.
- 40.7 Subject to By-Law 40, nothing herein shall prevent the ESS Committee from making more than 1 SGP Award to any Senior Management or Executive Director **PROVIDED ALWAYS THAT** the total aggregate number of the Shares which may be offered to any Senior Management or Executive Director (inclusive of the Shares previously offered under the ESS, if any) shall not exceed the Maximum Allowable Allocation of that Senior Management or Executive Director as set out in By-Law 8.
- 40.8 The ESS Committee has the discretion not to make further additional SGP Awards.
- 40.9 The SGP Awards shall automatically lapse and be null and void in the event of the death of the Senior Management or Executive Director prior to the acceptance of the SGP Awards by the Senior Management or Executive Director in the manner set out in By-Law 42.
- 40.10 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 12.1 and 12.2 and the Company informing the SGP Participant of such adjustment pursuant to By-Law 12.5, upon the return by a SGP Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within 1 month from the date of return of the original Award Letter, to reflect the adjustment made to the number of the Shares granted to the SGP Participant.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

40.11 The ESS Committee may, by giving notice in writing to the Senior Management or Executive Director, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.

40.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any SGP Award to any or all of the Senior Management and Executive Director.

41. ACCEPTANCE OF THE SGP AWARD

41.1 A SGP Award shall be valid for a period of 30 days from the SGP Award Date or such period as the ESS Committee at its discretion, determines on a case to case basis ("**Validity Period**"). Acceptance of the said SGP Award by an Eligible Person shall be made by way of a written notice from the Senior Executive and/or Executive Director to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of RM1.00 only as non-refundable consideration for the acceptance of each SGP Award (regardless of the number of shares comprised therein).

41.2 In the event that the Senior Executive and/or Executive Director fails to accept the SGP Award or pay the acceptance consideration as set out in By-Law 41.1 within the Validity Period and in the manner aforesaid, or in the event of death or the Senior Executive and/or Executive Director becomes a bankrupt prior to his/her acceptance of the SGP Awards, the said SGP Award shall be deemed to have lapsed. The Shares comprised in such SGP Awards may, at the discretion of the ESS Committee, be re-offered to other Senior Executive and/or Executive Director.

41.3 Upon acceptance of the SGP Awards by the Senior Executive and/or Executive Director, the SGP Awards will be vested to the SGP Participants on the SGP vesting date during the duration of the ESS, subject to the SGP Participants fulfilling the vesting conditions, if any, as determined by the ESS Committee.

42. VESTING CONDITIONS

42.1 Subject to By-Laws 6, 7 and 42.2, the Shares comprised in the SGP Award or such part thereof will only vest to the SGP Participant on the vesting dates if:

- (a) the SGP Participant remains in employment with the Group as at the vesting date; and
- (b) the other Vesting Conditions (if any) are fully and duly satisfied.

42.2 The ESS Committee shall have the 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, among others, the audited consolidated results of the Company, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting standards, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

42.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the SGP Award, the ESS Committee shall notify the SGP Participant of the number of the Shares vested or which will be vested to the SGP Participant on the vesting date of such Shares. No SGP Participant shall have any right to or interest in the Shares granted to him unless and until the Shares are vested in him on and with effect from the date of vesting of the said Shares. The decision and/or determination of the ESS Committee on the vesting of the Shares on the SGP Participant pursuant to these By-Laws shall be final and conclusive-

42.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that SGP Award shall lapse and be of no value.

42.5 For the avoidance of doubt, the Shares will vest with the SGP Participants at no cost to the SGP Participants upon acceptance of the SGP Award by the SGP Participants and fulfilment of the Vesting Conditions and all other conditions as stipulated By-Law 42.2 (if any).

42.6 Unless otherwise determined by the ESS Committee but subject to the applicable laws, the SGP Award shall automatically lapse and be null and void in the event of the death of the SGP Participant.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

43. REFERENCE PRICE

- 43.1 The reference price for the SGP Awards to be granted shall be based on a discount (as determined by the ESS Committee) of not more than 10% of the 5 day volume weighted average market price of the Shares transacted on Bursa Securities on the date of granting of the SGP Awards to the SGP Participants ("**Reference Price**").

44. DELIVERY OF THE SHARES

- 44.1 In respect of the Shares which are vested onto an SGP Participant pursuant to By-Law 42, the Company shall as soon as reasonably practicable following the date of vesting:
- (a) credit such Shares to the SGP Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice stating such number of the Shares credited into the CDS Account of the SGP Participant;
 - (b) allot and issue such new Shares to the SGP Participant in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository, despatch the notice of allotment to the SGP Participant, make an application for the listing of and quotation for the new Shares and credit such Shares to the SGP Participant's CDS Account in accordance with the provisions of the Company's Constitution, the SI(CD)A and the Rules of Bursa Depository; or
 - (c) remit the cash equivalent to the Reference Price of the Shares as set out in the SGP Awards.

