THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

RCE

RCE CAPITAL BERHAD

(Registration No. 195301000151 (2444-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME COMPRISING AN EMPLOYEES' SHARE OPTION SCHEME AND A RESTRICTED SHARE GRANT PLAN, OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES IN RCE CAPITAL BERHAD ("RCE") (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME FOR THE ELIGIBLE EXECUTIVE DIRECTORS AND EMPLOYEES OF RCE AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES, IF ANY)

Principal Adviser

AmInvestment Bank

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

The ordinary resolutions in respect of the above proposal will be tabled as Special Business at the Seventy-Second Annual General Meeting ("**72nd AGM**") of the Company. The Notice of the 72nd AGM, together with the Form of Proxy and the Administrative Guide, are available for download from the Company's website at www.rce.com.my. The 72nd AGM will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on Thursday, 3 September 2026 at 10.30 a.m. or at any adjournment thereof.

Should you wish to appoint a proxy or proxies, the completed Form of Proxy must be lodged with the Company's share registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, it may be deposited in the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submitted via e-mail to is.enquiry@vistra.com, not less than forty-eight (48) hours before the time set for holding the 72nd AGM or at any adjournment thereof. You may also submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com before the aforesaid cut-off time. Please refer to the Administrative Guide for the 72nd AGM for procedures on electronic lodgement of the Form of Proxy. The lodging of the Form of Proxy 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 Form of Proxy	:	Tuesday, 1 September 2026 at 10.30 a.m.
Date and time of the 72nd AGM	:	Thursday, 3 September 2026 at 10.30 a.m.

This Circular is dated 29 July 2026

DEFINITIONS

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

2020 ESS	:	The existing ESS which is effective from 20 October 2020 to 31 December 2026
72nd AGM	:	Seventy-Second Annual General Meeting of RCE
Act	:	Companies Act 2016
AmInvestment Bank or Principal Adviser	:	AmInvestment Bank Berhad
Award(s)	:	Collectively, the ESOS Awards and/or the RSG Awards, as the case may be
Board	:	Board of Directors of RCE
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	The by-laws governing the rules, terms and conditions of the Proposed ESS (as may be modified, varied and/or amended from time to time), the draft of which is set out in Appendix I of this Circular
CDS	:	Central Depository System
Circular	:	This circular dated 29 July 2026 in relation to the Proposed ESS
Eligible Person(s)	:	Executive director(s) of RCE (if any) or employee(s) of RCE Group (except for dormant subsidiaries) who meet the prescribed eligibility criteria for participation in the Proposed ESS as set out in the By-Laws
EPS	:	Earnings per Share
ESOS Award(s) or ESOS Option(s)	:	The right of an ESS Grantee to participate in the equity of the Company at a specified future date and at a predetermined Exercise Price in accordance with the By-Laws and subject to the discretion of the ESS Committee
ESS or Scheme	:	The employees' share scheme of RCE
ESS Committee	:	The committee comprising members who shall be duly appointed and authorised by the Board to administer the new Scheme in accordance with the By-Laws
ESS Grantee(s)	:	Eligible Person(s) who have accepted the Awards in the manner set out in the By-Laws
Exercise Price	:	The price payable by an ESS Grantee to subscribe for Shares pursuant to the exercise of an ESOS Option granted under the Proposed ESOS
Existing Options	:	A total of 33,082,000 share options granted under the 2020 ESS which remain unexercised as at LPD
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	9 July 2026, being the latest practicable date prior to the date of this Circular
NA	:	Net assets

Proposed ESOS	:	Proposed establishment of an employees' share option scheme which primarily involves the granting of ESOS Option(s) to Eligible Persons which will entitle them to participate in the equity of the Company at a specified future date and at a predetermined Exercise Price, in accordance with the By-Laws and subject to the discretion of the ESS Committee
Proposed ESS	:	Proposed establishment of a new ESS of up to 15% of the total number of issued Shares (excluding treasury shares) at any point in time, comprising the Proposed ESOS and the Proposed RSG
Proposed RSG	:	Proposed establishment of a restricted share grant plan which entails the granting of RSG Awards to Eligible Persons which will entitle them to receive the RCE Shares at no consideration, in accordance with the By-Laws and subject to the discretion of the ESS Committee
RCE or Company	:	RCE Capital Berhad
RCE Group or Group	:	Collectively, RCE and its subsidiaries
RCE Share(s) or Share(s)	:	Ordinary share(s) in RCE
RSG Award(s)	:	The right of an ESS Grantee to receive the RCE Shares at no consideration on the relevant vesting date in accordance with the By-Laws and subject to the discretion of the ESS Committee
RM and sen	:	Ringgit Malaysia and sen, respectively
Shareholders	:	Shareholders of the Company
VWAP	:	Volume weighted average market price

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

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

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

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

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

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This Executive Summary highlights the salient information of the Proposed ESS. You are advised to read and carefully consider the entire contents of this Circular and the appendices contained herein without relying solely on this Executive Summary before voting on the ordinary resolutions pertaining to the Proposed ESS to be tabled at the forthcoming 72nd AGM.

Salient information	Description	Reference to Circular
Summary of the Proposed ESS	The Proposed ESS entails the proposed establishment of a new ESS comprising an employees' share option scheme and a restricted share grant plan, of up to 15% of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the new Scheme.	Section 2
Duration of the new Scheme	The new Scheme shall be in force for a duration of five (5) years from its effective date, with the option to extend for a further period or periods, provided that the total duration of the new Scheme shall not, in aggregate, exceed 10 years.	Section 2.5
Rationale for the Proposed ESS	The Proposed ESS is intended to: (i) continue the Company's efforts to recognise, reward, retain and motivate Eligible Persons whose contributions are important to the Group; (ii) attract and retain skilled and experienced employees by enhancing the overall competitiveness of the Group's remuneration framework; (iii) motivate Eligible Persons to achieve higher performance through greater productivity, commitment and loyalty; (iv) foster a stronger sense of dedication and belonging by enabling Eligible Persons to participate in the long-term growth and development of the Group; (v) reinforce a pay-for-performance culture that balances between employee retention and sustainable value creation; and (vi) promote an ownership culture within the Group by aligning the interests of Eligible Persons with those of the Shareholders.	Section 4
Approvals required for the Proposed ESS and conditionality	The Proposed ESS is subject to the approvals being obtained from the following: (i) Bursa Securities, for the listing and quotation of new Shares to be issued pursuant to the Proposed ESS, which was obtained vide its letter dated 10 July 2026; and (ii) Shareholders at the forthcoming 72nd AGM. The Proposed ESS is not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.	Section 8

Salient information	Description	Reference to Circular
Interests of Directors, major shareholders, chief executive and/or persons connected with them	Presently, all the Directors of RCE are Non-Executive Directors and, accordingly, are not eligible to participate in the Proposed ESS. Loh Kam Chuin, the Chief Executive Officer of the Company as at the date of this Circular, is eligible to participate in the Proposed ESS and is therefore deemed to be interested in the Proposed ESS to the extent of his allocation, as well as any allocation to person(s) connected with him (if any). Accordingly, Loh Kam Chuin will abstain from voting, and has undertaken to ensure that person(s) connected with him (if any) will also abstain from voting, in respect of their direct and/or indirect shareholdings in the Company, on the resolution pertaining to the specific Awards proposed to be granted to him at the forthcoming 72nd AGM. Save as disclosed above, none of the Directors, major shareholders and chief executives of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed ESS.	Section 10
Directors' statement and recommendation	The Board, having considered all aspects of the Proposed ESS, including the proposed allocation of Awards to Loh Kam Chuin as well as the rationale for and effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company. Accordingly, the Board recommends that you **vote in favour** of the ordinary resolutions pertaining to the Proposed ESS to be tabled as Special Business at the Company's forthcoming 72nd AGM.	Section 11

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RCE CAPITAL BERHAD
(Registration No. 195301000151 (2444-M))
(Incorporated in Malaysia)

Registered Office:

802, 8th Floor, Block C
Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor, Malaysia

29 July 2026

Board of Directors:

Shahman Azman *(Non-Independent Non-Executive Chairman)*
Tan Sri Dato' Setia Mazlan Mansor *(Independent Director)*
Thein Kim Mon *(Independent Director)*
Azura binti Azman *(Independent Director)*
Tracy Chen Wee Keng *(Independent Director)*
Shalina Azman *(Non-Independent Non-Executive Director)*
Lum Sing Fai *(Non-Independent Non-Executive Director)*

To: The Shareholders of RCE

Dear Sir/Madam,

PROPOSED ESS

1. INTRODUCTION

On 26 May 2026, AmInvestment Bank had, on behalf of the Board, announced that RCE proposes to establish a new ESS of up to 15% of the total number of issued Shares (excluding treasury shares) at any point in time. The Proposed ESS will comprise:

(i) Proposed ESOS; and

(ii) Proposed RSG,

both of which are intended to incentivise and reward executive directors of RCE (if any) and employees of RCE Group (except for dormant subsidiaries).

On 10 July 2026, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 10 July 2026, approved the listing and quotation of such number of new Shares, representing up to 15% of the total number of issued Shares, to be issued pursuant to the Proposed ESS, subject to the conditions as set out in Section 8 of this Circular.

For information purposes, the Company currently has an existing ESS which is effective from 20 October 2020 to 31 December 2026. As at LPD, the Company has a total of 33,082,000 Existing Options, all of which are set to expire on 20 November 2026.

In view of the forthcoming expiry of the Existing Options and the 2020 ESS, and to ensure the continued availability of a sufficient pool of option and/or grant shares to meet the objectives of incentivising and rewarding the employees, the Company is proposing to establish a new ESS to replace the 2020 ESS upon its termination or expiry.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED ESS AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ESS TO BE TABLED AS SPECIAL BUSINESS AT THE COMPANY'S FORTHCOMING 72ND AGM. THE NOTICE OF THE 72ND AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE COMPANY'S ANNUAL REPORT 2026 WHICH ARE AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S WEBSITE AT WWW.RCE.COM.MY.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ESS TO BE TABLED AS SPECIAL BUSINESS AT THE COMPANY'S FORTHCOMING 72ND AGM.

2. DETAILS OF THE PROPOSED ESS

The Proposed ESS will be administered by a new ESS Committee, which shall be duly appointed and authorised by the Board, and governed by a new set of By-Laws. The ESS Committee shall have broad discretion in administering the new Scheme in accordance with the By-Laws, including the authority to prescribe financial and/or performance criteria and/or such other conditions as it deems fit. While the members of the new ESS Committee have yet to be identified and appointed as at LPD, the ESS Committee shall comprise Directors and/or members of the senior management of RCE Group, who are to be identified and appointed by the Board from time to time.

The ESS Committee shall decide the terms of the Awards to be granted under the new Scheme. In particular, the ESS Committee shall determine the date of offer, any condition(s) to be imposed, and the extent to which the RCE Shares to be issued or granted under the new Scheme shall vest or be released upon satisfaction of such condition(s) at the end of the relevant vesting period.

As at the date of this Circular, the vesting period(s) and performance target(s) applicable to the Awards to be granted under the new Scheme have not been determined. Any such performance target(s) may take into consideration, among others, the Group's financial performance and the individual performance of the Eligible Persons over the vesting period(s), if applicable. In any event, such vesting period(s) and performance target(s) (if any) will be determined by the ESS Committee.

In this regard, Awards under the new Scheme may be granted to the Eligible Person(s), at the discretion of the ESS Committee.

A copy of the draft By-Laws is set out in Appendix I of this Circular.

The principal features of the Proposed ESS are as follows:

2.1 Principal components of the Proposed ESS

(i) Proposed ESOS

The Proposed ESOS primarily involves the granting of ESOS Options to Eligible Persons which, upon fulfilment of the prescribed vesting condition(s) and/or performance target(s) (if any) and upon exercise, will entitle them, in accordance with the By-Laws and subject to the discretion of the ESS Committee, to participate in the equity of the Company at a specified future date and at a predetermined Exercise Price.

(ii) Proposed RSG

The Proposed RSG entails the granting of RSG Awards to Eligible Persons which, upon fulfilment of the prescribed vesting condition(s) and/or performance target(s) (if any) and upon vesting, will entitle them, in accordance with the By-Laws and subject to the discretion of the ESS Committee, to receive the RCE Shares at no consideration on the relevant vesting date.

