

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by Kenanga Investment Bank Berhad, the Adviser to Synergy House Berhad in relation to the Proposed ESOS (as defined herein) and the Sponsor of Synergy House Berhad for its admission to the Official List.



**SYNERGY HOUSE BERHAD**

(Registration No. 202101025778 (1426078-V))  
(Incorporated in Malaysia)

**CIRCULAR TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS" OR "SCHEME") INVOLVING UP TO 2.5% OF THE TOTAL NUMBER OF ISSUED SHARES OF SYNERGY HOUSE BERHAD ("SHB") (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE EMPLOYEES OF SHB AND ITS SUBSIDIARIES ("PROPOSED ESOS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*

**kenanga**

**Kenanga Investment Bank Berhad**

(Registration No. 197301002193 (15678-H))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("**EGM**") will be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities via TIIH Online website <https://tiih.online> from broadcast venue at Tricor Business Centre, Manuka 2, 3 and 5, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 22 January 2025 at 11.00 a.m. The Notice of EGM together with the Form of Proxy, Administrative Guide and this Circular can be downloaded from Bursa Malaysia Securities Berhad' website at <https://www.bursamalaysia.com/>.

You are entitled to attend, participate and vote remotely at the EGM using the RPV facilities which is available at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's online website at <https://tiih.online>. If you are unable to attend, participate and vote remotely at the EGM, you are entitled to appoint proxy(ies) by completing, signing and lodging the Form of Proxy enclosed in this Circular in accordance with the instructions contained therein to the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the EGM, or at any adjournment thereof. Alternatively, you may submit the electronic Form of Proxy ("**e-Proxy Form**") electronically with the Company's Share Registrar via TIIH Online at <https://tiih.online>, not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy / e-Proxy Form will not preclude you from attending, participating and voting remotely in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

Day, date and time of the EGM : Wednesday, 22 January 2025 at 11.00 a.m.

Last date and time for lodging the Form of Proxy/ e-Proxy Form : Monday, 20 January 2025 at 11.00 a.m.

This Circular is dated 20 December 2024

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## DEFINITIONS

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

<b>5D-VWAMP</b>	:	5-day volume weighted average market price
<b>Act</b>	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
<b>Announcement</b>	:	Announcement in relation to the Proposed ESOS dated 28 November 2024
<b>Board</b>	:	Board of Directors of SHB
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Company Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Company Registration No. 200301033577 (635998-W))
<b>By-Laws</b>	:	By-laws governing the Proposed ESOS as amended, modified and supplemented from time to time, a draft of which is enclosed in Appendix II of this Circular
<b>Circular</b>	:	This circular to the shareholders of SHB dated 20 December 2024
<b>CMSA</b>	:	Capital Markets and Services Act, 2007 of Malaysia, as amended or substituted from time to time
<b>Constitution</b>	:	The constitution of SHB
<b>Director(s)</b>	:	A natural person who holds a directorship within our Group, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the CMSA
<b>Duration of the Scheme</b>	:	Has the meaning given to it in Section 2.4 of this Circular
<b>EGM</b>	:	Extraordinary general meeting of our Company
<b>Eligible Person(s)</b>	:	Any employee of our Group (excluding dormant subsidiaries) who is eligible to be selected to participate in the Proposed ESOS as set out in the By-Laws. For the avoidance of doubt, the Directors of SHB (including the Executive Directors of SHB) will not be eligible for the Proposed ESOS.
<b>EPS</b>	:	Earnings per share
<b>ESOS or Scheme</b>	:	Employees' share option scheme
<b>ESOS Committee</b>	:	A committee to be appointed and authorised by our Board to implement and administer the Scheme in accordance with the By-Laws
<b>ESOS Options</b>	:	The right of a grantee to subscribe for new SHB Shares at the Exercise Price under the Proposed ESOS in accordance with the By-Laws
<b>Exercise Price</b>	:	Price payable for SHB Shares upon exercise of any ESOS Options granted under the Proposed ESOS
<b>Kenanga IB or Adviser</b>	:	Kenanga Investment Bank Berhad (Company Registration No. 197301002193 (15678-H))
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities

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**DEFINITIONS (CONT'D)**

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<b>LPD</b>	:	12 December 2024, being the latest practicable date prior to the issuance of this Circular
<b>Market Day(s)</b>	:	A day on which Bursa Securities is open for the trading in securities
<b>MFRS</b>	:	Malaysian Financial Reporting Standards
<b>MFRS 2</b>	:	MFRS 2 – Shared-based Payment
<b>NA</b>	:	Net assets
<b>Offer</b>	:	A written offer by ESOS Committee from time to time to an Eligible Person to participate in the Scheme in the manner provided in the By-Laws
<b>Offer Date</b>	:	A date which an award of ESOS Options is made in writing by the ESOS Committee to an Eligible Person
<b>Official List</b>	:	A list specifying all securities which have been admitted for listing on the ACE Market and not removed
<b>Proposed ESOS</b>	:	Proposed establishment of an ESOS involving up to 2.5% of the total number of issued SHB Shares (excluding treasury shares, if any) for the eligible employees of SHB Group
<b>Record of Depositors</b>	:	A record of depositors established by Bursa Depository in accordance with the rules of Bursa Depository
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
<b>Senior Management</b>	:	Comprise the employees of our Group who fall within such grading as determined by the ESOS Committee at its sole and absolute discretion from time to time
<b>SHB or Company</b>	:	Synergy House Berhad (Company Registration No. 202101025778 (1426078-V))
<b>SHB Group or Group</b>	:	SHB and its subsidiaries
<b>SHB Shares or Shares</b>	:	Ordinary shares in SHB
<b>Sponsor</b>	:	Such persons who are registered on a register maintained by Bursa Securities for the ACE Market specifying all persons which have been approved to act as Sponsors by Bursa Securities pursuant to Chapter 4 of the Listing Requirements and such approval has not been revoked or suspended

References to “we”, “us”, “our” and “ourselves” mean our Company, except where the context otherwise requires, our Group. All references to “you” in this Circular are references to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise specified.

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**DEFINITIONS (CONT'D)**

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

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**EXECUTIVE SUMMARY**

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED ESOS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ESOS AT THE FORTHCOMING EGM OF OUR COMPANY.**

<b>Key Information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Details of the Proposed ESOS</b>	<p>Our Company proposes to establish and implement the Proposed ESOS, which involves the granting of ESOS Options to the Eligible Persons. For the avoidance of doubt, the Directors of SHB (including the Executive Directors of SHB) will not be eligible for the Proposed ESOS. The ESOS Options to be granted under the Scheme shall entitle the Eligible Persons to subscribe for new SHB Shares at an Exercise Price which shall be determined at a later date in accordance with the By-Laws.</p> <p>The Scheme will be administered by the ESOS Committee and governed by the By-Laws. The ESOS Committee will have absolute discretion in administering the Scheme. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the ESOS Committee pursuant to the By-Laws may be exercised at the ESOS Committee's sole and absolute discretion having regard to the terms of reference which our Board may establish to regulate and govern the ESOS Committee's functions and responsibilities.</p> <p>Subject to the prevailing legislation and Listing Requirements, the ESOS Options will be satisfied by way of issuance of new SHB Shares.</p> <p>The maximum number of new SHB Shares which may be allotted and issued under the Scheme shall not exceed, in aggregate, 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) at any point in time during the Duration of the Scheme as set out in Section 2.4 of this Circular.</p>	<b>Section 2</b>
<b>Rationale and justification for the Proposed ESOS</b>	<p>The Proposed ESOS will act as an incentive plan to align the interests of the Eligible Persons with the corporate goals and long-term objectives of our Company. The Proposed ESOS is intended to:</p> <ul style="list-style-type: none"><li>(i) recognise, reward, retain and motivate the Eligible Persons whose contributions and/or services are considered vital to the operations and continued growth of our Group;</li><li>(ii) motivate Eligible Persons towards better performance through greater productivity and loyalty to our Company; and</li><li>(iii) stimulate a greater sense of belonging and dedication of Eligible Persons as they are given the opportunity to participate directly in the long-term development and growth of our Company.</li></ul>	<b>Section 3</b>

