
13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION



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27 April 2026

The Board of Directors
Pentech Holdings Berhad
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Dear Sirs/Madams,

PENTECH HOLDINGS BERHAD (“Pentech” or the “Company”)
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 FOR INCLUSION IN THE PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of Pentech and the combining entity, namely Pentech Solution Sdn. Bhd. (collectively referred to as the “Group”) for which the Board of Directors (“Board”) of Pentech are solely responsible. The pro forma combined statements of financial position consists of the pro forma combined statements of financial position as at 31 December 2025 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification.

The applicable criteria on the basis of which the Board of Pentech have compiled the pro forma combined statements of financial position are as described in Note 2 to the pro forma combined statements of financial position and in accordance with the requirements of Chapter 9 of the *Prospectus Guidelines* issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants (“Applicable Criteria”).

The pro forma combined statements of financial position of the Group has been compiled by the Board of Pentech, for illustrative purposes only, for inclusion in the prospectus of Pentech (“Prospectus”) in conjunction with the listing of and quotation for the entire enlarged issued share capital of Pentech on the ACE Market of Bursa Malaysia Securities Berhad comprising the Subsequent Event and Public Issue (“IPO”), after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 31 December 2025 adjusted for the Subsequent Event, Acquisition, Public Issue and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, and 3.2.1 respectively.

As part of this process, information about the Group’s pro forma combined financial position has been extracted by the Board of Pentech from the audited combined financial statements of the Group for the financial year ended (“FYE”) 31 December 2025, on which reporting accountants’ report dated 27 April 2026 has been issued. The audited combined financial statements of Pentech and its combining entity for the FYE 31 December 2025 were reported by us to the Board of Pentech without any modification.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)

PENTECH HOLDINGS BERHAD

Reporting Accountant's Report on the Compilation of the Pro Forma Combined Statements of Financial Position as at 31 December 2025 for inclusion in the Prospectus



Directors' Responsibility for the Pro Forma Combined Statements of Financial Position

The Board of Pentech are responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma combined statements of financial position has been compiled, in all material respects, by the Board of Pentech based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Pentech have compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of Pentech as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

Reporting Accountant's Report on the Compilation of the Pro Forma Combined Statements of Financial Position as at 31 December 2025 for inclusion in the Prospectus



Reporting Accountants' Responsibilities (Continued)

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Pentech in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to Listing Scheme as described in Note 1.3 to the pro forma combined statements of financial position, and to obtain sufficient appropriate evidence about whether:

- (a) The pro forma combined statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma combined statements of financial position, based on the audited combined financial statements of the Group for the FYE 31 December 2025, and in manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FYE 31 December 2025; and
- (b) Each material adjustment made to the information used in the preparation of the pro forma combined statements of financial position of the Group is appropriate for the purpose of preparing the pro forma combined statements of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion

In our opinion: the pro forma combined statements of financial position of the Group has been compiled, in all material respects, on the basis as described in the notes thereon on the pro forma combined statements of financial position and in accordance with the requirements of the Applicable Criteria.

Other matter

This report has been prepared for inclusion in the Prospectus of Pentech in connection with the IPO. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
1. INTRODUCTION

The pro forma combined statements of financial position of Pentech Holdings Berhad (“**Pentech**” or the “**Company**”) and its combining entity, namely Pentech Solution Sdn. Bhd. (“**PSSB**”) (hereinafter collectively referred to as the “**Group**”) has been compiled by the Board of Pentech, for illustrative purposes only, for inclusion in the prospectus of Pentech (“**Prospectus**”) in conjunction with the listing of and quotation for the entire enlarged issued share capital of RM56,804,000 comprising 620,000,000 ordinary shares in Pentech (“**Pentech Shares**” or “**Shares**”) on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing**”).

1.1 In conjunction with the admission of Pentech to the Official List of Bursa Securities and the Listing, Pentech had undertaken the following transactions:

1.2 Subsequent Event
Payment of Dividends

On 12 February 2026, PSSB made payment for dividends declared on 31 December 2025 amounting to RM1.50 million in respect of the Financial Year Ended (“**FYE**”) 31 December 2025.

1.3 Listing Scheme
1.3.1 Acquisition

On 19 June 2025, Pentech entered into a conditional share sale agreement for the acquisition of the entire issued share capital of PSSB of RM5,000,000 comprising 5,000,000 ordinary shares from the shareholders of PSSB for a total purchase consideration of RM22,400,000 satisfied entirely via the issuance and allotment of 448,000,000 new Pentech Shares at an issue price of RM0.05 per Pentech Share.

For information purposes, the purchase consideration of RM22,400,000 was arrived at on a “willing buyer-willing seller” and after taking into account the audited net assets (“**NA**”) of PSSB as at 31 December 2024.

The Acquisition was completed on 3 March 2026.

1.3.2 Public Issue

The public issue of 171,995,000 new Pentech Shares at the issue price of RM0.20 per Pentech Share, representing 27.74% of the enlarged issued share capital of Pentech, will be allocated in the following manner:

- (i) 31,000,000 IPO Shares, representing 5.00% of the enlarged issued share capital of Pentech Group, made available for application by the Malaysian Public;



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
1.3.2 Public Issue (continued)

- (ii) 31,000,000 IPO Shares, representing 5.00% of the enlarged issued share capital of Pentech Group, made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group;
- (iii) 32,495,000 IPO Shares, representing 5.24% of the enlarged issued share capital of Pentech Group, made available by way of private placement to selected investors; and
- (iv) 77,500,000 IPO Shares, representing 12.50% of the enlarged issued share capital of Pentech Group, made available by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.

(Collectively hereinafter referred to as "Public Issue").

1.3.3 Share Transfers

In conjunction with the IPO, during the prescribed period (1 day after the launching date of the Prospectus up to a period of 30 days), Yeoh Chin Ming, Ho Huang Ken and Toh Say Yee will transfer an aggregate of 372,000,000 Shares to Evernorth Capital Sdn Bhd, an investment holding company owned by Yeoh Chin Ming, Ho Huang Ken and Toh Say Yee with equity interest of 52.00%, 24.00% and 24.00% respectively.

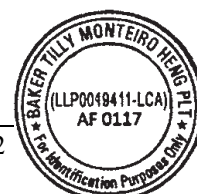
1.3.4 Listing

Admission of Pentech to the Official List of Bursa Securities and the listing of and quotation for its entire enlarged issued share capital of RM56,804,000 comprising 620,000,000 Pentech Shares on the ACE Market.

1.4 Long Term Incentive Plan ("LTIP")

In conjunction with the Listing, Pentech will establish a LTIP comprising the Employees Share Option Scheme ("ESOS") and Employees Share Grant Scheme, to be granted to eligible employees (including executive directors) of the Group who meet the criteria of eligibility for participation in the LTIP in accordance with the by-laws governing the LTIP ("LTIP By-Laws").

The LTIP will be administered by the LTIP committee and governed by the rules, terms and conditions of the LTIP By-Laws. The maximum number of Shares which may be made available under the LTIP shall not in aggregate exceed 10.00% of the total number of issued Shares (excluding treasury shares, if any) at any one time throughout the duration of the LTIP.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1.4 LTIP (continued)

Subject to the discretion of the LTIP committee and in conjunction with the Listing, the Company intends to grant ESOS options to eligible employees of up to 2.00% of the total number of the entire issued and enlarged share capital subject to the LTIP By-Laws. The ESOS options to be granted shall vest over 2 tranches, commencing from the first anniversary of the date of the Listing as follows:

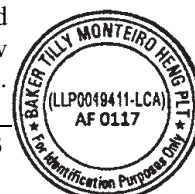
First anniversary of the date of the Listing	50.00%
Second anniversary of the date of the Listing	50.00%

For the purpose of the pro forma, the Directors of Pentech have illustrated the granting of the ESOS options of 12,400,000 Shares, representing 2.00% of the entire issued and enlarged share capital of Pentech comprising 620,000,000 Shares at a subscription price equivalent to the issue price of each IPO share at RM0.20.

The weighted average fair value of RM0.0806 per ESOS is determined by an external independent valuer with appropriately recognised professional qualifications.

2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

- 2.1 The pro forma combined statements of financial position has been prepared to illustrate the pro forma combined financial position of the Group as at 31 December 2025, adjusted for the Subsequent Event, Acquisition, Public Issue and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2 and 3.2.1, respectively.
- 2.2 The pro forma combined statements of financial position have been prepared based on audited combined financial statements of the Group for the FYE 31 December 2025.
- 2.3 The audited combined financial statements of the Group for FYE 31 December 2025 were reported by the auditors to the Board of Pentech on 27 April 2026 without any modifications.
- 2.4 The pro forma combined statements of financial position of the Group has been prepared for illustrative purposes only and such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The pro forma combined statements of financial position of the Group has been properly prepared on the basis set out in the accompanying notes to the pro forma combined statements of financial position based on the accountants' report of the Group for FYE 31 December 2025, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.
- 2.6 The pro forma combined statements of financial position of the Group have been prepared in a manner consistent with both the format of the audited combined financial statements and accounting policies adopted by the Group in the preparation of its audited combined financial statements for FYE 31 December 2025 and the adoption of the following new accounting policies, which had been adopted by the Group as the group accounting policies.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

3.1 The pro forma combined statements of financial position of the Group as set out below, for which the directors of Pentech are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited combined statements of financial position of the Group as at 31 December 2025, had the Subsequent Event, Acquisition, Public Issue and Utilisation of Proceeds as described in Note 1.2, 1.3.1 and 1.3.2, and utilisation of proceeds as described in Note 3.2.1 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

	Combined Statements of Financial Position as at 31 December 2025 [#] RM'000	Pro Forma I				Pro Forma II		Pro Forma III		Pro Forma IV	
		After Subsequent Event RM'000	After the Acquisition RM'000	After Pro Forma I and the Public Issue RM'000	After Pro Forma II and the Utilisation of Proceeds RM'000	After Pro Forma III and the Proposed LTIP RM'000	After Pro Forma III and the Proposed LTIP RM'000	After Pro Forma III and the Proposed LTIP RM'000	After Pro Forma III and the Proposed LTIP RM'000	After Pro Forma III and the Proposed LTIP RM'000	After Pro Forma III and the Proposed LTIP RM'000
ASSETS											
Non-current asset											
Property, plant and equipment	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575
Right-of-use assets	960	960	960	960	960	960	960	960	960	960	960
Other investment	3,069	3,069	3,069	3,069	3,069	3,069	3,069	3,069	3,069	3,069	3,069
Deferred tax assets	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072
Trade and other receivables	270	270	270	270	270	270	270	270	270	270	270
	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>	<u>7,946</u>
Current assets											
Inventories	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663
Trade and other receivables	49,167	49,167	49,167	49,167	49,167	47,449	47,449	47,449	47,449	47,449	47,449
Contract assets	263	263	263	263	263	263	263	263	263	263	263
Fixed deposits with licensed bank	47	47	47	47	47	47	47	47	47	47	47
Cash and short-term deposits	23,633	22,133	22,133	56,532	54,239	54,239	54,239	54,239	54,239	54,239	54,239
	<u>74,773</u>	<u>73,273</u>	<u>73,273</u>	<u>107,672</u>	<u>103,661</u>	<u>103,661</u>	<u>103,661</u>	<u>103,661</u>	<u>103,661</u>	<u>103,661</u>	<u>103,661</u>
TOTAL ASSETS	82,719	81,219	81,219	115,618	111,607	111,607	111,607	111,607	111,607	111,607	111,607
EQUITY AND LIABILITIES											
Equity attributable to owners of the Group											
Share capital	5	5	22,405	56,804	55,485	55,485	55,485	55,485	55,485	55,485	55,485
Invested equity	5,000	5,000	-	-	-	-	-	-	-	-	-
Reorganisation reserve	-	-	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)
LTIP reserve	-	-	-	-	-	-	-	-	-	999	999
Retained earnings	26,519	26,519	26,519	26,519	23,827	23,827	23,827	23,827	23,827	22,828	22,828
TOTAL EQUITY	31,524	31,524	31,524	65,923	61,912	61,912	61,912	61,912	61,912	61,912	61,912



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
PENTECH HOLDINGS BERHAD
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)
3.1 (Continued)

	Pro Forma I		Pro Forma II		Pro Forma III		Pro Forma IV	
	Combined Statements of Financial Position as at 31 December 2025 [#] RM'000	After Subsequent Event RM'000	After the Acquisition RM'000	After Pro Forma I and the Public Issue RM'000	After Pro Forma II and the Utilisation of Proceeds RM'000	After Pro Forma III and the Proposed LTIP RM'000		
Non-current liabilities								
Loan and borrowings	-	-	-	-	-	-	-	-
Lease liabilities	576	576	576	576	576	576	576	576
	<u>576</u>	<u>576</u>	<u>576</u>	<u>576</u>	<u>576</u>	<u>576</u>	<u>576</u>	<u>576</u>
Current liabilities								
Loan and borrowings	-	-	-	-	-	-	-	-
Lease liabilities	899	899	899	899	899	899	899	899
Trade and other payables	43,819	42,319	42,319	42,319	42,319	42,319	42,319	42,319
Contract liabilities	5,103	5,103	5,103	5,103	5,103	5,103	5,103	5,103
Current tax liabilities	798	798	798	798	798	798	798	798
	<u>50,619</u>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>
TOTAL LIABILITIES	51,195	49,695	49,695	49,695	49,695	49,695	49,695	49,695
TOTAL EQUITY AND LIABILITIES	82,719	81,219	81,219	115,618	111,607	111,607	111,607	111,607

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13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

Statements of Financial Position as at 31 December 2025 [#]	After Subsequent Event	Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
		After the Acquisition	After Pro Forma I and the Public Issue	After Pro Forma II and the Utilisation of Proceeds	After Pro Forma III and the Proposed LTIP
Number of ordinary shares in issue ('000)					
Share capital ('000)	5	5	448,005	620,000	620,000
Invested equity ('000)	5,000	5,000	-	-	-
Total	5,005	5,005	448,005	620,000	620,000

NA attributable to the owners of the Company (RM'000)	31,524	31,524	31,524	65,923	61,912	61,912
NA per share attributable to the owners of the Company (RM)	6.30	6.30	0.07	0.11	0.10	0.10

Notes:

[#] *Extracted from Group's audited combined financial statements for the FYE 31 December 2025*



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 Notes to the pro forma combined statements of financial position are as follows:

3.2.1 The proceeds from the Public Issue would be used in the following manner:

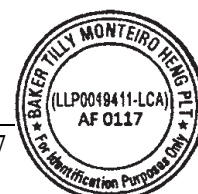
Purposes	RM'000	%	Estimated time frame for defrayment (from listing date)
Establishment of new Security Operations Centre ("SOC") ⁽¹⁾	9,400	27.33	Within 36 months
Upgrade of the Group's Operations Command Centre ("OCC") infrastructure ⁽¹⁾	8,100	23.55	Within 36 months
Business expansion to provide additional ICT services ⁽¹⁾	6,740	19.59	Within 36 months
Marketing expenses and promotional activities ⁽¹⁾	3,500	10.17	Within 36 months
Working capital requirements	2,159	6.28	Within 24 months
Estimated listing expenses ⁽²⁾	4,500	13.08	Within 3 months
Total	34,399	100.00	

Notes:

(1) As at the date of this letter, the Group has yet to enter into any contractual binding agreement or issue any purchase order in relation to establishment of new SOC, upgrade of the Group's OCC, business expansion to provide additional ICT services and marketing expenses and promotional activities. Accordingly, the utilisation of proceeds earmarked for the establishment of new SOC, upgrade of the Group's OCC, business expansion to provide additional ICT services and marketing expenses and promotional activities are not reflected in the pro forma combined statements of financial position.

(2) The estimated listing expenses totaling RM4.50 million to be borne by the Company comprise of, among others, underwriting, placement and brokerage fees, professional fees as well as other miscellaneous expenses.

As at 31 December 2025, out of the RM4.50 million earmarked for listing expenses, RM2.21 million has been incurred. Of the RM2.21 million, RM0.49 million has been charged to the Retained Earnings Account whereas the remaining RM1.72 million is recognised as Prepayments. Upon the Public Issue, of the total RM4.50 million earmarked for listing expenses, RM1.32 million will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of shares.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 The pro forma combined statements of financial position should be read in conjunction with the notes below:

(a) Adjusted for Subsequent Event

Adjusted for subsequent event as described in Notes 1.2 on the audited combined statements of financial position of the Group as at 31 December 2025 has the following impact on the audited combined statements of financial position of the Group as at 31 December 2025:

	(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and bank balances	(1,500)	-
Trade and other payables		
- Dividends payable	-	(1,500)
	(1,500)	(1,500)

(b) Pro Forma I

Pro Forma I incorporates the effects of the Acquisition as described in Note 1.3.1 on the audited combined statements of financial position of the Group as at 31 December 2025.

Acquisition of PSSB

The reorganisation reserve arising from the Acquisition of PSSB are as below:

	RM'000
Purchase consideration	22,400
Less: Share capital of combining entities	(5,000)
Reorganisation reserve	17,400



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 (Continued)

(b) Pro Forma I (continued)

The Acquisition will have the following impact on the audited combined statements of financial position of the Group as at 31 December 2025:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Share capital	-	22,400
Invested equity	-	(5,000)
Reorganisation reserve	-	(17,400)
	-	-

(c) Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Public Issue as described in Note 1.3.2 and Note 1.3.3 respectively.

The Public Issue will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	Increase	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	34,399	-
Share capital	-	34,399
	34,399	34,399

Upon the completion of the Public Issue of 171,995,000 Pentech Shares, its entire enlarged issued share capital would amount to RM56,804,000 comprising 620,000,000 Pentech Shares.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 (Continued)

(d) Pro Forma III

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Public Issue of RM34.40 million and after netting off RM4.50 million of estimated listing expenses.

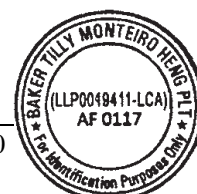
The remaining proceeds expected from the Public Issue of RM29.90 million will be used in the manner as described in Note 3.2.1.

The proceeds arising from the Public Issue earmarked for the establishment of new SOC, upgrade of the Group's OCC, business expansion to provide additional ICT services and marketing expenses and promotional activities and Group's working capital purposes of RM29.90 million will be included in the Cash and Bank Balances Account.

As at 31 December 2025, out of the RM4.50 million earmarked for listing expenses, RM2.21 million has been incurred. Of the RM2.21 million, RM0.49 million has been charged to the Retained Earnings Account whereas the remaining RM1.72 million is recognised as Prepayments. Upon the Public Issue, of the total RM4.50 million earmarked for listing expenses, RM1.32 million will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of shares.

The utilisation of proceeds will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	Decrease	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Prepayments	(1,718)	-
Cash and bank balances	(2,293)	-
Share capital	-	(1,319)
Retained earnings	-	(2,692)
	(4,011)	(4,011)



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 (Continued)

(d) Pro Forma IV

Pro Forma IV incorporates the cumulative effects of Pro Forma III and the LTIP as described in Note 1.4.

Share Option Reserve

The allocated fair value of the ESOS is credited to the LTIP Reserve Account, which is non-distributable. The LTIP Reserve Account will be transferred to the Share Capital Account upon the exercise of the option.