Mode of settlement

Notwithstanding the above, in implementing the new Scheme, the ESS Committee may, in its absolute discretion and after taking into consideration factors such as the prevailing market price of the Shares, funding considerations, the dilutive effects on the Company's capital base, as well as the future returns and cash requirements of the Group, decide that the ESOS Awards and/or RSG Awards shall be satisfied by any of the following methods, where applicable:

(a) by way of issuance of new Shares;

(b) by way of acquisition and/or transfer of existing Shares, including treasury shares (if any);

(c) by payment of the equivalent cash value in lieu of items (a) and/or (b) above;

(d) by such other mode of satisfaction as may be permitted under the Act and the Listing Requirements, as amended from time to time or any re-enactment thereof; or

(e) by a combination of any of the above.

Trust arrangement

To facilitate the implementation and administration of the new Scheme, the Company may, upon the recommendation of the ESS Committee and where deemed appropriate, establish a trust to be administered by a trustee to be appointed by the Company ("**Trustee**") ("**Trust**"). The Trust may be established for the purpose of acquiring or receiving Shares, whether by way of subscription for new Shares and/or acquisition of existing Shares, including treasury shares. Such Shares shall be held on trust and transferred to the ESS Grantees, at such times as the ESS Committee may direct. For this purpose, the Trustee shall be entitled, to the extent permitted by law, to receive funding and/or financial or other assistance from the Company, its subsidiaries and/or third parties from time to time.

If and when the Trust is established, the Trust shall be administered in accordance with the terms of a trust deed to be entered into between the Company and the Trustee constituting the Trust ("**Trust Deed**"). The Company or ESS Committee shall have the power to appoint or rescind the appointment of the Trustee in accordance with the provisions of the Trust Deed.

2.2 Quantum

The maximum number of Shares that may be made available under the new Scheme shall not, at any point in time, in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares).

2.3 Eligibility

Any Eligible Person who has attained 18 years of age, is not an undischarged bankrupt or subject to any bankruptcy proceedings, and meets the following criteria as at the date of Award, shall be eligible for consideration and selection by the ESS Committee:

(i) if he/she is appointed or confirmed in service, as the case may be, by the Group, subject to any minimum period as may be determined by the ESS Committee from time to time and has not served a notice of resignation or received a notice of termination or subject to any disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Eligible Person or are found to have had no basis or justification). In determining the period of employment, the ESS Committee will take into account the period commencing from the date the relevant Eligible Person became part of the Group and other factors; or

(ii) if he/she fulfils any other eligibility criteria as may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.

If an Eligible Person is a Director, major shareholder or chief executive of the Company or its holding company (if any), or a person(s) connected with such person, the specific allocation of the Awards to be granted to them under the new Scheme must have been approved by the Shareholders at a general meeting.

For the avoidance of doubt, employees of dormant companies within the Group are not eligible to participate in the new Scheme. Directors or employees who represent the Government or Government institutions/agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are also not eligible to participate in the new Scheme.

2.4 Basis of allocation and maximum allowable allocation of Shares

The basis of allocation of the number of Shares that may be comprised in any Award and the aggregate maximum number of Shares that may be offered to an Eligible Person under the new Scheme shall be determined at the sole and absolute discretion of the ESS Committee, subject always to the provisions of the By-Laws. In making such determination, the ESS Committee may take into consideration the Eligible Person’s performance, targets, position, seniority, length of service, contribution, category or grade of employment and such other factors as the ESS Committee may, in its sole and absolute discretion, deem fit.

Subject always to the provisions of the By-Laws and to the extent practicable, the ESS Committee shall seek to ensure that allocations under the new Scheme are made on an equitable basis across the various grades of Eligible Persons. The ESS Committee will also ensure that:

(i) not more than 10% (or such other percentage as may be permitted by the relevant authorities from time to time) of the total number of Shares made available under the new Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Shares (excluding treasury shares);

(ii) not more than 50% of the total number of Shares made available under the new Scheme shall, in aggregate, be allocated to the executive directors of the Company (if any) and senior management of the Group who are Eligible Persons; and

(iii) no Eligible Person shall participate in or be present during any deliberation or discussion relating to their own allocation and/or any allocation to persons connected with them.

The ESS Committee shall have sole and absolute discretion to determine:

(i) whether the allocation and granting of the Awards to Eligible Persons shall be made on a staggered basis or by way of a single grant, and where such allocation and granting is made on a staggered basis, the maximum allocation available for each financial year throughout the duration of the Proposed ESS; and/or

(ii) whether the Awards shall be subject to any vesting period and, if so, the applicable vesting condition(s), including whether such vesting condition(s) are subject to performance target(s).

2.5 Duration of the new Scheme

The new Scheme shall be in force for a duration of five (5) years from its effective date.

On or before the date of expiry of the new Scheme, the Board shall, upon recommendation of the ESS Committee, have the discretion to extend the duration of the new Scheme for a further period or periods, provided that the initial duration of the new Scheme and such extension(s) made pursuant to the By-Laws shall not, in aggregate, exceed a duration of 10 years from the effective date of the new Scheme. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the Shareholders in a general meeting is required for any such extension.

In the event the new Scheme is extended in accordance with the provision of the By-Laws, the ESS Committee shall furnish a written or electronic notification to all ESS Grantees and the Company shall make the necessary announcements to Bursa Securities prior to the proposed extension of the new Scheme.

All unvested Shares under the RSG Awards and all unexercised ESOS Options shall lapse on the date of expiry of the new Scheme.

For the avoidance of doubt, the Proposed ESS shall only be implemented upon the termination or expiry of the 2020 ESS, as the case may be. In this regard, the Company shall make the requisite announcements in compliance with the Listing Requirements. The Company does not intend to grant any new ESOS Options and/or any RCE Shares pursuant to RSG Awards under the 2020 ESS from LPD up to the date of termination or expiry of the 2020 ESS. Any unexercised Existing Options which remain outstanding upon the termination or expiry of the 2020 ESS shall automatically lapse and thereafter be null and void, in accordance with the provisions of the by-laws governing the 2020 ESS.

2.6 Pricing of the ESOS Options

Subject to any adjustments made in accordance with the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be determined based on the five (5)-day VWAP of the Shares immediately preceding the date of the ESOS Award, with a discount of not more than 10%, where deemed appropriate.

2.7 Rights attached to the Shares issued or transferred under the new Scheme

The new Shares to be allotted and issued upon the exercise of any ESOS Options under the new Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment and issue, rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to Shareholders, the entitlement date of which precedes the date on which such Shares are credited into the CDS accounts of the ESS Grantees.

In respect of the existing Shares to be transferred to the ESS Grantees pursuant to the new Scheme, such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to Shareholders, the entitlement date of which precedes the date on which such Shares are credited into the CDS accounts of the ESS Grantees.

The ESOS Options and RSG Awards will not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the ESS Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unvested Shares.

2.8 Listing and quotation of the new Shares to be issued pursuant to the Proposed ESS

Bursa Securities has, vide its letter dated 10 July 2026, approved the listing and quotation of such number of new Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS, subject to the conditions as set out in Section 8 of this Circular.

2.9 Retention period/restriction on dealing

The Shares to be allotted and issued and/or transferred to an ESS Grantee under the new Scheme may be subject to such reasonable retention period or restriction on transfer, if any, as may be imposed or determined by the ESS Committee at its discretion.

Subject to any retention period or restriction on transfer imposed by the ESS Committee, the Shares may be dealt with by the ESS Grantee after such Shares have been credited into the CDS account of the ESS Grantee or his/her financier, as the case may be.

2.10 Fees, costs and expenses

All fees, costs and expenses incurred in relation to the Proposed ESS, including those arising from the allotment and issuance and/or transfer of RCE Shares, shall be borne by the Company.

2.11 Alteration in share capital of RCE and adjustments

In the event of any alteration in the capital structure of the Company during the duration of the new Scheme, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares, capital reduction, dividend or distribution which constitutes a capital distribution in the By-Laws or any other variation of capital, the ESS Committee may, in its discretion and in accordance with the By-Laws, cause the following adjustments to be made as it deems appropriate:

(i) the Exercise Price of the ESOS Options;

(ii) the number of Shares which are the subject of an ESOS Option and/or RSG Award, to the extent not yet vested and/or vested but not yet credited into the CDS account of the ESS Grantee;

(iii) the number of Shares over which future ESOS Options may be offered and/or future RSG Awards may be granted; and/or

(iv) the maximum number of existing Shares which may be delivered in settlement pursuant to the Awards,

provided always that any such adjustment shall be made in a manner that does not confer upon an Eligible Person a benefit that a Shareholder does not receive, and provided further that no adjustment shall be made unless the ESS Committee, having considered all relevant circumstances, considers such adjustment to be equitable.

Any such adjustments (other than in respect of a bonus issue, subdivision or consolidation of Shares) must be confirmed in writing by either the external auditors of RCE or RCE's Recognised Principal Adviser (acting as experts and not as arbitrators).

2.12 Amendment, variation and/or modification to the Proposed ESS

Subject to compliance with the Listing Requirements and the approval of any other relevant authorities (if required), the ESS Committee may, at any time and from time to time, recommend to the Board any addition to, amendment, modification and/or deletion of the By-Laws as it deems fit. The Board shall have the power, by resolution, to effect such addition, amendment, modification or deletion upon such recommendation.

Shareholders' approval shall not be required for any addition to, amendment, modification and/or deletion of the By-Laws, provided that no such change shall be made which would:

(i) prejudice the rights of the Shareholders, unless such change arises as a consequence of any amendment to the Listing Requirements; or

(ii) operate to the advantage of Eligible Persons in respect of matters which are required to be contained in the By-Laws pursuant to the Listing Requirements.

Where any amendment and/or modification is made to the By-Laws, the Company shall, within five (5) market days from the effective date of such amendment or modification, submit to Bursa Securities the amended By-Laws together with a confirmation letter confirming that the amendments and/or modifications comply with the requirements relating to employees' share scheme under the Listing Requirements.

2.13 Proposed specific allocation

As part of the implementation of the Proposed ESS, the Board seeks the Shareholders' approval to offer and grant a specific allocation of Awards to the Company's Chief Executive Officer, Loh Kam Chuin, subject always to the terms and conditions of the By-Laws and the Listing Requirements.

Pursuant to Paragraph 6.06 of the Listing Requirements, where any specific allocation of Awards under the Proposed ESS is proposed to be made to an Eligible Person who is a Director, major shareholder or chief executive of the Company or its holding company (if any), or a person connected with such person, the Company shall seek the prior approval of its Shareholders in a general meeting before such allocation is made.

3. USE OF PROCEEDS

Under the Proposed ESOS, the Company may receive gross proceeds from Eligible Persons arising from the exercise of ESOS Options, the quantum and timing of which will depend on, among others, the number of ESOS Options granted and exercised as well as the applicable Exercise Price at the relevant time.

Any proceeds raised from the exercise of ESOS Options are intended to be used for the working capital requirements of the Group, including, but not limited to, funding its day-to-day operations such as staff costs, administrative expenses and other operating expenses (e.g. utilities and office-related expenses). The detailed allocation of such proceeds among the various working capital components cannot be determined at this juncture, as there is no certainty as to the timing and amount of proceeds to be raised from the exercise of the ESOS Options. Nevertheless, the Company expects to use such proceeds for the aforesaid purposes within 12 months from the date of receipt throughout the tenure of the Proposed ESOS. The exact timing of utilisation of such proceeds across the respective working capital components will depend on the Group's prevailing operational and funding requirements at the point of utilisation, and therefore cannot be determined at this juncture.

Pending utilisation, any proceeds received may be placed in deposits with licensed financial institutions and/or short term money market instruments, with any interest income or gains derived therefrom to be used for the working capital requirements of the Group.

For the avoidance of doubt, the proceeds arising from the exercise of ESOS Options will not be used to fund the estimated expenses relating to the establishment of the Proposed ESS (which include, among others, professional and regulatory fees), which amount to approximately RM0.30 million. These expenses will be fully funded through internal funds of the Group.

Under the Proposed RSG, no proceeds will be received by the Company, as the Eligible Persons will not be required to make any payment for the Shares that may be given to them.

For information, RCE has not undertaken any equity fund raising exercise in the past 12 months prior to the date of this Circular.

