

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review on the Circular for the Proposed Granting of Employee's Share Option Scheme Options (as defined herein) pursuant to Rule 4.1 of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



*Registration No.: 199701004560 (420056-K)
(Incorporated in Malaysia)*

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED GRANTING OF OPTIONS TO N CHANTHIRAN A/L NAGAPPAN, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, UNDER UCREST BERHAD'S EMPLOYEE'S SHARE OPTION SCHEME THAT WAS ESTABLISHED IN 2018 ("ESOS") AND WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 AND THE CONSTITUTION OF THE COMPANY

The above proposal will be tabled as Special Business at the Twenty-Sixth Annual General Meeting ("AGM") of UCrest Berhad ("UCrest" or "Company"). The Notice of the Twenty-Sixth AGM of UCrest to be conducted entirely through live streaming from the broadcast venue at UCrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 15 November 2023 at 11.00 a.m. or any adjournment thereof, together with the Proxy Form are enclosed with the 2023 Annual Report of UCrest.

You are entitled to attend and vote at the AGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Proxy Form must be lodged at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on or before the date and time indicated below. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form: Monday, 13 November 2023 at 11.00 a.m.

DEFINITIONS

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

2018 ESOS Circular	: Circular to the shareholders of UCrest dated 5 January 2018 on the establishment of the ESOS
2023 Annual Report	: Annual Report of UCrest for the financial year ended 31 May 2023
Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Announcement	Announcement dated 11 September 2023 in relation to the Proposed Granting of ESOS Options and waiver of pre-emptive rights under Section 85 of the Act and the Constitution of the Company
Board	: Board of Directors of UCrest
Bursa Securities	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
By-Laws	: The by-laws governing the ESOS as may be modified, varied and/or amended from time to time
Circular	: This circular to the shareholders of UCrest dated 29 September 2023
Date of Offer	: The date on which an Offer is made by the Option Committee to an Eligible Person to participate in the ESOS
Director(s)	: shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 as amended from time to time including any re-enactment thereof
Eligible Person(s)	: An employee, executive Director or a non-executive Director of any company in UCrest Group, which is not dormant, who meets the criteria of eligibility for participation in the ESOS in accordance with the By-Laws
EPS	: Earnings per Share
ESOS	: UCrest's Employee's Share Option Scheme, which was established on 26 April 2018 for a period of 5 years and extended for a further duration of 5 years until 25 April 2028, in accordance with the terms of the By-Laws
ESOS Option(s)	: The right of a Grantee in accordance with the By-Laws to subscribe for new UCrest Shares at a predetermined price
FYE	: Financial year ended/ending, as the case may be
Grantee	: An Eligible Person who has accepted the Offer in accordance with the By-Laws
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities and amendments thereof

DEFINITIONS (CONT'D)

LPD	:	8 September 2023, being the latest practicable date prior to the printing of this Circular
MFRS 2	:	Malaysian Financial Reporting Standards 2, on "Share-Based Payment" issued by the Malaysian Accounting Standards Board
NA	:	Net assets
Offer	:	A written offer made by the Option Committee to an Eligible Person to participate in the ESOS
Option Committee	:	The Committee appointed by the Board to administer and manage the ESOS in accordance with the By-Laws
Option Price	:	The price at which a Grantee shall be entitled to subscribe for new UCrest Shares pursuant to the exercise of an ESOS Option
Palette System	:	Palette System Sdn. Bhd. [200101002460 (538216-T)], a wholly-owned subsidiary of UCrest
Person(s) Connected	:	Shall have the same meaning as in Rule 1.01 of the Listing Requirements
Private Placement	:	Private placement of new UCrest Shares pursuant to the general mandate for the Directors to allot and issue new Shares not exceeding 10.00% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Act, obtained from UCrest's shareholders at its Twenty-Fifth AGM held on 25 November 2022 at an issue price to be determined and fixed at a future date ("General Mandate"). Bursa Securities had on 25 May 2023 approved the listing and quotation of up to 70,481,900 UCrest Shares on the ACE Market of Bursa Securities to be issued under the private placement pursuant to the General Mandate
Proposed Granting of ESOS Options	:	Proposed granting of ESOS Options to N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company under the ESOS
RM and sen	:	Ringgit Malaysia and sen, respectively
UCrest or Company	:	UCrest Berhad [199701004560 (420056-K)]
UCrest Group or Group	:	UCrest and its subsidiaries, namely Palette System, UCrest Technology and UCrest Technology Ltd, collectively
UCrest Technology	:	UCrest Technology Sdn. Bhd. [201701032256 (1246426-P)], a wholly-owned subsidiary of UCrest
UCrest Technology Ltd	:	UCrest Technology Ltd (1999946), a wholly-owned subsidiary of UCrest
UCrest Share(s) or the Share(s)	:	Ordinary share(s) in UCrest
Vesting Condition(s)	:	The condition(s) determined by the Option Committee which must be fulfilled for the ESOS Options to be vested in the Grantee
VWAP	:	Volume weighted average market price
YSSB	:	Yellowspots Sdn. Bhd. [200101011993 (547749-A)]

DEFINITIONS (CONT'D)

All references to “our Company” in this Circular are to UCrest, references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references of the shareholder of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

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

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

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

[The rest of this page is intentionally left blank]

CONTENTS

	PAGE
EXECUTIVE SUMMARY	
LETTER TO THE SHAREHOLDERS OF UCREST IN RELATION TO THE PROPOSED GRANTING OF ESOS OPTIONS AND WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT AND THE CONSTITUTION OF THE COMPANY	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED GRANTING OF ESOS OPTIONS	2
3. PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT AND THE COMPANY'S CONSTITUTION	4
4. RATIONALE FOR THE PROPOSED GRANTING OF ESOS OPTIONS	5
5. UTILISATION OF PROCEEDS	6
6. EFFECTS OF THE PROPOSED GRANTING OF ESOS OPTIONS	6
7. HISTORICAL SHARE PRICES	7
8. APPROVALS REQUIRED AND CONDITIONALITY	8
9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	8
10. DIRECTORS' STATEMENT AND RECOMMENDATION	9
11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION	9
12. AGM	9
13. ADDITIONAL INFORMATION	10
APPENDICES	
I BY-LAWS IN RELATION TO THE ESOS	11
II ADDITIONAL INFORMATION	42
III EXTRACT OF THE RESOLUTIONS TO BE TABLED AT THE TWENTY-SIXTH AGM	43

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Granting of ESOS Options. The Shareholders 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 Granting of ESOS Options before voting at the AGM.

Key information	Description	Reference to Circular
Details of the Proposed Granting of ESOS Options and waiver of pre-emptive rights	<p>The Company's ESOS was implemented since 26 April 2018 for a period of 5 years and extended for a further duration of 5 years until 25 April 2028, in accordance with the terms of the By-Laws.</p> <p>The Board proposed to offer and grant ESOS Options under the ESOS to N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company who was appointed to the Board on 26 August 2022, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.</p> <p>The Proposed Granting of ESOS Options will be tabled at the Company's forthcoming Twenty-Sixth AGM under the proposed Ordinary Resolution IV to seek the shareholders' approval.</p> <p>For issuance of any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights shall be waived. As such, the waiver of such pre-emptive rights will be tabled at the Company's forthcoming Twenty-Sixth AGM under the proposed Special Resolution II for the shareholders to affirm the waiver of their pre-emptive rights over all ESOS Options granted and/or to be offered/granted and all new Shares issued and/or to be issued pursuant to the ESOS to the Eligible Persons and each of the Directors of the Company. (For information, the establishment of the ESOS and the granting of ESOS Options to each of the Directors of the Company at that point in time were approved by the shareholders on 22 January 2018, and the granting of ESOS Options to Dato' Dr. Mohd Fikri Bin Abdullah, an Independent Non-Executive Director of the Company, was further approved by the shareholders on 17 November 2020.)</p> <p>The proposed Special Resolution II if passed, will also exclude your pre-emptive rights to be offered ESOS Options and/or any new Shares to be issued by the Company pursuant to the Proposed Granting of ESOS Options (to be tabled at the forthcoming Twenty-Sixth AGM).</p> <p>Please refer to the Notice of AGM for the proposed Special Resolution II and Ordinary Resolution IV which is enclosed together in the 2023 Annual Report, of which an extract of the resolutions is enclosed in Appendix III of this Circular.</p>	Sections 2 and 3