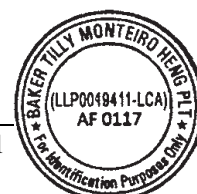
For the preparation of the Pro Forma Combined Statements for Financial Position, the value of the options is based on the relative fair value of the ordinary shares by reference to the following information:

Valuation model	:	Binomial Options Pricing Model
Fair value of option	:	RM0.0806
Tenure of option	:	5 years
Dividend	:	1.21%
Risk-free interest rate	:	3.40%

As the above variables are subject to change upon the implementation of the granting of the ESOS as described in Note 1.4, the actual quantum of the components of the LTIP Reserve will only be determined upon the issuance of the option. As such, the actual quantum may differ from the amount computed above.

The granting of the ESOS will have the following impact on the Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2025:

	Increase/ (Decrease) Effects on Total Equity RM'000
Retained earnings	(999)
LTIP reserve	999
	<hr/>
	-
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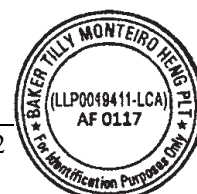


13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
PENTECH HOLDINGS BERHAD
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 Movements in share capital and reserves are as follows:

	Share capital RM'000	Invested equity RM'000	Reorganisation reserve RM'000	LTIP reserve RM'000	Retained earnings RM'000	Total RM'000
Combined statements of financial position of the Group as at 31 December 2025	5	5,000	-	-	26,519	31,524
Arising from Subsequent Event	-	-	-	-	-	-
After Subsequent Event	5	5,000	-	-	26,519	31,524
Arising from the Acquisition	22,400	(5,000)	(17,400)	-	-	-
Per Pro Forma I	22,405	-	(17,400)	-	26,519	31,524
Arising from the Public Issue	34,399	-	-	-	-	34,399
Per Pro Forma II	56,804	-	(17,400)	-	26,519	65,923
Arising from the defrayment of estimated listing expenses in relation to the Listing	(1,319)	-	-	-	(2,692)	(4,011)
Per Pro Forma III	55,485	-	(17,400)	-	23,827	61,912
Arising from the LTIP	-	-	-	999	(999)	-
Per Pro Forma IV	55,485	-	(17,400)	999	22,828	61,912



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

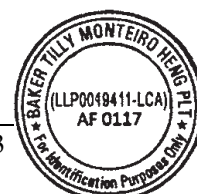
PENTECH HOLDINGS BERHAD

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.4 Movements in cash and bank balances are as follows:

	RM'000
Combined statements of financial position of the Group as at 31 December 2025	23,633
Arising from Subsequent Event	(1,500)
After Subsequent Event	22,133
Arising from the Acquisition	-
Per Pro Forma I	22,133
Arising from the Public Issue	34,399
Per Pro Forma II	56,532
Arising from the defrayment of estimated listing expenses in relation to the Listing	(2,293)
Per Pro Forma III	54,239
Arising from the LTIP	-
Per Pro Forma IV	54,239



**13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**

PENTECH HOLDINGS BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted on behalf of the Board of Directors of Pentech Holdings Berhad in
accordance with a resolution dated

27 APR 2026



.....
Yeoh Chin Ming
Director



.....
Juleen Teh Sue Leen
Director



14. ACCOUNTANTS' REPORT

27 April 2026

The Board of Directors
Pentech Holdings Berhad
 1B-G-09(b), 1B-G-10, 1B-G-11
 1B-G-29, 1B-G-30 & 1B-G-31
 Lengkok Mayang Pasir
 One Precinct
 11950 Bayan Lepas
 Pulau Pinang

Dear Sirs/Madams,

Baker Tilly Monteiro Heng PLT
 201906000600(LLP0019411-LCA)
 Chartered Accountants (AF 0117)
 Baker Tilly Tower
 Level 10, Tower 1, Avenue 5
 Bangsar South City
 59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
 F : +603 2282 9980

info@bakertilly.my
 www.bakertilly.my

Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Pentech Holdings Berhad ("Pentech" or the "Company")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entity (collectively known as the "Group") as detailed in Note 2 to the combined financial statements, which comprise the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended ("FYE(s)") 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025, and notes to the combined financial statements, including material accounting policy information, as set out on pages 6 to 71.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company gives a true and fair view of the financial positions of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and of its financial performance and its cash flows for the FYEs 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards as well as Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

14. ACCOUNTANTS' REPORT (Cont'd)



PENTECH HOLDINGS BERHAD
(Incorporated in Malaysia)

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements contained in the Accountants' Report of the Company, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the combining entities audit to obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. ACCOUNTANTS' REPORT (Cont'd)



PENTECH HOLDINGS BERHAD
(Incorporated in Malaysia)

Other Matter

This report is made solely to the Company and has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink that reads "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

A handwritten signature in black ink that reads "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

Kuala Lumpur

Date: 27 April 2026

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

STATEMENT BY DIRECTOR

I, **YEOH CHIN MING** and **JULEEN TEH SUE LEEN**, being two of the directors of PENTECH HOLDINGS BERHAD, do solemnly hereby state that in the opinion, the accompanying combined financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and of its financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Director:



.....
YEOH CHIN MING
Director



.....
JULEEN TEH SUE LEEN
Director

Penang

Date: **27 APR 2026**

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF FINANCIAL POSITION**

		----- As at 31 December -----				
		2022	2023	2024	2025	
Note		RM'000	RM'000	RM'000	RM'000	
ASSETS						
Non-current assets						
	Property, plant and equipment	5	2,850	3,187	2,757	2,575
	Right-of-use assets	6	1,280	728	822	960
	Other investment	7	2,917	3,029	3,024	3,069
	Deferred tax assets	8	854	1,064	1,280	1,072
	Trade and other receivables	10	-	-	-	270
	Total non-current assets		7,901	8,008	7,883	7,946
Current assets						
	Inventories	9	511	756	3,379	1,663
	Trade and other receivables	10	27,229	35,932	40,164	49,167
	Contract assets	11	9	22	-	263
	Fixed deposits with licensed bank		-	-	-	47
	Cash and short-term deposits	12	3,051	10,789	12,616	23,633
	Total current assets		30,800	47,499	56,159	74,773
	TOTAL ASSETS		38,701	55,507	64,042	82,719
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
	Share capital	13	-	-	-	5
	Invested equity	13	1,500	1,500	5,000	5,000
	Retained earnings		10,543	16,866	17,429	26,519
	TOTAL EQUITY		12,043	18,366	22,429	31,524

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	Note	----- As at 31 December -----			
		2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
LIABILITIES					
Non-current liabilities					
Loan and borrowings	14	356	163	104	-
Lease liabilities	15	789	304	336	576
Total non-current liabilities		1,145	467	440	576
Current liabilities					
Loan and borrowings	14	215	193	96	-
Lease liabilities	15	545	495	526	899
Trade and other payables	16	22,066	32,620	33,861	43,819
Contract liabilities	11	2,017	2,962	5,722	5,103
Current tax liabilities		670	404	968	798
Total current liabilities		25,513	36,674	41,173	50,619
TOTAL LIABILITIES		26,658	37,141	41,613	51,195
TOTAL EQUITY AND LIABILITIES		38,701	55,507	64,042	82,719

The accompanying notes form an integral part of these combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

----- As at 31 December -----					
		2022	2023	2024	2025
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	17	194,246	170,082	188,936	232,888
Cost of sales		(170,871)	(144,929)	(157,565)	(198,089)
Gross profit		23,375	25,153	31,371	34,799
Other income	18	96	299	60	61
Selling and distribution expenses		(5,828)	(7,318)	(8,740)	(10,422)
Administrative expenses		(8,232)	(7,605)	(9,596)	(10,282)
Other expenses		(251)	-	-	(40)
Operating profit		9,160	10,529	13,095	14,116
Finance income	19	48	207	375	391
Finance costs	20	(33)	(51)	(30)	(41)
Profit before tax	21	9,175	10,685	13,440	14,466
Income tax expenses	23	(2,356)	(2,862)	(3,477)	(3,876)
Profit for the financial year, representing total comprehensive income for the financial year		6,819	7,823	9,963	10,590
Profit attributable to:					
Owner of the Company		6,819	7,823	9,963	10,590
Total comprehensive income attributable to:					
Owner of the Company		6,819	7,823	9,963	10,590
Earnings per share					
Basic (RM)	24	4.55	5.22	1.99	2.12

The accompanying notes form an integral part of these combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CHANGES IN EQUITY**

		Attributable to owners of the Company		Total equity RM'000
		Invested equity RM'000	Retained earnings RM'000	
At 1 January 2022		1,000	4,724	5,724
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	6,819	6,819
Transaction with owners				
Issue of ordinary shares		500	-	500
Dividend paid on shares	25	-	(1,000)	(1,000)
At 31 December 2022		1,500	10,543	12,043
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	7,823	7,823
Transaction with owners				
Dividend paid on shares	25	-	(1,500)	(1,500)
At 31 December 2023		1,500	16,866	18,366
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	9,963	9,963
Transaction with owners				
Issue of bonus shares		3,500	(3,500)	-
Dividend paid on shares	25	-	(5,900)	(5,900)
At 31 December 2024		5,000	17,429	22,429

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	Attributable to owners of the Company			Total equity RM'000
	Share capital RM'000	Invested equity RM'000	Retained earnings RM'000	
At 1 January 2025	-	5,000	17,429	22,429
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year	-	-	10,590	10,590
Transaction with owners				
Incorporation of a combining entity	5	-	-	5
Dividend paid on shares	25	-	(1,500)	(1,500)
At 31 December 2025	5	5,000	26,519	31,524

The accompanying notes form an integral part of these combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CASH FLOWS**

	Note	As at 31 December			
		2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Cash flows from operating activities					
Profit before tax		9,175	10,685	13,440	14,466
Adjustments for:					
Bad debts written off		19	66	64	-
Depreciation of property, plant and equipment	5	602	778	756	747
Depreciation of right-of-use assets	6	314	571	589	619
Deposit forfeited		8	-	11	-
Dividend income		(7)	(5)	(4)	-
Fair value loss/(gain) on other investments		251	(148)	(50)	40
Finance costs		33	51	30	41
(Gain)/loss on disposal of other investment		-	(15)	15	-
(Gain) on disposal of property, plant and equipment	18	(94)	-	-	(11)
Impairment loss on trade receivables		-	-	403	-
Interest income		(41)	(202)	(371)	(391)
Inventories written off		-	-	38	*
Net unrealised (gain)/loss on foreign exchange	18/21	-	-	(9)	15
Property, plant and equipment written off	21	16	27	-	*
Selling profit on finance lease		-	-	-	(48)
Operating profit before changes in working capital		10,276	11,808	14,912	15,478
Changes in working capital:					
Inventories		(169)	(245)	(2,661)	1,716
Receivables		941	(8,769)	(4,701)	(8,718)
Contract assets		6	(13)	22	(263)
Payables		(7,022)	10,554	1,241	8,458
Contract liabilities		815	945	2,760	(619)
Net cash generated from operations		4,847	14,280	11,573	16,052
Income tax paid		(2,550)	(3,338)	(3,129)	(3,838)
Interest paid		(33)	(51)	(30)	(41)
Interest received		41	202	371	391
Net cash from operating activities		2,305	11,093	8,785	12,564

* Denotes <RM1,000

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Acquisition of equity instruments	(534)	(55)	(91)	(85)
Net change in pledged deposits	-	-	-	(54)
Income from lease receivables	-	-	-	215
Dividend income	7	5	4	-
Proceeds from disposal of equity instruments	-	106	131	-
Proceeds from disposal of property, plant and equipment	94	-	-	11
Purchase of property, plant and equipment	(1,747)	(1,142)	(326)	(565)
Net cash used in investing activities	(2,180)	(1,086)	(282)	(478)
Cash flows from financing activities				
Dividends paid on shares	(1,000)	(1,500)	(5,900)	-
Net changes in amount owing to directors	(144)	-	-	-
Proceeds from issuance of ordinary shares	500	-	-	-
Net changes in lease liabilities	(260)	(554)	(620)	(869)
Repayment of hire purchase payables	(184)	(215)	(156)	(200)
Net cash used in financing activities	(1,088)	(2,269)	(6,676)	(1,069)
Net (decrease)/increase in cash and cash equivalents	(963)	7,738	1,827	11,017
Cash and cash equivalents at the beginning of the financial year	4,014	3,051	10,789	12,616
Cash and cash equivalents at the end of the financial year	3,051	10,789	12,616	23,633

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

- (i) During the financial years under review, the Group made the following cash payments to purchase property, plant and equipment:

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Purchase of property, plant and equipment	2,247	1,142	326	565
Financed by way of lease arrangements	(500)	-	-	-
Cash payments on purchase of property, plant and equipment	1,747	1,142	326	565

- (ii) Reconciliation of changes in liabilities arising from financing liabilities are as follows:

	01.01.2022 RM'000	Cash flows RM'000	<u>Non-cash</u> Others	31.12.2022 RM'000
			RM'000	
Lease liabilities	-	(260)	1,594	1,334
Hire purchase payables	255	(184)	500	571
Amount owing to directors	144	(144)	-	-
	399	(588)	2,094	1,905

	01.01.2023 RM'000	Cash flows RM'000	<u>Non-cash</u> Others	31.12.2023 RM'000
			RM'000	
Lease liabilities	1,334	(554)	19	799
Hire purchase payables	571	(215)	-	356
	1,905	(769)	19	1,155

	01.01.2024 RM'000	Cash flows RM'000	<u>Non-cash</u> Others	31.12.2024 RM'000
			RM'000	
Lease liabilities	799	(620)	683	862
Hire purchase payables	356	(156)	-	200
	1,155	(776)	683	1,062

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

- (ii) Reconciliation of changes in liabilities arising from financing liabilities are as follows (continued):

	01.01.2025	Cash flows	Non-cash	31.12.2025
	RM'000	RM'000	Others	RM'000
			RM'000	
Lease liabilities	862	(869)	1,482	1,475
Hire purchase payables	200	(200)	-	-
	<u>1,062</u>	<u>(1,069)</u>	<u>1,482</u>	<u>1,475</u>

- (iii) Total cash outflows for leases

The Group had total cash outflows for leases of RM859,102 (2024: RM643,516, 2023: RM584,187 and 2022: RM269,970).

The accompanying notes form an integral part of these combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

Pentech Holdings Berhad. ("Pentech" or the "Company") was incorporated as a private company limited by shares on 21 November 2024 and was converted to a public company limited by shares on 26 June 2025 under Companies Act 2016 and is domiciled in Malaysia.

The registered office of the Company is located at 9-1, 9th Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang, Malaysia and principal place of the Company is located at 1B-G-09(b), 1B-G-10, 1B-G-11, 1B-G-29, 1B-G-30 & 1B-G-31, Lengkok Mayang Pasir, One Precinct, 11950 Bayan Lepas, Pulau Pinang.

The principal activity of the Company is investment holding. The details of the combining entity is as follows:

Combining entity	Principal place of business/ country of incorporation	Principal activities
Pentech Solution Sdn. Bhd.	Malaysia	Integration of enterprise Information and Communication Technology ("ICT") infrastructure, supply of hardware and software, as well as provision of cloud, managed and other services

There have been no significant changes in the nature of these principal activities during the financial years under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Director on 27 April 2026.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION**

The combined financial statements of Pentech consist of the financial statements of the following entities under common control which is accounted for using the merger method of accounting (collectively hereinafter referred to as the "Group") for each of the financial years:

Entity under Common Control	FYE 31 December			
	2022	2023	2024	2025
Pentech Holdings Berhad	&	&	*	√, ^
Pentech Solution Sdn. Bhd.	√, @	√, @	√, ^	√, ^

& The financial statements were not applicable for Pentech Holdings Berhad as it was incorporated on 21 November 2024.

√ The combined financial statements of the Group include the financial statements of these combining entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and/or the International Financial Reporting Standards ("IFRSs") for the respective financial years.

* No financial statements were available for Pentech Holdings Berhad as it was incorporated on 21 November 2024.

^ The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.

@ The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.

The audited financial statements of all the combining entities within the Group for the relevant years reported above were not subject to any qualification or modification.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)**

Combined financial statements of the Group for FYE 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the material accounting policy information.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements.

2.1 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with the MFRSs and IFRSs.

2.2 Amendments to MFRSs

The Group has adopted the following applicable amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective**

- (a) The Group has not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective.

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces *MFRS 101 Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to be used when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The combined financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION**

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group.

3.1 Basis of combination/consolidation**Subsidiaries and business combination**

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to reorganisation reserve or merger deficit.

3.2 Financial instruments**Financial assets - subsequent measurement and gains and losses**Financial assets at fair value through profit or loss

The Group subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.2 Financial instruments (continued)****Financial liabilities - subsequent measurement and gains and losses**

The Group classifies the financial liabilities at amortised cost.

The Group subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computers and software	5
Furniture and fittings	10
Motor vehicles	5
Office equipment	10
Renovation	10

3.4 Leases**(a) Lessee accounting**

The Group presents right-of-use assets and lease liabilities as separate lines in the combined statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.4 Leases (continued)****(a) Lessee accounting (continued)**Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments, that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from the leasing of laptops under operating leases as income on a straight-line basis over the lease term as part of revenue.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs comprises purchase price and directly attributable costs of bringing the inventories to their present location and condition.

3.6 Contract assets/(liabilities)

Contract assets are the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

Contract liabilities are the obligation to transfer services to customers for which the Group has received the consideration or has billed the customers.

3.7 Revenue and other income**(a) Sale of goods**

Revenue from sale of goods is recognised when the Company has transferred control of the goods to the customer, being when the goods have been transferred and when the customer accepts the delivery of the goods.

Sales are made with credit term, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.7 Revenue and other income (continued)****(b) Rendering of services**

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously.

The Group recognises these services rendered over time based on an accrual basis.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Other income

Other income is recognised using the accrual basis.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows:

(a) Depreciation and useful lives of property, plant and equipment

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's property, plant and equipment are disclosed in Note 5.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows: (continued)

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumption about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group financial assets and contract assets are disclosed in Notes 10 and 11.

(c) Measurement of income taxes

Significant judgement is required in determining the Group's estimation for current and deferred taxes because the tax liability for the Group is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Group is disclosed in Note 23.

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows: (continued)

(d) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences based on the projected future profits of the Group to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future performance and taxable profits of the Group.

The carrying amount of the Group's recognised deferred tax assets is disclosed in Note 8.