4. RATIONALE FOR THE PROPOSED ESS

The employees of the Group have been the key driving force behind the Group's performance and success, and will continue to be among the Group's most critical and valued assets. In this regard, the Board believes that the Proposed ESS will serve as an effective incentive mechanism by providing Eligible Persons with an opportunity to participate in the growth and performance of the Company. This is intended to align the interests of Eligible Persons with the Group's strategic objectives of delivering sustainable long-term value and enhancing shareholder returns.

Accordingly, the Proposed ESS is intended to:

(i) continue the Company's efforts to recognise, reward, retain and motivate Eligible Persons whose contributions are important to the Group;

(ii) attract and retain skilled and experienced employees by enhancing the overall competitiveness of the Group's remuneration framework;

(iii) motivate Eligible Persons to achieve higher performance through greater productivity, commitment and loyalty;

(iv) foster a stronger sense of dedication and belonging by enabling Eligible Persons to participate in the long-term growth and development of the Group;

(v) reinforce a pay-for-performance culture that balances between employee retention and sustainable value creation; and

(vi) promote an ownership culture within the Group by aligning the interests of Eligible Persons with those of the Shareholders.

The incorporation of both the Proposed ESOS and the Proposed RSG under the Proposed ESS provides the Company with flexibility in determining the appropriate form of reward at the relevant point in time, taking into consideration, among others, the Group's performance, funding requirements and earnings impact.

For information, while the Company has the option to extend the tenure of the 2020 ESS for up to a further four (4) years upon its expiry on 31 December 2026, the Board has decided to implement the Proposed ESS as the RCE Shares available under the 2020 ESS have been substantially allocated. Further details of the 2020 ESS since its effective date on 20 October 2020 up to LPD are set out below:

Maximum allowable allocation	:	220,205,271 Shares (i.e. 15% of the total number of issued Shares (excluding treasury shares) as at LPD)
Total no. of ESOS Options granted	:	216,148,428 ESOS Options(1)
Total no. of ESOS Options exercised	:	176,130,946 ESOS Options(1)
Total no. of RCE Shares issued arising from the exercise of ESOS Options	:	11,832,562 RCE Shares(1)
Exercise price	:	RM0.56 to RM1.27 per ESOS Option(1)
Total proceeds raised	:	Approximately RM22.4 million(2)
Total no. of ESOS Options cancelled/forfeited	:	6,935,482 ESOS Options(1)
Total no. of ESOS Options outstanding	:	33,082,000 ESOS Options(1)
Total no. of RSG Awards granted	:	Nil
Remaining allocation available	:	10,992,325 Shares(3)

Notes:

(1) After taking into consideration adjustments made, where relevant, pursuant to the Company's bonus issue exercises completed on 17 January 2022 and 26 September 2024, as well as the special interim single-tier dividend of 18 sen per RCE Share paid on 30 December 2022.

(2) Total proceeds raised excludes ESOS Options that were cash-settled, as no proceeds were received from the exercise of such ESOS Options.

(3) Represents the balance of RCE Shares available for allocation under the 2020 ESS, after taking into account the ESOS Options granted, exercised, cancelled or forfeited up to the LPD.

The Proposed ESS is substantially similar to the 2020 ESS, with both Schemes comprising ESOS Awards and RSG Awards and providing flexibility for the Awards to be equity-settled and/or cash-settled. The Proposed ESS is not fundamentally different from the 2020 ESS, but further refined to improve clarity and reflect the prevailing Listing Requirements. Accordingly, the primary rationale for the Proposed ESS is to ensure sufficient capacity for future grants while continuing to support the Group's employee retention, motivation and performance objectives.

5. INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter ("**1Q**") of 2026 (fourth quarter ("**4Q**") 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics ("**E&E**") exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

Headline inflation increased to 1.6% (4Q 2025: 1.3%) while core inflation moderated to 2.1% (4Q 2025: 2.3%).

Bank Negara Malaysia ("**BNM**") Governor Dato' Sri Abdul Rasheed Ghaffour says, 'As a small and open economy, Malaysia will inevitably face both direct and indirect impact from the ongoing geopolitical conflict in the Middle East. Higher energy prices, supply chain disruptions, and heightened uncertainty are expected to weigh on the external environment. Nevertheless, the Malaysian economy is expected to remain resilient in 2026, with growth expected to come in within the range of 4% - 5%, supported by steady domestic demand and continued expansion in our export performance.'

The resilient domestic demand will provide a strong buffer against external headwinds. Household spending will be underpinned by firm labour market conditions and continuous policy support. Investment activity will be driven by the continued progress of multi-year projects in both the private and public sectors, as well as the ongoing implementation of national master plans. Despite the external headwinds, export growth will continue to be supported by the global technology expansion, particularly for E&E goods, reflecting Malaysia's role in global value chains.

Headline inflation is projected to average 1.5% - 2.5% in 2026. Following the Middle East conflict, inflation is expected to edge higher due to elevated global energy and other key commodity prices, broadly in line with expectations. In the absence of excessive demand pressures, existing policy measures, including targeted fuel subsidies and other mitigation measures, are expected to help limit near-term spillovers to broader inflation. However, the extent and pace of pass-through to domestic prices from the ongoing conflict will also depend on firms' pricing behaviour and demand conditions.

(Source: Press Release for the Economic and Financial Developments in Malaysia in the 1Q 2026, BNM dated 15 May 2026)

5.2 Overview and outlook of the financial services industry in Malaysia

For the first half of 2025, the finance and insurance subsector expanded 2.1%, attributed to moderate growth in credit and fee-based income in the finance segment as well as increased claims offsetting gains from higher premium income in the insurance segment. In tandem with ongoing economic activities, the subsector is anticipated to increase at 2.2% for the second half of the year. For the whole year, the subsector is projected to grow by 2.1%.

Monetary policy in 2025 remains focused on supporting economic growth amid global uncertainties, while maintaining domestic price stability. In July 2025, the Overnight Policy Rate (OPR) was lowered from 3.00% to 2.75% as a pre emptive measure to sustain steady growth, given moderate inflation prospects. Building on a mature and robust ecosystem, Islamic finance continues to expand, both domestically and globally, through innovative instruments by providing diversified funding channels for strategic programmes under national plans. Looking ahead, continued strong collaboration between the Government, financial regulators and industry players will be pivotal in advancing digitalisation, financial inclusion and sustainable financing to support long-term development.

The finance and insurance subsector is anticipated to expand by 2.8% with positive growth in all segments, supported by sustained economic activities. Under the finance segment, loan growth is anticipated to remain moderate amid steady credit demand from household sector. Meanwhile, the insurance segment is expected to remain modest with stable premium growth despite net benefit pay-outs remaining high, particularly for life insurance policies.

Malaysia's financial market outlook remains positive, buoyed by strong macroeconomic fundamentals, supportive monetary policy and ongoing structural reforms aimed at driving sustainable economic growth. Steady participation in the domestic capital market alongside the strengthening of the ringgit signals heightened investor confidence. Moreover, the growing sophistication of Islamic banking and the capital market further reasserts Malaysia's commitment to ethical and value-based finance. These, along with the national plans, ensure economic advancement remains closely aligned with social well-being and the long-term aspirations of the Ekonomi MADANI framework.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.3 Prospects of the Group

RCE is a Shariah-compliant financial services group primarily engaged in the provision of personal financing to Malaysian civil servants, supported by payroll deduction repayment mechanisms administered through authorised agencies. The Group also undertakes payroll collection services and selective commercial financing.

The Group operates in a domestic environment supported by domestic demand, labour market conditions and ongoing public sector initiatives. While the phased revision of civil servant remuneration is expected to support disposable income levels across the Group's core customer base, the demand for personal financing products is subject to cautious sentiments and ongoing cost pressures.

During the financial year ended 31 March 2026, the Group prioritised asset quality and risk management amid evolving credit conditions. This resulted in a more selective disbursement and moderated earnings, alongside the preservation of balance sheet strength and liquidity.

The Group's funding structure remains anchored by its Sukuk Murabahah asset-backed securitisation programmes, which provide funding diversification and enhance liquidity management flexibility. The Group continues to invest in digital enablement, data analytics and cybersecurity to strengthen operational efficiency, improve customer experience and improve risk controls. In addition, the Group's established governance framework, Shariah compliance track record and inclusion in sustainability indices such as FTSE4Good Bursa Malaysia support ongoing regulatory engagement and alignment with the expectation of long-term stakeholders. These factors are expected to support sustainable value creation as regulatory expectations, including the Consumer Credit Act 2025, continue to evolve.

Looking ahead, the Group remains cautiously optimistic. Near-term earnings growth may remain measured as the Group balances growth opportunities against heightened credit risk environment and an evolving regulatory landscape. Barring any unforeseen circumstances, the Group will continue to prioritise disciplined risk management, funding resilience and operational effectiveness in navigating these conditions.

(Source: Management of RCE)

6. EFFECTS OF THE PROPOSED ESS

As at LPD, the Company has a total of 33,082,000 Existing Options. Further, the Company holds 16,432,392 treasury shares as at LPD.

The effects of the Proposed ESS are illustrated based on the following scenarios:

Minimum Scenario : Assuming none of the treasury shares are resold and none of the Existing Options as at LPD are exercised.

Maximum Scenario : Assuming none of the treasury shares are resold and all Existing Options as at LPD are exercised into 2,375,000 new Shares at RM1.14 each, 27,976,000 new Shares at RM1.27 each and 2,731,000 new Shares at RM0.96 each.

6.1 Issued share capital

The Proposed ESS will not have any immediate effect on the existing share capital of the Company. However, the share capital of RCE will increase progressively as and when new Shares are allotted and issued pursuant to the Proposed ESS. There will be no effect on the share capital of the Company if the Awards granted under the Proposed ESS are satisfied through the transfer of existing Shares, including treasury shares, to the relevant Eligible Persons, or settled in cash.

For illustrative purposes, assuming that the maximum number of Shares available under the Proposed ESS are fully granted and vested, and that such maximum number of Shares are fully satisfied through the issuance of new Shares, the pro forma effects of the Proposed ESS on the issued share capital of the Company are as follows:

	Minimum Scenario		**Maximum Scenario**	
	No. of Shares ('000)	**RM'000**	**No. of Shares ('000)**	**RM'000**
As at LPD[(1)]	1,468,035	199,933	1,468,035	199,933
Add : New Shares to be issued upon full exercise of the Existing Options	-	-	33,082	40,859
Enlarged issued share capital before the Proposed ESS	**1,468,035**	**199,933**	**1,501,117**	**240,792**
Add : Maximum number of Shares to be issued under the Proposed ESS[(2)]	220,205	209,195	225,168	213,909
Resultant share capital after the Proposed ESS	**1,688,240**	**409,128**	**1,726,285**	**454,701**

Notes:

(1) Excluding 16,432,392 RCE Shares held as treasury shares as at LPD.

(2) For illustrative purposes only, these new Shares are assumed to be issued at an Exercise Price of RM0.95 each that is based on a discount of approximately 9.98% to the five (5)-day VWAP of RCE Shares up to and including LPD of RM1.0553.

6.2 Substantial shareholders' shareholdings

The Proposed ESS will not have any effect on the shareholdings of the substantial shareholders of the Company until such time when new Shares are allotted and issued and/or existing treasury shares are transferred to the Eligible Persons pursuant to the Proposed ESS. Any potential effect on the shareholdings of the substantial shareholders of the Company will depend on, among others, the mode of settlement of the Awards adopted, as well as the number of new Shares allotted and issued and/or existing treasury shares transferred at the relevant point in time.

In the event the Awards are satisfied through the transfer of existing Shares (other than existing treasury shares) or settled by way of cash payment, there will be no dilution in, or change to, the shareholdings of the substantial shareholders of the Company.

For illustrative purposes, assuming that the maximum number of Shares available under the Proposed ESS are fully granted and vested, and that such maximum number of Shares are fully satisfied through the issuance of new Shares, the pro forma effects of the Proposed ESS on the substantial shareholders of the Company are as follows:

Minimum Scenario

	As at LPD				After the Proposed ESS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%(1)	No. of Shares ('000)	%(1)	No. of Shares ('000)	%(2)	No. of Shares ('000)	%(2)
Cempaka Empayar Sdn Bhd ("**CESB**")	869,210	59.21	-	-	869,210	51.49	-	-
Amcorp Group Berhad ("**AGB**")	-	-	(3)869,210	59.21	-	-	(3)869,210	51.49
Clear Goal Sdn Bhd ("**CGSB**")	-	-	(3)869,210	59.21	-	-	(3)869,210	51.49
Tan Sri Azman Hashim ("**TSAH**")	-	-	(3)869,210	59.21	-	-	(3)869,210	51.49

Notes:

(1) Calculated based on the total number of 1,468,035,142 RCE Shares in issue (excluding 16,432,392 treasury shares) as at LPD.