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Rationale for the Proposed Granting of ESOS Options	<p>The Proposed Granting of ESOS Options is to reward N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company in recognition of his contribution to the UCrest Group and to enable him to participate in the future growth of the Group.</p> <p>The Proposed Granting of ESOS Options is also in recognition of N Chanthiran A/L Nagappan's contribution and additional responsibilities as the chairman of the Audit Committee, Nomination Committee and Option Committee as well as a member of the Sustainability Committee of UCrest.</p> <p>Through the Proposed Granting of ESOS Options, N Chanthiran A/L Nagappan would be given the opportunity to participate directly in the equity interests of UCrest.</p>	Section 4
Utilisation of proceeds	The proceeds from the exercise of ESOS Options under the Proposed Granting of ESOS Options will be for working capital requirements and/or capital expenditure of the Group, consistent with the utilisation of proceeds stated in the 2018 ESOS Circular.	Section 5
Effects of the Proposed Granting of ESOS Options	<ul style="list-style-type: none"> • No immediate effect on the existing issued share capital of UCrest; • No immediate material effect on the NA, NA per Share and gearing of UCrest Group; • No immediate material effect on the earnings and EPS of the Group; and • No immediate effect on the shareholdings of the substantial shareholders of the Company; <p>until such time when the Shares are issued arising from the exercise of ESOS Options pursuant to the Proposed Granting of ESOS Options.</p> <p>Further details of the effects of the Proposed Granting of ESOS Options is set out in Section 6 of this Circular.</p>	Section 6
Interests of Directors, major shareholders, chief executive and/or Persons Connected with them	<p>Save as disclosed in Section 9 of this Circular, none of the Directors, major shareholders, chief executive of the Company and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Granting of ESOS Options.</p> <p>As a person interested in the Proposed Granting of ESOS Options, N Chanthiran A/L Nagappan will abstain from deliberations and voting on the Proposed Granting of ESOS Options in the manner set out in Section 9 of this Circular.</p>	Section 9

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Directors' statement and recommendation	<p>The Board (save for N Chanthiran A/L Nagappan), after taking into consideration all aspects of the Proposed Granting of ESOS Options, including but not limited to the rationale and effects of the Proposed Granting of ESOS Options and the waiver of pre-emptive rights under Section 85 of the Act and the Company's Constitution:</p> <ul style="list-style-type: none">(i) is of the opinion that the Proposed Granting of ESOS Options and the waiver of pre-emptive rights is in the best interest of the Company and its shareholders; and(ii) recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposed Granting of ESOS Options and the waiver of pre-emptive rights to be tabled at the forthcoming Twenty-Sixth AGM of the Company.	Section 10

[The rest of this page is intentionally left blank]



UCrest

UCREST BERHAD

Registration No.: 199701004560 (420056-K)
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

29 September 2023

Board of Directors:

Eg Kah Yee (*Chairman/Managing Director*)
N Chanthiran A/L Nagappan (*Independent Non-Executive Director*)
Chuan Tsui Ju (*Independent Non-Executive Director*)
Prof. Low Teck Seng (*Independent Non-Executive Director*)
Dato' Dr. Mohd Fikri Bin Abdullah (*Independent Non-Executive Director*)
Abdul Razak bin Dato' Haji Ipap (*Non-Independent Non-Executive Director*)
Eg Kaa Chee (*Non-Independent Non-Executive Director*)

To: The Shareholders of U Crest Berhad

Dear Sir/ Madam,

PROPOSED GRANTING OF ESOS OPTIONS AND WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT AND THE CONSTITUTION OF THE COMPANY

1. INTRODUCTION

The Company had on 22 January 2018, at its Extraordinary General Meeting, obtained the shareholders' approval for the establishment of an ESOS.

On 11 September 2023, the Board had announced to Bursa Securities that the Company proposed to seek its shareholders' approval to offer and grant ESOS Options under the ESOS to N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company and the waiver of pre-emptive rights under Section 85 of the Act and the Constitution of the Company ("the Waiver").

Under the terms of the By-Laws, N Chanthiran A/L Nagappan, who was appointed to the Board as Independent Non-Executive Director of the Company on 26 August 2022, is eligible to participate in the ESOS.

The purpose of this Circular is to provide you with the details of the Proposed Granting of ESOS Options and the Waiver together with the recommendation of the Board and to seek your approval for the ordinary resolution pertaining to the Proposed Granting of ESOS Options and the special resolution pertaining to the Waiver to be tabled at the forthcoming AGM of the Company. The Notice of the Twenty-Sixth AGM (under "Special Business") together with the Proxy Form are enclosed in the 2023 Annual Report.

YOU ARE ADVISED TO READ THE CONTENT OF THIS CIRCULAR CAREFULLY TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED GRANTING OF ESOS OPTIONS AND THE WAIVER TO BE TABLED AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED GRANTING OF ESOS OPTIONS

2.1 Background

UCrest had on 26 April 2018, established the ESOS for a period of 5 years and the Board had on 29 March 2023 approved the extension of the ESOS for a further duration of 5 years until 25 April 2028 in accordance with the terms of the By-Laws. The total number of new UCrest Shares to be issued under the ESOS shall not exceed 15.00% of the total number of issued shares of UCrest, excluding treasury shares, if any, at any one time during the duration of the ESOS, as provided in the By-Laws.

The ESOS is intended to allow the Company to grant the ESOS options to the Eligible Persons to subscribe for the new UCrest Shares in accordance with the By-Laws. The ESOS will be administered by the Option Committee.

Since the commencement of the ESOS up to the LPD, a total of 160,952,000 ESOS Options had been granted and accepted by the Eligible Persons, out of which 90,840,000 ESOS Options had been exercised. Please refer to the table below for further details on ESOS Options granted to the Eligible Persons pursuant to the ESOS since the commencement of the ESOS up to the LPD:

	No. of ESOS options
Granted and accepted	160,952,000
Exercised	(90,840,000)
Lapsed/ forfeited/ surrendered	(68,112,000)
Total outstanding	2,000,000

2.2 Maximum number of new UCrest Shares available under the ESOS

The total number of new UCrest Shares to be issued under the ESOS shall not exceed 15.00% of the total number of issued shares of UCrest, excluding treasury shares, if any, at any one time during the duration of the ESOS, as provided in the By-Laws.

2.3 Maximum allowable allotment and basis of allocation

The aggregate number of ESOS Options that may be offered and allocated to the Eligible Persons shall be determined at the sole and absolute discretion of the Option Committee after taking into consideration, amongst other factors, the designation, length of service and work performance of the Eligible Person, and such other factors that the Option Committee may deem relevant, subject to the following conditions:-

- the total number of UCrest Shares to be offered and issued under the ESOS shall not exceed the amount stipulated in Section 2.2 above; and
- that the Board and senior management do not participate in the deliberation or discussion of their own allocation of the ESOS Options and allocation of the ESOS Options to Persons Connected to them; and
- not more than 10.00% of the allocation of the ESOS Options under the ESOS to be allocated to any Eligible Person, who, either singly or collectively through Persons Connected with the Eligible Person, holds 20.00% or more of the total number of issued shares of the Company, excluding treasury shares, if any; and
- not more than 50.00% of the allocation of the ESOS Options under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries),

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

The actual number of shares which may be offered to any Eligible Person shall be at the discretion of the Option Committee provided that the number of shares so offered shall not be less than 5,000 shares nor more than the maximum allowable allocation of such Eligible Person and shall be in multiples of 100 shares.

2.4 Eligibility

Any employee of the Group shall qualify to participate in the ESOS if, as at the Date of Offer, the employee:-

- (a) has attained at least 18 years of age; and
- (b) is not an undischarged bankrupt; and
- (c) is an employee in a company within the Group, which is not dormant, whose service has been confirmed and has not served a notice of resignation or received a notice of termination by the relevant company within the Group and must have served the Group on a continuous full time basis for a period of not less than 1 year prior to the Date of Offer; and
- (d) fulfils any criteria and/or falls under such category as may be determined by the Option Committee from time to time.

Any Director including, executive and non-executive, of the Group shall be eligible to participate in the Proposed ESOS if, as at the Date of Offer, such Director:-

- (a) is at least 18 years of age; and
- (b) is not an undischarged bankrupt; and
- (c) is a Director of the Company or any non-dormant company in the Group and has been appointed to the board of directors of any company within the Group for at least 1 year prior to the Date of Offer; and
- (d) fulfils any other criteria and/or falls within such category as may be determined by the Option Committee from time to time.

Directors, major shareholders, whom are also Directors and/or employees, if any, or the chief executive of the Company or Persons Connected to any of them shall have their entitlements under the ESOS approved by the shareholders of the Company in a general meeting prior to allocation of the ESOS Options.

Subject to the sole and absolute discretion of the Option Committee as provided in the By-Laws, there are no performance targets to be achieved by the Grantee before the ESOS Options can be exercised and the shares can be vested by the Grantee. However, the Option Committee shall have the right to impose Vesting Conditions, not being performance targets, if any, at the time when an Offer is made. Apart from the compliance or fulfilment of the Vesting Conditions, if any, the ESOS Options are not subject to any vesting period.

The ESOS Options offered to an Eligible Person may, subject to the compliance or fulfillment by the Eligible Person of the Vesting Conditions determined by the Option Committee, be vested in the Eligible Person in such number of tranche or tranches and in such number of ESOS Options in each tranche as shall be determined by the Option Committee.

Eligibility does not confer on an Eligible Person a claim or right to participate in the ESOS unless an Offer has been made in writing by the Option Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the provisions of the By-Laws.

2.5 Option Price

Subject to any adjustments in accordance with the By-Laws, the Option Price shall be determined based on the five-day VWAP of the UCrest Shares immediately preceding the Date of Offer, subject to a discount of not more than 10.00% which the Option Committee may at its discretion decide to give, if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

2.6 Ranking of the new UCrest Shares to be issued pursuant to the ESOS Options exercised

Any new UCrest Shares to be issued pursuant to the ESOS Options exercised shall, upon issuance, allotment and full payment, rank pari passu in all respects with the then existing UCrest Shares, save and except that the new UCrest Shares to be issued pursuant to the ESOS Options exercised will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of issuance and allotment of such new UCrest Shares to be issued pursuant to the ESOS Options exercised.