(e) Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 9.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT**

	Note	Computer and software RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1 January 2022		977	142	1,393	197	429	-	3,138
Additions		193	84	838	169	388	575	2,247
Disposal		-	-	(483)	-	-	-	(483)
Written off		(196)	-	-	(11)	-	-	(207)
At 31 December 2022		974	226	1,748	355	817	575	4,695
Accumulated depreciation								
At 1 January 2022		745	56	895	71	150	-	1,917
Depreciation charge for the financial year	21	113	23	349	35	82	-	602
Disposal		-	-	(483)	-	-	-	(483)
Written off		(185)	-	-	(6)	-	-	(191)
At 31 December 2022		673	79	761	100	232	-	1,845
Carrying amount								
At 31 December 2022		301	147	987	255	585	575	2,850

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer and software RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1 January 2023		974	226	1,748	355	817	575	4,695
Additions		566	188	-	69	319	-	1,142
Written off		(401)	(26)	-	(18)	(20)	-	(465)
Reclassification		-	-	-	-	575	(575)	-
At 31 December 2023		1,139	388	1,748	406	1,691	-	5,372
Accumulated depreciation								
At 1 January 2023		673	79	761	100	232	-	1,845
Depreciation charge for the financial year	21	211	39	318	41	169	-	778
Written off		(401)	(18)	-	(9)	(10)	-	(438)
At 31 December 2023		483	100	1,079	132	391	-	2,185
Carrying amount								
At 31 December 2023		656	288	669	274	1,300	-	3,187

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer and software RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Cost							
At 1 January 2024		1,139	388	1,748	406	1,691	5,372
Additions		315	11	-	-	-	326
At 31 December 2024		1,454	399	1,748	406	1,691	5,698
Accumulated depreciation							
At 1 January 2024		483	100	1,079	132	391	2,185
Depreciation charge for the financial year	21	232	40	275	40	169	756
At 31 December 2024		715	140	1,354	172	560	2,941
Carrying amount							
At 31 December 2024		739	259	394	234	1,131	2,757

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer and software RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Cost							
At 1 January 2025		1,454	399	1,748	406	1,691	5,698
Additions		408	50	105	2	-	565
Disposal		-	-	(47)	-	-	(47)
Written off		*	-	-	-	-	*
At 31 December 2025		1,862	449	1,806	408	1,691	6,216
Accumulated depreciation							
At 1 January 2025		715	140	1,354	172	560	2,941
Depreciation charge for the financial year	21	270	40	227	41	169	747
Disposal		-	-	(47)	-	-	(47)
Written off		*	-	-	-	-	*
At 31 December 2025		985	180	1,534	213	729	3,641
Carrying amount							
At 31 December 2025		877	269	272	195	962	2,575

* Denotes <RM1,000

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Motor vehicles of the Group with carrying amount of Nil (2024: RM359,174, 2023: RM609,679 and 2022: RM896,810) have been pledged as securities for hire purchase arrangements as disclosed in Note 14.

6. RIGHT-OF-USE ASSETS

Information about leases for which the Group is lessee is presented below:

	Note	Office building RM'000
Cost		
At 1 January 2022		-
Additions		1,594
At 31 December 2022		1,594
Additions		19
At 31 December 2023		1,613
Additions		683
Derecognition due to lease termination		(526)
At 31 December 2024		1,770
Additions		757
Derecognition due to lease termination		(1,087)
At 31 December 2025		1,440
Accumulated depreciation		
At 1 January 2022		-
Additions	21	314
At 31 December 2022		314
Additions	21	571
At 31 December 2023		885
Additions	21	589
Derecognition due to lease expired		(526)
At 31 December 2024		948
Additions	21	619
Derecognition due to lease expired		(1,087)
At 31 December 2025		480

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****6. RIGHT-OF-USE ASSETS (CONTINUED)**

	Note	Office building RM'000
Carrying amount		
At 31 December 2022		1,280
At 31 December 2023		728
At 31 December 2024		822
At 31 December 2025		960

The Group leases offices for their operation. The leases for offices generally have lease terms of two (2) years (2024: two (2) to three (3) years, 2023: two (2) to three (3) years and 2022: two (2) to three (3) years).

7. OTHER INVESTMENT

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At Fair Value				
Quoted equity investment	152	154	-	-
Unit trust	2,765	2,875	3,024	3,069
	2,917	3,029	3,024	3,069

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****8. DEFERRED TAX ASSETS/(LIABILITIES)**

	As at 1 January 2022 RM'000	Recognised in profit or loss RM'000	As at 31 December 2022 RM'000
Deferred tax assets			
Lease liabilities	-	22	22
Contract liabilities	284	198	482
Provisions	229	204	433
	513	424	937
Deferred tax liability			
Property, plant and equipment	(73)	(10)	(83)
	As at 1 January 2023 RM'000	Recognised in profit or loss RM'000	As at 31 December 2023 RM'000
Deferred tax assets			
Lease liabilities	22	6	28
Contract liabilities	482	224	706
Provisions	433	2	435
	937	232	1,169
Deferred tax liability			
Property, plant and equipment	(83)	(22)	(105)

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**

	As at 1 January 2024 RM'000	Recognised in profit or loss RM'000	As at 31 December 2024 RM'000
Deferred tax assets			
Lease liabilities	28	(7)	21
Contract liabilities	706	668	1,374
Provisions	435	(432)	3
	<u>1,169</u>	<u>229</u>	<u>1,398</u>

Deferred tax liability			
Property, plant and equipment	(105)	(13)	(118)

	As at 1 January 2025 RM'000	Recognised in profit or loss RM'000	As at 31 December 2025 RM'000
Deferred tax assets			
Lease liabilities	21	(15)	6
Contract liabilities	1,374	(126)	1,248
Provisions	3	-	3
	<u>1,398</u>	<u>(141)</u>	<u>1,257</u>

Deferred tax liability			
Property, plant and equipment	(118)	(67)	(185)

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	<u>854</u>	<u>1,064</u>	<u>1,280</u>	<u>1,072</u>

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****9. INVENTORIES**

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
At lower of cost and net realisable value				
Trading goods	511	756	3,379	1,663

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of continuing operations was RM188.79 million (2024: RM145.40 million, 2023: RM133.76 million and 2022: RM162.80 million).
- (b) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of write-down of inventories to net realisable value was RM165 (2024: RM37,696, 2023: nil and 2022: nil).

10. TRADE AND OTHER RECEIVABLES

		----- As at 31 December -----			
	Note	2022	2023	2024	2025
		RM'000	RM'000	RM'000	RM'000
Trade					
Non-current					
Lease receivables	(b)	-	-	-	270
Current					
Trade receivables	(a)	26,880	35,528	39,667	45,632
Less: Impairment losses for trade receivables		-	-	(403)	(403)
Finance lease receivables	(b)	-	-	-	241
		26,880	35,528	39,264	45,740
Non-trade					
Other receivables		11	17	80	1,226
Deposits		338	387	340	297
Prepayments		-	-	480	2,174
		349	404	900	3,697
Total trade and other receivables		27,229	35,932	40,164	49,437

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****10. TRADE AND OTHER RECEIVABLES (CONTINUED)****(a) Trade receivables**

Trade receivables are non-interest bearing and normal credit terms offered by the Group is cash term to 90 days (2024: cash term to 90 days, 2023: cash term to 90 days and 2022: cash term to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
At 1 January	-	-	-	403
Charge for the financial year				
- Individually assessed	-	-	403	-
At 31 December	-	-	403	403

Trade receivables that are individually determined to be credit impaired at the reporting date arose from trade receivables which have defaulted on payments.

(b) Lease receivables

Included in the Group's lease receivables are leases laptops amounting to RM510,784 (2024, 2023 and 2022: Nil) of up to 36 months (2024, 2023 and 2022: Not applicable).

There is no option given to the lessee to purchase the equipment at the end of the lease term.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****10. TRADE AND OTHER RECEIVABLES (CONTINUED)****(b) Lease receivables (continued)**

Gross investment under finance leases together with the present value of minimum lease receivable are as follows:

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Minimum lease receipts				
Not later than one year	-	-	-	253
Later than one year and not later than five years	-	-	-	275
	-	-	-	528
Less: Future finance income	-	-	-	(17)
Present value of minimum lease payments	-	-	-	511
 Present value of minimum lease receipts				
Not later than one year	-	-	-	241
Later than one year and not later than five years	-	-	-	270
	-	-	-	511
Less: Amount due within twelve months	-	-	-	(241)
Amount due after twelve months	-	-	-	270

The information about the credit exposure are disclosed in Note 26(b)(i).

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. CONTRACT ASSETS/(LIABILITIES)**

	Note	As at 31 December			
		2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Contract assets					
Contract assets relating to rendering of goods or services	(a)	9	22	-	263
Contract liabilities					
Contract assets relating to rendering of goods or services	(b)	(2,017)	(2,962)	(5,722)	(5,103)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the satisfaction of performance obligation but yet to be billed. Contract assets are transferred to receivables when the Group issues invoices to the customer.

(b) Contract liabilities

The contract liabilities represent deposits received or invoices issued for goods and services for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 1 to 5 years when the performance obligations are satisfied.

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(c) Significant changes in contract balances

	----- As at 31 December -----							
	2022		2023		2024		2025	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	(1,150)	-	(1,220)	-	(1,972)	-	(5,238)
Increase due to consideration received from customer, but revenue not recognised	-	1,965	-	2,165	-	4,732	-	4,619
Increase due to revenue recognised for unbilled goods or services transferred to customers	9	-	22	-	-	-	263	-
Transfer from contract assets recognised at the beginning of the period to receivables	(15)	-	(9)	-	(22)	-	-	-

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****12. CASH AND SHORT-TERM DEPOSITS**

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Cash in hand	2	2	1	5
Cash in bank	2,303	9,787	12,615	22,083
Short-term deposits	746	1,000	-	1,545
	<u>3,051</u>	<u>10,789</u>	<u>12,616</u>	<u>23,633</u>

The short-term deposits placed with licensed banks are placements with periods of less than 6 months, interest bearing at rate of 2.05% to 4.40% (2024: 1.80% to 4.10%, 2023: 2.30% to 4.10% and 2022: 1.80% to 2.70%) per annum and mature within 6 months.

13. SHARE CAPITAL/INVESTED EQUITY**(a) Share capital**

	Share Capital	
	Number of ordinary shares Unit'000	Amount RM'000
Pentech Holdings Berhad		
Issued and fully paid:		
On 21 November 2024 (date of incorporation)	5	5
At 31 December 2025	<u>5</u>	<u>5</u>

Share capital constitutes the ordinary shares of Pentech Holdings Berhad. Pentech Holdings Berhad was incorporated on 21 November 2024.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

All ordinary shares rank equally with regard to the Company's residual assets.

(b) Invested equity

The invested equity at the end of the respective financial years is the aggregate of the share capital of the combining entities constituting the Group.

The invested equity constitutes the share capital of Pentech Solution Sdn. Bhd.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****14. LOANS AND BORROWINGS**

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Non-current:				
Hire purchase payables	356	163	104	-
Current:				
Hire purchase payables	215	193	96	-
Total hire purchases payables				
Hire purchase payables	571	356	200	-

Hire purchase payables

Hire purchase payables of the Group of Nil (2024: RM199,580, 2023: RM355,897 and 2022: RM570,806) bears interest of Nil (2024: 1.80% to 2.24%, 2023: 1.80% to 2.24% and 2022: 1.8% to 2.24%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5.

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Minimum lease payments				
Not later than one year	236	205	103	-
Later than one year and not later than five years	372	167	107	-
	608	372	210	-
Less: Future finance charges	(37)	(16)	(10)	-
Present value of minimum lease payments	571	356	200	-
Present value of minimum lease payments				
Not later than one year	215	193	96	-
Later than one year and not later than five years	356	163	104	-
	571	356	200	-
Less: Amount due within twelve months	(215)	(193)	(96)	-
Amount due after twelve months	356	163	104	-

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****15. LEASE LIABILITIES**

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Non-current:				
Lease liabilities	789	304	336	576
Current:				
Lease liabilities	545	495	526	899
Total lease liabilities				
Lease liabilities	1,334	799	862	1,475

The effective interest rates implicit in the finance leases is 1.80% (2024: 1.80%, 2023: 1.80% and 2022: 1.80%).

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Minimum lease payments				
Not later than one year	575	508	544	929
Later than one year and not later than five years	816	308	343	582
	1,391	816	887	1,511
Less: Future finance charges	(57)	(17)	(25)	(36)
Present value of minimum lease payments	1,334	799	862	1,475
Present value of minimum lease payments				
Not later than one year	545	495	526	899
Later than one year and not later than five years	789	304	336	576
	1,334	799	862	1,475
Less: Amount due within twelve months	(545)	(495)	(526)	(899)
Amount due after twelve months	789	304	336	576

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****16. TRADE AND OTHER PAYABLES**

		----- As at 31 December -----			
		2022	2023	2024	2025
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade payables	(a)	17,192	27,932	28,490	33,714
Non-trade					
Other payables		838	1,249	2,221	3,144
Accruals		4,036	3,439	3,150	5,461
Dividend payable		-	-	-	1,500
		4,874	4,688	5,371	10,105
Total trade and other payables		22,066	32,620	33,861	43,819

(a) Trade payables

Trade payables are non-interest bearing and normal credit terms granted to the Group ranging from 7 to 60 days (2024: 7 to 60 days, 2023: 7 to 60 days and 2022: 7 to 60 days).

For explanation on the Group's liquidity risk management processes, refer to Note 26(b)(ii).

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****17. REVENUE**

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customer:				
Integration of enterprise ICT infrastructure	131,656	101,983	105,247	119,492
Supply of hardware and software	43,395	39,231	42,598	58,730
Provision of cloud and managed services	17,506	25,271	35,844	48,141
Other services	1,689	3,597	5,247	6,525
	194,246	170,082	188,936	232,888
Timing of revenue recognition:				
Over time	150,851	130,851	146,338	174,158
Point in time	43,395	39,231	42,598	58,730
	194,246	170,082	188,936	232,888

18. OTHER INCOME

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Fair value gain on other investment	-	148	50	-
Gain on disposal of other investment	-	15	-	-
Gain on disposal of property, plant and equipment	94	-	-	11
Miscellaneous	2	1	1	2
Net realised gain on foreign exchange	-	135	*	-
Unrealised gain on foreign exchange	-	-	9	-
Selling profit on finance lease	-	-	-	48
	96	299	60	61

* Denotes <RM1,000

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****19. FINANCE INCOME**

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
- Cash at bank	1	5	6	3
- Fixed deposit	6	30	69	-
- Other investment	34	55	91	86
- Money market fund	-	112	205	285
- Finance lease receivable	-	-	-	17
Dividend income on other investment	7	5	4	-
	48	207	375	391

20. FINANCE COSTS

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Lease liabilities	10	30	24	38
- Hire purchase payables	23	21	6	3
	33	51	30	41

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****21. PROFIT BEFORE TAX**

Other than disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

	Note	----- As at 31 December -----			
		2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Auditors' remuneration					
- Statutory audit		55	53	60	60
- Reporting accountants		-	-	70	310
Bad debts written off		19	66	64	-
Deposit forfeited		8	-	11	-
Depreciation of property plant and equipment	5	602	778	756	747
Depreciation of right-of- use assets	6	314	571	589	619
Employee benefits expenses	22	14,648	16,427	21,030	23,213
Expenses relating to short-term lease		103	92	94	6
Fair value loss on other investment		251	-	-	40
Impairment loss on trade receivables		-	-	403	-
Inventories written off		-	-	38	*
Net unrealised loss on foreign exchanges		-	-	-	15
Net realised loss on foreign exchanges		-	-	38	119
Loss on disposal on other investment		-	-	15	-
Property, plant and equipment written off		16	27	-	*

* Denotes <RM1,000

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. EMPLOYEE BENEFITS EXPENSE**

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Salaries and other staff benefits	13,504	14,292	18,543	20,511
Defined contribution plan	1,013	1,946	2,258	2,405
Other staff related expenses	131	189	229	297
	14,648	16,427	21,030	23,213
Included in the employee benefits expenses are:				
Directors' salaries, bonuses and allowances	2,122	1,978	2,057	1,967
Defined contribution plan	143	309	260	228
Other related expenses	14	16	16	23
	2,279	2,303	2,333	2,218

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****23. INCOME TAX EXPENSE**

The major components of income tax expense for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 are as follows:

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	2,770	3,048	3,784	3,700
- Adjustment in respect of prior financial years	*	24	(91)	(33)
	2,770	3,072	3,693	3,667
Deferred tax: (Note 8)				
- Reversal of temporary differences	(414)	(210)	(216)	209
Income tax expenses recognised in profit or loss	2,356	2,862	3,477	3,876

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%. 2023: 24% and 2022: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Profit before tax	9,175	10,685	13,440	14,466
Tax at Malaysian statutory income tax rate of 24%	2,202	2,564	3,226	3,472
Adjustments:				
Income not subject to tax	(22)	(78)	(33)	-
Non-deductible expenses	176	352	375	437
Adjustments in respect of current income tax of prior year	*	24	(91)	(33)
	2,356	2,862	3,477	3,876

* Denotes < RM1,000

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. EARNINGS PER SHARE****Basic earnings per ordinary share**

Basic earnings per ordinary share are based on the profit for the financial years attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years, calculated as follows:

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Group	6,819	7,823	9,963	10,590
Weighted average numbers of ordinary shares ('000)	1,500	1,500	5,000	5,000
Basic earnings per share (RM)	4.55	5.22	1.99	2.12

Diluted earnings per share

The diluted earnings per ordinary share is not applicable as the Company does not have potential dilutive equity instrument in issue as at the end of each of the financial years that have dilutive effect to the basic earnings per ordinary share.

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****25. DIVIDENDS**

	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year:				
Dividends on ordinary shares:				
Single tier interim dividend of RM0.33 per ordinary share in respect of the financial year ended 31 December 2022, declared on 25 July 2022 and paid on 1 August 2022	500	-	-	-
Single tier interim dividend of RM0.33 per ordinary share in respect of the financial year ended 31 December 2022, declared on 25 November 2022 and paid on 1 December 2022	500	-	-	-
Single tier interim dividend of RM0.50 per ordinary share in respect of the financial year ended 31 December 2023, declared on 15 June 2023 and paid on 23 June 2023	-	750	-	-
Single tier interim dividend of RM0.50 per ordinary share in respect of the financial year ended 31 December 2023, declared on 30 November 2023 and paid on 8 December 2023	-	750	-	-
Single tier interim dividend of RM0.18 per ordinary share in respect of the financial year ended 31 December 2024, declared on 27 August 2024 and paid on 3 September 2024	-	-	900	-
Single tier interim dividend of RM1.00 per ordinary share in respect of the financial year ended 31 December 2024, declared on 13 November 2024 and paid on 25 November 2024	-	-	5,000	-
Single tier interim dividend of RM0.30 per ordinary share in respect of the financial year ended 31 December 2025, declared on 31 December 2025 and paid on 12 February 2026	-	-	-	1,500
	<u>1,000</u>	<u>1,500</u>	<u>5,900</u>	<u>1,500</u>

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned at:

- (i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 December 2022			
Financial assets			
Other investments	2,917	-	2,917
Trade and other receivables (exclude prepayments)	27,229	27,229	-
Cash and short-term deposits	3,051	3,051	-
	<u>33,197</u>	<u>30,280</u>	<u>2,917</u>
Financial liabilities			
Loans and borrowings	(571)	(571)	-
Trade and other payables	(22,066)	(22,066)	-
	<u>(22,637)</u>	<u>(22,637)</u>	<u>-</u>
At 31 December 2023			
Financial assets			
Other investments	3,029	-	3,029
Trade and other receivables (exclude prepayments)	35,932	35,932	-
Cash and short-term deposits	10,789	10,789	-
	<u>49,750</u>	<u>46,721</u>	<u>3,029</u>
Financial liabilities			
Loans and borrowings	(356)	(356)	-
Trade and other payables	(32,620)	(32,620)	-
	<u>(32,976)</u>	<u>(32,976)</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (continued)**

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned at: (continued)

- (i) Amortised cost ("AC") (continued)
(ii) Fair value through profit or loss ("FVPL") (continued)

	Carrying amount RM'000	AC RM'000	FVPL RM'000
At 31 December 2024			
Financial assets			
Other investments	3,024	-	3,024
Trade and other receivables (exclude prepayments)	39,684	39,684	-
Cash and short-term deposits	12,616	12,616	-
	<u>55,324</u>	<u>52,300</u>	<u>3,024</u>
Financial liabilities			
Loans and borrowings	(200)	(200)	-
Trade and other payables	(33,861)	(33,861)	-
	<u>(34,061)</u>	<u>(34,061)</u>	<u>-</u>
At 31 December 2025			
Financial assets			
Other investments	3,069	-	3,069
Trade and other receivables (excluding prepayments and lease receivables)	46,752	46,752	-
Cash and short-term deposits	23,633	23,633	-
	<u>73,454</u>	<u>70,385</u>	<u>3,069</u>
Financial liabilities			
Loans and borrowings	-	-	-
Trade and other payables	(43,819)	(43,819)	-
	<u>(43,819)</u>	<u>(43,819)</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management**

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk arises primarily from trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group considers a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than cash term to 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Trade receivables and contract assets**

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the combined statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting period, the Group determine the credit risk concentration of their trade receivables by monitoring their receivables on an ongoing basis.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the impairment losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that related to the Group's core operations. The group believe that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Trade receivables and contract assets (continued)**

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Contract assets RM'000	Current RM'000	Trade receivables					Total RM'000
			1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	More than 121 days past due RM'000	
At 31 December 2022								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount at default	9	13,821	7,902	3,836	475	178	668	26,880
Impairment loss	-	-	-	-	-	-	-	-
At 31 December 2023								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount at default	22	12,850	15,606	3,825	2,057	493	697	35,528
Impairment loss	-	-	-	-	-	-	-	-
At 31 December 2024								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	1%	
Gross carrying amount at default	-	27,731	6,303	2,969	973	288	1,403	39,667
Impairment loss	-	-	-	-	-	-	(403)	(403)

14. ACCOUNTANTS' REPORT (Cont'd)

PENTECH HOLDINGS BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

	Contract assets RM'000	Current RM'000	Trade receivables					Total RM'000
			1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	More than 121 days past due RM'000	
At 31 December 2025								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	1%	
Gross carrying amount at default	263	33,773	6,776	2,519	1,824	100	640	45,632
Impairment loss	-	-	-	-	-	-	(403)	(403)

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit terms in making a contractual payment.