(2) Calculated based on the enlarged total number of 1,688,240,413 RCE Shares in issue (excluding 16,432,392 treasury shares) after the Proposed ESS.

(3) Deemed interested by virtue of Section 8(4) of the Act through CESB.

Maximum Scenario

	As at LPD				After the Proposed ESS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%(1)	No. of Shares ('000)	%(1)	No. of Shares ('000)	%(2)	No. of Shares ('000)	%(2)
CESB	869,210	59.21	-	-	869,210	50.35	-	-
AGB	-	-	(3)869,210	59.21	-	-	(3)869,210	50.35
CGSB	-	-	(3)869,210	59.21	-	-	(3)869,210	50.35
TSAH	-	-	(3)869,210	59.21	-	-	(3)869,210	50.35

Notes:

(1) Calculated based on the total number of 1,468,035,142 RCE Shares in issue (excluding 16,432,392 treasury shares) as at LPD.

(2) Calculated based on the enlarged total number of 1,726,284,713 RCE Shares in issue (excluding 16,432,392 treasury shares) after the full exercise of the Existing Options and the Proposed ESS.

(3) Deemed interested by virtue of Section 8(4) of the Act through CESB.

6.3 NA per Share and gearing

The Proposed ESS will not have an immediate effect on the consolidated NA per Share until such time when new Shares are allotted and issued and/or existing treasury shares are transferred to Eligible Persons pursuant to the Proposed ESS. Any effect on the consolidated NA per Share and gearing will depend on, among others, the mode of settlement of the Awards adopted, including whether the Awards are satisfied through the allotment and issuance of new Shares, the transfer of existing Shares (including treasury shares) and/or cash settlement, at the relevant point in time.

6.4 EPS

The Proposed ESS is not expected to have any immediate material effect on the earnings and EPS of the Group until such time when the Awards are granted. In accordance with Malaysian Financial Reporting Standard 2 *Share-based Payment* issued by the Malaysian Accounting Standards Board, the Proposed ESS will result in a charge to the earnings of the Group over the period from the grant date to the vesting date of the Awards, as the case may be.

However, the potential effects of the Proposed ESS on the earnings and EPS of the Group cannot be determined at this juncture as it would depend on, among others, the number of Awards granted and/or exercised, the mode of settlement and various other factors that affect the fair value of the Awards at the relevant point in time.

The Board will take proactive measures to manage the effect of the Proposed ESS on the earnings and EPS of the Group when granting the Awards.

6.5 Convertible securities

Save for the Existing Options, RCE does not have any other convertible securities in issue as at LPD.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of RCE Shares (after adjusting for the effects of dividends) traded on the Main Market of Bursa Securities for the past 12 months preceding the date of this Circular (i.e. from July 2025 to June 2026) are as follows:

	High (RM)	Low (RM)
2025		
July	1.126	0.965
August	1.050	0.974
September	1.107	0.974
October	1.145	1.003
November	1.088	1.012
December	1.183	1.057
2026		
January	1.202	1.076
February	1.163	1.096
March	1.154	1.018
April	1.144	1.028
May	1.134	1.086
June	1.125	1.040

Last transacted market price of RCE Shares as at 25 May 2026 *(being the last full trading day prior to the announcement of the Proposed ESS on 26 May 2026)*	1.115
Last transacted market price of RCE Shares as at LPD	1.060

(Source: Bloomberg)

8. APPROVALS REQUIRED FOR THE PROPOSED ESS

The Proposed ESS is subject to the approvals being obtained from the following:

(i) Bursa Securities, for the listing and quotation of new Shares to be issued pursuant to the Proposed ESS, which was obtained vide its letter dated 10 July 2026 subject to the following conditions:

No.	Condition	Status of compliance
1.	RCE and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed ESS;	Noted
2.	AmInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed ESS; and	To be complied

No.	Condition	Status of compliance
3.	RCE to furnish Bursa Securities on a quarterly basis a summary of the total number of RCE Shares listed pursuant to the Proposed ESS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) Shareholders at the forthcoming 72nd AGM.

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

As set out in Section 2.3 of this Circular, any specific allocation of the Awards to be granted to an Eligible Person who is a Director, chief executive officer or major shareholder of the Company or a person(s) connected with them will require the approval of the Shareholders at a general meeting.

In this regard, as part of the implementation of the Proposed ESS, the Board seeks the Shareholders' approval to offer and grant a specific allocation of Awards to the Company's Chief Executive Officer, Loh Kam Chuin, subject always to the terms and conditions of the By-Laws and the Listing Requirements.

9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESS, there is no other corporate exercise which has been announced by the Company but pending completion as at the date of this Circular.

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

Presently, all the Directors of RCE are Non-Executive Directors and, accordingly, are not eligible to participate in the Proposed ESS.

Loh Kam Chuin, the Chief Executive Officer of the Company as at the date of this Circular, is eligible to participate in the Proposed ESS and is therefore deemed to be interested in the Proposed ESS to the extent of his allocation, as well as any allocation to person(s) connected with him (if any). Accordingly, Loh Kam Chuin will abstain from voting, and has undertaken to ensure that person(s) connected with him (if any) will also abstain from voting, in respect of their direct and/or indirect shareholdings in the Company, on the resolution pertaining to the specific Awards proposed to be granted to him at the forthcoming 72nd AGM.

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

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed ESS, including the proposed allocation of Awards to Loh Kam Chuin as well as the rationale for and effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed ESS to be tabled as Special Business at the Company's forthcoming 72nd AGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed ESS is expected to become effective by the first quarter of 2027.

13. 72ND AGM

The 72nd AGM of RCE, the notice of which is enclosed in the Company's Annual Report 2026, will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on Thursday, 3 September 2026 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, inter alia, the ordinary resolutions pertaining to the Proposed ESS.

If you decide to appoint a proxy or proxies to attend and vote on your behalf at the forthcoming 72nd AGM, please complete and lodge the Form of Proxy in accordance with the instructions therein, so as to arrive at the office of the Company's share registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, it may be deposited in the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submitted via e-mail to is.enquiry@vistra.com, not less than forty-eight (48) hours before the time set for holding the 72nd AGM or at any adjournment thereof. You may also submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com before the aforesaid cut-off time. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 72nd AGM should you subsequently wish to do so. Should you subsequently decide to attend the 72nd AGM in person, you are requested to revoke your earlier appointment of proxy by notifying Tricor Investor & Issuing House Services Sdn Bhd in writing, not later than Tuesday, 1 September 2026 at 10.30 a.m.

14. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
RCE CAPITAL BERHAD

SHAHMAN AZMAN
Non-Independent Non-Executive Chairman

RCE CAPITAL BERHAD
Registration No. 195301000151 (2444-M)

BY-LAWS OF THE EMPLOYEES' SHARE SCHEME

PART I

1. THE SCHEME

This Scheme (as defined herein) shall be called the "RCE Capital Berhad Employees' Share Scheme" and will comprise the ESOS (as defined below) and the RSG (as defined below).

2. OBJECTIVES OF THE SCHEME

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

(a) continue the Company's efforts to recognise, reward, retain and motivate Eligible Persons (as defined below) whose contributions are important to the Group (as defined below);

(b) attract and retain skilled and experienced employees by enhancing the overall competitiveness of the Group's remuneration framework;

(c) motivate Eligible Persons to achieve higher performance through greater productivity, commitment and loyalty;

(d) foster a stronger sense of dedication and belonging by enabling Eligible Persons to participate in the long-term growth and development of the Group;

(e) reinforce a pay-for-performance culture that balances between employee retention and sustainable value creation; and

(f) promote an ownership culture within the Group by aligning the interests of Eligible Persons with those of the shareholders of the Company.

3. DEFINITIONS AND INTERPRETATION

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

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award(s)	The RSG Award(s) and/or the ESOS Award(s) as the case may be
Award Date	The date of the letter or electronic mail of which an Award is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
Board	The board of Directors of RCE for the time being
Bursa Depository	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]

DRAFT BY-LAWS *(Cont'd)*

Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
By-Laws	These by-laws governing the rules, terms and conditions of the ESS (as may be modified, varied and/or amended from time to time in accordance with By-Law 25)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor, being a holder of a CDS account
Constitution	The constitution of the Company, including any amendment thereto that may be made from time to time
Date of Expiry	The last day of the Duration of the Scheme as defined in By-Law 23.1
Director(s)	A director within the meaning stipulated in the Act
Duration of the Scheme	The duration of the Scheme as defined in By-Law 23.1 and includes any extension of duration in accordance with By-Law 23.3
Effective Date	The date on which the Scheme comes into force as provided in By-Law 23.1
Eligible Person(s)	The Executive Director(s) of RCE (if any) or Employee(s) of the Group, who meet the prescribed eligibility criteria for participation in the Scheme as set out in By-Law 5
Employee(s)	An employee employed by and on the payroll of any company in the Group whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
Entitlement Date	The date as at the close of business on which the names of the shareholders of RCE must appear in RCE's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company
ESOS	The employees' share option scheme of RCE as may be modified or altered from time to time
ESOS Award(s)	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	An Eligible Person who has accepted an ESOS Award in the manner provided in By-Law 8

ESOS Option(s)	The right of an ESOS Grantee to subscribe for or receive Shares at the Exercise Price pursuant to an ESOS Award duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESOS Option Period	The period during which an ESOS Option may be exercised as may be specified in the ESOS Award
ESOS Vesting Date(s)	The date or dates as may be determined by the ESS Committee on which all or some of the ESOS Options awarded under an ESOS Award to an Eligible Person is/are vested in accordance with By-Law 9
ESS Award Letter	A letter in such form as the ESS Committee shall approve confirming an Award granted to an Eligible Person by the ESS Committee
ESS or Scheme	RCE Capital Berhad Employees' Share Scheme comprising the ESOS and the RSG which shall be administered in accordance with these By-Laws
ESS Committee	The committee appointed and authorised by the Board to administer the ESS in accordance with By-Law 26, comprising such number of the Directors and/or senior management personnel of the Group identified from time to time
ESS Grantee(s)	An ESOS Grantee and/or an RSG Grantee, as the case may be
Executive Director(s)	A Director performing an executive function
Exercise Price	The price payable by an ESOS Grantee to subscribe for or receive Shares pursuant to the exercise of an ESOS Option in accordance with By-Law 11
Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Market Day(s)	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allocation	The maximum number of Shares that can be offered to an Eligible Person in accordance with By-Law 6
Offer Period	A period of 30 days from the Award Date or such other period as may be determined by the ESS Committee at its sole discretion during which an Award is valid
Performance Targets	The performance targets as may be determined by the ESS Committee, which are to be achieved by the ESS Grantee and/or Group and/or business units within the Group, during such period as specified in the Award
person(s) connected	Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in Rule 1.01 of the Listing Requirements

RCE or Company	RCE Capital Berhad [Registration No. 195301000151 (2444-M)], a public limited company incorporated in Malaysia under the Act and includes its successor-in-title and permitted assigns
RCE Group or Group	The Company and its Subsidiaries as defined in Section 4 of the Act, which are not dormant.
RCE Share(s) or Share(s)	Ordinary shares in RCE from time to time
Recognised Principal Adviser	An entity that fulfils the requirements set out in Chapter 7A of the Licensing Handbook issued by the SC
Record of Depositors	The record of securities holders as established by Bursa Depository under the Rules of Bursa Depository
RM and sen	Ringgit Malaysia and sen, respectively
RSG	The restricted share grant plan of RCE as may be modified or altered from time to time
RSG Award(s)	An award of Shares made in writing by the ESS Committee from time to time to an Eligible Person to participate in the RSG in the manner provided in By-Law 7
RSG Grantee	An Eligible Person who has accepted an RSG Award in the manner provided in By-Law 8
RSG Vesting Date(s)	The date or dates as may be determined by the ESS Committee on which all or some of the Shares awarded under an RSG Award to an RSG Grantee is/are vested in accordance with By-Law 9
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to the SICDA
SC	Securities Commission Malaysia
SICDA	Securities Industry (Central Depositories) Act 1991, as amended from time to time
Subsidiary(ies)	Subsidiary of the Company within the meaning of section 4 of the Act and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 21.1 unless determined otherwise by the Board and/or ESS Committee
Terms of Reference	The terms of reference which the Board may establish to regulate and govern the ESS Committee's functions and/or responsibilities under the By-Laws as amended from time to time
Vesting Conditions	The conditions determined by the ESS Committee and stipulated in an Award which must be fulfilled for the Award to be vested in an ESS Grantee

3.2 Headings are for ease of reference only and do not affect the interpretation and meaning of the By-Laws.

3.3 Any reference to a statutory provision or an applicable law shall include a reference to:

(a) any and all subsidiary legislation made from time to time under that provision or law;

(b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or Bank Negara Malaysia and/or the SC);

(c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any Award made, offered and/or accepted within the Duration of the Scheme; and

(d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.