**EXECUTIVE SUMMARY (CONT'D)**

<b>Key Information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Rationale and justification for the Proposed ESOS</b>	In addition, our Company is able to utilise the proceeds to be raised from the exercise of ESOS Options for the purposes as set out in Section 2.12 of this Circular, which are expected to contribute positively to our Company.	<b>Section 3</b>
<b>Approvals required and conditionality</b>	<p>The Proposed ESOS is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"><li>(i) Bursa Securities had vide its letter dated 13 December 2024 approved the listing and quotation of such number of new SHB Shares, representing up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS, subject to the conditions as set out in Section 6 of this Circular;</li><li>(ii) the approval of the shareholders of SHB for the Proposed ESOS at the EGM to be convened; and</li><li>(iii) the approvals/consents of any other relevant authorities/parties, if required.</li></ul> <p>The Proposed ESOS is not conditional upon any other corporate exercise/scheme being or proposed to be undertaken by our Company.</p> <p>The voting on the resolution pertaining to the Proposed ESOS at the EGM shall be taken via poll, of which the result of the poll will be validated by an independent scrutineer to be appointed.</p>	<b>Section 6</b>
<b>Interests of Directors, Major Shareholders, Chief Executive and/or persons connected to them</b>	None of the Directors, major shareholders, chief executives of our Company and/or persons connected with them are deemed interested, directly or indirectly, in the Proposed ESOS.	<b>Section 7</b>
<b>Directors' statement and recommendation</b>	<p>Our Board, after having considered all aspect of the Proposed ESOS, including the rationale and effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of our Company.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed ESOS to be tabled at the forthcoming EGM.</p>	<b>Section 8</b>



**SYNERGY HOUSE BERHAD**  
Registration No. 202101025778 (1426078-V)  
(Incorporated in Malaysia)

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

20 December 2024

**Board of Directors**

Mok Juan Chek (*Independent Non-Executive Chairman*)  
Tan Eu Tah (*Executive Director*)  
Teh Yee Luen (*Executive Director*)  
Yew Yong Ling (*Independent Non-Executive Director*)  
Lieu Pei Yee (*Independent Non-Executive Director*)  
Yong Kim Fui (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**PROPOSED ESOS**

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**1. INTRODUCTION**

On 28 November 2024, Kenanga IB had, on behalf of our Board, announced that our Company proposed to establish an ESOS of up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) for the eligible employees of SHB Group.

On 29 November 2024, Kenanga IB had, on behalf of our Board, announced that the additional listing application in relation to the Proposed ESOS has been submitted to Bursa Securities.

On 13 December 2024, Kenanga IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 13 December 2024, resolved to approve the listing and quotation of such number of new SHB Shares, representing up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS, on the ACE Market of Bursa Securities, subject to the conditions as set out in Section 6 of this Circular.

Details of the Proposed ESOS are set out in the ensuing sections of this Circular.



**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ESOS AND TO SET OUT THE VIEWS AND RECOMMENDATIONS OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN, BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED ESOS**

Our Company proposes to establish and implement the Proposed ESOS, which involves the granting of ESOS Options to the Eligible Persons. For the avoidance of doubt, the Directors of SHB (including the Executive Directors of SHB) will not be eligible for the Proposed ESOS. The ESOS Options to be granted under the Scheme shall entitle the Eligible Persons to subscribe for new SHB Shares at an Exercise Price which shall be determined at a later date in accordance with the By-Laws.

The Scheme will be administered by the ESOS Committee and governed by the By-Laws. The ESOS Committee will have absolute discretion in administering the Scheme. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the ESOS Committee pursuant to the By-Laws may be exercised at the ESOS Committee's sole and absolute discretion having regard to the terms of reference which our Board may establish to regulate and govern the ESOS Committee's functions and responsibilities.

Subject to the prevailing legislation and Listing Requirements, the ESOS Options will be satisfied by way of issuance of new SHB Shares.

The principal features of the Proposed ESOS are as follows:

### **2.1 Size of the Proposed ESOS**

The maximum number of new SHB Shares which may be allotted and issued under the Scheme shall not exceed, in aggregate, 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) at any point in time during the Duration of the Scheme as set out in Section 2.4 of this Circular.

As at the LPD, our Company has an issued share capital of RM67,419,124 comprising 500,000,000 SHB Shares.

As at the LPD, our Company does not have any convertible securities and does not hold any treasury shares.

For illustrative purposes, a total of up to 12,500,000 SHB Shares, representing 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) as at the LPD may be allotted and issued under the Proposed ESOS.

### **2.2 Eligibility to participate in the Scheme**

Subject to the sole and absolute determination and discretion of the ESOS Committee, any employee of any company or corporation in the Group (excludes subsidiaries which (i) are dormant; or (ii) have been divested) shall be eligible to be considered for the Scheme, if, as at the Offer Date:

- (i) he/she has attained the age of at least 18 years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;

- (ii) he/she is a confirmed employee and is employed on a full-time basis on the payroll of our Group; and
- (iii) he/she fulfils any other criteria and/or fall within such category that the ESOS Committee may from time to time at its absolute discretion determine.

### **2.3 Maximum allowable allotment and basis of allocation**

Subject to the By-Laws, the aggregate number of new SHB Shares available for the grant of ESOS Options to the Eligible Persons during the Duration of the Scheme shall be subject to the following:

- (a) not more than sixty per cent (60%) of the total number of SHB Shares to be issued under the Scheme shall be allocated, in aggregate, to the Senior Management, which is determined on the basis that members of the Senior Management are key drivers to the long-term growth and profitability of SHB Group;
- (b) not more than ten per cent (10%) of the total number of SHB Shares to be issued under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with them, holds twenty per cent (20%) or more in the total number of issued SHB Shares (excluding treasury shares, if any); and
- (c) the Senior Management do not participate in the deliberation or discussion of their own allocation and the allocation to any persons connected with them.

Subject to the By-Laws and any adjustments which may be made under the By-Laws, the ESOS Committee shall have the sole and absolute discretion to determine the actual number of ESOS Options that may be allocated to an Eligible Person and the vesting period (if any) after taking into consideration, among others, the provisions of the Listing Requirements or other applicable regulatory requirements by other relevant authorities prevailing during the Duration of the Scheme and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit.

The ESOS Committee shall have the absolute discretion in determining whether the granting of the ESOS Options under this Scheme are to be offered to the Eligible Persons by way of:

- (i) one single Offer at a time determined by the ESOS Committee; or
- (ii) several Offers which are staggered or made in several tranches at such times as maybe determined by the ESOS Committee,

provided always that the aggregate number of SHB Shares in respect of the ESOS Options granted shall not exceed the maximum number of SHB Shares that may be allotted and issued under the Scheme as set out in Section 2.1 of this Circular.

Subject to the By-Laws, the performance targets to be achieved by the Eligible Persons before the ESOS Options can be exercised into SHB Shares or SHB Shares can be vested shall be determined by the ESOS Committee from time to time.

### **2.4 Duration of the Proposed ESOS**

Subject to the By-Laws, the Scheme shall be in force for a period of ten (10) years commencing from the date the Scheme takes full force and effect upon full compliance with the relevant requirements of the Listing Requirements.

## **2.5 Exercise price**

Subject to any adjustments that may be made under the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be a price to be determined by our Board upon the recommendation of the ESOS Committee based on the 5D-VWAMP, as quoted on Bursa Securities, immediately preceding the Offer Date subject to a discount of not more than 10%, or such other percentage of discount as may be permitted by Bursa Securities during the Duration of the Scheme.

## **2.6 Rights attaching to the ESOS Options and ranking of the new SHB Shares**

The ESOS Options shall not carry any right to vote at any general meeting of our Company and the new SHB Shares to be issued arising from the exercise of the ESOS Options pursuant to the Scheme will be subject to the provisions of the Constitution relating to transfer, transmission or otherwise of the SHB Shares including the rights of the holder of the Shares on the winding up of our Company.

The new SHB Shares to be issued arising from the exercise of ESOS Options pursuant to the Scheme shall, upon allotment and issuance, rank equally in all respects with the existing SHB Shares, except that the new SHB Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of SHB, the entitlement date of which precedes the date of allotment and issuance of the new SHB Shares.