2.7 Proposed Granting of ESOS Options

The Board proposed to offer and grant ESOS Options under the ESOS to N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company, subject to the following provisions:

- (i) not more than 10.00% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the new UCrest Shares available under the ESOS shall be allocated to him, if he, either singly or collectively through Persons Connected to him (as defined in the Listing Requirements), holds 20.00% (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 (excluding treasury shares, if any) of the Company;
- (ii) not more than 50.00% of the total number of UCrest Shares comprised under the ESOS to be issued pursuant to the ESOS would be allocated (in aggregate) to Directors and senior management of the Group (excluding dormant subsidiaries) who are eligible to participate in the ESOS;
- (iii) N Chanthiran A/L Nagappan shall not participate in the deliberation or discussion of his own allocation of the ESOS Options and allocation of the ESOS Options to Persons Connected to them; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

In accordance with the By-Laws, a Grantee who is a non-executive Director must not sell, transfer or assign any new Shares obtained through the exercise of ESOS Options offered to him under the ESOS within 1 year from the Date of Offer. As such, N Chanthiran A/L Nagappan, being an Independent Non-Executive Director of UCrest, shall not sell, transfer or assign any new Shares obtained through the exercise of ESOS Options offered to him under the ESOS within 1 year from the Date of Offer, in the event that the Proposed Granting of ESOS Options and the Waiver are approved by the shareholders.

3. PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE ACT AND THE COMPANY'S CONSTITUTION

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

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

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

Clause 12(3) of the Constitution of the Company provides as follows:

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

For issuance of any new shares or other convertible securities free of pre-emptive rights, such pre-emptive rights shall be waived.

As such, the waiver of such pre-emptive rights will be tabled at the Company's forthcoming AGM under the proposed Special Resolution II for the shareholders to affirm the waiver of their pre-emptive rights under Section 85 of the Act over all ESOS Options granted and/or to be offered/granted and all new Shares issued and/or to be issued pursuant to the ESOS to the Eligible Persons and each of the Directors of the Company, which will result in a dilution of their shareholding percentage in the Company. For information, shareholders' approvals were obtained at the Company's Extraordinary General Meeting held on 22 January 2018 for the establishment of the ESOS and the granting of ESOS Options to each of the Directors of the Company at that point in time. The Company had, at its Twenty-Third AGM held on 17 November 2020, further obtained the shareholders' approval for the granting of ESOS Options to Dato' Dr. Mohd Fikri Bin Abdullah (an Independent Non-Executive Director of the Company who was appointed on 16 May 2018 after the establishment of the ESOS).

The proposed Special Resolution II is also to seek the shareholders' approval for the waiver of their pre-emptive rights under Section 85 of the Act to be offered ESOS Options and/or any new Shares to be issued by the Company pursuant to the Proposed Granting of ESOS Options to be tabled at the forthcoming AGM, which will result in a dilution of their shareholding percentage in the Company.

Please refer to the Notice of AGM for the proposed Special Resolution II which is enclosed together in the 2023 Annual Report, of which an extract of the resolution is enclosed in Appendix III of this Circular.

4. RATIONALE FOR THE PROPOSED GRANTING OF ESOS OPTIONS

As stated in the 2018 ESOS Circular to seek the shareholders' approval for the establishment of the ESOS, the ESOS is also extended to the non-executive Directors. The Proposed Granting of ESOS Options is to reward N Chanthiran A/L Nagappan, an Independent Non-Executive Director of the Company in recognition of his contribution to the UCrest Group and to enable him to participate in the future growth of the Group.

The Proposed Granting of ESOS Options is also in recognition of N Chanthiran A/L Nagappan's contribution and additional responsibilities as the chairman of the Audit Committee, Nomination Committee and Option Committee as well as a member of the Sustainability Committee of UCrest.

Through the Proposed Granting of ESOS Options, N Chanthiran A/L Nagappan would be given the opportunity to participate directly in the equity interests of UCrest. Non-executive Directors' participation in the Company's equity is expected to enhance their level of commitment and contribution as well as enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company.

5. UTILISATION OF PROCEEDS

The actual proceeds to be received by the Company arising from the exercise of the ESOS Options offered under the ESOS (including the Proposed Granting of ESOS Options) will depend on, amongst others, the actual number of ESOS options granted and exercised at the relevant point of time as well as the Option Price. Therefore, the amount of proceeds to be received from the exercise of the ESOS Options under the ESOS (including the Proposed Granting of ESOS Options) and the timeframe for utilisation of the proceeds, if any, is not determinable at this juncture. Nonetheless, the Company expects to fully utilise the proceeds within a period of 12 months, as and when the proceeds are received throughout the tenure of the ESOS. As at the LPD, the Company has raised approximately RM6,350,592.00# from the ESOS since its implementation. Please refer to Section 2 of this Circular for further details on the number of ESOS options granted to the Eligible Persons pursuant to the ESOS.

#Based on the following ESOS options exercised:

- 16,540,000 ESOS options exercised at an Option Price of RM0.0868
- 4,200,000 ESOS options exercised at an Option Price of RM0.1184
- 100,000 ESOS options exercised at an Option Price of RM0.2164
- 70,000,000 ESOS options exercised at an Option Price of RM0.0628

The proceeds to be raised from the exercise of the ESOS Options offered under the ESOS (including the Proposed Granting of ESOS Options) are intended to be utilised for the working capital and/or capital expenditure of UCrest Group. These expenses include, but not limited to, payment to trade creditors, payment of salary and accrued salary, insurance and utilities as well as general expenses such as travelling, staff training and staff welfare and capital expenditure such as acquisition of property, plant and equipment. However, the exact breakdown of the utilisation of proceeds have yet to be identified at this moment as it depends on, including, but not limited to, the timing of receipt of proceeds from the exercise of the ESOS Options as well as the requirements for working capital and capital expenditure.

Pending the utilisation of proceeds raised, the said proceeds are intended to be placed as deposits with banks or licensed financial institutions or used for investments in short-term deposits, money market or debt instruments, as the Directors of the Company may deem appropriate at their absolute discretion. The proceeds raised are expected to improve the cash flows of the UCrest Group and to fund its future capital expenditure and operating expenses.

6. EFFECTS OF THE PROPOSED GRANTING OF ESOS OPTIONS

6.1 Issued share capital

The Proposed Granting of ESOS Options is not expected to have any immediate effect on the issued share capital of the Company. The issued share capital of the Company may increase progressively depending on the number of new Shares which may be issued pursuant to the exercise of the ESOS Options.

For information purposes, as at the LPD, pursuant to the Company's Private Placement, UCrest may issue up to the remaining 19,187,700 new Shares under the Private Placement which will result in the enlarged issued share capital of the Company.

6.2 NA, NA per Share and gearing

The Proposed Granting of ESOS Options will not have any immediate material effect on the NA, NA per Share and gearing of the Group until such time when the new Shares are issued pursuant to the exercise of the ESOS Options. Any potential effect on the NA per Share and gearing of the Group will depend on the number of ESOS Options granted and exercised as well as the Option Price at the relevant point in time. The NA per Share of the Group is expected to increase if the Option Price is higher than the NA per Share of the Group, and vice versa.

6.3 Earnings and EPS

The Proposed Granting of ESOS Options will not have any immediate material effect on UCrest Group's earnings until such time when the new Shares are issued pursuant to the exercise of the ESOS Options. However, any potential effect on the consolidated earnings and EPS of the Group in the future would depend on the number of ESOS Options granted and exercised at the relevant point in time, the Option Price payable upon the exercise of the ESOS Options as well as the impact of MFRS 2.

In accordance with MFRS 2, the potential cost of awarding the new UCrest Shares in satisfaction of the ESOS Options exercised will need to be measured at fair value on the date of award of the ESOS Options and recognised as an expense in the consolidated statement of profit or loss at the point of granting such ESOS Options or over the vesting period of such ESOS Options.

The extent of the effect of the Proposed Granting of ESOS Options on the consolidated earnings and EPS of the Group cannot be determined at this juncture as it would depend on the fair value of the ESOS Options which is to be derived using the Trinomial Model and/or UCrest Shares as at the respective dates of award of the ESOS Options. However, the potential cost of the award of ESOS Options under the ESOS does not represent a cash outflow and is only an accounting treatment. The EPS of UCrest will be diluted as a result of the increase in the number of UCrest Shares issued under the ESOS. The effect of any exercise of ESOS Options on the consolidated EPS of the UCrest Group would depend on including, but not limited to, the number of ESOS Options exercised at any point in time and the returns generated by the UCrest Group, if any, from the utilisation of the proceeds arising from the exercise of the ESOS Options.

The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration of such impact in the allocation of ESOS Options to the Eligible Persons, including the allocation of ESOS Options to N Chanthiran A/L Nagappan under the Proposed Granting of ESOS Options.