3.4 Words importing the masculine gender shall include the feminine and *neuter genders*.

3.5 Words importing the singular number shall include the plural number and *vice versa*.

3.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.

3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:

(a) by the Board shall be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; or

(b) by the ESS Committee shall be exercised in the ESS Committee's sole and absolute discretion having regard only to the Terms of Reference (where applicable) and the ESS Committee shall not be under any obligation to give any reasons therefor, but subject always to the Board's power to overrule any decision of the ESS Committee.

3.8 In the event of any change in the name of the Company from its present name, all references to "RCE Capital Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

3.9 Where an act is required to be done within a specified number of days after or from a specified date, that period shall exclude the specified date.

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

4.1 The aggregate maximum number of Shares that may be made available under the Scheme and all other employees' share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not, at any point in time, in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares).

4.2 Notwithstanding By-Law 4.1 above or any other provisions herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate 15% of the total number of issued shares of the Company (excluding treasury shares) as a result of the Company purchasing or cancelling its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal resulting in the reduction of its issued ordinary share capital, then such Award granted prior to the adjustment of the number of issued shares (excluding treasury shares, if any) of the Company shall remain valid and/or exercisable in accordance with these By-Laws. However, in such a situation, the ESS Committee shall not make any further Award unless the total number of Shares to be issued under the Scheme falls below 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 after such adjustment.

4.3 The Company may implement more than one (1) employees' share scheme provided that the aggregate number of Shares available under all the employees' share schemes implemented by the Company is not more than 15% of its issued Shares (excluding treasury shares).

5. ELIGIBILITY

5.1 Any Eligible Person who has attained 18 years of age, is not an undischarged bankrupt or subject to any bankruptcy proceedings, and meets the following criteria as at the Award Date shall be eligible for consideration and selection by the ESS Committee:

(a) if he/she is appointed or confirmed in service, as the case may be, by the Group, subject to any minimum period as may be determined by the ESS Committee from time to time and has not served a notice of resignation or received a notice of termination or subject to any disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Eligible Person or are found to have had no basis or justification). In determining the period of employment, the ESS Committee will take into account the period commencing from the date the relevant Eligible Person became part of the Group and other factors; or

(b) if he/she fulfils any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)) as may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.

5.2 If an Eligible Person is a Director, major shareholder or chief executive of the Company or its holding company (if any), or a person(s) connected with such person, the specific allocation of the Awards to be granted to them under the Scheme must have been approved by the shareholders of the Company at a general meeting.

5.3 The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.

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

5.4 Without prejudice to the generality of the foregoing and subject to the ESS Committee's discretion otherwise, any Award made by the ESS Committee that has not been accepted, vested or exercised by an Eligible Person shall automatically be terminated in the following circumstances:

(a) the death of the Eligible Person, unless otherwise provided under By-Law 15.7;

(b) the Eligible Person having received a letter of termination or ceasing to be an Employee or an Executive Director (as the case may be), for any reason whatsoever;

(c) the Eligible Person giving notice of his/her resignation from service/employment;

(d) bankruptcy of the Eligible Person, in which event the Award shall be automatically terminated on the date a receiving order is made against the Eligible Person by a court of competent jurisdiction;

(e) the corporation which employs the Eligible Person ceasing to be part of the Group, unless otherwise provided under By-Law 21.1;

(f) a disciplinary action is initiated against the Eligible Person pursuant to By-Law 15.9; or

(g) winding up or liquidation of the Company, in which event the Award 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 resolution is passed or a court order is made for the winding up of the Company; or

(h) termination of the Scheme pursuant to By-Law 23.5,

whichever shall be applicable.

5.5 The ESS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the Award. In the event that any Eligible Person is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation or allocations to persons connected to him/her.

5.6 Any Eligible Person who holds more than one (1) position within the Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one (1) category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation.

5.7 For the avoidance of doubt, employees of dormant companies within the Group are not eligible to participate in the Scheme. Directors or Employees who represent the Government or Government institutions/agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are also not eligible to participate in the ESS.

5.8 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 Awards unless an Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the Award in accordance with By-Law 8 hereof.

5.9 The selection of any Eligible Person for participation in the ESS shall be made by the ESS Committee, whose decisions shall be final and binding.

6. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 19, the aggregate maximum number of Shares that may be allocated to any one (1) category/designation of Eligible Person shall be determined entirely at the discretion of the ESS Committee.

6.2 Not more than 10% (or such other percentage as may be permitted by the relevant authorities from time to time) of the total number of Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Shares (excluding treasury shares).

6.3 Not more than 50% of the total number of Shares made available under the Scheme shall, in aggregate, be allocated to the Executive Director(s) (if any) and senior management of the Group who are Eligible Persons.

6.4 To the extent practicable and subject always to By-Laws 6.2 and 6.3, the ESS Committee shall seek to ensure that allocations under the Scheme are made on equitable basis across the various grades of Eligible Persons.

6.5 Subject to By-Laws 6.2 and 6.3, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESS Committee. In making such a determination, the ESS Committee will take into consideration the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to the Scheme, and may take into consideration the Eligible Person's performance, targets, position, seniority, length of service, contribution, category or grade of employment or such other factors as the ESS Committee may, in its sole and absolute discretion, deem fit.

At the time the Award is offered, the ESS Committee shall set out the basis of the allocation of the Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.3.

6.6 The ESS Committee may make more than one (1) Award to an Eligible Person **PROVIDED THAT** the aggregate number of Shares so awarded to an Eligible Person throughout the Duration of the Scheme does not exceed the Maximum Allowable Allocation of such Eligible Person.

6.7 In the event that an Eligible Person is redesignated or promoted to a higher category, his Maximum Allowable Allocation may be increased at the discretion of the ESS Committee. However, in the event that an Eligible Person is redesignated or demoted to a lower category, the following provisions shall apply:

(a) his Maximum Allowable Allocation shall be reduced in accordance with the category corresponding to his new grade;

(b) in the event that the total number of ESOS Options which has been offered or granted to, and accepted by him pursuant to the ESS up to the date he is redesignated or demoted to a lower category is greater than his Maximum Allowable Allocation under such lower category, he shall be entitled to exercise the ESOS Options which have been offered, granted to, and accepted by him on a date prior to his redesignation but he shall not be offered any further ESOS Option and/or granted any further RSG Award unless and until he is subsequently moved to a higher category such that his Maximum Allowable Allocation is increased to an amount greater than the total number of Shares which has been offered to, and accepted by, him pursuant to an ESOS Option (subject to the final discretion of the ESS Committee, taking into account the Performance Targets of the Eligible Persons); and

(c) in the event that there are unvested ESOS Options or unvested RSG Awards from the total number of Shares which has been granted or offered to, and accepted by him pursuant to an ESOS Options and/or RSG Award up to the date he is redesignated or demoted to the lower category, and if such unvested ESOS Options or unvested RSG Award would cause the Maximum Allowable Allocation under such lower category to be exceeded, he shall not be entitled to exercise such unvested ESOS Options or receive the Shares or equivalent cash value attributable to such unvested RSG Awards unless allowed by the ESS Committee or that his Maximum Allowable Allocation is increased and, subject to By-Law 6.2, will not be offered or granted further ESOS Award and/or RSG Award under such lower category.

6.8 The Company shall ensure that allocation of Awards pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation referred to in the By-Laws.

6.9 For the avoidance of doubt, the ESS Committee shall have sole and absolute discretion to determine:

(a) whether the allocation and granting of the Awards to Eligible Persons shall be made on a staggered basis or by way of a single grant, and where such allocation and granting is made on a staggered basis, the maximum allocation available for each financial year throughout the duration of the Proposed ESS; and/or

(b) whether the Awards shall be subject to any vesting period and, if so, the applicable vesting condition(s), including whether such vesting conditions are subject to Performance Target(s).

6.10 No Eligible Person shall participate in any deliberation or discussion relating to their own allocation and/or allocation to persons connected with them.

6.11 Notwithstanding anything to the contrary herein contained, the ESS Committee shall not in any way be obliged to offer the ESOS Options or grant any RSG Award to any Eligible Person.

<u>PART III</u>

7. AWARD

7.1 During the Duration of the Scheme, the ESS Committee may at its discretion at any time from the Effective Date and from time to time make an Award in writing for acceptance in accordance with this By-Law 7 to an Eligible Person based on the criteria for allotment as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.

7.2 The actual number of Shares and/or ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESS Committee, subject to any adjustments that may be made under By-Law 19. The number of Shares and/or ESOS Options so awarded shall not be less than 100 Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of 100 Shares. The ESS Committee may stipulate any terms and conditions it deems appropriate in an Award and the terms and conditions of each may differ. Nothing herein shall require any Award offered to be the same as Awards previously or subsequently offered whether to the same or a different Eligible Person.

7.3 The ESS Committee shall determine at its discretion and state, amongst others, all or part only of the following particulars in the ESS Award Letter:

(a) whether the Award is an RSG Award and/or an ESOS Award;

(b) the number of Shares and/or ESOS Options that are being granted to the Eligible Person;

(c) the date of the Award;

(d) the Vesting Conditions (if any/if applicable);

(e) the RSG Vesting Date(s) and/or the ESOS Vesting Date(s) (as applicable);

(f) the Offer Period;

(g) in respect of the ESOS Award, the ESOS Option Period and the Exercise Price; and

(h) any other terms and conditions deemed necessary by the ESS Committee.

7.4 An Award shall be valid during the Offer Period.

7.5 No Award shall be made to any Director, major shareholder or chief executive of the Company or its holding company (if any), or a person(s) connected with such person unless the specific allocation of Award to be granted to them under the Scheme have been approved by the shareholders of the Company at a general meeting.

7.6 Without prejudice to By-Law 25, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.3, the following provisions shall apply:

(a) As soon as reasonably practicable after the discovery of the error, the Company shall issue a supplemental ESS Award Letter, stating the correct particulars referred to in By-Law 7.3;

(b) In relation to an ESOS Award –

(i) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental ESS Award Letter shall remain as the Exercise Price as per the original ESS Award Letter; and

(ii) in the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental ESS Award Letter shall be the Exercise Price applicable as at the date of the original ESS Award Letter, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental ESS Award Letter which shall be deemed to have been validly exercised and shall not be subject to any adjustment, clawback or rectification.

7.7 The Company shall keep and maintain at its own expenses, a register of ESOS Grantees and shall enter in that register the names, addresses and identity card numbers of the ESOS Grantees, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options exercised, the date of offer and the Exercise Price and other particulars that may be prescribed under Section 129 of the Act.

8. ACCEPTANCE OF AWARD

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

8.2 If an Award is not accepted in the manner set out in By-Law 8.1 above, the Award shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect (unless otherwise extended at any time and from time to time by the ESS Committee). The Shares comprised in such Award may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.

8.3 Shares not taken up resulting from the non-acceptance of Award within the Offer Period or the lapse of any Awards shall thereafter form part of the balance of Shares available for future Awards under the Maximum Allowable Allocation.

8.4 In respect of an RSG Award, a RSG Grantee is not required to pay for the Shares he is entitled to receive upon vesting of the Shares pursuant to the RSG Award.

9. VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

9.1 The ESS Committee may, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an Award. The Shares and/or ESOS Options or such part thereof as may be satisfied in the Award will only vest with the ESS Grantee on the RSG Vesting Date and/or the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied/waived, as the case may be, including all or any part of the following:

(a) the ESS Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the RSG Vesting Date and/or the ESOS Vesting Date or has otherwise ceased or had his/her employment terminated;

(b) the ESS Grantee has not been adjudicated a bankrupt; and/or

(c) any other conditions which are determined by the ESS Committee.