As at the end of the reporting date, the Group considers the other receivables and other financial assets as low risk and any loss allowance would be negligible.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	----- Contractual cash flows -----			Total RM'000
	Carrying amount RM'000	On demand or within one year RM'000	Between one and five years RM'000	
At 31 December 2022				
Financial liabilities				
Trade and other payables	22,066	22,066	-	22,066
Loan and borrowings	571	236	372	608
Lease liabilities	1,334	575	816	1,391
	23,971	22,877	1,188	24,065

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)**Maturity analysis (continued)

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

	----- Contractual cash flows -----			Total RM'000
	Carrying amount RM'000	On demand or within one year RM'000	Between one and five years RM'000	
At 31 December 2023				
Financial liabilities				
Trade and other payables	32,620	32,620	-	32,620
Loan and borrowings	356	205	167	372
Lease liabilities	799	508	308	816
	33,775	33,333	475	33,808
At 31 December 2024				
Financial liabilities				
Trade and other payables	33,861	33,861	-	33,861
Loan and borrowings	200	103	107	210
Lease liabilities	862	544	343	887
	34,923	34,508	450	34,958
At 31 December 2025				
Financial liabilities				
Trade and other payables	43,819	43,819	-	43,819
Loan and borrowings	-	-	-	-
Lease liabilities	1,475	929	582	1,511
	45,294	44,748	582	45,330

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and bank balances that are denominated in a foreign currency).

Foreign currency sensitivity analysis was not performed as the impact is insignificant.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(c) Fair value measurement**

The carrying amounts of cash and cash equivalents, receivables and payables and short-term borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans is reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year 2025 (2024, 2023 and 2022: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			
		----- Fair value -----			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2022					
Financial assets					
Quoted equity investment	152	152	-	-	152
Unit trust	2,765	2,765	-	-	2,765
	<u>2,917</u>	<u>2,917</u>	<u>-</u>	<u>-</u>	<u>2,917</u>
Financial liability					
Loan and borrowings	356	-	-	372	372
	<u>356</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>372</u>
At 31 December 2023					
Financial assets					
Quoted equity investment	154	154	-	-	154
Unit trust	2,875	2,875	-	-	2,875
	<u>3,029</u>	<u>3,029</u>	<u>-</u>	<u>-</u>	<u>3,029</u>
Financial liability					
Loan and borrowings	163	-	-	167	167
	<u>163</u>	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. FINANCIAL INSTRUMENTS (CONTINUED)****(c) Fair value measurement (continued)**

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		----- Fair value -----			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
At 31 December 2024					
Financial assets					
Unit trust	3,024	3,024	-	-	3,024
Financial liability					
Loan and borrowings	104	-	-	107	107
At 31 December 2025					
Financial assets					
Unit trust	3,069	3,069	-	-	3,069

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. RELATED PARTIES****(a) Identity of related parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entity.

Related parties of the Group include:

- (i) Entity in which Directors have substantial financial interests;
- (ii) Entity which person connected to a director has substantial financial interest; and
- (iii) Key management personnel of the Group, comprise persons (including Directors) having the authority and responsibility for planning, directing and controlling the activities or indirectly.

(b) Significant related party transactions

There are no significant related party transactions other than disclosed elsewhere in the financial statements.

(c) Compensation of key management personnel

	----- As at 31 December -----			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Short-term employee benefits	4,118	3,305	3,481	3,686
Defined contribution plan	262	465	429	434
Other related expenses	27	31	31	44
	<u>4,407</u>	<u>3,801</u>	<u>3,941</u>	<u>4,164</u>

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****28. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025.

The Group monitors capital using gearing ratio, which is total debts divided by total equity of the Group. The gearing ratio as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 are as follows:

		----- As at 31 December -----			
		2022	2023	2024	2025
Note		RM'000	RM'000	RM'000	RM'000
Loan and borrowings	14	571	356	200	-
Total debts		571	356	200	-
Equity attributable to owners of the Group					
Total equity		12,043	18,366	22,429	31,524
Gearing ratio (times)		0.05	0.02	0.01	N/A

There were no changes in the Group's approach to capital management during the financial years under review.

The Group is not subject to externally imposed capital requirements.

29. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR UNDER REVIEW

On 19 June 2025, the Company entered into a conditional share sale agreement with the vendors of PSSB for the acquisition of 5,000,000 PSSB Shares from the PSSB Vendors for a total purchase consideration of RM22,400,000.00 to be fully satisfied via the issuance of 448,000,000 new Shares at RM0.05 per Share.

The total purchase consideration of RM22,400,000 was arrived on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of PSSB as at 31 December 2024 of RM22.429 million.

The acquisition was completed on 3 March 2026.

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION**

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by Directors for the purpose of making decisions about resource allocation and performance assessment.

The four reportable operating segments are as follows:

Segments	Products and services
Integration of enterprise ICT infrastructure	<p><u>Data Centres</u> Provide systems integration for enterprise data centres which encompasses the following:</p> <ul style="list-style-type: none"> • hardware such as servers, processors, data storage systems, and networking equipment; • software such as hyperconverged infrastructure, virtualisation software, cloud computing platforms, and operating systems; • ICT infrastructure management tools; and • supporting equipment such as uninterruptible power supply systems, cooling systems, and access control system; <p>Data centres also provide business continuity planning ("BCP") which comprises BCP framework, risk management, business impact analysis, and backup and recovery systems.</p> <p><u>Networks</u> Provide systems integration for enterprise network infrastructure, encompassing the following:</p> <ul style="list-style-type: none"> • infrastructure such as local area network (LAN) and wide area network (WAN);and • network and system management tools such as network management systems, internet protocol address management systems, network traffic optimisation systems, configuration and change management, and network monitoring diagnostic tools. <p><u>Security</u> Provide integration of security systems encompassing the following:</p> <ul style="list-style-type: none"> • network security, such as perimeter, web and application, network access control and cloud security; and • cybersecurity, such as network endpoint protection for any devices connected to the network, including servers desktops, laptops, tablets and smartphones, data loss prevention (DLP) for endpoints, emails and network; and privileged access management (PAM).

14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**30. SEGMENT INFORMATION (CONTINUED)**

The four reportable operating segments are as follows (continued):

Segments	Products and services
Supply of hardware and software	<p>The supply of hardware and software was our second largest revenue contributor during the Financial Years Under Review. This business activity involves providing customers with hardware and/or software on a standalone basis which is independent of the provision of our services. It encompasses the following:</p> <p><u>Hardware</u> supply hardware such as servers/processors, data storage devices, network equipment, security equipment, server rack systems, uninterruptible power supply, desktops, laptops, tablets, as well as peripherals such as monitors, printers, keyboards, mouse, and cables;</p> <p><u>Software</u> Supply of licensed third-party operating systems, collaboration, email, management tools, visualisation, hyperconverged infrastructure, security systems, and others.</p> <p>Installation and/or integration services for the hardware and software which are sourced from third-party suppliers.</p>
Provision of cloud and managed services	<p>The main types of cloud services that provided by the Company were PaaS and SaaS.</p> <p>PaaS is a cloud computing service where a third-party service provider provides and manages the platform's hardware and software including databases, servers, middleware, and development frameworks.</p> <p>SaaS is a cloud computing service where a third-party service provider hosts and manages its applications on its hyperscale data centre. End users access PaaS and SaaS through the internet and use the services on demand without owning and operating the underlying hardware and software.</p>

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**

Accountants' Report

30. SEGMENT INFORMATION (CONTINUED)

The four reportable operating segments are as follows (continued):

Segments	Products and services
Other services	Provision of technical services which involve providing technical support services to end-users 24 hours per day 7 days per week as well as digital transformation services which involves setting up an intranet that serves as a central hub for our customers

There is no inter-segment pricing.

Factors used to identify reportable segments

The group is organised into business units based on its business segment purposes.

Segment profit

Segment performance is used to measure performance as Directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the combined financial statements.

Segment assets

Segment assets are not included in the internal reports that are reviewed by the Directors; hence no disclosures are made on segment assets.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Directors, hence no disclosures are made on segment liabilities.

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION (CONTINUED)**

	Integration of enterprise ICT infrastructure RM'000	Supply of hardware and software RM'000	Provision of cloud and managed services RM'000	Other services RM'000	Total RM'000
31 December 2022					
Revenue:					
Revenue from external customers	131,656	43,395	17,506	1,689	194,246
Cost of Sales	(117,345)	(39,485)	(13,972)	(69)	(170,871)
Segment profit	14,311	3,910	3,534	1,620	23,375
Other income					96
Finance income					48
Finance cost					(33)
Selling and distribution expenses					(5,828)
Administrative expenses					(8,232)
Other expenses					(251)
Income tax expenses					(2,356)
Profit for the financial year					6,819
Results:					
<i>Include in the measure of segment profit/(loss) are:</i>					
Bad debts written off					(19)
Employee benefit expense					(14,648)
Depreciation of property, plant and equipment					(602)
Depreciation of right-of use assets					(314)
Property, plant and equipment written off					(16)

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION (CONTINUED)**

	Integration of enterprise ICT infrastructure RM'000	Supply of hardware and software RM'000	Provision of cloud and managed services RM'000	Other services RM'000	Total RM'000
31 December 2023					
Revenue:					
Revenue from external customers	101,983	39,231	25,271	3,597	170,082
Cost of Sales	(89,218)	(35,183)	(20,305)	(223)	(144,929)
Segment profit	12,765	4,048	4,966	3,374	25,153
Other income					299
Finance income					207
Finance cost					(51)
Selling and distribution expenses					(7,318)
Administrative expenses					(7,605)
Income tax expenses					(2,862)
Profit for the financial year					7,823
Results:					
<i>Include in the measure of segment profit/(loss) are:</i>					
Bad debts written off					(66)
Employee benefit expense					(16,427)
Depreciation of property, plant and equipment					(778)
Depreciation of right-of use assets					(571)
Property, plant and equipment written off					(27)

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION (CONTINUED)**

	Integration of enterprise ICT infrastructure RM'000	Supply of hardware and software RM'000	Provision of cloud and managed services RM'000	Other services RM'000	Total RM'000
31 December 2024					
Revenue:					
Revenue from external customers	105,247	42,598	35,844	5,247	188,936
Cost of Sales	(89,960)	(38,622)	(28,584)	(399)	(157,565)
Segment profit	15,287	3,976	7,260	4,848	31,371
Other income					60
Finance income					375
Finance cost					(30)
Selling and distribution expenses					(8,740)
Administrative expenses					(9,596)
Income tax expenses					(3,477)
Profit for the financial year					9,963
Results:					
<i>Include in the measure of segment profit/(loss) are:</i>					
Bad debts written off					(64)
Employee benefit expense					(21,030)
Depreciation of property, plant and equipment					(756)
Depreciation of right-of use assets					(589)
Impairment lossess on trade receivables					(403)
Inventories written off					(38)

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION (CONTINUED)**

	Integration of enterprise ICT infrastructure RM'000	Supply of hardware and software RM'000	Provision of cloud and managed services RM'000	Other services RM'000	Total RM'000
31 December 2025					
Revenue:					
Revenue from external customers	119,492	58,730	48,141	6,525	232,888
Cost of Sales	(107,329)	(54,732)	(35,619)	(409)	(198,089)
Segment profit	12,163	3,998	12,522	6,116	34,799
Other income					61
Finance income					391
Finance cost					(41)
Selling and distribution expenses					(10,422)
Administrative expenses					(10,282)
Other expenses					(40)
Income tax expenses					(3,876)
Profit for the financial year					10,590
Results:					
<i>Include in the measure of segment profit/(loss) are:</i>					
Employee benefit expense					(23,213)
Depreciation of property, plant and equipment					(747)
Depreciation of right-of use assets					(619)
Inventories written off					*
Property, plant and equipment written off					*

* Denotes <RM1,000

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14. ACCOUNTANTS' REPORT (Cont'd)**PENTECH HOLDINGS BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****30. SEGMENT INFORMATION (CONTINUED)**Geographical Information

Revenue information based on geographical location of customers are as follows:

	----- As at 31 December -----			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Malaysia	192,363	156,233	183,231	223,910
Other countries	1,883	13,849	5,705	8,978
Total revenue	194,246	170,082	188,936	232,888

Information about major customers

Revenue from top five (5) (2024: five (5), 2023: five (5) and 2022: five (5)) customers represented approximately RM50.37 million (2024: RM29.95 million, 2023: RM37.48million and 2022: RM90.04 million) of the Group's total revenue.

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15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

- (i) As at the date of this Prospectus, we have only one class of shares in our Company, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) No securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of this Prospectus.
- (iii) None of the share capital of our Group is under option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (iv) Save as disclosed in Section 6.1.3 of this Prospectus, our Group has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within 3 years immediately preceding the date of this Prospectus.
- (v) Save for the new Shares to be issued under the Pink Form Allocation and the LTIP as disclosed in this Prospectus,
 - (a) no other Directors or employees of our Group has been or is entitled to be given or has exercised any option to subscribe for any Shares of our Company or our subsidiary; and
 - (b) there is no other scheme involving the directors and employees of our Group in the Shares of our Company or our Subsidiary.
- (vi) Save as disclosed in this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Company or our subsidiary have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the Financial Years Under Review as well as the subsequent period up to the LPD.
- (vii) Save as disclosed in this Prospectus, there is no intention on the part of our Directors to further issue any Shares.
- (viii) As at the date of this Prospectus, save for the LTIP, our Group does not have any outstanding warrants, options, convertible debt securities or uncalled capital.
- (ix) Save as disclosed in Section 15.4 of this Prospectus and save as provided under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares.

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15. ADDITIONAL INFORMATION (Cont'd)**15.2 EXTRACT OF OUR CONSTITUTION**

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires:

15.2.1 Remuneration, voting and borrowing powers of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows:

(i) Remuneration of Directors**Clause 85 – Remuneration of Managing Director or Executive Director**

“85. A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine.”

Clause 94 – Remuneration of Directors

- “94. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.
- (2) Subject to Clause 85, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders’ approval at a General Meeting.
- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year’s fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors:
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company;
- (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties; and

15. ADDITIONAL INFORMATION (Cont'd)

- (5) The Managing Director and Executive Directors of the Company shall be remunerated in the manner referred to in Clause 85 but such remuneration shall not include a commission on or percentage of turnover. Salaries payable to a Managing Director and/or Executive Director shall not include a commission on or percentage of turnover.”

(ii) Voting of Directors**Clause 119 – Voting at Board meetings**

- “119. (1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.
- (2) Each Director is entitled to cast one (1) vote on each matter for determination.”

Clause 120 – Casting vote

- “120 In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.”

(iii) Borrowing powers of Directors**Clause 96 – Borrowing powers**

- “96. Without limiting the generality of Clause 95(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:
- (1) borrow money;
- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
- (3) issue debentures and other Securities whether outright or as security; and/or
- (4) (a) lend and advance money or give credit to any person or company;
- (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
- (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.”

15. ADDITIONAL INFORMATION (Cont'd)

15.2.2 Changes to Share Capital

The provision in our Constitution dealing with changes to our share capital are as follows:

Clause 47 – Alteration of Capital

- “47. (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
 - (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.
- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
- (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or –
 - (b) reduce its share capital by a special resolution and confirmation by the Court in accordance with Section 116 of the Act and supported by a solvency statement in accordance with Section 117 of the Act.
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.”

Clause 43 – Conversion of shares into stocks

- “43. The Company may by ordinary resolution passed at a General Meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Sections 84(1)(b) and 86 of the Act.”

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15. ADDITIONAL INFORMATION (Cont'd)**15.2.3 Transfer of Securities**

The provision in our Constitution dealing with transfer of securities of our Company are as follows:

Clause 13, 14, 15 – Transfer and Transmission of Deposited Securities

“13. Clauses 14 and 15 shall apply to Deposited Securities.

14 The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Deposited Securities.

15 Where:

- (a) the Securities of the Company are listed on another Stock Exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other Stock Exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.”

Clause 16, 17, 18, 19, 20, 21, 22, 23 – Transfer and Transmission of non-Deposited Securities

“16 Clauses 17 to 23 shall apply to non-Deposited Securities.

17 (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

(2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

(3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

18 (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company:

(a) the instrument of transfer duly executed and stamped;

(b) the certificate of the shares or debentures which the instrument of transfer relates; and

15. ADDITIONAL INFORMATION (Cont'd)

- (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable).
- 19 (1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if:
- (a) the shares are not fully paid shares;
- (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
- (c) the Company has a lien on the shares; and/or
- (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.
- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors.
- 20 On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year.
- 21 In case of the death of a Member or debenture holder, the only persons recognised by the Company as having any title to the interest of the deceased Member or debenture holder in the shares or debentures respectively shall be:
- (1) the survivor(s), where the deceased Member or debenture holder was a Joint Holder; and
- (2) the legal personal representatives of the deceased Member or debenture holder, where the deceased Member or debenture holder was a sole holder,
- but nothing herein contained shall release the estate of a deceased Joint Holder from any liability in respect of any share which had been jointly held by him with other persons.
- 22 (1) Any person becoming entitled to a share or debenture in consequence of an Event of Transmission may, upon such evidence being produced as is properly required by the Directors, and subject as hereinafter provided, elect either to register himself as the holder of the share or debenture or to have some other person nominated by him registered as the transferee of the shares or debentures.