The estimated expenses in relation to the Proposed Granting of ESOS Options (excluding the potential impact of the Proposed Granting of ESOS Options under MFRS 2) are approximately RM60,000.00, which will be funded through UCrest's internally-generated funds.

6.4 Substantial shareholders' shareholdings

The Proposed Granting of ESOS Options is not expected to have any immediate effect on the shareholdings of the substantial shareholders of the Company until such time when the Shares are issued pursuant to the exercise of the ESOS Options. Any potential effect on the substantial shareholders' shareholdings of UCrest will depend on the actual number of Shares to be issued pursuant to the exercise of the ESOS Options under the Proposed Granting of ESOS Options.

6.5 Convertible securities

As at the LPD, save for the 2,000,000 outstanding ESOS Options under the existing ESOS, the Company does not have any other convertible securities.

7 HISTORICAL SHARE PRICES

The monthly high and low prices of UCrest Shares as traded on the ACE Market of Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	Low (RM)	High (RM)
2022		
September	0.055	0.075
October	0.055	0.100
November	0.075	0.095
December	0.080	0.130

	Low (RM)	High (RM)
2023		
January	0.105	0.140
February	0.095	0.130
March	0.090	0.110
April	0.090	0.120
May	0.095	0.125
June	0.110	0.160
July	0.130	0.150
August	0.130	0.220

Last transacted market price on 8 September 2023
(being the day prior to the date of the Announcement) RM0.175

Last transacted market price on 21 September 2023
(being the latest practicable date prior to the printing of this Circular) RM0.175

8 APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Granting of ESOS Options is subject to the approval of the shareholders at the forthcoming Twenty-Sixth AGM of the Company and the waiver of the shareholders' pre-emptive rights under Section 85 of the Act for granting of ESOS Options and issuance of new Shares under the ESOS (including the Proposed Granting of ESOS Options), which will result in a dilution of their shareholding percentage in the Company.

The Proposed Granting of ESOS Options is not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

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

N Chanthiran A/L Nagappan is deemed interested in the Proposed Granting of ESOS Options by virtue of his eligibility for the ESOS Options in his capacity as an Independent Non-Executive Director of the Company ("Interested Director"). The Interested Director has abstained and will continue to abstain from deliberating and voting on the proposed allocation to him under the Proposed Granting of ESOS Options as well as allocation to Persons Connected with him (if any) at the Board meetings.

The Interested Director will abstain from voting in respect of his direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Granting of ESOS Options at the forthcoming Twenty-Sixth AGM of the Company. Further, the Interested Director has also undertaken that he will ensure that Persons Connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Granting of ESOS Options at the forthcoming Twenty-Sixth AGM of the Company.

As at the LPD, the Interested Director does not have any shareholdings, direct or indirect, in the Company:-

Interested Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
N Chanthiran A/L Nagappan	-	-	-	-

Save as disclosed above, none of the Directors, major shareholders, chief executive of the Company and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Granting of ESOS Options.

10 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for N Chanthiran A/L Nagappan), after taking into consideration all aspects of the Proposed Granting of ESOS Options, including but not limited to the rationale and effects of the Proposed Granting of ESOS Options and the Waiver, is of the opinion that the Proposed Granting of ESOS Options and the Waiver are in the best interest of the Company and its shareholders.

Accordingly, the Board (save for N Chanthiran A/L Nagappan who has abstained from expressing any opinion and making any recommendation on the Proposed Granting of ESOS Options) recommends that the shareholders vote in favour of the resolutions pertaining to the Proposed Granting of ESOS Options and the Waiver to be tabled at the forthcoming Twenty-Sixth AGM of the Company.

11 CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Granting of ESOS Options and as disclosed below, there is no other outstanding corporate exercise which has been announced but pending completion as at the LPD:-

(i) Private Placement

As at the LPD, 50,000,000 new UCrest Shares were issued pursuant to the Private Placement which were subsequently listed and quoted on the ACE Market of Bursa Securities on 9 June 2023. As at the LPD, the Company may issue up to 19,187,700 remaining new Shares under the Private Placement.

12 AGM

The Twenty-Sixth AGM, the notice of which is enclosed in the 2023 Annual Report, will be conducted entirely through live streaming from the broadcast venue at UCrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 15 November 2023 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposed Granting of ESOS Options and the Waiver pursuant to the agenda of Special Business as detailed in the Company's Notice of AGM.

If you are unable to attend and vote remotely via the remote participation and voting facilities provided at the AGM, you may appoint a proxy or proxies to attend and vote at the AGM on your behalf. If you wish to do so, you must complete and return the Proxy Form enclosed in the 2023 Annual Report in accordance with the instructions therein as soon as possible and in any event, so as to arrive at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

Shareholders WILL NOT BE ALLOWED to attend the AGM in person at the broadcast venue on the day of the AGM. Therefore, shareholders are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities provided by the Company. Please read the Administrative Guide for the AGM carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely.

13 ADDITIONAL INFORMATION

Shareholders are advised to refer to Appendices in this Circular for additional information.

Yours faithfully,
For and on behalf of the Board of Directors
UCREST BERHAD

EG KAH YEE
Chairman/ Managing Director

BY-LAWS IN RELATION TO THE ESOS

1. NAME OF SCHEME

This Scheme shall be called the “UCrest Employee’s Share Option Scheme”.

1A. RATIONALE OF THE SCHEME

The rationale of the Scheme is as follows:

- (i) to provide an opportunity for Eligible Persons to participate directly in the equity interests of UCrest;
- (ii) to reward and retain Eligible Persons whose services are vital to the continued growth of the Group;
- (iii) to motivate Eligible Persons towards better performance through greater loyalty to the Group; and
- (iv) to reward the non-executive Directors in recognition of their contributions to the Group and to enable them to participate in the future growth of the Group.

2. DEFINITIONS AND INTERPRETATION

2.1. In these By-Laws, except where the context otherwise requires, the following terms and expressions shall have the following meanings:-

ACE LR	: The ACE Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
Adviser	: Any person that may act as a principal adviser under the Securities Commission Malaysia’s Principal Adviser Guidelines (as amended from time to time)
Articles	: The Articles of Association of the Company, including any amendment thereto that may be made from time to time
Board	: The Board of Directors for the time being of UCrest
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
By-Laws	: The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 21)
Companies Act	: The Companies Act, 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
CDS	: Central Depository System

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawals of securities and for dealings in such securities by the depositor
Date of Expiry	:	Last day of the Duration of the Scheme as defined in By-Law 19.2
Date of Offer	:	The date on which an Offer is made by the Option Committee to an Eligible Person in the manner provided in By-Law 6
Director	:	Either an executive director or a non-executive director of the UCrest Group within the meaning of Section 2 of the Companies Act
Duration of the Scheme	:	Period of five (5) years or such period as extended by the Board in accordance with By-Law 19.3 from the Effective Date, as the case may be
Effective Date	:	The date on which the Scheme comes into force as provided in By Law 19.1
EGM	:	Extraordinary General Meeting
Eligible Person(s)	:	A Director or Employee of the UCrest Group who meets the criteria of eligibility for participation in the ESOS as stipulated in By-Law 4
Employee	:	A natural person who is employed by and on the payroll of any company in the Group
Entitlement Date	:	The date as at the close of business on which shareholders' names must appear on UCrest's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments or other distributions
ESOS or Scheme	:	The scheme for the grant of Option(s) to Eligible Persons to subscribe for new Shares according to the terms set out herein known as the "UCrest Employees' Share Option Scheme"
Grantee	:	Any Eligible Person who has accepted an Offer in the manner provided in By-Law 7
Entitlement Date	:	The date as at the close of business on which shareholders' names must appear on UCrest's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments or other distributions
Market Day(s)	:	A day on which Bursa Securities is open for trading in securities
Maximum Allowable Allotment	:	The maximum number of new Shares that may be offered and allotted to an Eligible Person under the Scheme in the manner provided in By-Law 5
Offer	:	A written offer made by the Option Committee from time to time to an Eligible Person to participate in the Scheme in the manner provided in By-Law 6

- 2 -

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

Offer Period	:	The period stipulated in By-Law 6.3
Option(s)	:	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in By-Law 7
Option Committee	:	The committee duly authorised and appointed by the Board to administer the Scheme, comprising such persons appointed from time to time by the Board
Option Period	:	The period commencing from the date an Offer is accepted by a Grantee and expiring on the Date of Expiry or such other date as may be stipulated by the Option Committee in the Offer or upon the date of termination of the Scheme as provided in By-Law 19, whichever is the earlier
Option Price	:	The price at which a Grantee shall be entitled to subscribe for each new Share upon the exercise of the Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s)	:	Ordinary share(s) in the Company
UCrest or the Company	:	UCrest Berhad (Company No. 420056-K)
UCrest Group or the Group	:	The Company and its subsidiary company(ies) (including foreign subsidiaries) as defined in Section 4 of the Companies Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 17

2.2. Headings are for ease of reference only and do not affect the meaning of a By-Law.

2.3. Any reference to statutory provisions shall include:-

- (a) any subordinate legislation made from time to time under that provision and any ACE LR, policies, practice notes and/or guidelines of Bursa Securities and/or other relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies, practice notes and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities); and
- (b) 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 Option(s) offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 2.4. Words importing the masculine gender shall include the feminine and neuter genders.
- 2.5. Words importing the singular number shall include the plural number and vice versa.
- 2.6. If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day, save and except if the Date of Expiry falls on a stipulated day that is not a Market Day, the Date of Expiry shall be taken to be the Market Day prior to the stipulated day.
- 2.7. A "Day" or "Month" mean a calendar day or a calendar month.
- 2.8. Any liberty or power which may be exercised or any decision or determination which may be made hereunder by the Option Committee shall be exercised in the Option Committee's absolute and unfettered discretion and the Option Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.