For the avoidance of doubt, the ESS Committee may, at its sole and absolute discretion and subject to any applicable laws, vary, revise or waive any of the Vesting Conditions for the ESS Grantee subsequent to the issuance of the ESS Award Letter.

9.2 The ESS Committee shall have full discretion to determine any Performance Targets and whether the Performance Targets or performance period have been fully and duly satisfied. In the event that the ESS Committee shall determine that the Performance Targets or performance period are not fully and duly satisfied, the ESS Committee may, at its discretion, adjust the number of Shares and/or ESOS Options (if any) which may vest in the ESS Grantee on the RSG Vesting Date(s) and/or the ESOS Vesting Date(s).

9.3 Where the ESS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESS Committee shall notify the ESS Grantee of the number of Shares and/or ESOS Options vested or which will be vested in him/her on the RSG Vesting Date(s) and/or the ESOS Vesting Date(s) ("**Vesting Notice**").

9.4 No ESS Grantee shall have any right to or interest in the Shares and/or ESOS Options awarded to him/her under an Award until and unless the Shares and/or ESOS Options are vested in him/her on and with effect from the RSG Vesting Date(s) and/or the ESOS Vesting Date(s).

9.5 In respect of an RSG Award, the RSG Grantee shall provide all information as required in the Vesting Notice and the ESS Award Letter respectively and the Company shall as soon as reasonably practicable after the RSG Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution, the SICDA and the Rules of Bursa Depository, transfer/credit the relevant number of Shares to the RSG Grantee's CDS Account accordingly and despatch the notice of allotment/transfer to the RSG Grantee. The Shares will be credited directly into the CDS Account and no physical share certificates will be delivered to the RSG Grantee or his authorised nominee (as the case may be). If the RSG Award is in the form of cash (or partly by way of cash) rather than Shares, the Company shall pay to the RSG Grantee the cash payment as determined by the ESS Committee as soon as practicable or within a reasonable time period as the ESS Committee may decide after such RSG Vesting Date, in lieu of all or part of such Shares.

10. EXERCISE OF ESOS OPTIONS

10.1 Each ESOS Option shall be exercisable into one (1) new Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.

10.2 Subject to By-Laws 15, 20, 21, 22 and 23, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 10.4) during the Duration of the Scheme as provided in these By-Laws whilst he/she is in the employment of the Group and within the ESOS Option Period.

10.3 An ESOS Grantee shall exercise the ESOS Options granted to him/her in whole or part in multiples of 100 Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the ESOS Option Period in accordance with By-Law 19 which result in the number of Shares comprised in an ESOS Option not being in multiples of 100, then the requirement that an ESOS Option shall be exercised in multiples of 100 Shares shall not be applicable for the ESOS Grantee's final exercise of the ESOS Option.

10.4 An ESOS Grantee shall exercise his/her ESOS Options in such form and manner as the ESS Committee may prescribe or approve ("**Notice of Exercise**"). The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the ESS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the ESOS Option Period shall be automatically terminated and lapse without any claim against the Company.

10.5 Subject to By-Law 10.4, an ESOS Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options to be exercised and where applicable, be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to or prescribed by the ESS Committee and any other method of satisfaction referred to in by-law 26.2 for the full amount of the Exercise Price in relation to the number of Shares in respect of which the Notice of Exercise is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 10.2 and 10.3 above. The ESS Committee may pursuant to By-Law 25 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the ESOS Option Period.

10.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Subject to all relevant information and/or documents are duly and correctly furnished together with the requisite remittance of monies, within 8 Market Days of the receipt by the Company of the Notice of Exercise and complete payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, in the event that the Shares are delivered to the ESOS Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee and apply to Bursa Securities for the listing and quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be). If the ESOS Option is to be satisfied in the form of cash (or partly by way of cash) rather than Shares, as determined by the ESS Committee, the Company shall pay to the ESS Grantee the relevant cash payment as determined by the ESS Committee as soon as practicable or within a reasonable time period as the ESS Committee may decide after ascertaining that all information required in the Notice of Exercise are duly and correctly furnished.

10.7 The Group, the Board (including Directors that had resigned but were on the Board during the ESOS Option Period) and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise and/or the complete payment in respect of the exercise of the ESOS Options or for any errors in any ESOS Award.

10.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESS Committee, and the ESS Committee shall inform the ESOS Grantee of the rejection of the Notice of Exercise within 14 Market Days from the date of rejection and the ESOS Grantee shall be deemed to not have exercised his/her ESOS Option.

10.9 Every Award shall be subjected to the condition that no Shares shall be issued and/or transferred pursuant to the Award if such issue and/or transfer would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

11. EXERCISE PRICE

Subject to any adjustments made in accordance with these By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be determined based on the 5-day volume weighted average market price of the Shares immediately preceding the date of the ESOS Award, with a discount of not more than 10%, where deemed appropriate.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the ESOS Grantees.

PART IV

12. NON-TRANSFERABILITY

12.1 An Award is personal to the ESS Grantee and subject to the provisions of By-Laws 12.2, 12.3, 15, are exercisable/vested only by/in the ESS Grantee personally during the Duration of the Scheme whilst he/she is in the employment of any company in the Group.

12.2 An Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the ESS Grantee save and except in the event of the death of the ESS Grantee as provided under By-Law 15.7. Any attempt to transfer, assign, dispose or encumber any Award shall result in the automatic cancellation of the Award.

12.3 Notwithstanding this By-Law 12, in the event an ESS Grantee is transferred to another company within the Group which has its own share issuance scheme, share grant scheme or share scheme, the ESS Grantee shall be entitled to continue participating in the Scheme in accordance with these By-Laws and shall be entitled to hold all vested and unvested Awards held by him or her at that time, unless the ESS Committee otherwise determines in its absolute discretion.

13. RIGHTS ATTACHING TO THE SHARES AND ESOS OPTIONS

13.1 Any new Shares to be allotted and issued under the Scheme will be subject to the provisions of the Constitution and will, upon allotment and issue, rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which precedes the date on which such Shares are credited into the CDS Accounts of the ESS Grantees.

13.2 In respect of the existing Shares to be transferred to the ESS Grantees pursuant to the ESS, such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which precedes the date on which such existing Shares are credited into the CDS Accounts of the ESS Grantees.

13.3 The RSG Award and the ESOS Options will not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the ESS Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unvested Shares.

13.4 Notwithstanding any provision in the By-Laws, all Shares shall be subject to all provisions of the Constitution.

14. RESTRICTION ON DEALING/RETENTION PERIOD

The Shares to be allotted and issued and/or transferred to an ESS Grantee under the Scheme may be subject to such reasonable retention period or restriction on transfer, if any, as may be imposed or determined by the ESS Committee at its discretion. The Company encourages ESS Grantees to hold the Shares granted to and/or subscribed for by them for as long as possible. Subject to any retention period or restriction on transfer imposed by the ESS Committee, the Shares may be dealt with by the ESS Grantee after such Shares have been credited into the CDS Account of the ESS Grantee or his/her financier, as the case may be. An ESS Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realization of any immediate gain.

15. TERMINATION OF THE AWARD

15.1 Prior to the full vesting of any Award and/or the allotment or satisfaction by any other means of an Award in the manner as provided for under By-Law 26.2, such Award that remains unvested or unsatisfied (as the case may be) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group in the following circumstances:

(a) Termination or cessation of employment of the ESS Grantee with the Group for any reason whatsoever, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the ESS Grantee's employer accepts his/her notice of resignation or the ESS Grantee's employer notifies the ESS Grantee of termination of his/her employment or on the day the ESS Grantee notifies his/her employer of his/her resignation or on the ESS Grantee's last day of employment, whichever is the earlier; or

(b) Bankruptcy of the ESS Grantee, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the ESS Grantee by a court of competent jurisdiction; or

(c) Upon the happening of any other event which results in the ESS Grantee being deprived of the beneficial ownership of the Award, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or

(d) Winding up or liquidation of the Company, in which event the Award shall be automatically terminated and/or cease to be valid on the following date:

(i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or

(ii) in the case of an involuntary winding up, the date on which a resolution is passed or a court order is made for the winding up of the Company; or

(e) Termination of the Scheme pursuant to By-Law 23.5, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date (as defined in By-Law 23.6) pursuant to By-Law 23.5,

whichever shall be applicable.

Upon the termination of the Award(s) pursuant to By-Laws 15.1(a), (b), (c), (d) or (e) above, the ESS Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any Award(s) or his/her Award(s) ceasing to be valid.

15.2 Notwithstanding By-Law 15.1 above, the ESS Committee may at its discretion allow for (i) all or any part of any unvested Shares under the RSG to vest in accordance with the provisions of these By-Laws and/or (ii) any unexercised ESOS Option to remain exercisable during the ESOS Option Period on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

(a) Ill-health, injury, physical or mental disability; or

(b) Transfer to any company outside the Group at the direction of the Company; or

(c) Retirement on attaining the retirement age under the Group's retirement policy; or

(d) Winding-up or liquidation of the Company or its Subsidiary; or

(e) Any other circumstance as may be deemed as acceptable to the ESS Committee in its sole and absolute discretion.

15.3 Applications under By-Law 15.2 shall be made:

(a) in a case where By-Law 15.2(a) is applicable, within one (1) month or any extended period as determined by the ESS Committee, after the ESS Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the ESS Grantee may be vested with such number of unvested Shares under the RSG and/or exercise all his/her unexercised ESOS Options within the said period. In the event that no application is received by the ESS Committee within the said period, any such number of unvested Shares under the RSG and/or unexercised ESOS Options held by the ESS Grantee at the expiry of the said period shall be automatically terminated; or

(b) in a case where By-Law 15.2(b) is applicable, the ESS Grantee may be vested with such number of unvested Shares under the RSG and/or exercise all his/her unexercised ESOS Options within one (1) month or any extended period as determined by the ESS Committee after he/she is notified. Thereafter, any such number of unvested Shares under the RSG and/or unexercised ESOS Options held by the ESS Grantee at the expiry of the said period shall be automatically terminated.

15.4 In the event that an ESS Grantee is notified that he/she will be made redundant or retrenched or participate in a voluntary separation scheme or where he/she is given an offer by his/her employer as to whether he/she wishes to accept redundancy or retrenchment or participate in a voluntary separation scheme upon certain terms, the ESS Grantee may be vested with such number of unvested Shares under the RSG and/or exercise his/her unexercised ESOS Options within one (1) month or any extended period as determined by the ESS Committee after he/she receives such notice or accepts such offer, as the case may be. Thereafter, any such number of unvested Shares under the RSG and/or unexercised ESOS Options held by the ESS Grantee at the expiry of the said period shall be automatically terminated.

15.5 The ESS Committee shall consider applications under By-Law 15.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the ESS Grantee may exercise the ESOS Options and/or be vested with the unvested Shares under the RSG which are the subject of the approval within the period so approved by the ESS Committee and subject to the provisions of By-Law 10. Any ESOS Options and/or Shares unvested under the RSG 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 15.3 or on the date of the ESS Committee's decision, whichever is the later.

15.6 In the event that the ESS Committee receives an application under By-Law 15.3 after the expiry of the relevant period under By-Law 15.3, the ESS Committee shall take into account the reasons given by the ESS Grantee for the delay in making the application, in exercising the ESS Committee's discretion and powers under By-Law 15.5. In the event that the ESS Committee approves the application in whole or in part, the Company shall make an ESOS offer in respect of the unexercised ESOS Options and/or an RSG Award Letter in respect of the unvested Shares under the RSG which are the subject of approval to the ESS Grantee and such ESOS Options offered and/or Shares awarded, if accepted by the ESS Grantee shall be exercisable:

(a) only within the period of those ESOS Options and/or unvested Shares under the RSG which were terminated due to the ESS Grantee's delay in making the application;

(b) in accordance with the provisions of By-Law 10 as applicable in respect of such terminated ESOS Options and/or RSG Awards; and

(c) at the subscription price applicable in respect of such terminated ESOS Options.