## **2.7 Retention period**

The SHB Shares to be allotted and issued to an Eligible Person who has accepted an Offer under the Scheme (“**Grantee**”) pursuant to the exercise of an ESOS Option may be subject to retention period or restriction on transfer imposed/ determined by the ESOS Committee at its sole and absolute discretion as stipulated in the Offer.

## **2.8 Alteration of share capital**

In the event of any alteration in the capital structure of our Company during the Duration of the Scheme, whether by way of capitalisation of profit or reserves, rights issues, bonus issues, reduction, subdivisions or consolidations of capital or any other variations of capital or otherwise howsoever taking place, the following shall be adjusted in accordance with the By-Laws:

- (i) the Exercise Price;
- (ii) the number of SHB Shares comprised in the ESOS Option or any portion thereof that is unexercised; and/or
- (iii) the number of new SHB Shares and/or Exercise Price comprised in an Offer which is open for acceptance (if such Offer is subsequently accepted in accordance with the terms and conditions of the Offer and the Scheme).

## **2.9 Modification, variation and/or amendment to the Scheme**

Subject to the By-Laws and in compliance with the Listing Requirements and approvals of any other relevant authorities, where necessary, the ESOS Committee may at any time and from time to time recommend to our Board any addition, amendment and/or modification to and/or deletion of the By-Laws as it shall, in its discretion, think fit and our Board shall have the power at any time and from time to time by resolution to amend, add, modify and/or delete with the recommendation of the ESOS Committee, all or any of the provisions of the Scheme provided that:

- (i) no such amendment, addition, modification and/or deletion shall be made which would provide an advantage to any Eligible Person or group of Eligible Persons or all the Eligible Persons in respect of any matters which are required to be contained in the By-Laws by virtue of the Listing Requirements; or

- (ii) no such amendment, addition, modification and/or deletion shall be made which would increase the number of SHB Shares available for issuance under the Scheme beyond the maximum number of SHB Shares that may be allotted and issued under the Scheme as set out in Section 2.1 of this Circular,

without the prior approval of our Company's shareholders in a general meeting.

In respect of any addition, amendment, modifications and/or deletion made to the By-Laws, our Company shall submit to Bursa Securities the amended and/or modified By-Laws and a confirmation letter that such amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements within five (5) Market Days from the effective date of the said amendment and/or modification.

## **2.10 Termination of the Scheme**

Subject always to compliance with the Listing Requirements and any other applicable law, the Scheme may be terminated by our Board at its sole and absolute discretion upon recommendation by the ESOS Committee at any time during the Duration of the Scheme by written notice to the affected Grantees, without obtaining the approvals from the Grantees whereupon no further ESOS Options shall be vested, no further Offer shall be made by the ESOS Committee and any unaccepted Offer and unexercised ESOS Options shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice ("**Termination Date**") provided that the ESOS Committee may in its discretion, permit the vesting of any ESOS Options to the Grantees, the acceptance of any outstanding Offer by the Eligible Person, and/or the exercise of any unexercised ESOS Options by the Grantee at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the vesting conditions, if any, have not been fully and duly satisfied;
- (b) the option period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

In the event that the Scheme is terminated pursuant to the By-Laws, our Company shall make an announcement immediately to Bursa Securities and comply with the requirements of Bursa Securities or any other relevant authorities. The announcement shall include:

- (a) the Termination Date;
- (b) the number of ESOS Options exercised or SHB Shares vested; and
- (c) the reasons for termination.

## **2.11 Listing of SHB Shares under the Scheme**

Bursa Securities had vide its letter dated 13 December 2024 approved the listing and quotation of such number of new SHB Shares, representing up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS, on the ACE Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

## **2.12 Utilisation of proceeds**

The actual proceeds to be raised from the Proposed ESOS will be dependent on the number of ESOS Options granted and exercised at the relevant point in time and the Exercise Price payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received is not determinable at this juncture. Our Company anticipates the proceeds to be received upon the exercise of the ESOS Options to be utilised within 12 months from the time of receipt of the proceeds.

The proceeds arising from the exercise of the ESOS Options will be utilised for our Group's working capital requirements to finance our Group's day-to-day operations, including general administrative costs (such as upkeep of office and utilities) and staff related expenses (such as salaries, statutory contributions and employee benefits). The actual breakdown of working capital requirements cannot be determined at this juncture as it will depend on the proceeds to be raised from the exercise of ESOS Options under the Proposed ESOS as well as the working capital requirements of our Group at the relevant time.

Pending utilisation of the proceeds to be raised by our Company as and when the ESOS Options are exercised, such proceeds shall be placed in interest-bearing deposits with licensed financial institutions and/or short-term money market instruments as our Board, in its absolute discretion, deems fit and in the best interest of our Group. The interest derived from the deposits with licensed financial institutions and/or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of our Group.

The estimated expenses in relation to the Proposed ESOS are approximately RM0.13 million which would be funded via internally generated funds of our Company.

### **2.13 Fundraising exercise in the past 12 months**

Our Company has not undertaken any fundraising exercise in the past 12 months up to the LPD.

## **3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED ESOS**

The Proposed ESOS will act as an incentive plan to align the interests of the Eligible Persons with the corporate goals and long-term objectives of our Company. The Proposed ESOS is intended to:

- (i) recognise, reward, retain and motivate the Eligible Persons whose contributions and/or services are considered vital to the operations and continued growth of our Group;
- (ii) motivate Eligible Persons towards better performance through greater productivity and loyalty to our Company; and
- (iii) stimulate a greater sense of belonging and dedication of Eligible Persons as they are given the opportunity to participate directly in the long-term development and growth of our Company.

In addition, our Company is able to utilise the proceeds to be raised from the exercise of ESOS Options for the purposes as set out in Section 2.12 of this Circular, which are expected to contribute positively to our Company.

## **4. EFFECTS OF THE PROPOSED ESOS**

### **4.1 Issued share capital**

The Proposed ESOS is not expected to have an immediate effect on the existing issued share capital of our Company until such time when the ESOS Options to be granted under the Proposed ESOS are exercised. The issued share capital of our Company will increase progressively depending on the number of new SHB Shares to be allotted and issued arising from the exercise of the ESOS Options that may be granted under the Proposed ESOS.

For illustrative purposes, the proforma effects of the Proposed ESOS on the issued share capital of our Company based on the assumption that the number of ESOS Options granted amounts to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) as at the LPD, are set out below:

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at the LPD	500,000,000	67,419,124
Number of SHB Shares to be issued assuming full exercise of the ESOS Option granted	(1) 12,500,000	(2) 13,500,000
<b>Enlarged share capital</b>	<b><u>512,500,000</u></b>	<b><u>80,919,124</u></b>

**Notes:**

- (1) *The maximum number of new SHB Shares, which may be allotted and issued pursuant to the Proposed ESOS shall not in aggregate exceed 2.5% of the total number of issued Shares (excluding treasury shares, if any) for the eligible employees of our Group.*
- (2) *For illustrative purpose only, calculated based on RM1.08, being 10.0% discount to the 5D-VWAMP of SHB Shares up to and including the LPD of RM1.20 per SHB Share.*

#### **4.2 NA and gearing**

Save for the potential impact of MFRS 2 issued by the Malaysian Accounting Standards Board as set out in Section 4.3 of this Circular, the Proposed ESOS is not expected to have an immediate effect on our NA, NA per Share and gearing until such time the ESOS Options are exercised. Any potential effects on the NA and gearing of our Group will depend on the Exercise Price and the number of new Shares to be issued upon the exercise of the ESOS Options.

For illustrative purposes, upon exercise of the ESOS Options, the NA per Share is expected to:

- (i) increase if the Exercise Price is higher than the NA per Share; or
- (ii) decrease if the Exercise Price is lower than the NA per Share,

at the point of the ESOS Options being exercised.

#### **4.3 Earnings and EPS**

The Proposed ESOS is not expected to have any immediate material effect on the earnings and EPS of our Group until such time when the ESOS Options are granted and exercised. Any potential effect on the EPS of our Group in the future will depend on the number of ESOS Options granted and exercised and the Exercise Price payable upon exercise of the ESOS Options, as well as impact of MFRS 2.