3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 3.1. The maximum number of new Shares which may be issued and allotted pursuant to the exercise of the Options which may be granted under the Scheme shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 19.2.
- 3.2. Notwithstanding the provision of By-Law 3.1 and any other provision contained in these By-Laws, in the event the maximum number of new Shares that may be made available under the Scheme exceeds fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing its Shares in accordance with the provisions of the Companies Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such Options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the provisions of these By-Laws. However, in such a situation, the Option Committee shall not make any further Offer until the total number of Shares under the subsisting Options, including those Shares that have been issued under the Scheme falls below fifteen (15%) of the total number of issued shares of the Company (excluding treasury shares, if any).
- 3.3. Each Option shall be exercisable into one (1) new Share, in accordance with the provisions of these By-laws.

4. ELIGIBILITY

- 4.1. Only Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme:-
 - (a) In respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:-

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt;
 - (iii) is an employee in a company within the Group, which is not dormant, whose service has been confirmed and has not served a notice of resignation or received a notice of termination by the relevant company within the Group and must have served the Group on a continuous full time basis for a period of not less than one (1) year prior to the Date of Offer; and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the Option Committee from time to time.
- (b) In respect of a Director, the Director must fulfil the following criteria as at the Date of Offer:-
- (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt;
 - (iii) is a Director of the Company or any company in the Group, which is not dormant and has been appointed to the board of directors of any company within the Group for at least one (1) year prior to the Date of Offer; and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the Option Committee from time to time.

Notwithstanding the above, the Option Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out in this By-Law 4.1. The eligibility and number of Options to be offered to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the Option Committee and the decision of the Option Committee shall be final and binding.

- 4.2 Notwithstanding By-Law 4.1, the specific allotment to be made to any person, who is a director or major shareholder or the chief executive of UCrest or person connected to any of them (as defined in the ACE LR), shall also be approved by the shareholders of the Company in general meeting.
- 4.3 Any Eligible Person who holds more than one (1) position within the UCrest Group and by holding such positions, the Eligible Person is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those categories. The Option Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 An Employee or Director of a dormant company within the Group is not eligible to participate in the Scheme.
- 4.5 An Employee or Director who during the Duration of the Scheme becomes an Eligible Person may, at the discretion of the Option Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment.
- 4.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the Shares comprised herein unless an Offer has been made by the Option Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with ByLaw 7 hereof.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

5. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

5.1. Subject to By-Law 3 and any adjustment which may be made under By-Law 15, the number of Options to be allocated to an Eligible Person at any time in each Offer made pursuant to the Scheme shall be at the sole and absolute discretion of the Option Committee after taking into consideration, *inter alia*, the Eligible Person's designation, length of service, work performance and/or such other factors as the Option Committee deems relevant, and subject to the following conditions:-

- (a) the total number of new Shares made available under the Scheme shall not exceed the amount stipulated in By-Law 3.1;
- (b) not more than fifty percent (50%) of the total Shares made available under the Scheme shall be allocated, in aggregate, to Directors and senior management of the Group;
- (c) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person (as defined in the ACE LR), holds twenty percent (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 the Company (excluding treasury shares, if any); and
- (d) the Directors and senior management of UCrest do not participate in the deliberation or discussion of their respective allocation;

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

The term "senior management" shall be subject to criteria to be determined by the Option Committee that may change from time to time.

- 5.2 The Option Committee shall be entitled to determine the Maximum Allowable Allotment in relation to each class or grade of Employees and Directors from time to time, and the decision of the Option Committee shall be final and binding. To the extent possible and subject always to By-Law 5.1, the Option Committee will ensure that there should be equitable allocation to various grades of Eligible Persons.
- 5.3 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment corresponding to the new category of employee, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.4 The Company shall ensure that allocation of Options pursuant to the Scheme is verified by the Audit Committee of UCrest at the end of each financial year as being in compliance with the criteria for allocation of Options which have been disclosed to the Employees and Directors of the Group. A statement by the Audit Committee of UCrest verifying such allocations shall be included in the annual report of the Company.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 5.5 The decision as to whether to stagger the allocation of the Options over the Duration of the Scheme will be determined by the Option Committee at a later date.

6. OFFER

- 6.1 During the Duration of the Scheme, the Option Committee may at its discretion at any time and from time to time make an Offer to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allotment and in accordance with the terms of this Scheme. Each Offer shall be not less than five thousand (5000) units of Shares in a multiple of not less than one hundred (100) units of Shares constituting one (1) board lot or such other units of Shares as may be determined by the Option Committee. The Options shall only be accepted in not less than five thousand (5000) units of Shares in multiples of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the Option Committee.
- 6.2 The Option Committee shall state the following particulars in the letter of Offer:-
- (a) the number of Options that are being offered to the Eligible Person;
 - (b) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) the Option Period;
 - (d) the Option Price;
 - (e) the Offer Period;
 - (f) the closing date for acceptance of the Offer;
 - (g) the manner of exercise of the Options; and
 - (h) any other information deemed necessary by the Option Committee,
- 6.3 An Offer shall be valid for acceptance for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the Option Committee on a case-by-case basis at its sole and absolute discretion.
- 6.4 No Offer shall be made to any Director, major shareholder and/or chief executive of the Company or its holding company or persons connected with them who are Eligible Persons unless such Offer and the related allotment of new Shares have previously been approved by the shareholders of the Company in a general meeting. For the purpose of these By-Laws, "persons connected with a Director, major shareholder and/or chief executive" shall have the meaning given in relation to persons connected with a Director or major shareholder as defined in Rule 1.01 of the ACE LR.
- 6.5 Nothing herein shall prevent the Option Committee from making more than one (1) Offer to an Eligible Person PROVIDED THAT the total aggregate number of Options offered to such Eligible Person (inclusive of Shares already offered under previous Offers, if any) during the Duration of the Scheme shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.6 Where it involves a grant of Options to Eligible Persons who are members of the Option Committee, such grant of Options shall be decided by the Board.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 6.7 The Options offered to an Eligible Person may, subject to the compliance or fulfilment by the Eligible Person of the Vesting Conditions, be vested in the Eligible Person in such number of tranche or tranches and in such number of Options in each tranche as shall be determined by the Option Committee.
- 6.8 In the event of an error on the part of the Company or the Option Committee in stating any of the particulars referred to in By-Law 6.2, the following provisions shall apply:
- (a) Within thirty (30) days after discovery of the error, the Company or Option Committee shall issue a supplemental letter of Offer, stating the correct particulars of the offer referred to in By-Law 6.2;
 - (b) In the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of Offer shall remain as the Option Price as per the original letter of Offer; and
 - (c) In the event that the error relates to the Option Price, the Option Price applicable in the supplemental letter of Offer shall be the Option Price

applicable as at the date of the original letter of Offer, save and except with respect to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.

7. ACCEPTANCE

- 7.1. An Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company or in such manner as may be prescribed by the Option Committee from time to time accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the acceptance of the Offer. The day of receipt of such written notice shall constitute date of acceptance by the Eligible Person.
- 7.2. If an Offer is not accepted in the manner aforesaid within the Offer Period, the Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect.
- 7.3. Options not taken up resulting from the non-acceptance of Offers within the Offer Period may, at the discretion of the Option Committee, thereafter form part of the balance of the Options available under the Scheme for future Offers.
- 7.4. Any Offer shall automatically lapse and be null and void in the event the Eligible Person cease to be employed by the UCrest Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person.
- 7.5. The Option Committee shall have full discretion to determine whether any Vesting Condition has been satisfied, whether fully or partially, or exceeded and in making any such determination, the Option Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group, as the case may be, and to take into account such factors as the Option Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

8. NON-TRANSFERABILITY

- 8.1. An Option is personal to the Grantee and subject to the provisions of By-Laws 14.2 to 14.6, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group and within the Option Period.
- 8.2. An Option prior to the allotment and/or transfer to the Grantee of the Shares to which the Option relates, shall not be transferred save and except in the event of the death of the Grantee as provided under By-Law 14.6, charged, assigned, pledged or otherwise disposed of in whole or in part, except with the prior approval of the Option Committee and if a Grantee shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Committee, that Option shall immediately lapse.
- 8.3. Unless permitted under these By-Laws, an Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any attempt to transfer, assign, dispose or encumber any Option shall result in the automatic cancellation of the Option.
- 8.4. In the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to the Option previously granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate further Option under the Scheme.