15. ADDITIONAL INFORMATION (Cont'd)

- (2) If the entitled person elects to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - (3) If he elects to have another person registered, he shall execute an instrument of transfer of the share or debenture in favour of that person.
 - (4) All limitations, restrictions and clauses of this Constitution relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as if the Event of Transmission had not occurred and the notice or transfer were a transfer signed by that Shareholder or debenture holder.
- 23 (1) Upon an Event of Transmission and the receipt by the Company of the relevant notification as required under the Act together with such documentary evidence as required by the Directors from the person who is entitled to the title to the relevant shares or debentures, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from its receipt of the notification (together with the required documentary evidence).
- (2) The registration of transmission of shares or debentures under Clause 23(1) shall entitle the registered holder to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if the registered holder had not suffered an Event of Transmission.
 - (3) Where two (2) or more persons are jointly entitled to any shares or debentures in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be Joint Holders of the shares or debentures.”

15.2.4 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

The provisions in our Constitution in respect of the rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights are as follows:

Clause 7 – Classes of Shares

- “7 (1) The capital of the Company shall consist of ordinary shares.
- (2) A holder of ordinary share(s) shall have the following voting rights:
- (a) Right to vote on a show of hands to one (1) vote on any resolution of the Company; and
 - (b) Right to vote on a poll to one (1) vote for every share held on any resolution of the Company.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 8 – Variation of Rights**

- “8 (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
 - (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.”
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:
- (a) the terms of the issue of the existing preference shares; or
 - (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.”

Clause 12 – Issue of Securities

- “12. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
- (a) issue and allot shares in the Company; and
 - (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders’ approval being obtained (which shall be deemed a waiver of Section 85 of the Act), the Directors may issue any shares (including rights or options over subscription of such shares):
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine.
 - (d) no shares issued having the effect of transferring controlling interest in the Company without prior approval of members in general meeting,

15. ADDITIONAL INFORMATION (Cont'd)

- (e) in the case of shares other than ordinary shares, no special rights to be attached until the same have been expressed in the constitution,
 - (f) approval by members shall specify details of the amount of shares of options to be issued to employees/directors and a director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or public issue,
 - (g) company must allot and issue securities, despatch notice of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange,
- (3)
- (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.
 - (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
 - (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
- (4) Subject to Rule 6.07 or Paragraph 6.06 of the Listing Requirements (as the case may be) and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.”

15. ADDITIONAL INFORMATION (Cont'd)**Clause 138 – Dividends**

- “138. (1) A dividend may be declared by:
- (a) the Directors; or
 - (b) the Members on the recommendation of the Board of Directors as it thinks appropriate.
- (2) The payment of a dividend is to those holders of such class of shares as the Directors have determined in accordance with and subject to any conditions upon which the shares have been issued.
- (3) A dividend shall not exceed the amount as authorised by the Directors.”

Clause 145 – Dividends due may be retained until registration

- “145. (5) The Directors may retain the dividends payable upon Shares in respect of which any person is under the provision as to the transmission of Shares herein before contained entitled to become a Member or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such Shares or shall transfer the same.”

Clause 146 – Capitalisation of Profits

- “146. (1) The Directors may, before declaring or recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.
- (2) Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit.
- (3) The Directors may carry forward such amount of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to reserves.

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account / CDS Account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers, and privileges and be subject to all liabilities, duties, and obligations in respect of, or arising from, such Shares.

15. ADDITIONAL INFORMATION (Cont'd)

15.4 LIMITATION ON THE RIGHT TO OWN SECURITIES

Subject to Section 15.3 above, there is no limitation on the right to own our Shares, including any limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

15.5 PUBLIC TAKE-OVERS

Since the beginning of the FYE 2025 and up to the LPD, there has been:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.

15.6 EXCHANGE CONTROLS

Our Group has not established any place of business outside of Malaysia and is not subject to any governmental law, decree, regulation or other legislation that may affect the repatriation of capital and remittance of profits by or to our Group.

15.7 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the Financial Years Under Review and up to the date of this Prospectus:

- (i) SSA dated 19 June 2025 entered into between the PSSB Vendors of the one part and our Company of the other part as detailed in Section 6.2.1 of this Prospectus. The share acquisition of PSSB was completed on 3 March 2026;
- (ii) the Underwriting Agreement dated 10 April 2026 entered into between our Company of the one part and the Sole Underwriter of the other part as detailed in Section 4.10 of this Prospectus; and
- (iii) the Placement Agreement dated 10 April 2026 entered into between our Company of the one part and the Sole Placement Agent of the other part.

15.8 CONSENTS

Our Principal Adviser, Sponsor, Sole Underwriter, Sole Placement Agent, Company Secretary, Solicitors, Share Registrar and Issuing House have given and have not subsequently withdrawn their written consents before the issuance of this Prospectus for the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Prospectus.

15. ADDITIONAL INFORMATION (Cont'd)

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent before the issuance of this Prospectus for the inclusion of their name and all references thereto, the Accountants' Report and the Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position as at 31 December 2025, in the form, manner and context in which they are included in this Prospectus.

Our IMR has given and has not subsequently withdrawn its written consent before the issuance of this Prospectus with the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Prospectus.

15.9 RESPONSIBILITY STATEMENTS

- (i) Our Directors and Promoter have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.
- (ii) PIVB being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent in relation to our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15.10 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report as set out in Section 8 of this Prospectus;
- (iii) the Reporting Accountants' Report on the Pro Forma Consolidated Financial Statements as at 31 December 2025 as set out in Section 13 of this Prospectus;
- (iv) the Accountants' Report as set out in Section 14 of this Prospectus;
- (v) the material contracts as set out in Section 15.7 of this Prospectus;
- (vi) the letters of consent as set out in Section 15.8 of this Prospectus; and
- (vii) the audited financial statements of our Company and Subsidiary for the Financial Years Under Review (as may be applicable).

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 20 MAY 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 29 MAY 2026

Applications for the IPO Shares will open and close at the times and dates stated above.

In the event of any change to the dates or time for closing, we will advertise the notice of the change in a widely circulated daily Bahasa Malaysia and English newspapers in Malaysia, and make an announcement on the website of Bursa Securities.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Application for our IPO Shares by the Malaysian public and the Eligible Persons**

Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application method
Applications by the Malaysian Public	
(a) Individuals	WHITE Application Form or Electronic Share Application or Internet Share Application
(b) Non-individuals	WHITE Application Form only
Applications by the Eligible Persons	PINK Application Form only

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.2.2 Application by selected investors and Bumiputera Investors approved by MITI via private placement**

Types of Application	Application Method
Applications by:	
(a) Selected investors	Our Sole Placement Agent will contact the selected investors directly. They should follow the Sole Placement Agent's instructions.
(b) Bumiputera Investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera Investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY**16.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted** for the Applications.

Only **ONE** Application Form for each category from each Applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

APPLICANTS WHO WISH TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST ENSURE THAT THE DETAILS PROVIDED BY THE FINANCIAL INSTITUTION TO THE ISSUING HOUSE MATCH THE INFORMATION REGISTERED UNDER THEIR CDS ACCOUNT. ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED BY YOUR FINANCIAL INSTITUTION AND THE CDS ACCOUNT RECORDS WILL RESULT IN THE REJECTION OF YOUR IPO APPLICATIONS. TO AVOID SUCH REJECTIONS, APPLICANTS ARE STRONGLY ADVISED TO CONTACT THEIR FINANCIAL INSTITUTION IN ADVANCE TO VERIFY AND CONFIRM THE DETAILS. PLEASE NOTE THAT OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE WILL NOT BE HELD RESPONSIBLE FOR ANY ISSUES OR LOSSES ARISING FROM DISCREPANCIES IN THE INFORMATION SUBMITTED.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) you must not be a director or employee of the Issuing House, or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe for the allocated IPO Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, PIVB, participating organisations of Bursa Securities and members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Persons are not precluded from making additional application under the Malaysian Public category using either the White Application Form, Electronic Share Application, or Internet Share Application.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.20 for each IPO Share.

Payment must be made out in favour of “**ACM SHARE ISSUE ACCOUNT NO. 107**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

AscendServ Capital Markets Services Sdn Bhd
 (Registration No: 202401031272 (1577121-P))
 Office Suite No. 603 Block C
 Pusat Dagangan Phileo Damansara 1
 No. 9, Jalan 16/11
 Off Jalan Damansara
 46350 Petaling Jaya
 Selangor

- (ii) **DELIVER BY HAND AND DEPOSIT** in the Issuing House's drop-in box provided in front of AscendServ Capital Markets Services Sdn Bhd's office at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor,

so as to arrive not later than 5.00 p.m. on 29 May 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the Participating Financial Institutions and their branches, namely, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia, Hong Leong Investment Bank Berhad, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful Applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House, at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of Applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://www.ascendserv.com> within one market day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.4 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House, as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful Applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House, by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603 7890 0238
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution, Participating Securities Firms and Authorised Financial Institution

The results of the IPO share allocation, based on successful balloting, will be published on the Issuing House's website at <https://www.ascendserv.com>. Applicants can also check the status of their application on the same website after 5:00 PM on the allotment date. Alternatively, you may contact the Authorised Depository Agents (ADAs) listed in the Detailed Procedures for Application and Acceptance, which is available in the Electronic Prospectus on the Bursa Securities website.

17. BY-LAWS FOR THE LTIP

PENTECH HOLDINGS BERHAD
Registration No. 202401049432 (1595276-A)

BY LAWS FOR THE LTIP

17. BY-LAWS FOR THE LTIP (Cont'd)**1. DEFINITIONS AND INTERPRETATIONS**

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

Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
Adviser	:	A person registered on the Register of Sponsors who has been appointed by the Company to undertake a corporate proposal prescribed by Bursa Securities to require the services of an Adviser under the ACE Market Listing Requirements of Bursa Securities
Authorised Nominee	:	means a person who is authorised to act as a nominee according to the Rules of Bursa Depository, specifically as outlined in Part VIII of the SICDA
Board	:	The Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time)
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Company	:	Pentech Holdings Berhad (Registration No.: 202401049432 (1595276-A))
Constitution	:	The constitution of the Company, including any amendments thereto that may be made from time to time
Date of Acceptance	of	The date on which the LTIP Committee shall receive the written notice accepting the ESOS Award(s) and/or ESGS Award(s) accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the ESOS Award(s) and/or ESGS Award(s) from an Eligible Employee(s) in accordance with By-Law 28.2 and By-Law 34.2 respectively
Date of Expiry	:	Last day of the Duration of the Scheme or last day of any extended period pursuant to By-Law 14.2 and By-Law 14.3 respectively (as the case may be)
Director	:	A natural person who holds a directorship in the Company in an executive capacity and shall have the meaning of Section 2 of the Act, which for avoidance of doubt, excludes an alternate or substitute director
Disciplinary Proceedings	:	Proceedings instituted by any company in the Group against any Eligible Employee(s) or LTIP Participant(s) for any alleged misbehaviour, misconduct and/or any other acts of such Eligible Employee(s) or LTIP Participant(s) deemed to be unacceptable by the said company whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Eligible Employee(s) or LTIP Participant(s)

17. BY-LAWS FOR THE LTIP (Cont'd)

- Duration of the Scheme : The duration of the Scheme as defined in By-Law 14.2 and includes any extension thereof in accordance with By-Law 14.3
- Effective Date : The date on which the Scheme comes into force as provided in By-Law 14.1. For the avoidance of doubt, irrespective that the Effective Date of the ESOS and ESGS are different, the Duration of the Scheme applies to both ESOS and ESGS, both of which will expire on the Date of Expiry
- Eligible Employee(s) : A Director or Employee who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 6 hereof
- Employee : Any person in the employment and on the payroll of any company within the Group
- Entitlement Date : The date (and as at the close of business) on which shareholders' name must appear in the Company's record of depositors maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
- ESGS : Employees' Share Grant Scheme as stipulated in Section 2 of these By-Laws
- ESGS Award(s) : The award of such number of Share(s) to an Eligible Employee(s) in the manner and subject to the terms and conditions provided in these By-Laws
- ESGS Award Date(s) : The date of which an ESGS Award(s) is awarded to an Eligible Employee(s) pursuant to a LTIP Award letter
- ESGS Participant(s) : Eligible Employee(s) who has accepted ESGS Award(s) in the manner provided in By-Law 34
- ESGS Vesting Date(s) : The date upon which all or any parts of the Share(s) awarded to ESGS Participant(s) are eligible to be vested upon fulfilment of all terms and vesting conditions, if any, as determined by the LTIP Committee
- ESOS : Employees' Share Option Scheme as stipulated in Section 1 of these By-Laws
- ESOS Award(s) : The award of such number of ESOS Option(s) to an Eligible Employee(s) to subscribe for the Share(s) at the Subscription Price in the manner and subject to the terms and conditions provided in these By-Laws
- ESOS Award Date(s) : The date of award of such number of ESOS Option(s) to an Eligible Employee(s) to subscribe for the Share(s) at the Subscription Price in the manner and subject to the terms and conditions provided in these By-Laws
- ESOS Option(s) : The right of ESOS Participant(s) to subscribe for the Share(s) at the Subscription Price in the manner provided in By-Law 29
- ESOS Participant(s) : Eligible Employee(s) who has accepted the ESOS Award(s) in the manner provided in By-Law 28
- ESOS Vesting Date(s) : The date upon which all or any part of the ESOS Options awarded to ESOS Participant(s) are eligible to be vested and are entitled to exercise the ESOS Options upon fulfilment of all terms and vesting conditions, if any, as determined by the LTIP Committee

17. BY-LAWS FOR THE LTIP (Cont'd)

Group	: The Company and its subsidiary company(ies) as defined in Section 4 of the Act (which for the avoidance of doubt shall exclude the Company's associate company(ies)) and which are not dormant. Subject to the foregoing, the expression "subsidiary company(ies)" shall for the purposes hereof include subsidiaries which are existing as at the Effective Date and such subsidiaries which the LTIP Committee may, from time to time, determine at its discretion, and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but excludes:- (i) subsidiaries which have been divested in the manner provided in By-Law 25; and (ii) subsidiaries which are dormant
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LTIP Scheme or Scheme	: The long-term incentive plan for ESOS Award(s) and/or ESGS Award(s) to any Eligible Employee(s) in accordance with the provisions of these By-Laws and such scheme shall be known as the "Pentech Holdings Berhad Long-Term Incentive Plan"
LTIP Award(s)	: Collectively, the ESOS Award and ESGS Award and "LTIP Award" shall mean any of them in the context of these By-Laws
LTIP Award Date(s)	: Collectively, the ESOS Award Date and ESGS Award Date and "LTIP Award Date" shall mean any of them in the context of these By-Laws
LTIP Award Vesting Date(s)	: Collectively, the ESOS Vesting Date and the ESGS Vesting Date and "LTIP Award Vesting Date", shall mean any of them in the context of these By-Laws
LTIP Committee	: The committee as appointed from time to time by the Board pursuant to By-Law 4.1 to implement and administer the LTIP in accordance with these By-Laws
LTIP Participant(s)	: Collectively, the ESOS Participant(s) and ESGS Participant(s) and "LTIP Participant" shall mean any of them in the context of these By-Laws
Market Day	: A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	: The maximum aggregate number of Share(s) in respect of the LTIP Award(s) that can be offered and allotted to an Eligible Employee in accordance with the provisions of By-Law 7.2(b)
Offer Period	: A period of thirty (30) days from the ESOS Award Date(s) or such longer period as may be determined by the LTIP Committee at its sole and absolute discretion during which ESOS Award(s) is valid for acceptance as stipulated in By-Law 27
Option Period	: The period commencing from the ESOS Vesting Date(s) and expiring on a date on which the ESOS Option(s) terminates, expires or lapses and/or otherwise ceases to be of any force and effect in accordance with these By-Laws and as set out in the ESOS Award(s) letter
Register of Sponsors	: A register maintained by Bursa Securities for the ACE Market of Bursa Securities specifying all persons which have been approved to act as sponsors by Bursa Securities pursuant to the Chapter 4 of the Listing Requirements and such approval has not been revoked or suspended
RM	: Ringgit Malaysia

17. BY-LAWS FOR THE LTIP (Cont'd)

- Rules of Bursa Depository : The Rules of Bursa Depository, as issued pursuant to SICDA
- Share(s) : Ordinary share(s) in the Company
- SICDA : Securities Industry (Central Depositories) Act 1991, as amended from time to time including any re-enactment thereof
- Subscription Price : The price at which ESOS Participant(s) shall be entitled to subscribe for the Share(s) upon the exercise of the ESOS Options(s), as initially determined and as may be adjusted pursuant to the provisions of By-Law 31
- Vesting Conditions : The conditions determined by the LTIP Committee and stipulated in the letter awards which must be fulfilled for the ESOS Option(s) under the ESOS Award(s) and/or the vesting of Share(s) under the ESGS Award(s) to be vested on LTIP Participant(s) as provided in By-Laws 29 and 35 respectively
- 1.2 Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and the Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with reasonable commercial practice of persons to whom such requirements, policies, regulations and/or guidelines are addressed to by Bursa Securities and/or other relevant authorities).
- 1.3 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to the LTIP Award(s) made, offered and/or accepted within the Duration of the Scheme, and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 1.4 In these By-Laws, unless the context requires otherwise, words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.
- 1.5 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day prior to the Date of Expiry.
- 1.7 In the event of any change in the name of the Company from its present name, all references to "Pentech Holdings 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.

2. NAME OF SCHEME

- 2.1 This Scheme shall be known as the "Pentech Holdings Berhad Long Term Incentive Plan".

3. OBJECTIVES OF THE SCHEME

- 3.1 The objectives of the establishment of this Scheme are:
- (a) to serve as a long-term incentive plan to reward the Eligible Employee(s) and to align their interest with the corporate goals and objectives of the Group;
- (b) to recognise the contributions of Eligible Employee(s) whose services are valued and considered vital to the operations and continued growth of the Group;

17. BY-LAWS FOR THE LTIP (Cont'd)

- (c) to motivate Eligible Employee(s) to work towards better performance through greater productivity and loyalty;
- (d) to stimulate a greater sense of belonging and dedication since Eligible Employee(s) are given the opportunity to participate directly in the equity of the Company;
- (e) to retain and encourage Eligible Employee(s) to remain with the Group thus ensuring that any loss of key personnel is kept to a minimum;
- (f) to reward Eligible Employee(s) by allowing them to participate in the Group's growth and profitability and eventually realise potential capital gains arising from any appreciation in the value of the Share(s);
- (g) to make the Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth;
- (h) to provide the Group with the flexibility to determine the most appropriate LTIP Awards to reward and retain Eligible Employee(s) who have contributed to the success of the Group;
- (i) to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long-term shareholder value enhancement of the Group; and
- (j) to incentivise the senior management and employees of the Group for their commitment, dedication and loyalty towards attainment of higher performance.