Under the MFRS 2, the cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options on the Offer Date and is recognised as expense in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of our Group. The fair value of the ESOS Options is determined after taking into account, amongst others, the historical volatility of the Shares, the risk-free rate, the Exercise Price and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of our Group, as a consequence of the recognition of the said cost, cannot be determined yet at this juncture. However, it should be noted that the estimated cost does not represent a cash outflow by our Group as it is merely an accounting treatment.

The EPS of our Group may be diluted as a result of the increase in total number of issued new Shares as and when the ESOS Options are exercised into new SHB Shares, depending on the number of new SHB Shares to be issued arising from the exercise of the ESOS Options.

Our Board takes note of the potential impact of the Proposed ESOS on our Group's earnings and shall take into consideration such impact in the allocation and granting of ESOS Options to the Eligible Persons.

#### 4.4 Substantial shareholders' shareholdings

The Proposed ESOS will not have any effect on the shareholdings of SHB's substantial shareholders until the ESOS Options have been granted and exercised.

Any potential effect on their shareholdings will depend on the number of new Shares to be issued pursuant to the Proposed ESOS at the relevant point in time.

#### 4.5 Convertible securities

Our Company does not have any convertible securities as at the LPD.

### 5. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of SHB Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b><u>2023</u></b>		
December	0.730	0.560
<b><u>2024</u></b>		
January	0.885	0.680
February	0.885	0.805
March	0.865	0.780
April	1.570	0.795
May	1.680	1.440
June	1.890	1.470
July	1.740	1.020
August	1.290	0.975
September	1.060	0.965
October	1.090	0.985
November	1.360	1.090
Last transacted price of SHB Shares on 27 November 2024, being the last transacted date prior to the Announcement		RM1.24
Last transacted market price of SHB Shares as at the LPD		RM1.19

*(Source: Bloomberg)*

## 6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed ESOS is subject to the following approvals being obtained:

- (i) Bursa Securities had vide its letter dated 13 December 2024 approved the listing and quotation of such number of new SHB Shares representing up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS, subject to the following conditions:

No.	Conditions	Status of compliance
<b>Proposed ESOS</b>		
1.	Kenanga IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting; and	To be complied
2.	SHB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS, as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) the approval of the shareholders of SHB for the Proposed ESOS at the EGM to be convened; and
- (iii) the approvals/consents of any other relevant authorities/parties, if required.

The Proposed ESOS is not conditional upon any other corporate exercise/scheme being or proposed to be undertaken by our Company.

The voting on the resolution pertaining to the Proposed ESOS at the EGM shall be taken via poll, of which the result of the poll will be validated by an independent scrutineer to be appointed.

## 7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executives of our Company and/or persons connected with them are interested, directly or indirectly, in the Proposed ESOS.

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspect of the Proposed ESOS, including the rationale and effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed ESOS to be tabled at the forthcoming EGM.

## 9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESOS, there are no other corporate exercises which have been announced by our Company but have yet to be completed as at the LPD.



## 10. ESTIMATED TIMEFRAME FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed ESOS is expected to be implemented by the 1<sup>st</sup> quarter of 2025.

## 11. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting facilities via TIIH Online website <https://tiih.online> from broadcast venue at Tricor Business Centre, Manuka 2, 3 and 5, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 22 January 2025 at 11.00 a.m., for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed ESOS.

The Notice of EGM together with the Form of Proxy, Administrative Guide and this Circular can be downloaded from Bursa Securities' website at <https://www.bursamalaysia.com/>.

You are entitled to attend, participate and vote remotely at the EGM using the RPV facilities which is available at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's online website at <https://tiih.online>. If you are unable to attend, participate and vote remotely at the EGM, you are entitled to appoint prox(ies) by completing, signing and lodging the Form of Proxy enclosed in this Circular in accordance with the instructions contained therein to the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the EGM (no later than Monday, 20 January 2025 at 11.00 a.m.) or at any adjournment thereof. Alternatively, you may submit the electronic e-Proxy Form electronically with our Company's Share Registrar via TIIH Online at <https://tiih.online>, not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The lodging of Form of Proxy / e-Proxy Form will not preclude you from attending, participating and voting remotely in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

## 12. FURTHER INFORMATION

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

Yours faithfully  
for and on behalf of our Board  
**SYNERGY HOUSE BERHAD**

**Teh Yee Luen**  
Executive Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT AND CONFLICT OF INTEREST**

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

Kenanga IB has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposed ESOS.

**3. MATERIAL LITIGATION**

As at the LPD, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Material Commitments**

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the results or financial position of our Group.

**4.2 Contingent Liabilities**

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

<b>Contingent liabilities</b>	<b>RM'000</b>
Corporate guarantees provided to the banks for the subsidiaries of SHB Group's loans and borrowings	<b>114,625</b>

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM for the Proposed ESOS:

- (i) the Constitution;
- (ii) draft By-Laws as set out in Appendix II of this Circular;

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**APPENDIX I – FURTHER INFORMATION (CONT'D)**

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- (iii) the audited consolidated financial statements of our Group for the FYE 31 December 2023 and latest unaudited financial results for the financial period ended 30 September 2024; and
- (iv) the letter of consent and conflict of interest referred to in Section 2 of this Appendix I.

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**SYNERGY HOUSE BERHAD  
(Registration No. 202101025778 (1426078-V))  
BY-LAWS FOR THE EMPLOYEES' SHARE OPTION SCHEME**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-laws, the following words shall, unless the context otherwise requires, bear the following meanings:

Act	: Companies Act 2016, and any amendments made thereto from time to time and includes any re-enactment thereof
Adviser	: A person who is permitted to carry on regulated activity of advising on corporate finance under the CMSA, and the Guidelines on Submission of Corporate and Capital Market Product Proposals and Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia and as amended from time to time
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	: These By-laws governing the Scheme, as amended, modified and/or supplemented from time to time in accordance with By-law 16
CDS	: Central Depository System
CDS Account	: A CDS account established by Bursa Depository for the recording of deposit and withdrawal of securities and for dealing in such securities by a depositor
CMSA	: Capital Markets and Services Act 2007, as amended from time to time and includes any re-enactment thereof
Constitution	: The constitution of the Company, as amended from time to time
Director	: A natural person who holds a directorship in any company or corporation comprised in the Group, whether in an executive or non-executive capacity, within the meaning of section (2)(1) of the Act and section 2(1) of the CMSA
Effective Date	: The date on which the Scheme takes effect as shall be determined in accordance with By-law 17.1
Eligible Person	: An employee of any company or corporation in the Group (which is not a dormant company or corporation) who meets the criteria for participation in the Scheme as set out in By-law 3
Eligible Subsidiary	: Any Subsidiary which is nominated by the ESOS Committee to be a company or corporation participating in the Scheme
ESOS	: Employees' share option scheme

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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ESOS Committee	:	The committee appointed and authorised by the Board to implement and administer the Scheme in accordance with these By-laws
ESOS Options or Options	:	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the Offer and the acceptance of the Offer by an Eligible Person in the manner indicated in By-law 6
Exercise Price	:	The price at which a Grantee shall be entitled to subscribe for new Shares as set out in By-law 8
Grantee	:	An Eligible Person who has accepted an Offer in accordance with the provisions of By-law 6
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Market Day	:	A day on which the Bursa Securities is open for official trading
Maximum Allowable Allotment	:	Has the meaning as set out in By-law 4.1
Maximum Limit	:	Maximum number of Shares that may be allotted and issued under the Scheme which shall not exceed two point five per cent (2.5%) of the total number of issued shares (excluding treasury shares) of the Company at any point of time during the Scheme Period
Offer	:	An offer made in writing by the ESOS Committee to an Eligible Person in the manner set out in By-law 5
Offer Date	:	The date on which an Offer (including any subsequent Offers) is made to an Eligible Person to participate in the Scheme by the ESOS Committee
Offer Period	:	The period of thirty (30) days commencing on the Offer Date or such other period as may be determined by the ESOS Committee on a case by case basis at its sole and absolute discretion, and specified in the Offer, during which an Offer may be accepted
Option Period	:	The period commencing on the Offer Date to a date not exceeding the last day of the Scheme Period subject to provisions of By-law 17
Person(s) Connected	:	Person(s) connected as defined in Rule 1.01 of the Listing Requirements
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission of Malaysia
Scheme	:	Scheme for the grant of Options to Eligible Persons to subscribe for new Shares established and governed under these By-Laws and such scheme to be known as the " <b>Synergy House Berhad Employees' Share Option Scheme 2025</b> "