9. EXERCISE OF OPTIONS

- 9.1. An Option granted to a Grantee under the Scheme is, subject to the provisions of By-Laws 9.11, 14.1, 16 and 17, exercisable only by that Grantee during his/her lifetime and whilst he/she is in the employment of the Group and within the Option Period.
- 9.2. The Option Committee may with its power under By-Law 20, at any time and from time to time, before and after an Options is granted, limit the exercise of the Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the Options during such periods within the Option Period and impose other terms and/or conditions deemed appropriate by the Option Committee in its sole discretion.
- 9.3. Subject to By-Law 4.1, there are no performance targets to be achieved by the Grantee before the Options can be exercised and the new Shares arising from the Scheme can be issued and allotted.
- 9.4. A Grantee shall exercise the Options granted to him/her in not less than five thousand (5000) units of Shares in multiples of and not less than one hundred (100) new Shares or such other units of Shares constituting one (1) board lot as may be determined by Bursa Securities save and except where a Grantee's balance of Options exercisable in accordance with these By-Laws shall be less than one hundred (100) new Shares or such other units of Shares constituting one (1) board lot as may be determined by Bursa Securities, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Option, if any, which he is entitled to subscribe under the Scheme.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 9.5. Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period and any other impositions which is or may be determined by the Option Committee. Any Option which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.6. Subject to the discretion of the Option Committee, where a Grantee is serving under an employment contract, he/she may exercise any remaining unexercised Options within sixty (60) days before the expiry of the employment contract if the remaining duration of the employment contract from the date on which the Options are granted is less than the Option Period.
- 9.7. A Grantee shall exercise his/her Options by notice in writing to the Company in such form as the Option Committee may prescribe or approve ("Notice of Exercise"). The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the Option Committee from time to time.
- 9.8. Every Notice of Exercise shall state the number of new Shares an Eligible Person intends to subscribe and the Grantee's CDS Account and shall be accompanied by the a remittance in Ringgit Malaysia in the form of a banker's draft, cashier's order or any other mode acceptable to the Option Committee, drawn and payable for the full amount of the subscription monies in respect thereof PROVIDED THAT the number of new Shares stated therein shall not exceed the amount exercisable by such Eligible Person.
- 9.9. Within eight (8) Market Days (or such other period as may be prescribed by Bursa Securities and subject to the Articles) after the receipt of the complete and valid Notice of Exercise together with the remittance from the Grantee, the Company shall allot and/or issue the relevant number of Shares, despatch a notice of allotment to the Grantee and then make an application for the listing of and quotation for the Shares, upon and subject to the provisions of the ACE LR and the Articles. The said Shares will be credited directly into the CDS Account of the Grantee or his/her financier, as the case may be. No physical certificates will be issued. For Grantees who do not have CDS Account, such Grantees are required to open a CDS Account at their own expense before they can exercise their Options.
- 9.10. Any failure to comply with the procedures specified by the Option Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the Option Committee. The Option Committee shall inform the Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the Grantee shall then be deemed not to have exercised his/her Option.
- 9.11. Notwithstanding anything contrary herein contained in these By-Laws, the Option Committee shall have the right, at its absolute discretion by notice in writing to that effect, to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her Options having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS that:-

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his/her Options;
 - (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
 - (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the Option Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
 - (d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Option Period, the Option of such Grantee shall immediately lapse on the expiry of the Option Period without notice.
- 9.12. The Company, the Board and the Option Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares, or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee, or any delay in receipt or non-receipt by the Company of the Notice of Exercise, or for any errors in any Offer.
- 9.13. Every Option shall be subjected to the condition that no new Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

10. OPTION PRICE

Subject to any adjustments in accordance with By-Law 15 and pursuant to the ACE LR, the Option Price shall be fixed based on a price to be determined by the Board upon recommendation of the Option Committee based on the weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme.

11. RIGHTS OF A GRANTEE

- 1.1 The Options shall not carry any right to vote at any general meeting of the Company.
- 1.2 A Grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unexercised Options.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

12. RIGHTS ATTACHING TO NEW SHARES

The new Shares to be allotted and issued upon the exercise of any Options granted under the Scheme will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the new Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, the Entitlement Date of which precedes the date of allotment and issuance of such new Shares. The new Shares will be subject to the provisions of the Articles relating to transfer, transmission and otherwise of the Shares.

13. RETENTION PERIOD

13.1. The Option Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer as it deems fit. Grantees are encouraged to hold the new Shares allotted and issued to them pursuant to the exercise of the Options as investments rather than for any speculative purposes and/or for the realisation of any immediate gain.

13.2. Notwithstanding By-Law 13.1, a Grantee who is a Non-Executive Director must not sell, transfer or assign any new Shares obtained through the exercise of Options offered to him under the Scheme within one (1) year from the Date of Offer.

14. TERMINATION OF OPTIONS

14.1. Any Option which has not been exercised by a Grantee shall be automatically terminated and be of no further force or effect in the following circumstances:-

- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company;
- (d) Termination of the Scheme pursuant to By-Law 19.7; or
- (e) Any other circumstances acceptable to the Option Committee in its exercise of discretion;

whichever shall be applicable.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

Upon the termination of the Options pursuant to By-Law 14.1 above, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

14.2. Notwithstanding By-Law 14.1 above, a Grantee may apply in writing to the Option Committee to be allowed to continue to hold and to exercise any Option held by him/her upon termination of employment with the Group in the following circumstances:-

- (a) Retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (b) Retirement before the age specified under the above said retirement policy, with the consent of his/her employer; or
- (c) Ill-health, injury, physical or mental disability; or
- (d) Redundancy, retrenchment or voluntary separation scheme; or
- (e) Transfer to any company outside the Group at the direction of the Company; or
- (f) Any other circumstance as may be deemed as acceptable to the Option Committee.

14.3 Applications under By-Law 14.2 shall be made:-

- (a) in a case where By-Law 14.2(a), (b) or (f) is applicable, before the Grantee's last day of employment. The Grantee may exercise Options at any time before his/her last day of employment subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee before the Grantee's last day of employment, any Option held by the Grantee on his/her last day of employment shall be automatically terminated;
- (b) in a case where By-Law 14.2(c) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated;
- (c) in a case where By-Law 14.2(d) is applicable, within one (1) month after the Grantee is notified that he/she will be retrenched or, where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, within one (1) month after he/she accepts such offer. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated; and

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- (d) in a case where By-Law 14.2(e) is applicable, within one (1) month after the Grantee is notified that he/she will be transferred to a company outside the Group. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.4 The Option Committee shall consider applications under By-Law 14.2 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decision of the Option Committee shall be final and binding. In the event that the Option Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the period so approved by the Option Committee and subject to the provisions of By-Law 9. Any Options in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.3 or on the date of the Option Committee's decision, whichever is the later.
- 14.5 In the event that the Option Committee receives an application under By-Law 14.2 after the expiry of the relevant period under By-Law 14.3, the Option Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the Option Committee's discretion and powers under By-Law 14.4. In the event that the Option Committee approves the application in whole or in part, the Company shall make an Offer in respect of the unexercised Options which are the subject of approval to the Grantee and such Options offered, if accepted by the Grantee shall be exercisable:-
 - (a) only within the Option Period of those Options which were terminated due to the Grantee's delay in making the application;
 - (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options; and
 - (c) at the Option Price applicable in respect of such terminated Options.
- 14.6 In the event a Grantee dies before the expiration of the Option Period and at the time of his/her death held unexercised Options, such unexercised Options may be exercised by the legal or personal representative(s) or heirs (as the case may be) of the deceased Grantee ("Representative") after the date of his/her death provided that such exercise shall be within the Option Period subject to the approval of the Option Committee. For the avoidance of doubt, in the event the Representative exercises such unexercised Options, the provisions in the By-Laws shall apply *mutatis mutandis* to the Representative.

15. ALTERATION OF SHARE CAPITAL

- 15.1 Subject to By-Law 15.5 hereof, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:-
 - (a) the Option Price; and/or

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- (b) the number of Options granted to each Grantee (excluding the Options already exercised),

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account Options already exercised) shall remain unaffected.

Any adjustment (other than an adjustment pursuant to a bonus issue) must be confirmed in writing by the external auditors or the Adviser of the Company.

- 15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 15.1:-

- (a) Any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
- (b) In determining a Grantee's entitlement to subscribe for Shares, any fractional entitlements shall be rounded down to the nearest whole number.

- 15.3 Subject to By-Law 15.2, the Option Price and/or the number of Options granted to each Grantee so far unexercised shall from time to time be adjusted, calculated and determined by the Option Committee in accordance with the following relevant provisions in consultation with the external auditor or the adviser of the Company:-

- (a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different total number of issued Shares, the Option Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in the following manner:-

$$(i) \quad \text{New Option Price} = EP \times \frac{FT}{RT}$$

$$(ii) \quad \text{Additional number of Options} = T \times \left(\frac{RT}{FT} \right) - T$$

Where:-

EP = Existing Option Price;

FT = Former number of total issued Shares;

RT = Revised number of total issued Shares; and

T = existing number of Options held.

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

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

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

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

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

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

Where:-

- A = the aggregate number of issued Shares on the Entitlement Date;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = T as in By-Law 15.3(a) 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.