15.7 In the event that an ESS Grantee dies before the Date of Expiry and, at the date of death, holds any Shares under the RSG which remain unvested and/or ESOS Options which are unvested / unexercised, the following provisions shall apply:

(a) such unvested Shares under the RSG and/or unexercised ESOS Options may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased ESS Grantee ("**Representative**") within 12 months (or such other period of time as may be determined by the ESS Committee in its absolute discretion) after the ESS Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever comes first, subject to the approval of the ESS Committee;

(b) in the event that the Date of Expiry expires before the Permitted Period, any unvested Shares under the RSG and/or ESOS Options which have not been exercised by the Representative at the Date of Expiry shall be automatically lapsed / terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised ESOS Options and/or be vested with any unvested Shares under the RSG;

(c) in the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:

(i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESS Committee before the expiry of the Permitted Period, any unvested Shares under the RSG and/or ESOS Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically lapsed / terminated.

(ii) The ESS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Representative may be vested with the Shares and/or exercise the ESOS Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 10.4. Any Award in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESS Committee's decision, whichever is the later.

(iii) In the event that the ESS Committee receives an application after the expiry of the Permitted Period, the ESS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESS Committee approves an application in whole or in part, the Company shall make an ESOS Award and/or RSG Award in respect of the ESOS Options and/or unvested Shares under the RSG which are the subject of the approval to the Representative and such ESOS Options and/or unvested Shares under the RSG shall be exercisable/vested:

(1) within such period as may be stipulated in the ESOS Award and/or RSG Award which shall not exceed the Date of Expiry of those ESOS Options and/or Shares which were terminated pursuant to sub-paragraph (i) above;

(2) in accordance with the provisions of By-Law 10.4; and

(3) at the subscription price applicable in respect of the ESOS Options which were terminated pursuant to sub-paragraph (i) above

15.8 The provisions of By-Law 15.7 constitute exception to the provisions of By-Law 5.4 and By-Law 12.

15.9 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the ESS Grantee, to suspend the right of any ESS 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 ESS Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares under the RSG vested in him/her pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole and absolute discretion, on the ESS Grantee's right to exercise his/her ESOS Options and/or have Shares under the RSG vested in him/her having regard to the nature of the charges made or brought against such ESS Grantee, **PROVIDED ALWAYS** that:

(a) in the event such ESS Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESS Committee shall reinstate the right of such ESS Grantee to their Shares under the RSG and/or ESOS Option;

(b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESS Grantee, all unvested Shares under the RSG and/or unexercised and partially exercised ESOS Options of the ESS Grantee shall immediately lapse / terminate and be null and void and of no further force and effect, without notice to the ESS Grantee, upon pronouncement of the dismissal or termination of service of such ESS Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESS Grantee in any other forum;

(c) in the event the ESS Grantee is found guilty but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its absolute discretion whether or not the ESS Grantee may continue to exercise his/her ESOS Options and/or have the Shares under the RSG vested in him/her or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and

(d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the Date of Expiry, the Shares under the RSG and/or ESOS Options of such ESS Grantee shall immediately lapse on the Date of Expiry without notice,

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

16. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

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

17. SCHEME NOT A TERM OF EMPLOYMENT

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

18. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by an ESS Grantee pursuant to or relating to the exercise of any ESOS Options, vesting of any Shares under the Awards, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that ESS Grantee for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

PART V

19. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

19.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares, capital reduction, dividend or distribution which constitutes a Capital Distribution (as defined in By-Law 19.7(c) below), or any other variation of capital, the ESS Committee may, in its discretion and in accordance with these By-Laws, cause the following adjustments to be made to the ESS as it deems appropriate:

(a) the Exercise Price;

(b) the number of Shares which are subject of an ESOS Option and/or RSG Award, to the extent not yet vested and/or vested but not yet credited into the CDS Account of the ESS Grantee;

(c) the number of Shares over which future ESOS Options may be offered and/or future RSG Awards may be granted; and/or

(d) the maximum number of existing Shares which may be delivered in settlement pursuant to the Awards,

provided always that any such adjustment shall be made in a manner that does not confer upon an Eligible Person a benefit that a shareholder of the Company does not receive, and provided further that no adjustment shall be made unless the ESS Committee, having considered all relevant circumstances, considers such adjustment to be equitable.

19.2 The provisions of this By-Law 19 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

(a) An issue of new Shares pursuant to the exercise of ESOS Options and/or vesting of Shares (if applicable) under the Scheme;

(b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;

(c) An issue of securities as a private placement (including an issuance of securities pursuant to Sections 75 or 76 of the Act);

(d) Any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;

(e) A restricted issue of securities;

(f) An issue of warrants, convertible loan stocks or other instruments (including issuance of Shares arising from these convertible securities) by the Company which give a right of conversion into new Shares arising from the conversion of such securities;

(g) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act and cancellation, resale or transfer of all or a portion of such Shares purchased; or

(h) An issue of further Award(s) to Eligible Persons under these By-Laws or any other By-Laws which the Company may have in place from time to time.

19.3 Any adjustments other than on a bonus issue, subdivision or consolidation of Shares must be confirmed in writing by the external auditors or Recognised Principal Adviser (acting as an expert and not as an arbitrator).

19.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III, Division 7 of the Act, By-Law 19.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 19.1 is applicable, but By-Law 19.1 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 19.1 is not applicable as described in By-Law 19.2.

19.5 An adjustment pursuant to By-Law 19.1 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, subdivision or reduction becomes effective, or such period as may be prescribed by Bursa Securities.

19.6 Upon any adjustment required to be made pursuant to this By-Law 19, the Company shall, as soon as reasonably practicable after such adjustment is made, notify the ESS Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:

(a) In respect of the ESOS, the adjusted Exercise Price, number of unexercised ESOS Options and/or the ESOS Options which are the subject of the adjusted ESOS Award; and

(b) In respect of RSG, the number of Shares comprised in the unvested RSG Awards which are the subject of the adjusted RSG Award.

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

19.7 In respect of the ESOS Options or the ESOS or the RSG (in so far as unvested), any adjustment pursuant to this By-Law 19 shall be made in accordance with the following formula below, pursuant to By-Law 19.6:

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

If and whenever Shares shall be consolidated, subdivided or converted, the Exercise Price shall be adjusted and the additional number of Shares comprised in the ESOS Options/RSG Award (where applicable) to be issued or transferred shall be calculated in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{P}{Q}\right)$$

$$\text{Additional number of Shares} = T \times \left(\frac{Q}{P}\right) - T$$

Where:

P = the aggregate number of issued Shares immediately before such consolidation, subdivision or conversion;

Q = the aggregate number of issued Shares immediately after the consolidation, subdivision or conversion;

S = Existing Exercise Price; and

T = Existing number of Shares relating to the ESOS Options / RSG Award.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities).

(b) **<u>Capitalisation of Profits or Reserves</u>**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature, other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares), the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the ESOS Award and/or RSG Award shall be calculated as follows:

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

Where:

A = the aggregate number of issued Shares on the Entitlement Date immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature);

and

T = T as in By-Law 19.7(a) above

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

(c) If and whenever the Company shall make:

(1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or

(3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

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

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

and in respect of the case referred to in By-Law 19.7(c)(2) and (c)(3) hereof, the additional number of Shares comprised in the ESOS Award and/or RSG Award shall be calculated as follows:

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

Where:

T = T as in By-Law 19.7(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 or (where appropriate) any relevant date as may be determined by the Company;

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 19.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 19.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 19.7(c) hereof, the fair market value as determined by the external auditors or Recognised Principal Adviser of that portion of the Capital Distribution attributable to one (1) existing Share; and

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

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

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

Where:

C = C as in By-Law 19.7(c) above;

E = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and

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

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 19.7(c) above;

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

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

For the purpose of By-Law 19.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 19.7(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (but excluding an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares).

Any distribution out of profits or reserves made (whenever paid) shall be deemed to be a Capital Distribution unless it is a dividend paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company. However, any such dividend charged in the accounts pertaining to any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution in the event the net dividend amount per share declared at any given time is more than five percent (5%) of the five (5) day volume weighted average market price of the Shares immediately prior to the announcement of the dividend.

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

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

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 19.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 19.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the additional number of Shares comprised in the ESOS Award and/or RSG Award shall be calculated as follows:

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

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

Where:

B = B as in By-Law 19.7(b) above;

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 19.7(c) above;

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

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

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

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

T = T as in By-Law 19.7(a) above.

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

(e) **Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 19.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 19.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the ESOS Award and/or RSG Award shall be calculated as follows:

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

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

Where:

G = G as in By-Law 19.7(d) above;

C = C as in By-Law 19.7(c) above;

H = H as in By-Law 19.7(d) above;

H* = H* as in By-Law 19.7(d) above;

I = I as in By-Law 19.7(d) above;

I* = I* as in By-Law 19.7(d) above;

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

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

T = T as in By-Law 19.7(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 or the closing date for the acceptance of the rights, as the case may be, for such issue.

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

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 19.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 19.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the ESOS Award and/or the RSG Award shall be calculated as follows:

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

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

Where:

G = G as in By-Law 19.7(d) above;

C = C as in By-Law 19.7(c) above;

H = H as in By-Law 19.7(d) above;

H* = H* as in By-Law 19.7(d) above

I = I as in By-Law 19.7(d) above;

I* = I* as in By-Law 19.7(d) above

J = J as in By-Law 19.7(e) above;

T = T as in By-Law 19.7(a) above;

K = K as in By-Law 19.7(e) above; and

B = B as in By-Law 19.7(b) above.

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

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 19.7(c)(2), 19.7(c)(3), 19.7(d), 19.7(e) or 19.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued/transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

Where:

L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

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

For the purpose of this By-Law 19.7(g), "**Total Effective Consideration**" shall be determined by the ESS Committee with the concurrence of the external auditors or Recognised Principal Adviser and shall be:

(i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;

(ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

(iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

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

For the purpose of By-Law 19.7(g), "**Average Price**" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

(h) For the purpose of By-Laws 19.7(c), (d), (e) and (f), the prevailing market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the 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.

19.8 If an event occurs that is not set out in By-Law 19.7 or if the application of any of the formula set out in By-Law 19.7 to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the ESS Committee may effect an adjustment in such manner deemed appropriate by the ESS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement/notification to all Eligible Persons to be made in such manner deemed appropriate by the ESS Committee.

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

19.10 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.

19.11 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 19, the number of Shares comprised in an Award shall automatically be rounded down to the nearest whole number.

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

In the event of:

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

(b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date;

(c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act; or

(d) the Company decides to merge with any other company or companies,

then –

(1) ESS Committee may at its discretion to the extent permitted by law allow the vesting of all unvested RSG Awards (or any part thereof) by the RSG Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that the RSG Vesting Date is not due or has not occurred and/or the other terms and conditions set out in the RSG Award have not been fulfilled or satisfied; and

(2) an ESOS Grantee who is holding outstanding exercisable ESOS Options shall thereafter be entitled to exercise all of his/her unexercised ESOS Options (or any part thereof) in accordance with By-Law 10.5, within 60 days from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) as above. In the event that the ESOS Grantee elects not to so exercise some or all of the ESOS Options held by him/her, the unexercised ESOS Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

21. CHANGES TO THE STRUCTURE OF THE GROUP, ETC

21.1 In the event that a company within the Group shall be divested from the Group, the ESS Committee may permit the vesting of unvested RSG Award or the vesting of ESOS Options or the unexercised ESOS Options (or any part thereof) in an ESS Grantee at any time subject to such terms and conditions as may be prescribed, notwithstanding that the RSG Vesting Date and/or the ESOS Vesting Date is not due or has not occurred and/or other terms and conditions of the ESOS Award and the RSG Award or as set out in ESOS Award and the RSG Award have not been fulfilled or satisfied.

21.2 For the purposes of By-Law 21.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event the company ceases to be a Subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESS Committee at its absolute discretion.

21.3 Notwithstanding anything to the contrary, an employee who is in employment of a company which is not a Subsidiary ("**Previous Company**") but subsequently becomes a Subsidiary as a result of an acquisition or other exercise involving the Company and/or any Subsidiary or transferred to the Subsidiary subsequent to the acquisition in the case of an employee of a Previous Company, such an employee ("**Affected Employee**"):

(a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employees' share scheme or employees' share option scheme in accordance with the by-laws of that Previous Company's employees' share scheme or employees' share option scheme, but he shall not upon that Previous Company becoming a Subsidiary be eligible to participate for further rights or options under such Previous Company's employees' share scheme or employees' share option scheme unless permitted by the ESS Committee; and

(b) may be eligible to participate in the ESS only for remaining duration of the ESS (subject to the approval of the ESS Committee);

provided that, notwithstanding anything to the contrary, the number of new Shares pursuant to an RSG Award and/or ESOS Award that may be offered to such an Affected Employee under By-Law 21.3 (b) will always be subject to the discretion of the ESS Committee.