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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Scheme Period	:	Has the meaning as set out in By-law 17.1
Shares	:	Ordinary shares in the Company
SHB or Company	:	Synergy House Berhad (Registration No. 202101025778 (1426078-V))
SHB Group or Group	:	SHB and its Subsidiaries collectively
Subsidiary(ies)	:	A company or corporation which is for the time being a subsidiary of the Company as defined in section 4 of the Act and shall include any subsidiary existing as at the Effective Date and any subsidiary incorporated or acquired at any time during Scheme Period but excludes subsidiaries which (i) are dormant; or (ii) have been divested, and “Subsidiaries” shall be construed accordingly
Vesting Conditions	:	The conditions (if any/ if applicable) determined by the ESOS Committee and stipulated in the Offer which must be fulfilled for the Options under an ESOS to be vested in a Grantee, at the discretion of the ESOS Committee
Vesting Date(s)	:	Such date or dates on which the Options or any part or proportion thereof granted shall vest in the Grantee if the Vesting Conditions are fully and duly satisfied, as stipulated by the ESOS Committee in the Offer

1.2 In these By-laws:

- (a) any reference to a statutory provision or an applicable law shall include a reference to:
  - (i) any and all subsidiary legislation made from time to time under that provision or law;
  - (ii) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and other relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and other relevant authorities);
  - (iii) 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 Offer made, offered and/or accepted within the Scheme Period; and
  - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (b) any liberty or power which may be exercised or any determination which may be made under these By-laws by the ESOS Committee may be exercised in the ESOS Committee's sole and absolute discretion and the ESOS Committee shall not be under any obligation to provide any reasons therefor, except as may be required by the relevant authorities;
- (c) the term “month” means calendar month;
- (d) words denoting one gender include all other genders and words denoting the singular include the plural and vice versa;
- (e) the headings in these By-laws are for convenience only and shall not be taken into account in the interpretation of these By-laws;

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- (f) 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;
- (g) a day, month or year shall be construed by reference to the Gregorian calendar and any reference to a time of day in these By-laws shall be reference to Malaysian time, unless otherwise stated;
- (h) in the event of any change in the name of the Company from its present name, all reference to “SHB” in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company’s new name; and
- (i) any reference to the word "include" or "including" (or any similar term) means “including without limitation” and are not to be construed as implying any limitation.

**2. TOTAL NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME**

- 2.1 Subject to By-law 2.2, the aggregate number of new Shares to be allotted and issued under the Scheme, when aggregated with the number of new Shares that may be allotted and issued under any other share issuance scheme involving new issuance of Shares which may be implemented from time to time by the Company, shall not exceed the Maximum Limit at any point in time during the Scheme Period.
- 2.2 In the event SHB purchases or cancels its own shares in accordance with the Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its total number of issued ordinary shares (excluding treasury shares, if any), the following provisions shall apply in respect of the future Offers (provided that all the valid Offers which are pending acceptances, and Options that have not been vested and/or Options that have been vested, prior to such purchase and/or reduction of the total number of issued ordinary shares of SHB shall remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred):
  - (a) if, after such purchase, cancellation and/or reduction, the aggregate number of Shares in respect of the Options granted (whether or not exercised) by SHB as at the date of purchase, cancellation and/or reduction of Shares is greater than the Maximum Limit, no further Offers shall be made by the ESOS Committee until such aggregate number of Shares to be issued under the Scheme falls below the Maximum Limit at any point in time during the Scheme Period; and
  - (b) if, after such purchase, cancellation and/or reduction, the aggregate number of Shares in respect of the Options granted (whether or not exercised) by SHB as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum Limit, the ESOS Committee may make further Offers but only up to such aggregate number of Shares to be issued under the Scheme is equivalent to the Maximum Limit after such purchase, cancellation and/or reduction.

**3. DETERMINATION OF ELIGIBILITY**

- 3.1 Subject to the sole and absolute determination and discretion of the ESOS Committee, any employee of any company or corporation in the Group shall be eligible to be considered for the offer of Options under the Scheme, if, as at the Offer Date:
  - (a) he/she has attained the age of at least eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;
  - (b) he/she is a confirmed employee and is employed on a full time basis on the payroll of any company or corporation within the Group; and
  - (c) he/she fulfils any other criteria and/or fall within such category that the ESOS Committee may from time to time at its absolute discretion determine.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- 3.2 Notwithstanding By-law 3.1, the ESOS Committee may, at its discretion, nominate any Subsidiary to be a company or corporation participating in the Scheme at any time and from time to time. A company or corporation shall cease to be an Eligible Subsidiary at the time when such company or corporation ceases to be a Subsidiary. Additionally, the ESOS Committee may at its discretion revoke or suspend the nomination of any Eligible Subsidiary at any time and from time to time, whereupon the employees of such company or corporation shall henceforth cease to be eligible to receive an Offer under the Scheme provided that any Option already granted shall not be affected by such revocation or suspension.
- 3.3 Notwithstanding By-law 3.1, the ESOS Committee may, at its sole and absolute discretion, consider and select any employee of the Group to be an Eligible Person despite the eligibility criteria under By-Law 3.1 not being met. Notwithstanding By-law 3.1, the ESOS Committee shall have the sole and absolute discretion at any time and from time to time to select and identify suitable Eligible Persons to be offered Options. In the event any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of their own respective allocation of Options to themselves or any Person Connected with them.
- 3.4 In the case of an employee who is in the employment or under a contract of service of a company or corporation (hereinafter referred to as “**Previous Company**”) which subsequently becomes a member of the SHB Group as a result of a restructuring or divestment exercise or other exercise involving SHB and/or any company or corporation within the SHB Group (“**Affected Employee**”); and the Affected Employee is confirmed and if such Affected Employee satisfies all the conditions of these By-laws, then he shall be eligible to be considered for an Offer for the remaining Scheme Period at the sole and absolute discretion of the ESOS Committee.
- 3.5 Notwithstanding By-law 3.4:
- (a) the ESOS Committee shall have the discretion at any time and from time to time to extend the benefit of the Scheme to any Affected Employees who are not Eligible Persons and deem such Affected Employees to be Eligible Persons for the purposes of the Scheme; and
  - (b) where the Affected Employee has participated in an employees’ share option scheme in the Previous Company (the “**Previous ESOS**”), the ESOS Committee has the discretion to offer Options under the Scheme.
- 3.6 An employee who has been transferred to a non-Eligible Subsidiary or an associated company (hereinafter referred to as “**Subsequent Company**”) from SHB or an Eligible Subsidiary shall be entitled to continue to exercise his remaining Options.
- 3.7 In the case of a Grantee who was employed in a company or corporation related to the Group as defined under section 7 of the Act and is subsequently transferred from such company or corporation to any company or corporation not within the Group, such Grantee shall continue to be entitled to exercise any unexercised Options, upon the terms and conditions as may be set out in the Offer.
- 3.8 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with Options or the Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.



**4. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOTMENT**

4.1 The aggregate number of new Shares available for the grant of Options to any one of the Eligible Persons during the Scheme Period shall always be subject to By-laws 2 and 14 and the following:

- (a) not more than sixty per cent (60%) of the total number of SHB Shares to be issued under the Scheme shall be allocated, in aggregate, to the senior management of SHB Group;
- (b) not more than ten per cent (10%) of the total number of SHB Shares to be issued under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through Persons Connected with them, holds twenty per cent (20%) or more in the total number of issued Shares (excluding treasury shares, if any); and
- (c) the senior management of SHB Group do not participate in the deliberation or discussion of their own allocation and the allocation to any Persons Connected with them;

**(“Maximum Allowable Allotment”).**

4.2 Subject to By-law 4.1 above and any adjustments which may be made under By-law 14, the ESOS Committee shall have the sole and absolute discretion to determine the actual number of Options that may be allocated to a Grantee and the vesting period (if any) after taking into consideration, among others, the provisions of the Listing Requirements or other applicable regulatory requirements by other relevant authorities prevailing during the Scheme Period and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit.

4.3 Each Option shall be exercisable into 1 new SHB Share, in accordance with the By-Laws.

**5. OFFER**

5.1 The ESOS Committee may at its absolute discretion, within the Scheme Period and from time to time, make one or more Offers to any Eligible Persons (based on the criteria of allocation as set out in By-law 4).