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

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

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

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

and in respect of the case referred to in By-Law 15.3(c)(ii) hereof, the number of additional Options to be issued shall be calculated as follows:-

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

Where:-

- T = T as in By-Law 15.3(a) above;
- C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 15.3(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 15.3(c)(iii) above, the value of rights attributable to one (1) existing Share (as defined below); or
- (bb) in the case of any other transaction falling within ByLaw 15.3(c) hereof, the fair market value as determined by the external auditor or the Adviser of the Company of that portion of the Capital Distribution attributable to one (1) existing Share; and
- D* = The "value of rights attributable to one (1) existing Shares" (as defined below).

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

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

Where:-

- C = C as in By-Law 15.3(c) above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares; and
- F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

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

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

Where:-

C = C as in By-Law 15.3(c) above;

E* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

T = T as in By-Law 15.3(a) above.

For the purpose of By-Law 15.3(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 15.3(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

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

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.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(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 Option Price shall be adjusted by multiplying it by the following fraction:-

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:-

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

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

Where:-

- B = B as in By-Law 15.3(b) above;
- C = C as in By-Law 15.3(c) above;
- G = the aggregate number of issued Shares on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;
- I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and
- T = T as in By-Law 15.3(a) 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 Shares as provided in By-Law 15.3(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

Where:-

- C = C as in By-Law 15.3(c) above;
- G = G as in By-Law 15.3(d) above;
- H = H as in By-Law 15.3(d) above;
- H* = H* as in By-Law 15.3(d) above;
- I = I as in By-Law 15.3(d) above;
- I* = I* as in By-Law 15.3(d) above;
- J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;
- K = the option price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and
- T = T as in By-Law 15.3(a) 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 By-Law 15.3(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

Where:-

- B = B as in By-Law 15.3(b) above;
- C = C as in By-Law 15.3(c) above;
- G = G as in By-Law 15.3(d) above;
- H = H as in By-Law 15.3(d) above;
- H* = H* as in By-Law 15.3(d) above

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- I = I as in By-Law 15.3(d) above;
- I* = I* as in By-Law 15.3(d) above
- J = J as in By-Law 15.3(e) above;
- K = K as in By-Law 15.3(e) above; and
- T = T as in By-Law 15.3(a) 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.

- (g) For the purpose of By-Laws 15.3(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustments must be confirmed in writing by the external auditors of the Company for the time being or the Adviser (acting as experts and not as arbitrators), upon reference to them by the Option Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:-

- (i) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen;
- (ii) in the event that a fraction of a new Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number;
- (iii) upon any adjustment being made pursuant to these By-Laws, the Option Committee shall, within thirty (30) calendar days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his/her Representative where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of Options to be issued; and
- (iv) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws.

Notwithstanding the foregoing, any adjustments to the Option Price and/or the number of Options to be issued so far as unexercised arising from bonus issues, need not be confirmed in writing by the external auditors of the Company or the Adviser.

- 15.4 Save as expressly provided for herein, the external auditors or the Adviser must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or the Adviser shall be final, binding and conclusive.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 15.5 The provisions of this By-Law 15 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-
- (a) An issue of Shares pursuant to the exercise of Options under the Scheme; or
 - (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (c) An issue of securities pursuant to a private placement; or
 - (d) An issue of securities pursuant to a special issue approved by the relevant governmental authorities; or
 - (e) A restricted issue of securities; or
 - (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
 - (g) A purchase by the Company of its own Shares and cancellation or sale of all or a portion of such Shares purchased, pursuant to Section 127 of the Companies Act; or
 - (h) An issue of further Options to Eligible Persons under these By-Laws.
- 15.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Companies Act, By-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, but By-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is not applicable as described in By-Law 15.5.
- 15.7 An adjustment pursuant to By-Law 15.1 shall be made according to the following terms:-
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective (being the date when the Shares are traded on Bursa Securities at the new par value), or such period as may be prescribed by Bursa Securities.

Upon any adjustment being made, the Option Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his/her Representative where the Grantee is deceased, to inform him/her of the adjustment and the event giving rise thereto.

- 15.8 Notwithstanding the provisions referred to in this By-Law, the Option Committee may exercise its discretion to determine whether any adjustments to the Option Price and/or the number of Options be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

16. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS AND RECONSTRUCTIONS
16.1 In the event of:-

- (a) A take-over offer being made for, under the 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), a Grantee will be entitled within such period to be determined by the Option Committee, to exercise all or any part of his/her Options and the Directors 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 exercise of the Options under this By-Law; or
- (b) The Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Grantee that it intends to exercise such rights on a specific date ("Specified Date"), the Grantee will be entitled to exercise all or any part of his/her Options from the date of service of the said notice to the Grantee until the expiry of the Specified Date.

In the foregoing circumstances, if the Grantee fails to exercise his/her Options or elects to exercise only in respect of a portion of such Shares, then any Options to the extent unexercised by the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and be null and void.

- 16.2 Notwithstanding the provisions of By-Law 9 and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Companies Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Companies Act or the Company decided to merge with other company or companies, a Grantee may be entitled to exercise all or any part of his/her Options which remain unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court until the date upon which such compromise or arrangement becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period. Upon the compromise or arrangement becoming effective, all unexercised Options shall automatically lapse and become null and void and of no further force and effect.

17. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 17.1 If a Grantee is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, then the Option Committee will have the right to determine at its discretion whether or not the Grantee:-
- (a) will be entitled to continue to hold and to exercise all the unexercised or partially exercised Options which were granted to him/her under the Scheme within a period which will be decided by the Option Committee, failing which the right of such Grantee to subscribe for that number of new Shares or any part thereof granted under such unexercised or partially exercised Option(s) shall automatically lapse and be null and void and of no further force and effect upon the expiry of the relevant period; and

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

(b) shall be eligible to participate for further Options under the Scheme.

17.2 For the purposes of By-Law 17.1, a company shall be deemed to be divested from the Group or disposed off from the Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Companies Act.

17.3 In the event that:-

- (a) an employee who was employed in a company which is related to the Company pursuant to Section 7 of the Companies Act (that is to say, a company which does not fall within the definition of “the Group”) and is subsequently transferred from such company to any company within the Group; or
- (b) an employee who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition 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 abovementioned company in (a) and (b) herein referred to as the “Previous Company”), such an employee of the Previous Company will be eligible to participate in this Scheme for its remaining Option Period, if the affected employee becomes an “Eligible Person” within the meaning under these By-Laws.

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 as defined in Section 4 of the Companies Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the employees of such company on the date of 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 By-Law 2.1 and the provisions of the By-Laws shall apply.

18. WINDING-UP

All outstanding Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding-up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the Options shall accordingly be reinstated.

19. DURATION, TERMINATION AND EXTENSION OF SCHEME

19.1 The Effective Date for the implementation of the Scheme shall be the date of full compliance with all relevant requirements in the ACE LR, including the following:-

- (a) Submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the ACE LR and a checklist showing compliance with Appendix 6E of the ACE LR;

- 24 -

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- (b) Receipt of the approval or approval-in-principle from Bursa Securities, as the case may be, for the listing of and quotation for the new Shares to be issued pursuant to the exercise of Options granted under the Scheme;
- (c) Procurement of the approval of the shareholders of the Company for the Scheme in a general meeting;
- (d) Receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
- (e) Fulfilment of all conditions attached to any of the abovementioned approvals, if any.

The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

- 19.2 The Scheme shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 19.3 below.
- 19.3 The Scheme may be extended at the sole and absolute discretion of the Board upon the recommendation of the Option Committee, provided always that the initial Scheme period stipulated above and such extension of the Scheme made pursuant to these Bylaws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date. For the avoidance of doubt, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be).
- 19.4 Any extended Scheme under this provision shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Scheme PROVIDED THAT the Company shall serve appropriate notices on each Grantee and make any announcements to Bursa Securities (if required).
- 19.5 An Offer can only be made during the Duration of the Scheme before 5.00p.m. on the Date of Expiry.
- 19.6 Notwithstanding anything to the contrary, all unexercised or partially exercised Options shall lapse at 5.00p.m. on the Date of Expiry.
- 19.7 The Scheme may be terminated by the Option Committee at any time before the Date of Expiry PROVIDED THAT the Company makes an announcement immediately to Bursa Securities. The announcement shall include:-
 - (a) the effective date of termination ("Termination Date");
 - (b) the number of Options exercised or Shares vested; and
 - (c) the reasons and justification for termination.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

- 19.8 In the event of termination as stipulated in By-Law 19.7 above, the following provisions shall apply:-
- (a) No further Offer shall be made by the Option Committee from the Termination Date;
 - (b) All Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
 - (c) All outstanding Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.
- 19.9 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme.

20. ADMINISTRATION

- 20.1 The Scheme shall subject to these By-Laws be administered by the Option Committee. The Option Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the Option Committee shall be final and binding.
- 20.2 Without limiting the generality of By-Law 20.1, the Option Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:-
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Options 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 Scheme and its administration. The Option Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it deems necessary to expedite and make the Scheme fully effective; and
 - (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- 20.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the Option Committee as it shall deem fit.