4. ADMINISTRATION AND IMPLEMENTATION OF THE SCHEME

- 4.1 The Scheme shall be administered by the LTIP Committee. The LTIP Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board. The decision of the LTIP Committee shall be final and binding but subject always to the Board's power to overrule any decision of the LTIP Committee and the Board shall not be under any obligation to give any reasons therefor.
- 4.2 The Board shall have the power to determine all matters pertaining to the LTIP Committee, including, without limitation, setting the terms of reference for the LTIP Committee, as well as determining its composition, duties, powers and limitations. The Board is also entitled, at any time and from time to time to:
- (a) rescind or terminate the appointment of any member of the LTIP Committee and appoint replacement members to the LTIP Committee;
 - (b) to change the terms of appointment of the members of the LTIP Committee;
 - (c) to determine and change the terms of reference for the LTIP Committee; and
 - (d) to assume and/or exercise or execute any of the powers and authorities conferred upon the LTIP Committee pursuant to these By-Laws.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 4.3 Without limiting the generality of By-Law 4.1, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the LTIP Award(s), execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and LTIP Award(s) awarded under it, to define the terms therein and to recommend to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The LTIP Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the LTIP Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
 - (b) determine all question of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.
- 4.4 In implementing the Scheme, the LTIP Committee may, at its discretion, decide that any vesting of share(s) comprised in a LTIP Award(s) shall be satisfied through:
- (a) for ESGS Awards:
 - (i) acquisition and/or transfer of existing Shares from the open market of Bursa Securities; or
 - (ii) acquisition and/or transfer of the Company's treasury shares (if any);
 - (iii) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (iv) a combination of any of the above.
 - (b) for ESOS Options:
 - (i) the allotment and issuance of new Shares;
 - (ii) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (iii) a combination of any of the above.
- 4.5 In considering the modes of satisfaction as referred to above, the LTIP Committee will take into consideration factors such as the prevailing market price of the Share(s), funding considerations, dilutive effects of any such issuance on our Company's share capital base, and cash requirements of our Group.
- 4.6 For the purposes of facilitating the implementation of the Scheme, the Company and/or the LTIP Committee may (but shall not be obligated to) establish a trust to be administered by a trustee to be appointed by the Company for the Scheme from time to time ("Trustee"), if required, including but not limited for the purposes of subscribing for new Share(s), acquiring existing Share(s) from the ACE Market of Bursa Securities and/or receiving treasury shares, and transferring them to the LTIP Participant(s) at such times as the LTIP Committee shall direct ("Trust"). For the said purposes and to pay expenses in relation to the administration of the Trust, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Group to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment. The LTIP Committee shall have the discretion to revoke or suspend any such direction that has earlier been given to the Trustee.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 4.7 The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of a trust deed to be entered into between the Company and the Trustee ("Trust Deed"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 4.8 The Company shall have power from time to time, at any time, to appoint or rescind or terminate the appointment of the Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 4.9 Should the Trust be terminated pursuant to the Trust Deed, the Trustee shall sell the remaining Shares held by the Trustee and/or its Authorised Nominee(s) and deal with such funds in accordance with the instructions of the LTIP Committee.

5. MAXIMUM NUMBER OF SHARE(S) AVAILABLE UNDER THE SCHEME

- 5.1 The maximum number of Share(s) which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) 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.
- 5.2 Notwithstanding the provision of By-Law 5.1 above and any other provisions contained herein, in the event the total number of the Share(s) that may be made available under the Scheme exceeds ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing the Share(s) in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such LTIP Award(s) awarded prior to the adjustment of the issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the LTIP Committee shall not make further LTIP Award(s) until the total number of the Share(s) under the subsisting LTIP Award(s) falls below ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any).

6. ELIGIBILITY

- 6.1 Subject to the discretion of the LTIP Committee, any Eligible Employee(s) who fulfils the following criteria as at the LTIP Award Date(s) shall be eligible to participate in the Scheme and qualify for consideration and/or selection by the LTIP Committee if:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the LTIP Award Date(s):
- (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) is employed by the Group on a full-time basis or serving in a specific designation under an employment contract with the Group for a fixed duration (or any other contract as may be determined by the LTIP Committee) and is on the payroll of the Group and has not served a notice of resignation or received notice of termination;
 - (iii) must have been in employment of the Group for a continuous fixed period of at least six (6) months or such period as may be determined by the LTIP Committee from time to time (which shall include any probation period) prior to the LTIP Award Date(s); and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.

17. BY-LAWS FOR THE LTIP (Cont'd)

- (b) in respect of a Director, the Director must fulfil the following criteria as at the LTIP Award Date(s):
- (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) is appointed as a Director of the Company or any company within the Group for such periods as may be determined by the LTIP Committee prior to and up to the LTIP Award Date(s) and has not served a notice of resignation or received notice of termination; and
 - (iii) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.
- 6.2 Our LTIP Committee may, at any time and from time to time, before and after a LTIP Award is granted, have the sole and absolute discretion to:
- (a) limit the exercise of the ESOS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the ESOS Options during such periods within the option period;
 - (b) subject the exercise of the ESOS Options and/or ESGS to any vesting condition determined by the LTIP Committee at its sole and absolute discretion before an ESOS Options and/or ESGS can be exercised;
 - (c) impose any other terms and conditions (including the time period to exercise the ESOS Options or ESGS) as the LTIP committee may, in its sole discretion deems appropriate including amending or varying any terms and conditions imposed earlier; and/or
 - (d) stagger the allocation of ESOS Options and/or ESGS available over the duration of the LTIP and to determine the vesting period (if any) for the ESOS Options and/or ESGS granted under the LTIP.
- 6.3 Where a specific allocation of the LTIP Award(s) to be awarded to any Eligible Employee(s), who is the chief executive, Director or major shareholder of the Company, or a person connected with such chief executive, Director or major shareholder of the Company, such specific allocation to the said person requires prior shareholders' approval in a general meeting PROVIDED ALWAYS that:-
- (a) the chief executive, Director and/or major shareholder of the Company and/or persons connected with them shall not have voted on the resolution approving the said allocation of the LTIP Award(s) to be made thereunder; and
 - (b) any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulation.
- 6.4 The LTIP Committee may from time to time at its absolute discretion select and identify suitable Eligible Employee(s) to be offered the LTIP Award. In the event that any Eligible Employee(s) is a member of the LTIP Committee, such Eligible Employee(s) shall not participate in the deliberation or discussion of his own allocation and the Vesting Conditions of the LTIP Awards.
- 6.5 No Employee of a dormant company within the Group shall be eligible to participate in the Scheme.
- 6.6 Eligibility under the Scheme does not confer on an Eligible Employee(s) a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Employee(s) does not acquire or have any rights over or in connection with the LTIP Award(s) unless an LTIP Award has been made by the LTIP Committee to the Eligible Employee(s) and the Eligible Employee(s) has accepted the LTIP Award in accordance with By-Laws 28 and/or 34 hereof.

17. BY-LAWS FOR THE LTIP (Cont'd)

6.7 Subject to these By-Laws and any applicable law, the LTIP Committee shall have the discretion, at any time and from time to time, to extend the benefit of this Scheme to any Eligible Employee(s) who is seconded to a corporation which is not within the Group but which is a corporation associated with the Group or a subsidiary of a corporation associated with the Group, and deem such Eligible Employee(s) (whether seconded before or after the coming into force of these By-Laws) to be an Employee and such a corporation to be within the Group.

6.8 Any Eligible Employee(s) who holds more than one (1) position within the Group and by holding such positions, the Eligible Employee(s) is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those category/designation of employment. The LTIP Committee shall be entitled at its sole discretion to determine the applicable category/designation of employment.

7. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

7.1 The allocation of the Share(s) to be made available for the LTIP Award(s) under the Scheme shall be determined by the LTIP Committee.

7.2 Subject to By-Law 5 and any adjustment which may be made under By-Law 10, the maximum number of Share(s) to be awarded to an Eligible Employee(s) under the Scheme at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Employee(s)' designation, length of service, work performance, contribution towards growth of the Company, and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (a) Eligible Employees do not participate in the deliberation or discussion of their own allocation and the allocation to any person connected with them;
- (b) the total number of Share(s) made available under the Scheme shall not exceed the amount in By-Law 5.1 above;
- (c) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Scheme shall be allocated to any Eligible Employee(s) who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Employee(s), holds twenty percent (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (d) up to 50.00% of the total number of Share(s) which may be made available under the Scheme could be allocated, in aggregate, to the Director and senior management of the Group who are Eligible Employee(s) (where "**senior management**" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time). The maximum allocation of 50.00% to the Directors and senior management was determined to incentivise the Directors for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance.

PROVIDED ALWAYS THAT it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

7.3 In the event that an Eligible Employee(s) is promoted, the Maximum Allowable Allotment applicable to such Eligible Employee(s) shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of employee of which he then is a party, subject always to the maximum number of Share(s) available under the Scheme as stipulated under By-Law 5.1.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 7.4 In the event that an Eligible Employee(s) who is demoted/re-designated to a lower grade for whatsoever reason he shall only be entitled to the allocation of that lower grade unless an award has been made and accepted by him before such demotion/re-designated and where he has accepted an award which exceeds his Maximum Allowable Allotment under that lower grade, he shall not be entitled to any further allocation for that lower grade.
- 7.5 The Company shall ensure that the LTIP Award(s) awarded pursuant to the Scheme is verified by the Audit Committee of the Group at the end of each financial year as being in compliance with the award criteria of the LTIP Award(s) which have been disclosed to the Eligible Employee(s).
- 7.6 The LTIP Committee shall be entitled in its discretion to determine the aggregate maximum number of Shares that may be allocated between the ESOS and the ESGS which shall not in aggregate exceed 10.00% of the total number of issued Shares (excluding treasury shares, if any) from time to time, and to any one category/grade of the Eligible Employees.
- 7.7 Subject to By-Law 7.2 herein, nothing shall prevent the LTIP Committee from awarding more than one (1) LTIP Award(s) to an Eligible Employee(s) **PROVIDED THAT** the total aggregate number of Share(s) comprised in the LTIP Award(s) awarded to such Eligible Employee(s) during the Duration of the Scheme shall not exceed the Maximum Allowable Allotment that an Eligible Employee(s) is entitled under the LTIP Award(s).

8. RIGHTS ATTACHING TO SHARE(S)

- 8.1 The Share(s) arising upon exercising of the ESOS Option(s) and/or vesting of ESGS Award(s) shall, upon allotment and issuance and/or transfer, as the case may be:
- (a) be subject to the provisions of the Constitution; and
 - (b) rank equally and in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Share(s).
- 8.2 The new Shares to be allotted and issued under the ESOS will be subject to the provisions of the constitution of the Company and will, upon allotment and issuance, rank equally in all respects with the existing Shares including voting rights, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid to the shareholders for which the relevant entitlement date precedes the date of issuance of the new Shares pursuant to the ESOS.
- 8.3 In respect of the existing Shares to be transferred to the ESGS Participants pursuant to the vesting of the Shares comprised in an ESGS Award, such Shares rank equally in all respects with the existing Shares. However, the ESGS Participants shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the ESGS Participants on or prior to the relevant entitlement date of such dividends, rights, allotments and/or other distributions.

9. RESTRICTION ON DEALING/RETENTION PERIOD

- 9.1 The Share(s) arising upon exercising of the ESOS Option(s) and/or vesting of ESGS Award(s) pursuant to the Scheme will not be subjected to any retention period or restriction on transfer unless the LTIP Committee stipulates otherwise upon granting of the LTIP Award(s).
- 9.2 The Company encourages the LTIP Participant(s) to hold the Share(s) subscribed for by them or granted to them, as a long-term investment and not for any speculative and/or realisation of immediate gain. The expression "**retention period**" shall mean the period in which the Share(s) issued and/or granted pursuant to the Scheme must not be sold, transferred, assigned, disposed of or subject to any encumbrances by the LTIP Participant(s).

17. BY-LAWS FOR THE LTIP (Cont'd)

9.3 Notwithstanding the above By-Law 9.2, the LTIP Committee shall be entitled at its discretion to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.

10. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

10.1 In the event of any alteration in the share capital of the Company during the Duration of the Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of shares or reduction or any other variation of share capital (save for set-off against accumulated losses) or otherwise howsoever, the LTIP Committee may, in its discretion, determine whether:

- (a) in respect of the ESOS:
 - (i) the Subscription Price and/or
 - (ii) the number of unvested and unexercised ESOS Option(s); and
 - (iii) the Subscription Price and/or number of ESOS Option(s) in respect of which future ESOS Award(s) may be granted under ESOS,
- (b) in respect of the ESGS:
 - (i) the number of unvested Share(s) comprised in the ESGS Award(s); and
 - (ii) the method and/or manner in the vesting of the Shares comprised in the ESGS Award,

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

10.2 Subject to By-Law 10.3, the Subscription Price for the ESOS Award(s) and/or the number of new share(s) unvested relating to ESOS Option(s) and/or ESGS Award(s) shall be adjusted, calculated and determined by the LTIP Committee in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor of the Company:

(a) Consolidation and subdivision

If and whenever the number of issued share changes by reason of any consolidation or subdivision (including subdivision by way of a bonus issue without capitalisation of profits or reserves) or conversion, in respect of ESOS Option(s), the Subscription Price shall be adjusted and the adjusted number of the share(s) relating to the ESOS Option(s) and/or ESGS Award(s) (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$\text{New Subscription Price} = \frac{S \times L}{M}$$

$$\text{Additional number of share(s)} = \frac{T \times M}{L} - T$$

17. BY-LAWS FOR THE LTIP (Cont'd)

Where:

- L = Total number of issued share(s) immediately before the consolidation, subdivision or conversion
- M = Total number of issued share(s) immediately after the consolidation, subdivision or conversion
- S = Existing Subscription Price
- T = Existing number of the share(s) relating to the ESOS Option(s) and/or ESGS Award(s)

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

(b) Capitalisation of profits/reserves

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

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

and the number of share(s) relating to the ESOS Option(s) and/or ESGS Award(s) shall be adjusted by multiplying the existing number of share(s) relating to the ESOS Option(s) and/or ESGS Award(s) by the following fraction:

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

Where:

- A = the aggregate number of issued share(s) immediately before such bonus issue or capitalisation of profits or reserves of the Company; and
- B = the aggregate number of share(s) to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully issued by way of bonus issue or capitalisation of profits or reserves of the Company.

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

(c) If and whenever the Company shall make:

(i) Capital Distribution

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

17. BY-LAWS FOR THE LTIP (Cont'd)

(ii) Rights issue of the Share(s)

any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for new Share(s) by way of rights; or

(iii) Rights issue of convertible securities

any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new share(s) or securities with rights to acquire or subscribe for new share(s) attached thereto, then and in respect of each such case, the Subscription Price for the ESOS Award(s) 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 10.2(c)(ii) hereof, the number of share(s) relating to the ESOS Option(s) and/or ESGS Award(s) shall be adjusted by multiplying the existing number of share(s) relating to the ESOS Option(s) and/or ESGS Award(s) by the following fraction:

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

Where:

C = the current market price of each share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the 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 in consultation with the Adviser; and

- D = (aa) in the case of an offer or invitation to acquire or subscribe for new share(s) under By-Law 10.2(c)(ii) above or for securities convertible into share(s) or securities with rights to acquire or subscribe for new share(s) under By-Law 10.2(c)(iii) above, the value of rights attributable to one (1) share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 10.2(c) hereof, the fair market value as determined by the Adviser and/or the external auditor of the Company of that portion of the Capital Distribution attributable to one (1) share.

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

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

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

Where:

C = as C above;

17. BY-LAWS FOR THE LTIP (Cont'd)

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

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

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

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

Where:

C = as C above;

E* = the subscription price for one (1) additional share(s) under the terms of such offer or invitation; and

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

For the purpose of By-Law 10.2(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new share(s) (not falling under By-Law 10.2(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company.

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

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.

(iv) Capitalisation of profits/reserves and rights issue of share(s)/convertible securities

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 10.2(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 10.2(c)(ii) or (iii) above and Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription 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 10.2(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 10.2(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional share(s) comprised in the ESOS Option(s) and/or ESGS Award(s) to be issued shall be calculated as follow:

17. BY-LAWS FOR THE LTIP (Cont'd)

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

Where:

B = as B above;

C = as C above;

G = the aggregate number of issued share(s) on the Entitlement Date;

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

H* = the aggregate number of new share(s) under an offer or invitation to acquire or subscribe for the share(s) by way of rights;

I = the subscription price of one (1) additional share(s) under the offer or invitation to acquire or subscribe for the share(s) or the subscription price of one (1) share(s) upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) share(s) under the offer or invitation, as the case may be; and

I* = the subscription price of one (1) additional share(s) under the offer or invitation to acquire or subscribe for the share(s).

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.

(v) Rights issue of the share(s) and rights issue of convertible securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new share(s) as provided in By-Law 10.2(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new share(s) or securities with rights to acquire or subscribe for new share(s) as provided in By-Law 10.2(c)(iii) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:

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

and the number of share(s) relating to the ESOS Option(s) and/or ESGS Award(s) shall be adjusted by multiplying it by the following fraction:

(1) in respect of the ESOS Options(s):

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

(2) in respect of the ESGS Award(s):

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

C = as C above;

G = as G above;

17. BY-LAWS FOR THE LTIP (Cont'd)

- H* = as H* above;
- I* = as I* above;
- J = The aggregate number of share(s) to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for share(s) by the ordinary shareholders; and
- K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional share.

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.

(vi) Capitalisation of profits/reserve, rights issue of the Share(s) and rights issue of convertible securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 10.2(b) above and also makes an offer or invitation to acquire or subscribe for share(s) to its ordinary shareholders as provided in By-Law 10.2(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new share(s) or with rights to acquire or subscribe for share(s) as provided in By-Law 10.2(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:

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

and the number of relating to the ESOS Option(s) and/or ESGS Award(s) shall be adjusted by multiplying it by the following fraction:

- (1) in respect of the ESOS Option(s):

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

- (2) in respect of the ESGS Award(s):

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

Where:

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

17. BY-LAWS FOR THE LTIP (Cont'd)

J = as J above;

K = as K above;

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

For the purpose of By-Law 10.2(c)(iii), (iv), (v) and (vi), the current market price in relation to one (1) existing share for any relevant day shall be the weighted average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

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

- (a) any adjustment to the Subscription Price shall be rounded up to the nearest one (1) sen;
- (b) in the event that a fraction of a new share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon exercising of an ESOS Option and/or vesting of the ESGS Awards by the LTIP Participant(s), the LTIP Participant(s)' entitlement shall be round down to the nearest whole number;
- (c) upon any adjustment being made pursuant to these By-Laws, the LTIP Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the LTIP Participant(s) (or his legal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in affect and/or the revised number of share(s) to be issued on the exercise of the ESOS Option(s) and/or to be vested under the ESGS Award(s); and
- (d) any adjustments made must be in compliance with the provisions for adjustments provided in these By-Laws.

For avoidance of doubt, any adjustments to the Subscription Price for the ESOS Award(s) and/or the number of new share(s) unvested relating to ESOS Option(s) and/or ESGS Award(s) so far as unvested and/or unexercised arising from bonus issue, subdivision or consolidation of the share(s) need not be confirmed in writing by the external auditors or the Adviser of the Company.