5.2 The ESOS Committee shall have the absolute discretion in determining whether the granting of the Options under this Scheme is to be offered to the Eligible Persons by way of:

- (a) one single Offer at a time determined by the ESOS Committee; or
- (b) several Offers which are staggered or made in several tranches at such times as may be determined by the ESOS Committee,

provided always that the aggregate number of Shares in respect of the Options granted shall not exceed the Maximum Limit.

5.3 Subject to By-laws 2 and 4, the actual number of Shares under Options which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to any adjustments that may be made under By-law 14 hereof, shall not be less than one thousand (1,000) Shares and shall always be in multiples of one hundred (100) Shares.

5.4 An Offer may be made upon such terms and conditions as the ESOS Committee deems appropriate subject to the Listing Requirements, applicable laws and prevailing guidelines issued by relevant authorities. The terms and conditions of each Offer may differ. Each Offer shall be made in writing and is personal to the Eligible Person and cannot be assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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5.5 The terms and conditions set out in the letter of offer (“**Offer Letter**”) from the ESOS Committee to an Eligible Person may include the following, where applicable:

- (a) the number of new Shares entitled to be received upon the exercise of the Option;
- (b) the Exercise Price;
- (c) the Option Period;
- (d) the Offer Period;
- (e) the closing date for acceptance of the Offer;
- (f) Vesting Conditions (if any/ if applicable);
- (g) the manner and conditions of exercise of the Options;
- (h) any retention period or restriction on transfer in respect of the shares which may be subscribed for by the Grantees pursuant to and in exercise of the Options, if any;

and may include any other conditions as may be deemed necessary by the ESOS Committee.

5.6 Without prejudice to By-law 15, if the Offer Letter contains an error in stating any of the particulars referred to in By-law 5.5 or any other particulars, the following provisions shall apply:

- (a) within thirty (30) days after discovery of the error, the Company shall issue a supplementary offer, stating the correct particulars referred to in By-law 5.5;
- (b) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental offer shall remain as the Exercise Price as per the original Offer; and
- (c) in the event that the error relates to the Exercise Price, the Exercise Price stated in the supplemental offer shall be the Exercise Price applicable;

and the supplemental offer shall take effect as if it were issued on the date of the original Offer, save and except with respect to any Option which has already been exercised as at the date of issuance of the supplemental offer.

5.7 Subject to the sole and absolute discretion of the ESOS Committee and on a case-to-case basis, the Offer shall automatically lapse and be null and void prior to the acceptance of the Offer by the Eligible Person in the manner as set out in By-law 6 in the event of:

- (a) the death of the Eligible Person;
- (b) the Eligible Person ceasing to be employed by the Group for any reason whatsoever;
- (c) the Eligible Person serves a notice of resignation;
- (d) the Eligible Person being adjudicated a bankrupt;
- (e) the Eligible Person being declared insane; or
- (f) any other circumstances prescribed by the ESOS Committee from time to time which would render the Eligible Person to be incapable of accepting the Offer.

**6. ACCEPTANCE OF THE OFFER AND VESTING CONDITIONS**

- 6.1 An Offer may only be accepted by an Eligible Person during the Offer Period. The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form and manner as prescribed by the ESOS Committee.
- 6.2 If the Eligible Person fails to accept the Offer within the Offer Period, the Offer shall automatically lapse, be deemed rejected by the Eligible Person and shall be null and void, and of no effect. The ESOS Committee may at its sole and absolute discretion re-offer to other Eligible Persons in accordance with these By-Laws, provided that the ESOS Committee shall not be precluded from making a fresh Offer to the Eligible Person subsequently.
- 6.3 Acceptance of the Offer by an Eligible Person shall be accompanied by a non-refundable payment to the Company of a sum of Ringgit Malaysia One (RM1.00) per Offer irrespective of the number of Shares available for subscription relating to the Offer or such other amount of payment as may be determined at the discretion of the ESOS Committee as non-refundable consideration for the Option. The date of receipt by the Company of such written notice together with the payment sum shall constitute the date of acceptance of the Offer by the Eligible Person.
- 6.4 Upon acceptance of the Offer in accordance with these By-laws, the Eligible Person shall be referred to as a Grantee for the purposes of these By-laws.
- 6.5 Within thirty (30) days after the due acceptance of the Offer in accordance with the provisions of this By-law 6, the ESOS Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the ESOS Committee.
- 6.6 The Company shall keep and maintain a register of options in connection with the Scheme pursuant to section 129 of the Act and shall enter all particulars required under section 129 of the Act, in respect of each Grantee. The cost of maintaining such register shall be at the expense of the Company.
- 6.7 Where the ESOS Committee prescribes a Vesting Condition in relation to an Offer, the Options or such part thereof in the Offer will only vest with the Grantee on the Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the Vesting Date or has otherwise ceased or had his/her employment terminated;
  - (b) the Grantee has not been adjudicated a bankrupt;
  - (c) where applicable, the performance target, as determined by the ESOS Committee, are fully and duly satisfied; and/or
  - (d) any other conditions which are determined by the ESOS Committee.
- 6.8 The ESOS Committee shall have full discretion to determine:
- (a) whether a Vesting Condition is necessary and applicable in relation to any Offer; and
  - (b) where a Vesting Condition has been imposed in relation to an Offer, whether any such Vesting Condition imposed by the ESOS Committee has been satisfied (whether fully or partially) or exceeded.

In making any such determination of whether a Vesting Condition has been satisfied (whether fully or partially) or exceeded, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.

**7. EXERCISE OF OPTIONS**

- 7.1 In the event the conditions stipulated in an Offer in respect of any one or more Grantee cannot be fully achieved/satisfied, the ESOS Committee may in its sole and absolute discretion by notice in writing to such Grantee(s), waive, vary or revise any condition stipulated in the Offer and/or impose such other conditions as the ESOS Committee deems fit in respect of the vesting of the Options to such Grantees.
- 7.2 No Grantee shall have any right to or interest in the Shares or right to exercise the Options granted to him unless and until the Vesting Conditions are fully and duly satisfied.
- 7.3 Subject to By-law 7.4, the Grantee may exercise an Option by notice in writing to the Company or ESOS Committee during the Option Period in respect of all or any part of the new Shares comprised in the Option, such part being in multiples of and not less than one hundred (100) Shares. In the event the balance of Shares comprised in an Option which may be subscribed by a Grantee in accordance with these By-laws shall be less than one hundred (100), the said balance shall, if subscribed by the Grantee, be subscribed in a single tranche. Any partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the Shares comprised in the Option.
- 7.4 Subject to By-law 14, the ESOS Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new Shares and/or such percentage of the total Shares comprised in the Option during such period(s) within the Option Period. Notwithstanding the above, and subject to By-laws 10, 11 and 12 hereof, the Option can only be exercised by the Grantee no earlier than the Vesting Date(s) when the Vesting Conditions are fully and duly satisfied, as determined by the ESOS Committee at its discretion.
- 7.5 Every such notice must be in the form prescribed by the ESOS Committee from time to time and shall be accompanied by a remittance (calculated in accordance with the provisions of By-law 8 hereof) for the full amount in Ringgit Malaysia of the subscription monies for the new Shares in respect of which the notice is given, in the form of a banker's draft or cashier's order drawn and payable in Malaysia or other mode acceptable to the ESOS Committee. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance for the full amount of monies for the Shares from the Grantee or such other period as may be prescribed by Bursa Securities, the Company shall:
- (a) allot and issue the relevant number of new Shares;
  - (b) despatch notices of allotment and issue such Shares issued pursuant to the Option to the Grantee accordingly, subject to the provisions in the Constitution; and
  - (c) make an application to Bursa Securities for the quotation of such new Shares issued pursuant to the Option (where applicable).
- 7.6 The new Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS Account of the Grantee and no physical share certificate will be issued.
- 7.7
- (a) The new Shares to be allotted and issued upon the exercise of any Options granted under the Scheme will, upon allotment and issuance, rank pari passu in all respects with the then existing issued Shares except that the new Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions where the entitlement date (being the date as at the close of business on which the name of the shareholders must appear on the Record of Depositors with Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions) precedes the date of allotment and issuance of such new Shares.
  - (b) The Grantee shall not in any event be entitled to any dividends, rights, allotments and/or other forms of distributions or entitlements until and unless such Grantee exercises his Options into new Shares and such new Shares are credited into the Grantee's CDS Account.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- (c) The Options shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless the Shares issued and allotted arising from the exercise of the Options have been credited into the CDS Accounts of the Grantees.
- 7.8 All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect.
- 7.9 Any failure to comply with the procedures specified by the ESOS Committee or to provide information required by the Company or ESOS Committee in the notice to exercise the Options by the Grantee or inaccuracy in the CDS Account number provided in the notice to exercise shall result in the notice to exercise being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the notice to exercise within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed not to have exercised his/her Option.
- 7.10 Subject to the discretion of the ESOS Committee to waive any breach, failure by a Grantee to comply with the procedure for an exercise of Option as stipulated in the provisions of By-law 7 will invalidate the purported exercise of such Option by the Grantee.
- 7.11 The Group, the Board (including the Directors who had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any cost, losses, expenses, damages, liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise in respect of the Options or for any errors in any Offer of Options.
- 7.12 In the event an Eligible Person is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) after an Offer is made but before the acceptance thereof by such Eligible Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary proceedings made or brought against the Eligible Person. Nothing in these By-laws shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Eligible Person in the event such disciplinary proceedings is dismissed and/or found in his favour, or if such disciplinary proceedings is withdrawn provided that such Offer is made within the duration of the Scheme Period.
- 7.13 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the ESOS Committee shall have the right, at its discretion, to suspend any Options which have not been fully exercised pending the outcome of such disciplinary proceedings. The ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the disciplinary proceedings made or brought against the Grantee PROVIDED ALWAYS THAT:
- (a) in the event that such Grantee is subsequently found to be not guilty of the charges which give rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his Option as if such disciplinary proceeding had not been instituted in the first place provided such reinstatement is made within the Scheme Period;
- (b) in the event the disciplinary proceeding results in a recommendation for the dismissal or termination of service of such Grantee, the Option shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; and