For this purpose, no physical share certificate will be issued to the SGP Participant.

- 44.2 The ESS Committee, the Board and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the Shares.
- 44.3 The SGP Participant shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of the SGP Participant or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be issued to the SGP Participant and no physical share certificate will be issued.
- 44.4 All SGP Awards to the extent unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 44.5 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in crediting the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a SGP Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGP Awards or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 44.6 Every SGP Award shall be subjected to the condition that no Shares shall be vested and/or credited pursuant to an SGP Award if such vesting and/or crediting 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 ESS Period or such period as may be extended.

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THE SCHEDULE

In addition to By-Law 12.1 and not in derogation thereof, the ESOS Exercise Price and the number of the Shares relating to the ESOS Option so far unvested and/or unexercised and/or relating to a SGP Award in so far as unvested shall from time to time be adjusted by the ESS Committee in accordance with the following relevant provisions in consultation with an Adviser and/or Auditor:

- (a) If and whenever a Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of the Shares without capitalisation of profits or reserves) or conversion occurs, the ESOS Exercise Price shall be adjusted and the adjusted number of the Shares relating to the ESOS Option/ SGP Award (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$\begin{aligned} \text{(i)} \quad \text{New ESOS Exercise Price} &= \frac{S \times L}{M} \\ \text{(ii)} \quad \text{Additional number of the Shares} &= \frac{T \times M}{L} - T \end{aligned}$$

where:

- L = the aggregate number of Shares in issue immediately prior to the consolidation or subdivision or conversion;
- M = the aggregate number of Shares in issue immediately after such consolidation or subdivision or conversion;
- S = existing ESOS Exercise Price; and
- T = Existing number of Shares relating to the ESOS Option/ SGP Award.

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares), the ESOS Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of the Shares relating to the ESOS Option to be issued/ the additional number of Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Additional number of the Shares} = \frac{T \times (A + B)}{A}$$

where

- A = the aggregate number of issued Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares);

APPENDIX I – DRAFT BY-LAWS (CONT'D)

T = as above.

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

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations); or
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for the Shares by way of rights; or
- (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares,

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

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

and in respect of the case referred to in Clause (c)(ii) above, the adjusted number of Shares comprised in the ESOS Option to be issued/the adjusted number of Shares to be vested and transferred under a SGP Award shall be calculated as follows:

where Adjusted Number of the Shares = $\left[\frac{T \times C}{C-D^*} \right]$

T = as above.

C = the Current 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 announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (i) in the case of an offer or invitation to acquire or subscribe for the Shares by way of rights under Clause (c)(ii) above or for securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares under Clause (c)(iii) above, the value of rights attributable to 1 Share (as defined below); or
(ii) in the case of any other transaction falling within Clause (c), the fair market value, as determined by the Adviser and/or an auditor, of that portion of the Capital Distribution attributable to 1 Share.

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

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

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

where:

- C = As C above
- E = the subscription consideration for 1 additional Share under the terms of such offer or invitation or subscription price for 1 additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for 1 Share under the offer or invitation;
- F = the number of the Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into rights to acquire or subscribe for 1 additional Share; and
- D* = the value of rights attributable to 1 Share (as defined below).

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

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

where:

- C = As C above
- E* = the subscription price for 1 additional Share under the terms of such offer or invitation; and
- F* = the number of the Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of Clause (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of the Shares (not falling under Clause (b)) or other securities credited account by way of capitalisation of profits or reserves (but excluding an of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares).

Any distribution out of profits or reserves made (whenever paid) shall 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 profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the ESOS Exercise Price 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 an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of the Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + B) \times C}{(G \times C) + (H \times I)}$$

where:

- B = as B above;
- C = as C above;
- G = the aggregate number of issue Shares on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into the Shares or rights to acquire or subscribe for the Shares, as the case may be;
- H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights;
- I = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share, as the case may be;
- I* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares; and
- T = as T above.

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in Clause (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, the ESOS 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 adjusted number of Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;

APPENDIX I – DRAFT BY-LAWS (CONT'D)

I* = as I* 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 the Shares by the ordinary shareholders;

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

T = as T 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.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes, an offer or invitation to acquire or subscribe for the Shares to its ordinary shareholders as provided in Clause (c)(ii) above, together with rights to acquire or subscribe for the Shares as provided in Clause (c)(iii) above, and the book closure date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the ESOS 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 adjusted number of the Shares relating to the ESOS Option to be issued/ Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of the Shares (ESOS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of the Shares (SGP Award)} = \frac{T \times (G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

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

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

where:

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

For the purpose of this paragraph (g), the "Total Effective Consideration" shall be determined by the ESS Committee with the concurrence of the external auditors shall be:

- (i) in the case of the issue of the 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 the Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and 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 in full of such rights.