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

10.5 The provisions of By-Law 10 shall not apply where the alteration in the capital structure of the Company arises from any of the following:

- (a) an issue of Share(s) pursuant to the vesting of LTIP Award(s) under the Scheme;
- (b) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;
- (c) private placement or restricted issue or special issue of new Share(s) by the Company;
- (d) a special issue of securities to Bumiputera parties or investors nominated by the Ministry of Investment, Trade and Industry and/or other government authority to comply with the government's policy on Bumiputera capital participation;

17. BY-LAWS FOR THE LTIP (Cont'd)

- (e) a purchase by the Company of its own Share(s) and cancellation of all or a portion of such Share(s) purchased pursuant to Section 127 of the Act; or
 - (f) an issue of new Share(s) arising from the exercise of any conversion rights attached to securities convertible to new Share(s) or upon exercise of any other rights including warrants and convertible loan stocks or other instruments (if any) issued by the Company.
- 10.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 10.1 shall be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 10.1 is applicable, but By-Law 10.1 shall not be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 10.1 is not applicable as described in By-Law 10.5.
- 10.7 An adjustment pursuant to By-Law 10.1 shall be made according to the following terms:
- (a) in the case of a right issue, bonus issue or other capitalisation issue, on the next Market Day following the Entitlement Date in respect of such issue; or
 - (b) in the case of a consolidation or subdivision of the Share(s) or reduction of capital, on the Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 10.8 Upon any adjustment being made, the LTIP Committee shall give notice in writing within thirty (30) days from the date of adjustment to the LTIP Participant(s), or his legal representative, where applicable, to inform him/her of the adjustment and the event giving rise thereto.
- 10.9 Notwithstanding the provisions referred to in these By-Laws, the LTIP Committee may exercise its sole discretion to determine whether any adjustments to the Subscription Price for the ESOS Award(s) and/or the number of new Share(s) unvested relating to ESOS Option(s) and/or ESGS Award(s) comprised in the LTIP Award(s) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Subscription Price for the ESOS Award(s) and/or the number of new Share(s) unvested relating to ESOS Option(s) and/or ESGS Award(s) comprised in the LTIP Award(s) notwithstanding that no such adjustment formula has been explicitly set out in these By-Laws.

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

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

17. BY-LAWS FOR THE LTIP (Cont'd)

the LTIP Committee may at its discretion to the extent permitted by law permit the vesting of the LTIP Awards and the LTIP Participant(s) will be entitled to within such period to be determined by the LTIP Committee, to subscribe and/or exercise all or any of his LTIP Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Share(s) that may be issued pursuant to the LTIP Award(s) under these By-Law.

- 11.2 In the foregoing circumstances, all LTIP Award(s) which the LTIP Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the LTIP Committee notwithstanding that the LTIP Award Vesting Date(s) has not commenced or has not expired.
- 11.3 Notwithstanding to the provisions of these By-Laws and subject to the sole discretion of the LTIP Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, the LTIP Committee may at its absolute discretion decide whether a LTIP Participant(s) may be entitled to be vested and/or to exercise all or any of his unvested and/or unexercised LTIP Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no LTIP Awards shall be vested and LTIP Awards shall be subscribed and/or exercised after the expiry of the LTIP Award Vesting Date(s). Upon the compromise or arrangement becoming effective, all unvested and/or unexercised LTIP Awards shall automatically lapse and become null and void and of no further force and effect.

12. DIVESTMENT FROM THE GROUP

- 12.1 If a LTIP Participant(s) who was in the employment of a company in the Group which was subsequently divested, then such LTIP Participant(s) shall:
- (a) not be entitled to continue to exercise all such unexercised vested ESOS Option(s) held by him from the date of completion of such divestment;
 - (b) cease to be capable of being vested with any unvested ESOS Option(s) and/or unvested ESGS Award(s) granted to him under the Scheme from the date of completion of such divestment unless the LTIP Committee at its discretion permit such exercise of the unexercised vested ESOS Option(s) or the vesting of the unvested ESOS Option(s) and/or unvested ESGS Award(s) including its allocation thereof. For avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing LTIP Award(s) shall automatically lapse and become null and void and of no further force and effect;
 - (c) not be eligible to participate for further LTIP Award(s) under the Scheme as from the date of completion of such divestment.
- 12.2 For the purposes of By-Law 12.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act (other than pursuant to a takeover, scheme of arrangement, amalgamation, reconstruction, merger or otherwise as provided under the By-Law 11).
- 12.3 In the event that:
- (a) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of "the Group") and is subsequently transferred from such company to any company within the Group; or

17. BY-LAWS FOR THE LTIP (Cont'd)

- (b) an employee who was in the employment of a company which subsequently becomes a company within the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in By-Law 12.3(a) above;

(the first abovementioned company in By-Law 12.3(a) and (b) herein referred to as the "**Previous Company**"), such an employee of the Previous Company will be eligible to participate in this Scheme for the remaining Duration of the Scheme, if the affected employee becomes an "**Eligible Employee(s)**" within the meaning under these By-Laws.

- 12.4 For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to By-Law 12.3(b) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the Duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of the Group (PROVIDED THAT such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Employee(s)" under By-Law 1 and the provisions of these By-Laws shall apply.

13. WINDING UP

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

14. DURATION AND TERMINATION OF THE SCHEME

- 14.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including but not limited to 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;
 - (b) approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for such number of Share(s) to be issued under the Scheme;
 - (c) procurement of the shareholders' approval for the Scheme in a general meeting;
 - (d) receipt of the approval of any other relevant authorities (where applicable) whose approvals are necessary in respect of the Scheme; and
 - (e) fulfilment or waiver (as the case may be) of all applicable conditions attached to the above approvals (if any).
- 14.2 The Scheme, when implemented, shall be in force for a duration of five (5) years commencing from the Effective Date, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements and under the law in relation to the Scheme.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 14.3 The Duration of the Scheme may be extended for a further period of up to five (5) years immediately from the expiry of the Duration of the Scheme ("**Date of Expiry**") on the same terms and conditions as contained in these By-Laws at the discretion of the Board upon the recommendation of the LTIP Committee, without having to obtain approval of the Company's shareholders. Any extension of the Scheme shall not, in aggregate with the initial term, exceed ten (10) years from the Effective Date, or such longer period as may be allowed by the relevant authorities.
- 14.4 On the expiry of the Scheme, any LTIP Awards which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void and of no further force and effect.
- 14.5 The Scheme may be terminated by the LTIP Committee at any time before the Date of Expiry, provided that the Company makes an announcement immediately to Bursa Securities, which the contents of the said announcement shall, amongst others, include:-
- (a) the effective date of termination of the Scheme ("**Termination Date**");
 - (b) the number of ESOS Option(s) exercised pursuant to ESOS and/or number of Share(s) vested pursuant to ESGS; and
 - (c) the reasons for termination of the Scheme.
- 14.6 In the event of termination as stipulated in By-Law 14.5 above, the following provisions shall apply:
- (a) no further LTIP Award(s) shall be awarded by the LTIP Committee from the Termination Date;
 - (b) all LTIP Award(s) which have yet to be accepted by the Eligible Employee(s) shall automatically lapse and become null and void on the Termination Date; and
 - (c) any LTIP Award(s) which have yet to be exercised or vested (as the case may be and whether fully or partially) awarded under the Scheme shall be deemed cancelled and be null and void.

15. SUBSEQUENT EMPLOYEES' SHARE SCHEMES

- 15.1 Subject to the approval of Bursa Securities and other relevant authorities, the Company may establish a new long term incentive plan after the Date of Expiry of this Scheme or upon termination of this Scheme.
- 15.2 The Company may implement more than one (1) scheme PROVIDED THAT the aggregate number of Share(s) available under all the schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

16. COMPENSATION

- 16.1 No Eligible Employee(s) shall be entitled to any right to compensation or damages arising from the termination of the LTIP Awards(s) or this Scheme pursuant to the provisions of these By-Laws.
- 16.2 Notwithstanding any provisions of these By-Laws:
- (a) this Scheme shall not form part of any contract of employment between the Company and any Eligible Employee(s). The rights of any Eligible Employee(s) under the terms of his office and/or employment shall not be affected by his participation in the Scheme, nor shall such participation or the LTIP Award(s) or consideration for the LTIP Award(s) afford such Eligible Employee(s) any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;

17. BY-LAWS FOR THE LTIP (Cont'd)

- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the LTIP Award(s)) against the Company or any member of the LTIP Committee directly or indirectly, or give rise to any course of action in law or in equity against the Company or the Group;
- (c) no LTIP Participant(s) or his personal or legal representative (as the case may be) shall bring any claim, action or proceeding against the Company, the LTIP Committee or any other party for compensation, loss or damages whatsoever and howsoever arising including but not limited to:
 - (i) the suspension/cancellation of his rights to exercise his LTIP Award(s) in accordance with this By-Laws; or
 - (ii) his LTIP Award(s) ceasing to be valid pursuant to the provisions of these By-Laws as may be amended from time to time.
- (d) the Company, the Board (including Directors that had resigned but were on the Board during the Duration of the Scheme) or the LTIP Committee shall in no event be liable to the LTIP Participant(s) or his personal or legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Share(s) 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 the Company, the Board or the LTIP Committee has been advised of the possibility of such damage.

17. MODIFICATION/VARIATION TO THE SCHEME

- 17.1 The LTIP Committee may at any time and from time to time recommend to the Board any amendments and/or modifications to all or any of the provisions of these By-Laws and the power to amend and/or modify all or any of the provisions of these By-Laws shall rest with the Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in these By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.
- 17.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws UNLESS such additions, modifications or amendments to or deletions of these By-Laws made will:
 - (a) prejudice any rights then accrued to any the LTIP Participant(s) without the prior consent or sanction of that the LTIP Participant(s);
 - (b) prejudice any rights of the shareholders of the Company;
 - (c) increase the maximum number of Share(s) which may be made available under the Scheme provided under By-Law 5.1; and
 - (d) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Employee(s) and/or LTIP Participant(s), unless allowed otherwise by the provisions of the Listing Requirements.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 17.3 The Company is required to submit to Bursa Securities a confirmation letter that the amendment and/or modification does not contravene any of the provisions of the Listing Requirements and the Rules of Bursa Depository no later than five (5) Market Days after the effective date of the said amendment and/or modification is made.
- 17.4 The LTIP Committee shall within ten (10) Market Days of any amendment and/or modification made pursuant to this By-Law notify the LTIP Participant(s) in writing of any amendment and/or modification made pursuant to this By-Law.

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

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

19. SCHEME NOT A TERM OF EMPLOYMENT

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

20. TAXES

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

21. DISPUTES OR DIFFERENCES

- 21.1 In case any dispute or difference shall arise between the LTIP Committee and an Eligible Employee(s) or a LTIP Participant(s) or in the event of an appeal by an Eligible Employee(s), 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 LTIP Committee during the Duration of the Scheme. The LTIP Committee then shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Employee(s) and/or the LTIP Participant(s), as the case may be PROVIDED THAT where the dispute is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance. In the event the Eligible Employee(s) or the LTIP Participant(s), as the case may be, shall dispute the same by written notice to the LTIP Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, PROVIDED THAT any Director of the Company who is also in the LTIP 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. The Board and the LTIP Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities. 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 LTIP Committee shall be borne by such party.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 21.2 Notwithstanding the foregoing provisions of By-Law 21.1 above, matters concerning adjustments made pursuant to By-Law 10 shall be referred to external auditors or the Adviser of the Company who shall act as experts and not as arbitrators and whose opinion shall be final and binding in all respects.

22. COSTS AND EXPENSES

- 22.1 All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue and/or transfer of the Share(s) pursuant to the LTIP Award, shall be borne by the Company. Notwithstanding this, the LTIP Participant(s) shall bear any fees, costs and expenses incurred in relation to his acceptance of the LTIP Award(s) and exercise of the ESOS Option(s) under the Scheme and any holding or subsequent dealing of such Share(s) after the Share(s) have been successfully issued and allotted or transferred to the LTIP Participant(s) pursuant to the LTIP Award(s), including but not limited to the opening and maintenance of CDS Account, brokerage commissions and stamp duty.

23. CONSTITUTION

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

24. NOTICE

- 24.1 Any notice which under the Scheme is required to be given to or served upon the LTIP Committee by an Eligible Employee(s) or LTIP Participant(s) or any correspondence to be made between an Eligible Employee(s) or LTIP Participant(s) and the LTIP Committee shall be given or served in writing and either delivered by hand or by registered post sent to the business address of the Company or by electronic mail to the Company's electronic mail address.
- 24.2 Any notice under the Scheme required to be given to or served upon an Eligible Employee(s) or LTIP Participant(s) shall be deemed to be sufficiently given, served or made if it is given, served or made by hand or sent by registered post to the Eligible Employee(s) or LTIP Participant(s) at his place of employment or by electronic mail to his electronic mail address.
- 24.3 Any notice served by hand, by electronic mail or registered post as aforesaid shall be deemed to have been received at:-
- (a) if by hand, when such notice is received and acknowledged on the date of delivery; or
 - (b) if by electronic mail, when such notice is received by the recipient on the Market Day immediately following the day on which the electronic mail is sent; or
 - (c) if sent by registered post, three (3) Market Days after posting.
- 24.4 Any notice served by a party after the Company's official working hours shall be deemed to have been served on the next working day.
- 24.5 Any change of address of the Eligible Employee(s) or the LTIP Participant(s) shall be communicated in writing to the Company by email or ordinary letter.

25. SEVERABILITY

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

17. BY-LAWS FOR THE LTIP (Cont'd)

25A. DISCLOSURES IN ANNUAL REPORT

25A.1 The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements.

26. GOVERNING LAW

26.1 The Scheme, the By-Laws, and all LTIP Awards made and granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The LTIP Participant(s), by accepting the LTIP Award in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

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17. BY-LAWS FOR THE LTIP (Cont'd)**SECTION 1****ESOS****27. ESOS AWARD**

- 27.1 During the Duration of the Scheme as provided under By-Law 14.2, the LTIP Committee may, at its sole discretion, at any time and from time to time award the ESOS Award(s) in writing to an Eligible Employee(s) subject to the Maximum Allowable Allotment as set out in By-Law 7.2(b) and further subject to other terms and conditions of these By-Laws. Each ESOS Award(s) awarded to selected Eligible Employee(s) shall be separate and independent from any previous or subsequent ESOS Award(s) awarded by the LTIP Committee to that Eligible Employee(s).
- 27.2 The actual number of ESOS Option(s) which may be awarded to an Eligible Employee(s) shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 10. The number of the Share(s) which may be allotted and issued upon exercising the ESOS Option(s) shall not be less than one hundred (100) Share(s) nor more than the Maximum Allowable Allotment as set out in By-Law 7.2(b) and shall be in multiples of one hundred (100) Share(s). The LTIP Committee may stipulate any terms and conditions it deems appropriate in a ESOS Award(s) and the terms and conditions of each may differs.
- 27.3 The LTIP Committee shall state the following particulars in the ESOS Award(s) letter:
- (a) the number of ESOS Option(s) under the ESOS Award(s) that are being awarded to the Eligible Employee(s);
 - (b) the number of the Share(s) which the Eligible Employee(s) shall be entitled to subscribe for upon the vesting and exercise of the ESOS Option(s);
 - (c) the ESOS Award Date(s);
 - (d) the Option Period;
 - (e) the Subscription Price;
 - (f) the Offer Period;
 - (g) the Vesting Conditions;
 - (h) ESOS Vesting Date(s);
 - (i) the manner of acceptance of the ESOS Award(s);
 - (j) the closing date for the acceptance of the ESOS Award(s); and
 - (k) any other terms and conditions deemed necessary by the LTIP Committee.
- 27.4 Without prejudice to By-Law 4, in the event the ESOS Award(s) letter contains an error on the part of the Company in stating any of the particulars in By-Law 27.3 above, the following provisions shall apply:
- (a) as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental ESOS Award(s) letter, stating the correct particulars referred to in By-Law 27.3;
 - (b) in the event that the error relates to particulars other than the Subscription Price, the Subscription Price applicable in the supplemental ESOS Award(s) letter shall remain as the Subscription Price as per the original ESOS Award(s) letter; and

17. BY-LAWS FOR THE LTIP (Cont'd)

- (c) in the event that the error relates to the Subscription Price, the applicable Subscription Price shall be the Subscription Price in the supplemental ESOS Award(s) letter and with effect as at the date of the supplemental ESOS Award(s) letter, save and except with respect to any ESOS Option(s) which have already been exercised as at the date of issue of the supplemental ESOS Award(s) letter.

28. ACCEPTANCE

- 28.1 The ESOS Award(s) shall be valid for acceptance by the Eligible Employee(s) within the Offer Period by written notice acceptance to the LTIP Committee accompanied by a nominal non-refundable payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only, as acceptance of the ESOS Award(s).
- 28.2 The day of receipt by the Company of such written notice shall constitute the Date of Acceptance of ESOS Award(s).
- 28.3 If the ESOS Award(s) is not accepted in the manner and within the time as set out in By-Law 28.1 or in the event of death or cessation of employment of the Eligible Employee(s) or the Eligible Employee(s) becomes a bankrupt prior to his acceptance of the ESOS Award(s), the ESOS Award(s) shall automatically lapse and become null and void. The ESOS Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Employee(s).
- 28.4 Upon acceptance of the ESOS Award(s) by the Eligible Employee(s), the ESOS Award(s) will be vested to the ESOS Participant(s) on the ESOS Vesting Date(s) during the Duration of the Scheme, subject to the ESOS Participant(s) fulfilling the vesting condition(s), if any, as determined by the LTIP Committee.

29. ESOS VESTING CONDITIONS AND EXERCISE OF OPTIONS

- 29.1 Subject to the provisions of these By-Laws, the ESOS Option(s) awarded to the ESOS Participant(s) are exercisable by that ESOS Participant(s) during his employment in the Group during the Duration of the Scheme. All unexercised ESOS Option(s) shall become null and void after the Option Period without any claim against the Company or the Group.
- 29.2 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions specified in respect of the ESOS Award(s). The ESOS Option(s) can be exercised by the ESOS Participant(s) on the ESOS Vesting Date(s) once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (a) the ESOS Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination on the ESOS Vesting Date; and
- (b) any other conditions which are determined by the LTIP Committee.
- 29.3 If applicable, where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the ESOS Participant(s) the number of ESOS Option(s) vested or which will be vested to him on the ESOS Vesting Date(s) ("**ESOS Vesting Notice**").
- 29.4 The ESOS Participant(s) shall exercise his vested ESOS Option(s) by notice in writing to the Company in such form as the LTIP Committee may prescribe or approve. The procedure for the exercise of the ESOS Option(s) to be complied with by a ESOS Participant(s) shall be determined by the LTIP Committee from time to time.
- 29.5 Every written notice to exercise the ESOS Option(s) shall state the number of the Share(s) that the ESOS Participant(s) intends to subscribe and shall state his CDS Account ("**Notice of Exercise**").