- (c) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

**8. EXERCISE PRICE**

- 8.1 The Exercise Price shall be determined by the Board upon the recommendation of the ESOS Committee and shall be fixed based on the 5-day volume weighted average market price of Shares, as quoted on Bursa Securities, immediately preceding the Offer Date of the Option with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Scheme Period.
- 8.2 The Exercise Price shall be subject to the Listing Requirements and adjustments made in accordance with By-law 14 and shall be stipulated in each Offer.
- 8.3 The Exercise Price as determined by the Board shall be conclusive and binding on the Grantee.

**9. TERMINATION OF OFFERS AND OPTIONS NOT EXERCISED**

- 9.1 Subject to By-laws 9.2 and 9.3, any Options that have yet to be vested to a Grantee, any unaccepted Offer in respect of an Eligible Person and/or any portion of the Options that are not exercised shall lapse, be deemed to be cancelled and/or ceased to be exercisable by a Grantee, as the case may be, without any liability to or right to claim against the Company, any member of the Group, the Board and/or the ESOS Committee upon the occurrence of any one or more of the following events:
  - (a) resignation, termination or cessation of employment of an Eligible Person or Grantee, for any reason;
  - (b) expiry, termination or cessation of a contract of service of an Eligible Person or Grantee, for any reason;
  - (c) retirement on attaining the retirement age under the Group's retirement policy;
  - (d) retirement before attaining the normal retirement age;
  - (e) bankruptcy of any Eligible Person or Grantee;
  - (f) any other circumstances which are acceptable to the ESOS Committee.
- 9.2 In the event of the termination or cessation of employment or contract of service of the Eligible Person or Grantee with the Group in any of the following circumstances:
  - (a) retirement on attaining the retirement age under the Group's retirement policy;
  - (b) retirement before attaining the normal retirement age;
  - (c) ill-health, injury, physical or mental disability or mental disorder;
  - (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Eligible Person or Grantee of voluntary separation scheme offered by the Company or a relevant member of the Group;
  - (e) termination or non-renewal of contract of service;
  - (f) winding-up or liquidation of a relevant member of the Group; or

- (g) any other circumstances which are acceptable to the ESOS Committee in its sole and absolute discretion;

the ESOS Committee may in its discretion permit the exercise of any Options which are not exercised by the Grantee at any time until a prescribed date subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Conditions have not been fully and duly satisfied; and/or
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer has not been fulfilled/satisfied;

provided that unless the ESOS Committee in its sole and absolute discretion so permits such vesting or exercise, as the case may be by notice in writing to the Grantee, any unaccepted Offer and/or any Options not exercised in respect of a Grantee shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Grantee and/or cease to be exercisable, as the case may be, without any liability to or right to claim against the Company and/or ESOS Committee.

9.3 Where a Grantee dies before the expiry of the Option Period, the whole or any part of an Option held by the Grantee that is unexercised may be exercised by the legal personal representatives of the Grantee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

9.4 Any unaccepted Offer, and/or any portion of the Options thereof that is not exercised shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against the Company and/or ESOS Committee upon the occurrence of one or more of the following events:

- (a) winding-up or liquidation of the Company; or
- (b) termination of the Scheme pursuant to By-laws 10, 11, 12 or 17.

9.5 Any unaccepted Offer and/or any portion of the Options thereof that is not exercised that ceases to be capable of being exercised by a Grantee, pursuant to this By-law 9, will continue to be available under the Scheme.

## **10. TAKEOVER**

10.1 Notwithstanding By-law 9, in the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole or a part of the issued Shares (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becomes entitled or bound to exercise rights of compulsory acquisition of the Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such rights on a specific date; or
- (c) the entry into and carrying into effect of a contract where the Company disposes of all or a substantial portion of its assets,

then the ESOS Committee may to the extent permitted by law, in its sole and absolute discretion, permit the exercise of all or any part of the Options by a Grantee at any time subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that:

- (i) the Vesting Conditions have not been fully and duly satisfied;

- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer has not been fulfilled or satisfied.

10.2 Save for the Offers and/or Options to be vested, accepted or exercisable pursuant to By-law 10.1, all other Offers and/or Options shall, unless the ESOS Committee in its sole and absolute discretion determine otherwise, automatically terminate, lapse and shall become null and void to the extent unvested, unaccepted or unexercised by the date prescribed by the ESOS Committee, notwithstanding that the Option Period has not commenced or expired.

## **11. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION**

11.1 Notwithstanding By-law 9 and subject to the discretion of the ESOS 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 or its amalgamation with any other company or companies, a Grantee, subject to the prior written consent and approval of the ESOS Committee, may exercise all or any part of his Option at any time subject to such terms and conditions as may be prescribed (if any) 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 or on any other date specified by the ESOS Committee, whichever earlier, notwithstanding that:

- (a) the Vesting Conditions have not been fully and duly satisfied;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled or satisfied.

11.2 Save for the Offers and/or Options to be vested, accepted or exercisable pursuant to By-law 11.1, all other Offers and/or Options shall be automatically terminated, lapse and shall become null and void to the extent the Offers and/or Options are not vested, not accepted or not exercised by the date prescribed by the ESOS Committee, unless the ESOS Committee in its sole and absolute discretion determine otherwise, notwithstanding that the Option Period has not commenced or expired.

## **12. DIVESTMENT FROM THE GROUP**

12.1 If a Grantee who was in the employment or under a contract of service with a company or corporation within the Group has ceased to be a Subsidiary as a result of restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the Options Committee may in its sole and absolute discretion:

- (a) permit the exercise of any portion of the Options thereof that is not exercised by the Grantee at any time subject to such terms and conditions as may be prescribed; or
- (b) terminate any portion of the Options thereof that is not exercised by the Grantee,

notwithstanding that:

- (i) the Option Period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer has not been fulfilled or satisfied.

12.2 All Options which may be allowed by the ESOS Committee to be exercisable under By-Law 12.1(a), to the extent unexercised by the date prescribed by the ESOS Committee, shall automatically lapse and shall become null and void.



**13. RETENTION PERIOD**

13.1 The Shares to be allotted and issued to a Grantee pursuant to the exercise of an Option may be subject to such retention period or restriction on transfer imposed/ determined by the ESOS Committee at its sole and absolute discretion as stipulated in the Offer.