For the purpose of this paragraph (g), "Average Price" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for 1 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 Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the subscription price of such Shares. Each 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 this Schedule:

- (i) "Current Market Price" means in relation to each Share for any relevant day the 5 day volume weighted average market price for each Share on Bursa Securities for the 5 consecutive Market Days before such date for one or more board lots of the Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines proscribed by any competent authorities, if any.

APPENDIX II – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTERESTS

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

MIDF Investment has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser for the Proposed ESS.

Malaysian Industrial Development Finance Berhad ("**MIDF**") is the holding company of MIDF Investment. MIDF, MIDF Investment and other subsidiaries of MIDF (collectively referred to as "**MIDF Group**") and its related and associated companies are involved in diversified financial activities. MIDF Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and its affiliates, in addition to MIDF Investment's role as the Principal Adviser for the Proposed ESS. Further, in the ordinary course of business, any member of the MIDF Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group and our affiliates or any other entity or transactions for its own account or the account of its customer. This is a result of the business of the MIDF Group generally acting independent of each other and accordingly, there may be situations where parts of the MIDF Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, MIDF Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on our Group's financial results/position:

	RM'000
Property, plant and equipment	6,396
Approved but not contracted for	-
Contracted but not provided for	6,396

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on our Group's financial results/position:

	RM'000
Secured bank guarantees	16,867

5. MATERIAL LITIGATION

As at the LPD, saved as disclosed below, our Company and/or our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group:-

(i) Shah Alam High Court No. BA-22NCVC-427-10/2022**Swift Logistics Yard Sdn Bhd ("Plaintiff") against North West Depoh Sdn Bhd ("Defendant")**

Perbadanan Kemajuan Negeri Selangor ("**PKNS**") is the registered owner of the land held under H.S.(D) 116369 No. P.T. 185, Bandar Sultan Suleiman, Daerah Klang, Negeri Selangor Darul Ehsan ("**Land**"). The Land was leased to the Plaintiff from 19 July 2012 until 20 November 2022.

The Plaintiff entered into a sale and purchase agreement with PKNS on 26 August 2021 ("**Sale and Purchase Agreement**") to purchase the said Land and the completion of the sale transaction was on 21 March 2022 upon obtaining approval from the Economic Planning Unit of the Prime Minister's Department. The Plaintiff has fully satisfied the requirements of the Sale and Purchase Agreement and has beneficial rights to the Land ("**Sale Transaction**"). At the completion of the sale transaction stage, the Defendant lodged a private caveat on 12 April 2022 preventing the process of the transfer of title from PKNS to the Plaintiff.

The Land was rented to the Defendant vide a tenancy agreement entered into between the Plaintiff and Defendant on 14 January 2015 ("**Tenancy**"). The Tenancy was renewed and revised throughout the years and came to an end on 15 January 2023. Under the Tenancy, the Defendant was to deliver vacant possession to the Plaintiff in stages commencing from 1 April 2022. However, the Defendant had failed and/or neglected and/or refused to deliver the same.

On 20 May 2022, the Plaintiff filed a legal suit against the Defendant under the Shah Alam Sessions Court number BA-B52-21-05/2022 claiming for, amongst others, the Defendant to deliver vacant possession of the Land and pay double rental in the sum of RM461,204.08 a month from 1 June 2022 until the delivery of vacant possession and damages to be assessed.

The Defendant has alleged that the Tenancy is coupled with equity on the said Land. The Defendant also filed a counterclaim against the Plaintiff, amongst others, that the Tenancy is coupled with equity on the said Land, a declaration that the Defendant has the right to occupy the said Land under equity, an order that the Plaintiff shall not evict and/or prohibit the Defendant from occupying the Land and damages of RM6,000,000 or alternatively RM1,270,000.

The Sessions Court suit was then transferred to Shah Alam High Court on 17 October 2022 and registered under the suit number BA-22NCVC-427-10/2022. The Defendant had filed an injunction application to prevent the Plaintiff from evicting the Defendant until the current writ action has been disposed. On 16 February 2023, the High Court had allowed the Defendant's injunction application with costs on grounds amongst others, that there are serious issues to be tried. On 21 February 2023, the Plaintiff filed a Notice to Appeal to the Court of Appeal on the decision of the High Court. The Court of Appeal has fixed the case management on 26 April 2023. The parties are to file their respective written submissions by 11 April 2023 and written submissions in reply by 26 April 2023. The hearing has been fixed on 10 May 2023.

The solicitors of the Plaintiff are of the view that the Plaintiff has a reasonable and good chance in succeeding in its claim against the Defendant as well as dismissing the Defendant's counterclaim.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's registered office 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) from the date of this Circular up to the date of the forthcoming EGM of our Company:

- (i) Constitution of our Company;
- (ii) Audited consolidated financial statements of Swift Haulage for the past 2 financial years up to 31 December 2022;
- (iii) The relevant cause papers in respect of the material litigation as set out in Section 5 of this **Appendix II**;
- (iv) Draft By-Laws; and
- (v) The letter of consent and declaration of conflict of interests referred to in Section 2 of this **Appendix II**.

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