22. WINDING UP

All Awards which are unexercised, unvested and/or not accepted shall be automatically terminated / lapsed 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 of voluntary winding up of the Company, commencing from the date on which a provisional liquidator is appointed by the Company). In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to vest the Award and/or exercise the Award 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 vest the Award and/or exercise the Award shall accordingly be unsuspended.

PART VI

23. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME

23.1 The Effective Date for the implementation of the Scheme shall be a date to be determined by the Board as soon as practicable following full compliance with all relevant requirements of the Listing Requirements, including the following:

(a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements (and/or such other documents as may be determined by Bursa Securities from time to time);

(b) receipt of the approval or approval-in-principle, as the case may be, for the listing of and quotation for the new Shares to be issued under the Scheme from Bursa Securities;

(c) procurement of shareholders' approval for the Scheme;

(d) receipt of approval of any other relevant authorities, where applicable; and

(e) fulfilment or waiver (as the case may be) of all conditions attached to the above requirements, if any.

The Recognised Principal Adviser shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of the Listing Requirements stating the Effective Date together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting approving the Scheme. The submission of the confirmation letter shall be submitted to Bursa Securities not later than five (5) Market Days after the Effective Date.

The Scheme shall be in force for a duration of 5 years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 23.3 below. The date of expiry of the Scheme shall be at the end of the 5 years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

23.2 The Award can only be made during the Duration of the Scheme before the Date of Expiry.

23.3 On or before the Date of Expiry, the Board shall, upon recommendation of the ESS Committee, have the discretion to extend the Duration of the Scheme for a further period or periods, provided that the initial duration of the Scheme and such extension(s) made pursuant to this By-Law shall not, in aggregate, exceed a duration of 10 years from the Effective Date. Such extended Scheme shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension. In the event the Scheme is extended in accordance with this provision, the ESS Committee shall furnish a written/ or electronic notification to all ESS Grantees prior to the Date of Expiry and the Company shall make any necessary announcements to Bursa Securities and/or any parties, if required.

23.4 Notwithstanding anything to the contrary, all unvested Shares under the RSG Awards and all unvested and/or unexercised ESOS Options shall lapse on the Date of Expiry.

23.5 Notwithstanding anything set out in the By-Laws and subject always to compliance with Bursa Securities' and any other regulatory authorities' guidelines or directives, the Scheme may be terminated by the Board, upon the recommendation of the ESS Committee at any time before the Date of Expiry.

23.6 Subject to By-Law 23.5 and 23.7, upon termination of the Scheme, the Company shall immediately make an appropriate announcement to Bursa Securities which includes, where necessary, the following information:

(a) the effective date of termination of the Scheme ("**Termination Date**");

(b) the number of ESOS Options exercised or Shares vested under the Scheme; and

(c) the reason(s) for termination.

23.7 Prior to the termination of the ESS pursuant to By-Laws 23.5 and 23.6, the Company may provide a 30 days' (or such other number of days which the ESS Committee may deem appropriate) notice of such intention, whether in written or electronic form, to all ESS Grantees and may at its sole discretion, prior to the Termination Date, undertake the followings:

(a) to permit the ESS Grantees to exercise any vested but unexercised ESOS Options; and/or

(b) subject to By-Law 14, to vest any unvested Shares in the RSG Awards to the ESS Grantees.

23.8 In the event of termination as stipulated in By-Law 23.5 above, the following provisions shall apply:

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

(b) all Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;

(c) all Awards which have yet to be vested in the ESS Grantee shall automatically lapse on the Termination Date; and

(d) all outstanding ESOS Options which have yet to be exercised by ESOS Grantees and/or vested shall be automatically terminated on the Termination Date.

23.9 For the avoidance of doubt, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of ESS Grantees who have the Awards vested or unvested in them are not required to effect a termination of the Scheme.

24. NO COMPENSATION FOR TERMINATION

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

(a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the Award or consideration for the Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;

(b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the Award themselves) against the Board, 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 ESS Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights of his/her Award or his/her rights to exercise his/her ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws; and

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

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

25.1 Subject to the compliance with the Listing Requirements and the approval of any other relevant authorities (if required), the ESS Committee may, at any time and from time to time, recommend to the Board any addition to, amendment, modification and/or deletion of these By-Laws as it deems fit. The Board shall have the power, by resolution, to effect such addition, amendment, modification or deletion upon such recommendation.

The approval of the shareholders of the Company shall not be required for any addition to, amendment, modification and/or deletion of these By-Laws **PROVIDED THAT** no such change shall be made which would:

(a) prejudice any rights of shareholders of the Company unless such change arises as a consequence of any amendment to the Listing Requirements; or

(b) operate to the advantage of Eligible Person in respect of matters which are required to be contained in the By-Laws pursuant to the Listing Requirements.

25.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 19, 22 and 23 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons and/or ESS Grantees without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.

25.3 Where any amendments and/or modification is made to the By-Laws/or, the Company shall, within five (5) market days from the effective date of such amendment or modification, submit to Bursa Securities the amended By-Laws together with a confirmation letter confirming that the amendments and/or modifications comply with the requirements relating to employees' share scheme under the Listing Requirements.

PART VII

26. ADMINISTRATION AND TRUST

26.1 The Scheme shall be administered by the ESS Committee. The ESS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESS Committee shall be final and binding.

26.2 Notwithstanding any of these By-Laws, in implementing the Scheme, the ESS Committee may, in its absolute discretion and after taking into consideration factors such as the prevailing market price of the Shares, funding considerations, the dilutive effects on the Company's capital base as well as the future returns and cash requirements of the Group, decide that the ESOS Awards and/or RSG Awards shall be satisfied by any of the following methods, where applicable:

(a) by way of issuance of new Shares;

(b) by way of acquisition and/or transfer of existing Shares, including treasury shares (if any);

(c) by payment of the equivalent cash value in lieu of items (a) and/or (b) above;

(d) by such other mode of satisfaction as may be permitted under the Act and the Listing Requirements, as amended from time to time or any re-enactment thereof; or

(e) by a combination of any of the above.

26.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company may, upon the recommendation of the ESS Committee and where deemed appropriate, establish a trust to be administered by a trustee to be appointed by the Company ("**Trustee**") ("**Trust**"). The Trust may be established for the purpose of acquiring or receiving Shares, whether by way of subscription for new Shares and/or acquisition of existing Shares, including treasury shares. Such Shares shall be held on trust and transferred to the ESS Grantees, at such times as the ESS Committee may direct. For this purpose, the Trustee shall be entitled, to the extent permitted by law, to receive funding and/or financial or other assistance from the Company, its subsidiaries and/or third parties from time to time.

26.4 If and when the Trust is established, the Trust shall be administered in accordance with the terms of the trust deed to be entered into between the Company and the Trustee constituting the Trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.

26.5 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

26.6 Without limiting the generality of By-Law 25.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in the Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.

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

27. DISPUTES

27.1 In case any dispute or difference shall arise between the ESS Committee and an Eligible Person or an ESS Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESS Committee during the Duration of the Scheme. The ESS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or ESS Grantee, as the case may be, **PROVIDED THAT** where the dispute is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance.

27.2 In the event the Eligible Person or ESS Grantee, as the case may be, shall dispute the same by written notice to the ESS Committee within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Executive Director of the Company who is also in the ESS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.

27.3 Notwithstanding the foregoing provisions of By-Laws 27.1 and 27.2 above, matters concerning adjustments made pursuant to By-Law 19 shall be referred to external auditors of the Company or Recognised Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

28. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the Award, shall be borne by the Company. Notwithstanding this, the ESS Grantee shall bear any fees, costs, expenses and stamp duty incurred in relation to his/her acceptance of the Award and exercise of the ESOS Options under the Scheme.

29. CONSTITUTION

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

30. NOTICE

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

(a) if it is sent by ordinary post by the Company to the Eligible Person or the ESS 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 3 Market Days after posting;

(b) if it is delivered by hand to the Eligible Person or the ESS Grantee, such notice or request shall be deemed to have been received on the date of delivery; and

(c) if it is sent by digital/electronic media, including but not limited to electronic mail, to the Eligible Person or the ESS Grantee, such notice or request shall be deemed to have been received by the recipient at the time sent (as recorded on the device from which the sender sent the electronic mail/notice).

The Eligible Person or ESS Grantee shall promptly notify the Company in writing of any change to his/her contact details, including, without limitation, his/her residential or mailing address, telephone or mobile phone number, facsimile number, and email address. Until such notice is received by the Company, the Company shall be entitled to rely on the most recent contact details provided by the Eligible Person or the ESS Grantee, and any notice, communication or document sent, given or served by the Company using such contact details shall be deemed to have been duly sent, given or served.

30.2 Any certificate, notification, correspondence or other notice required to be given to the Board, Company or the ESS Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address or any other business address which may be notified in writing by the ESS Committee from time to time.

30.3 Notwithstanding By-Law 30.1, where any notice which the Company or the ESS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the ESS Grantee (as the case may be) pursuant to the Scheme, the Company or the ESS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 30.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or ESS 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. GOVERNING LAW AND JURISDICTION

32.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or ESS Grantee shall, subject to the provisions of By-Law 27, submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.

32.2 Any proceeding or action shall subject to the provisions of By-Law 27, be instituted or taken in Malaysia and the Eligible Person and/or ESS Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

32.3 Any Award made to Eligible Persons pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the Award.

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

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

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

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

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

As at 30 June 2026, RCE Group has total outstanding amount of approximately RM340.07 million owing to AmBank Group in relation to various credit facilities granted by AmBank Group.

Additionally, Tan Sri Azman Hashim is a common substantial shareholder of AMMB and the Company. He is also the Chairman Emeritus/Honorary Adviser of AMMB. Nevertheless, Tan Sri Azman Hashim does not hold any directorship in AmBank Group and the Company.

Lum Sing Fai, a Non-Independent Non-Executive Director of the Company, is also a Non-Independent Non-Executive Director of AmInvestment Bank, as well as a director of AmInvestment Group Berhad ("**AIGB**"), AMAB Holdings Sdn Bhd ("**AMAB**"), AmGeneral Holdings Berhad ("**AmGH**"), AmREIT Managers Sdn Bhd ("**ARM**") and AmREIT Holdings Sdn Bhd ("**ARH**"). ARM is the Manager of AmFirst Real Estate Investment Trust, an associate of AMMB. ARM is also a wholly-owned subsidiary of ARH, which in turn is a 70%-owned subsidiary of AIGB. AmGH is a wholly-owned subsidiary of AMAB, whilst AMAB and AIGB are wholly-owned subsidiaries of AMMB.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser to the Company for the Proposed ESS does not give rise to a conflict of interest situation as:

(i) the credit facilities were provided by AmBank Group in its ordinary course of business, and the total outstanding amount owed by the RCE Group from such credit facilities provided is not material when compared to the total audited consolidated loans, advances and financing of AmBank Group as at 31 March 2026 of approximately RM145.09 billion;

(ii) AmBank Group forms a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser for the Proposed ESS is in the ordinary course of business;

(iii) each of the entities and departments of AmBank Group are also subject to internal controls and checks, which regulate the sharing of information between entities and departments. Additionally, each department and entities within AmBank Group has separate and distinct operations, and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia; and

(iv) Lum Sing Fai, who does not hold any executive position in AmInvestment Bank, has abstained from deliberating and voting for the appointment of AmInvestment Bank as the Principal Adviser to the Company for the Proposed ESS.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

As at 30 June 2026, there are no material commitments contracted or known to be contracted by the Group which may have a material impact on the financial results or position of the Group.

3.2 Contingent liabilities

As at 30 June 2026, there is no contingent liability incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material and adverse impact on the financial position of the Group.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, the Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened, against the Group, or of any fact which is likely to give rise to any proceedings which may materially affect the business or financial position of the Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of RCE at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 72nd AGM:

(i) Constitution of RCE;

(ii) audited consolidated financial statements of RCE for the past two (2) financial years ended 31 March 2025 and 31 March 2026;

(iii) draft By-Laws as set out in Appendix I of this Circular; and

(iv) letter of consent referred to in Section 2 of this Appendix II.