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

- 21.1 Subject to By-Law 21.2, the Option Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit, subject to the provisions of any guidelines on employee share option schemes stipulated under the ACE LR and/or any

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

other relevant regulatory authority in relation to an share option scheme, and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any of these By-Laws upon such recommendation subject to the Company submitting the amended By-Laws and a confirmation letter to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the ACE LR pertaining to employee share option scheme and the Rules of Bursa Depository.

21.2 Subject to By-Law 21.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of additions, modifications or amendments to or deletions of these By-Laws PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which would:-

- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed under By-Law 3.1; or
- (c) prejudice any rights of the shareholders of the Company.

21.3 For the purpose of complying with the provisions of the ACE LR, By-Laws 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 18 and 19 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting unless allowed otherwise by the provisions of the ACE LR.

21.4 The Grantees shall be given written notices in the term prescribed by the Option Committee from time to time in the event of any conditions, amendments to and/or modifications of these By-Laws within fourteen (14) Market Days of any of the foregoing taking effect.

22. INSPECTION OF ACCOUNTS

All Grantees are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

23. SCHEME NOT A TERM OF EMPLOYMENT

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

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

24. NO COMPENSATION FOR TERMINATION

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

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the Offer or consideration for the Offer afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the Options) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the Option Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her Options or his/her rights/ Options ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the Option Committee shall in no event be liable to the Grantee or his/her Representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the Option Committee has been advised of the possibility of such damage.

25. DISPUTES

- 25.1 In case any dispute or difference shall arise between the Option Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the Option Committee during the Duration of the Scheme, then the Option Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or Grantee, as the case may be PROVIDED THAT where the dispute or difference is raised by a member of the Option Committee, the said member shall abstain from voting in respect of the decision of the Option Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the Option Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

be final and binding under these By-Laws. 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 Option Committee shall be borne by such party.

- 25.2 Notwithstanding the foregoing provisions of By-Law 25.1 above, matters concerning adjustments made pursuant to By-Law 15 shall be referred to external auditors of the Company or the Adviser who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

26. COSTS AND EXPENSES

Unless otherwise stipulated by the Company in the Offers, all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the exercise of Options, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the Offers and exercise of the Options under the Scheme.

27. ARTICLES

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

28. TAXES

All taxes (including income tax), if any, arising from the exercise of any Options, including the transfer, issuance and allotment of Shares under the Scheme shall be borne by the Grantee.

29. LISTING AND QUOTATION OF SHARES

- 29.1 Upon the exercise of any Options in accordance with By-Law 9, the Company shall, subject to it having obtained the prior written approval of Bursa Securities and/or other relevant authorities, and making applications to Bursa Securities for the listing of and quotation for such new Shares, use its best endeavours to obtain permission for the dealing of such new Shares.

- 29.2 The Company and the Option Committee shall not under any circumstances be held liable for any costs, losses 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 Grantee is entitled to subscribe.

30. NOTICE

- 30.1 Any notice under the Scheme required to be given to or served upon the Option Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee to the Option Committee shall be given or made in writing and either delivered by hand or sent to the Option Committee or the Company by facsimile or ordinary post. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

30.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-

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

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

30.3 Where any notice which the Company or the Option Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or the Grantees (as the case may be) pursuant to the Scheme, the Company or the Option Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the Option Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 30.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

31. SEVERABILITY

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

32. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the ACE LR including (where applicable) a statement by the audit committee verifying that the allocation of Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Persons.

33. SUBSEQUENT SHARE ISSUANCE SCHEME

Subject to the approval of Bursa Securities and any other relevant authorities, the Company may implement more than one (1) Scheme provided that the aggregate number of shares available under all the schemes does not breach the maximum limit prescribed in the prevailing

BY-LAWS IN RELATION TO THE ESOS (CONT'D)

guidelines issued by Bursa Securities, the ACE LR and any other relevant authorities as amended from time to time.

34. ERRORS AND OMISSIONS

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

- (a) an Eligible Person who was selected by the Option Committee/Company has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of Shares allotted and issued and/or transferred to any Eligible Person (including those allotted and issued and/or transferred pursuant to an exercise of Option) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the Option 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 Scheme and/or the aggregate number of Shares to which the Eligible Person is correctly entitled to.

35. GOVERNING LAW AND JURISDICTION

The Scheme, these By-Laws, all Offers made and Options granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Eligible Persons, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Articles, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

Neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, neither the Company nor the Group is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board does not have any knowledge of any proceeding, pending or threatened, against the Company or the Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

UCrest had, on 18 February 2013, vide its solicitors, issued a notice under Section 218 of the Companies Act 1965 (now Section 465 of the Companies Act) to YSSB demanding the payment of RM1,273,490.50 due and owing by YSSB to U Crest. Subsequent to the issuance of the notice and as at the LPD, YSSB has not made any payment to U Crest. U Crest had, on 8 December 2017, filed a writ of summons under civil suit no. BA-22NCVC-709-12/2017 in the Shah Alam High Court against YSSB for the recovery of RM1,273,490.50. The court has fixed the matter for case management on 10 January 2018. The solicitors acting for U Crest is of the opinion that U Crest does have a very strong case against YSSB.

On 16 August 2018, the Court has ordered YSSB to be wound up under the provision of Companies Act 2016.

As at the LPD, the status of winding up is still in progress.

4. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by U Crest Group, which upon becoming enforceable may have a material effect on the business or financial position of U Crest Group.

5. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred by U Crest Group, which upon becoming enforceable may have a material effect on the business or financial position of U Crest Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of U Crest during office hours from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) U Crest's Constitution;
- (ii) Audited Financial Statements of U Crest for the financial years ended 31 May 2022 and 31 May 2023;
- (iii) the By-Laws of ESOS; and
- (iv) Cause papers in relation to Section 3 of this Appendix.

EXTRACT OF THE RESOLUTIONS TO BE TABLED AT THE TWENTY-SIXTH AGM

SPECIAL RESOLUTION II**WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 FOR GRANTING OF OPTIONS AND ISSUANCE OF NEW SHARES UNDER THE EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")**

"THAT further to the shareholders' approvals obtained at the Extraordinary General Meeting held on 22 January 2018 for the establishment of the Company's ESOS under which options to subscribe for new shares in the Company ("Options") will be granted to eligible employees and Directors of the Company and its non-dormant subsidiaries ("Grantees") and the granting of Options to each of the Directors of the Company, as well as the shareholders' approval obtained at the Twenty-Third Annual General Meeting held on 17 November 2020 for the granting of Options to Dato' Dr. Mohd Fikri Bin Abdullah (an Independent Non-Executive Director of the Company who was appointed on 16 May 2018 after the establishment of the ESOS), the shareholders of the Company do hereby waive their pre-emptive rights under Section 85 of the Companies Act 2016 ("the Act"), read together with Clause 12(3) of the Constitution of the Company, over all Options granted and/or to be offered/granted, as well as all new shares of the Company issued and/or to be issued pursuant to the ESOS, to the Grantees (including each of the Directors of the Company), whether before or after the date of this resolution, such new shares, when issued, shall rank pari passu with the existing shares in the Company.

THAT subject to passing Ordinary Resolution IV – Proposed Granting of ESOS Options to N Chanthiran A/L Nagappan, the shareholders of the Company do hereby waive their pre-emptive rights under Section 85 of the Act, read together with Clause 12(3) of the Constitution of the Company, to be offered the Options and/or any new shares ranking equally to the existing issued shares of the Company arising from the granting of Options pursuant to the ESOS to N Chanthiran A/L Nagappan, such new shares, when issued, shall rank pari passu with the existing shares in the Company."

ORDINARY RESOLUTION IV**PROPOSED GRANTING OF EMPLOYEE'S SHARE OPTION SCHEME ("ESOS") OPTIONS TO N CHANTHIRAN A/L NAGAPPAN**

"THAT contingent upon the passing of the Special Resolution II on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 for granting of options and issuance of new shares under the ESOS and subject to the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised at any time and from time to time during the existence of the ESOS, grant N Chanthiran A/L Nagappan, being the Independent Non-Executive Director of the Company, options to subscribe for new shares in the Company ("UCrest Shares" or "Shares") under the ESOS ("ESOS Options"), subject to the following provisions:

- (i) not more than 10% (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other relevant authorities from time to time) of the new UCrest Shares available under the ESOS shall be allocated to him, if he, either singly or collectively through persons connected to him (as defined in the ACE Market Listing Requirements of Bursa Securities ("ACE LR")), 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 (excluding any treasury shares) of the Company;

EXTRACT OF THE RESOLUTIONS TO BE TABLED AT THE TWENTY-SIXTH AGM (CONT'D)

- (ii) not more than 50% of the total number of UCrest Shares comprised under the ESOS to be issued pursuant to the ESOS would be allocated (in aggregate) to the directors and senior management of the Company and its subsidiaries companies which are not dormant, who are eligible to participate in the ESOS;
- (iii) he and the persons connected to him must not participate in the deliberation or discussion and voting at general meeting of his own allocation and allocations to persons connected to him under the ESOS; and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS and any prevailing guidelines issued by Bursa Securities, the ACE LR or any other relevant authorities as amended from time to time;

AND THAT the Board is also authorised to allot and issue the corresponding number of new UCrest Shares arising from the exercise of the ESOS Options that may be granted to him under the ESOS.”