17. BY-LAWS FOR THE LTIP (Cont'd)

- 29.6 The ESOS Participant(s) shall complete the Notice of Exercise together with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the Subscription Price in relation to the number of the Share(s) in respect of which the Notice of Exercise is given and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within eight (8) Market Days from the date of receipt of the Notice of Exercise or such other period as may be prescribed or allowed by Bursa Securities,
- (a) allot and issue such number of new Share(s) to the ESOS Participant(s) and/or transfer the relevant number of existing Share(s) to the ESOS Participant(s) (subject to absolute discretion of the LTIP Committee);
 - (b) despatch a notice of allotment to the ESOS Participant(s), if applicable; and
 - (c) apply for quotation of such new Share(s).
- 29.7 The Share(s) arising from the exercising of the ESOS Award(s) shall be credited directly to the CDS Account of the ESOS Participant(s) and no physical share certificate will be issued and delivered to the ESOS Participant(s). The ESOS Participant(s) shall provide the LTIP Committee with his CDS Account number when accepting the ESOS Award(s). Any change to the ESOS Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.
- 29.8 Any failure to comply with the procedures specified by the LTIP 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 sole discretion of the LTIP Committee. The LTIP Committee shall inform the ESOS Participant(s) of the rejection of the Notice of Exercise within five (5) Market Days from the date of rejection and the ESOS Participant(s) shall then be deemed not to have exercised his ESOS Option(s).
- 29.9. The LTIP Committee may with its power under By-Law 4, at any time and from time to time, before and after the ESOS Award(s) is awarded, limit the exercise of the ESOS Options to a maximum number of Share(s) and/or such percentage of the total Share(s) comprised in the ESOS Options and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier.
- 29.10 A ESOS Participant(s) shall exercise the ESOS Option(s) awarded to him in whole or part multiples of one hundred (100) new Share(s) or such other units of the Share(s) constituting one (1) board lot as may be determined by the LTIP Committee, save and except where a ESOS Participant's balance of ESOS Option(s) exercisable in accordance with these By-Laws shall be less than one hundred (100) new Share(s) or such other units of the Share(s) constituting one (1) board lot as may be determined by the LTIP Committee, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option(s) as to the balance of any ESOS Option(s).
- 29.11 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant ESOS Participant(s) to that effect, to suspend the right of any ESOS Participant(s) 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 ESOS Participant(s) or is found to have no basis or justification) to exercise his ESOS Option(s) pending the outcome of such Disciplinary Proceedings.
- 29.12 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the ESOS Participant(s)' right to exercise his ESOS Option(s) having regard to the nature of the charges made or brought against such ESOS Participant(s), PROVIDED ALWAYS THAT:
- (a) in the event such ESOS Participant(s) is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such ESOS Participant(s) to exercise his ESOS Option(s);

17. BY-LAWS FOR THE LTIP (Cont'd)

- (b) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such ESOS Participant(s), all unexercised and partially exercised ESOS Option(s) of the ESOS Participant(s) shall immediately lapse and become null and void and of no further force and effect, without notice to the ESOS Participant(s), upon pronouncement of the dismissal or termination of service of such ESOS Participant(s) notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESOS Participant(s) in any other forum; or
- (c) in the event the ESOS Participant(s) is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the ESOS Participant(s) may continue to exercise his ESOS Option(s) or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise right.

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

30. NON-TRANSFERABILITY

- 30.1 An ESOS Award(s) is personal to the Eligible Employee(s) and shall be accepted solely by that Eligible Employee(s) and is not capable of being accepted by any third party on behalf of that Eligible Employee(s) by his representative or any other persons.
- 30.2 Subject to the provisions in these By-Laws, an ESOS Award(s) is personal to the ESOS Participant(s) during his employment or appointment with the Group and it shall not be transferred, assigned or disposed by the ESOS Participant(s).

31. SUBSCRIPTION PRICE

- 31.1 The Subscription Price of each Share in the ESOS Option(s) shall be:-
 - (a) in respect of any ESOS Option(s) granted in conjunction with the listing of the Company on the ACE Market of Bursa Securities shall be the initial public offer price of the Shares in the Company; or
 - (b) in respect of any ESOS Option(s) granted after the listing of the Company on the ACE Market of Bursa Securities, to be determined by the Board upon recommendation of the LTIP Committee which shall be based on a discount of not more than ten percent (10%) or such higher limit as may be permitted from time to time by Bursa Securities or any other relevant authorities to five (5) Market Days volume weighted average price of the Share(s) immediately preceding the ESOS Award Date(s) during the Duration of the Scheme.
- 31.2 The Subscription Price shall be subject to any adjustments in accordance with By-Law 10 and pursuant to the Listing Requirements.

17. BY-LAWS FOR THE LTIP (Cont'd)**32. TERMINATION OF ESOS AWARD(S)**

32.1 Prior to the full vesting of any ESOS Award(s) in the manner as provided for under By-Law 29.3, such ESOS Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:

- (a) termination or cessation of employment of the ESOS Participant(s) within the Group for any reasons whatsoever, in which event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the day the ESOS Participant(s)' employer accepts his notice of resignation or on the day the ESOS Participant(s)' employer notifies the ESOS Participant(s) of termination of his employment or on the day the ESOS Participant(s) notifies his employer of his resignation or on the ESOS Participant(s)' last day of employment, whichever is the earlier;
- (b) bankruptcy of the ESOS Participant(s), in which event the ESOS Award(s) 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 ESOS Participant(s) by a court of competent jurisdiction;
- (c) upon the happening of any other event which results in the ESOS Participant(s) being deprived of the beneficial ownership of the ESOS Award(s), in such event the ESOS Award(s) 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;
- (d) winding up or liquidation of the Company, in such event the ESOS Option(s) shall be automatically terminated on the following date:
 - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) termination of the Scheme pursuant to By-Law 14.5, in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date;

whichever shall be applicable.

32.2 Notwithstanding By-Law 32.1 above, the LTIP Committee may at its discretion allow a ESOS Participant(s) to continue to hold and to exercise any ESOS Option(s) held by him in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (a) retirement upon or after attaining the age in accordance with the Company's retirement policy;
- (b) retirement before attaining the normal retirement age with the consent of his employer;
- (c) ill-health, injury, physical or mental disability;
- (d) redundancy, retrenchment pursuant to the acceptance by that ESOS Participant(s) or voluntary separation scheme offered by a company within the Group; or
- (e) any other circumstances as may be deemed as acceptable to the LTIP Committee in its sole discretion.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 32.3 Applications under By-Law 32.2 above shall be made during the Duration of the Scheme and:
- (a) in a case where By-Law 32.2(a), (b) or (e) is applicable, within one (1) month before the ESOS Participant(s)' last day of employment, the ESOS Participant(s) may be vested with such number of unvested Share(s) under the ESOS Award(s) within the said one (1) month period. In the event that no application is received by the LTIP Committee within the said period, any such number of unvested Share(s) under the ESOS Award(s) at the expiry of the Option Period shall be automatically terminated;
 - (b) in a case where By-Law 32.2(c) is applicable, within one (1) month after the ESOS Participant(s) notifies his employer of his resignation due to ill-health, injury, physical or mental disability, the ESOS Participant(s) may be vested with such number of unvested Share(s) under the ESOS Award(s) within the said one (1) month period. In the event that no application is received by the LTIP Committee within the said period, any unvested Share(s) under the ESOS Award(s) at the expiry of the said period shall be automatically terminated; and
 - (c) in a case where By-Law 32.2(d) is applicable, within one (1) month after the ESOS Participant(s) are notified that he will be retrenched or, where he is given an offer by his employer as to whether he wishes to accept retrenchment upon certain terms, within one (1) month after he accepts such offer. Thereafter, any such number of unvested and/or unexercised Share(s) under the ESOS Award(s) at the expiry of the said period shall be automatically terminated.
- 32.4 The LTIP Committee shall consider applications under By-Law 32.3 on a case to case basis and may at its sole discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decisions of the LTIP Committee shall be final and binding. In the event the LTIP Committee approves an application in whole or in part, the ESOS Participant(s) may exercise the ESOS Option(s) which are the subject of the approval for such period so approved by the LTIP Committee during the Duration of the Scheme and subject to the provisions of By-Law 29. Any ESOS Option(s) in respect of which an application is rejected shall be deemed automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 32.1 or on the date of the LTIP Committee's decision, whichever is the later.
- 32.5 In the event a ESOS Participant(s) dies before the expiration of the Duration of the Scheme and at the time of his death held unexercised ESOS Option(s), such unexercised ESOS Option(s) may be exercised by the representative of the deceased ESOS Participant(s) after the date of his death PROVIDED THAT such exercise shall be within the Duration of the Scheme subject to the approval of the LTIP Committee.
- 32.6 Notwithstanding By-Law 32.5 above, the ESOS Participant(s) may, during his lifetime, nominate any of his immediate family members who have attained the age of eighteen (18) years at the time of nomination to exercise the ESOS Option(s) (which are unexercised at the time of the death of the deceased ESOS Participant(s)) or after the death of the deceased ESOS Participant(s) but in any event during the Duration of the scheme. The ESOS Option(s) exercised pursuant to the provision of this By-Law 32.6 may be for the benefit of the estate of the ESOS Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the ESOS Participant(s) during his lifetime and shall be in the prescribed form approved by the LTIP Committee and the Share(s) to be allotted and issued will be in the name of the deceased ESOS Participant(s)' estate or in the name of the nominated person as the ESOS Participant(s) shall elect in his lifetime. In the event no nomination is made by the ESOS Participant(s) during his lifetime, his unexercised ESOS Option(s) shall only be exercised by the legal personal representatives pursuant to By-Law 32.5 above.
- 32.7 For the purposes of By-Law 32.6 above, the term "**immediate family members**" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the ESOS Participant(s).

17. BY-LAWS FOR THE LTIP (Cont'd)**SECTION 2****ESGS****33. ESGS AWARD**

- 33.1 During the Duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the ESGS Award(s) in writing to an Eligible Employee(s) subject to the Maximum Allowable Allotment as set out in By-Law 7.2(b) and further subject to other terms and conditions of these By-Laws. Each ESGS Award(s) awarded to the selected Eligible Employee(s) shall be separate and independent from any previous or subsequent ESGS Award(s) awarded by the LTIP Committee to that Eligible Employee(s).
- 33.2 The actual number of the Share(s) which may be awarded to an Eligible Employee(s) shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 10. The number of the Share(s) arising from the vesting of the ESGS Award(s) shall not be less than one hundred (100) Share(s) nor more than the Maximum Allowable Allotment as set out in By-Law 7.2(b) and shall be in multiples of one hundred (100) Share(s). The LTIP Committee may stipulate any terms and conditions it deems appropriate in a ESGS Award(s) and the terms and conditions of each may differs.
- 33.3 The LTIP Committee shall state the following particulars in the ESGS Award(s) letter:
- (a) the number of the Share(s) which the Eligible Employee(s) shall be entitled upon acceptance of the ESGS Award(s);
 - (b) the ESGS Award Date;
 - (c) the vesting conditions of the ESGS Award(s) as determined by the LTIP Committee, if any;
 - (d) the ESGS Vesting Date(s);
 - (e) the Validity Period;
 - (f) the manner of acceptance of the ESGS Award(s);
 - (g) the closing date for the acceptance of the ESGS Award(s); and
 - (h) any other terms and conditions deemed necessary by the LTIP Committee.
- 33.4 Under the ESGS, the reference price of the ESGS Award(s) to be awarded will be determined based on the fair value of the ESGS Award(s), which will take into account, amongst others, the market price of the Share(s) as at or prior to the award date of the ESGS Award(s).
- 33.5 Without prejudice to By-Law 4, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 33.3 above, as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental ESGS Award(s) letter, stating the correct particulars referred to in By-Law 33.3.

34. ACCEPTANCE

- 34.1 The ESGS Award(s) shall be valid for acceptance by the Eligible Employee(s) within the Validity Period by written notice to the LTIP Committee accompanied by a nominal non-refundable payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only, as acceptance of the ESGS Award(s).
- 34.2 The day of receipt by the Company of such written notice shall constitute the Date of Acceptance of the ESGS Award(s).

17. BY-LAWS FOR THE LTIP (Cont'd)

- 34.3 If the ESGS Award(s) is not accepted in the manner and within the time as set out in By-Law 34.1 or in the event of death or cessation of employment of the Eligible Employee(s) or the Eligible Employee(s) becomes a bankrupt prior to his acceptance of the ESGS Award(s), the ESGS Award(s) shall automatically lapse and become null and void. The ESGS Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Employee(s).
- 34.4 Upon acceptance of the ESGS Award(s) by the Eligible Employee(s), the ESGS Award(s) will be vested to the ESGS Participant(s) on the ESGS Vesting Date(s) during the Duration of the Scheme subject to the ESGS Participant(s) fulfilling the Vesting Conditions, if any, as determined by the LTIP Committee.
- 34.5 The ESGS Participant(s) is not required to pay for the Share(s) they are entitled to receive upon vesting of the ESGS Award(s).

35. ESGS VESTING CONDITIONS

- 35.1 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions specified in respect of the ESGS Award(s). The Share(s) to be issued under the ESGS Award(s) shall be vested to the ESGS Participant(s) on the ESGS Vesting Date(s) once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (a) the ESGS Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the ESGS Vesting Date(s); and
 - (b) any other conditions which are determined by the LTIP Committee.
- 35.2 If applicable, where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the ESGS Participant(s) of the number of the Share(s) vested or which will be vested to him on the ESGS Vesting Date(s) ("**ESGS Vesting Notice**").
- 35.3 No ESGS Participant(s) shall have the right to or interest in the Share(s) under the ESGS Award(s) until and unless such number of Share(s) are credited into their respective CDS Accounts.
- 35.4 The ESGS Participant(s) shall provide all information as required in the ESGS Vesting Notice and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within eight (8) Market Days from the ESGS Vesting Date or such other period as may be prescribed or allowed by Bursa Securities,
- (a) transfer the relevant number of existing Share(s) to the ESGS Participant(s) (subject to absolute discretion of the LTIP Committee); and
 - (b) despatch notice of transfer to the ESGS Participant(s) accordingly, if applicable.
- 35.5 The Share(s) arising from the vesting of the ESGS Award(s) shall be credited directly to the CDS Account of the ESGS Participant(s) and no physical share certificate will be issued and delivered to the ESGS Participant(s) or his Authorised Nominee as the case may be. The ESGS Participant(s) shall provide the LTIP Committee with his CDS Account number when accepting the ESGS Award(s). Any change to the ESGS Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.
- 35.6 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the ESGS Vesting Notice or inaccuracy in the CDS Account number provided shall result in the ESGS Vesting Notice being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the ESGS Participant(s) of the rejection of the ESGS Vesting Notice within five (5) Market Days from the date of rejection and the ESGS Participant(s) shall then be deemed not to have vested his ESGS Award(s).

17. BY-LAWS FOR THE LTIP (Cont'd)

- 35.7 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant ESGS Participant(s) to that effect, to suspend the unvested ESGS Award(s) of any ESGS Participant(s) 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 ESGS Participant(s) or are found to have had no basis or justification) pending the outcome of such Disciplinary Proceedings.
- 35.8 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the ESGS Participant(s)' unvested ESGS Award(s) having regard to the nature of the charges made or brought against such ESGS Participant, PROVIDED ALWAYS THAT:
- (a) in the event such ESGS Participant(s) is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the unvested ESGS Award(s) of such ESGS Participant(s);
 - (b) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such ESGS Participant(s), all or any part of any unvested ESGS Award(s) of the ESGS Participant(s) shall immediately lapse and become null and void and of no further force and effect, without notice to the ESGS Participant(s), upon pronouncement of the dismissal or termination of service of such ESGS Participant(s) notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESGS Participant(s) in any other forum; or
 - (c) in the event the ESGS Participant(s) is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the ESGS Participant(s) may continue to satisfy the vesting conditions of the unvested ESGS Award(s).

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

36. NON-TRANSFERABILITY

- 36.1 An ESGS Award(s) is personal to the Eligible Employee(s) and shall be accepted solely by that Eligible Employee(s) and is not capable of being accepted by any third party on behalf of that Eligible Employee(s) by his representative or any other persons.
- 36.2 Subject to the provisions in these By-Laws, an ESGS Award(s) is personal to the ESGS Participant(s) during his employment or appointment within the Group and it shall not be transferred, assigned or disposed of by the ESGS Participant(s).

37. TERMINATION OF ESGS AWARD(S)

- 37.1 Prior to the full vesting of any ESGS Award(s) in the manner as provided for under By-Law 35, such ESGS Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
- (a) termination or cessation of employment of the ESGS Participant(s) within the Group for any reason whatsoever, in such event the unvested ESGS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the day the ESGS Participant(s)' employer accepts his notice of resignation or the ESGS Participant(s)' employer notifies the ESGS Participant(s) of termination of his employment or on the day the ESGS Participant(s) notifies his employer of his resignation or on the ESGS Participant(s)' last day of employment, whichever is the earlier;

17. BY-LAWS FOR THE LTIP (Cont'd)

- (b) bankruptcy of the ESGS Participant(s), in such event the unvested ESGS Award(s) 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 ESGS Participant(s) by a court of competent jurisdiction;
- (c) upon the happening of any other event which results in the ESGS Participant(s) being deprived of the beneficial ownership of the unvested ESGS Award(s), in such event the unvested ESGS Award(s) 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;
- (d) winding up or liquidation of the Company, in such event the unvested ESGS Award(s) shall be automatically terminated and/or cease to be valid on the following date:
 - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company;

the subsidiary which employs the ESGS Participant(s) ceasing to be part of the Group in such event the ESGS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the Group; or

- (e) termination of the Scheme pursuant to By-Law 13.5, in such event the unvested ESGS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date,

whichever shall be applicable.

Upon the termination of the unvested ESGS Award(s) pursuant to By-Laws 37.1 above, the ESGS Participant(s) shall have no right to compensation or damages or any claim against the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him ceasing to hold office or employment or from the suspension of his entitlement to the award of, acceptance or vesting of any ESGS Award(s) or his ESGS Award(s) ceasing to be valid.

37.2 Notwithstanding By-Law 37.1(a) above, the LTIP Committee may at its discretion allow for all or any part of any unvested ESGS Award(s) to vest in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (a) retirement upon or after attaining the age in accordance with the Company's retirement policy;
- (b) retirement before attaining the normal retirement age with the consent of his employer;
- (c) ill-health, injury, physical or mental disability;
- (d) redundancy or retrenchment pursuant to the acceptance by that ESGS Participant(s) or a voluntary separation scheme offered by a company within the Group; or
- (e) any other circumstance as may be deemed as acceptable to the LTIP Committee in its sole discretion,

PROVIDED THAT no ESGS Award(s) shall vest after the expiry of the vesting period. Unless the LTIP Committee in its discretion permits such vesting in accordance with this By-Law 33.3, any unvested ESGS Award(s) shall cease or be deemed to cease to be capable of vesting to the ESGS Participant(s) without any liability or right to claim against the Company and/or the LTIP Committee and/or the Board.

17. BY-LAWS FOR THE LTIP (Cont'd)

- 37.3 Where a ESGS Participant(s) dies before the expiry of the vesting period for the ESGS Award(s), the LTIP Committee may at its discretion determine that all or any part of any unvested ESGS Award(s) held by the ESGS Participant(s), be vested to the executor or administrator of that deceased ESGS Participant(s), and the times or periods at or within which such ESGS Award(s) may vest, PROVIDED ALWAYS THAT no ESGS Award(s) may vest after the expiry of the vesting period. In this regard, the LTIP Committee may require the executor or administrator of that deceased ESGS Participant(s) to provide evidence satisfactory to the LTIP Committee of his status as such executor or administrator, as the case may be.
- 37.4 Notwithstanding By-Law 33.4 above, the ESGS Participant(s) may, during his lifetime, nominate any of his immediate family members who have attained the age of eighteen (18) years at the time of nomination to receive the ESGS Award(s) (which are unvested at the time of the death of the deceased ESGS Participant(s)) after the death of the deceased ESGS Participant(s) but in any event during the Duration of the Scheme. The ESGS Award(s) awarded pursuant to the provision of this By-Law 33.5 may be for the benefit of the estate of the ESGS Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the ESGS Participant(s) during his lifetime and shall be in the prescribed form approved by the LTIP Committee and the Share(s) to be allotted and issued will be in the name of the deceased ESGS Participant(s)' estate or in the name of the nominated person as the ESGS Participant(s) shall elect in his lifetime. In the event no nomination is made by the ESGS Participant(s) during his lifetime, the LTIP Committee may at its discretion determine that his unvested ESGS Award(s) shall only vested to the legal personal representatives pursuant to By-Law 33.4 above.
- 37.5 For the purposes of By-Law 33.5 above, the term "**immediate family members**" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the ESGS Participant(s).

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