**14. ALTERATION OF SHARE CAPITAL**

14.1 In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of capitalisation of profit or reserves, rights issues, bonus issues, reduction, subdivisions or consolidations of capital or any other variations of capital or otherwise howsoever taking place:

- (a) the Exercise Price;
- (b) the number of Shares comprised in the Option or any portion thereof that is unexercised; and/or
- (c) the number of new Shares and/or Exercise Price comprised in an Offer which is open for acceptance (if such Offer is subsequently accepted in accordance with the terms and conditions of the Offer and the Scheme),

shall be adjusted in accordance with the relevant applicable formula set out in this By-law 14. If the event giving rise to any such adjustment shall be capable of falling within any two or more of By-laws 14.2(a) to (g) herein or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Adviser or external auditors for the time being (acting as experts and not as arbitrators) shall determine.

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

If and whenever a consolidation or subdivision or conversion of Shares occurs, the new Exercise Price shall be calculated in accordance with the following formula:

$$\text{New Exercise Price} = \frac{W \times Y}{S}$$

$$\text{Revised number of Shares under the Options} = \frac{Z \times S}{W}$$

where:

- W = the aggregate number of issued Shares immediately before such consolidation or subdivision or conversion;
- S = the aggregate number of issued Shares immediately after such consolidation or subdivision or conversion;
- Y = existing Exercise Price; and
- Z = Existing number of Shares comprised in the Options in respect of the rights to subscribe for new Shares so far as unexercised.

Such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new share value) or such other date as may be prescribed by Bursa Securities.

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

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

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

and the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

- A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue; and
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature).

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

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) any offer or invitation to ordinary shareholders where under they may acquire or subscribe for new Shares by way of rights; or
- (iii) any offer or invitation to ordinary shareholders by way of rights where under they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares;

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

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

and, in respect of the case referred to in this By-law 14.2 (c)(ii), the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

- C = the Current Market Price (as defined in By-law 14.2(h) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (1) in the case of an offer or invitation to acquire or subscribe for new Shares under By-law 14.2(c)(ii) above or for securities convertible into or with rights to acquire or subscribe for new Shares under By-law 14.2(c)(iii) above, the value of the rights attributable to one (1) Share (as defined below); or  
(2) in the case of any other transaction falling within this By-law 14.2(c), the fair market value, as determined with the concurrence of an Adviser or external auditors, of that portion of the Capital Distribution attributable to one (1) Share.

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

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

where:

- C = as C above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or one (1) additional Share pursuant to the conversion of one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares, as the case may be;
- F = the number of existing Share(s) which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares; and
- D\* = the value of the rights attributable to one (1) existing Share (as defined below).

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

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

where:

- C = as C above;
- E\* = the subscription price for one (1) additional Share under the terms of any offer or invitation to acquire or to subscribe for Shares; and

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

For the purpose of this By-law 14.2(c), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-law 14.2(b)) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature). Any distribution out of profits or reserve made (whenever paid or howsoever described) shall be deemed to be a Capital Distribution unless the distribution is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the entitlement date for the above transactions.

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

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-law 14.2(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-law 14.2(c)(ii) or By-law 14.2(c)(iii) and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$(G \times C) + (H \times I)$$

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$$(G + H + B) \times C$$

and in respect of each case referred to in By-law 14.2(b) and By-law 14.2(c)(ii) the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

$$(G + H^* + B) \times C$$

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

where:

G = the aggregate number of issued Shares on the entitlement date;

C = as C above;

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

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

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

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

B = as B above.

Such adjustment will be with effect (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

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

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in By-law 14.2(c)(ii) together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for new Shares as provided in By-law 14.2(c)(iii), the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

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$$(G + H + J) \times C$$

and the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

$$(G + H^*) \times C$$

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

where:

G = as G above;

C = as C above;

H = as H above;

H\* = as H\* above;

I = as I above;

I\* = as I\* above;

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

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

Such adjustment will be with effect (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

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

If and whenever the Company makes an allotment to ordinary shareholders as provided in By-law 14.2(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-law 14.2(c)(ii) together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for new Shares as provided in By-law 14.2(c)(iii), and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of Options held by each Grantee shall be adjusted by multiplying the existing number of Options held by the following fraction:

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

where:

- G = as G above;
- C = as C above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- B = as B above;
- J = as J above;
- K = as K above.

Such adjustment will be with effect (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-laws 14.2(c)(ii), 14.2(c)(iii), 14.2(d), 14.2(e) or 14.2(f)), the Company shall issue either new Shares or any securities convertible into new Shares or with rights to acquire or subscribe for new Shares, and in any such case the Total Effective Consideration per Share (as defined below) is less than ninety per centum (90%) of the average of the last dealt prices on Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined (hereinafter referred to as the “**Average Price**”) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$L + M$$

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$$L + N$$

where:

- L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have been purchased at the Average Price (exclusive of expenses); and
- N = the aggregate number of new Shares so issued or, in the case of securities convertible into new Shares or with rights to acquire or subscribe for new Shares, the maximum number (assuming no adjustment of such rights) of new Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purposes of this By-law 14.2(g), the “**Total Effective Consideration**” shall be as determined by the Board with the concurrence of an Adviser or external auditors and shall be:

- (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (2) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities, if any; or
- (3) in the case of the issue by the Company of securities with rights to acquire or subscribe for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

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

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on the Market Day immediately preceding the date on which the issue is announced, or failing any such announcement, on the next Market Day following the date on which the Company determines the offering price of such Shares, securities or rights.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the completion of the above transaction.

- (h) For the purposes of By-laws 14.2(c), 14.2(d), 14.2(e) and 14.2(f) above, the “**Current Market Price**” in relation to each Share for any relevant day shall be the average of the last dealt prices for each Share on Bursa Securities for the five (5) consecutive Market Days before such date for one (1) or more board lots of Shares on Bursa Securities.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- 14.3 No adjustment to the Exercise Price and/or the number of Shares comprise in the Options or any portion thereof that is unexercised when the alteration in the capital structure of the Company arises from:
- (a) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the ordinary shareholders in general meeting; or
  - (b) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for any other securities, assets or business; or
  - (c) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for new Shares pursuant to a special issue to Bumiputra investors approved and required by the relevant authorities; or
  - (d) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares pursuant to a private placement or restricted issue; or
  - (e) an issue by the Company of any further Offers or Shares pursuant to the Scheme and the allotment and issuance of Shares for the purpose of satisfying Options; or
  - (f) implementation of a share buy-back arrangement by the Company and cancellation of all or a portion of the shares purchased pursuant to section 127 of the Act and/or Chapter 12 of the Listing Requirements.
- 14.4 Any adjustment to the Exercise Price will be rounded down to the nearest one (1) Sen. No adjustment in the Exercise Price shall be made unless it has been confirmed in writing as aforesaid by an Adviser or external auditors, who shall act as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable, and such confirmation shall be final and binding on all parties. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one (1) Sen. Notice of any adjustment will be given to the Grantee within twenty-one (21) days from the date of adjustment or such other period of time as may be determined by the Board after certification by the ESOS Committee and an Adviser or external auditors of the adjustment in the Exercise Price.
- 14.5 Upon any adjustment resulting in additional Options to be issued, the number of additional Options to be issued to each Grantee will be rounded downwards to the nearest whole Option. However, no additional issue of Options will be made unless the approval, if necessary, has been granted by the relevant authorities and Bursa Securities for the listing of and quotation for such additional new Shares as may be issued on the exercise of any such additional Options.
- 14.6 Notwithstanding the provision referred to in this By-law 14, in any circumstances where the Board considers that any adjustment to the Exercise Price and/or the number of Shares comprised in the Option or any portion thereof that is unexercised under the said provision should be adjusted or calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Shares comprised in the Option or any portion thereof should be made notwithstanding that no such adjustment is required under the said provisions, the Company may but it is not obliged to appoint an Adviser or external auditorsto consider for any reason whatsoever the adjustment to be made (or the absence of any adjustment) or the adjustment to be made in accordance with the provisions of this By-law 14 is appropriate or inappropriate, as the case may be and if such Adviser or external auditors shall consider the adjustment to be inappropriate, that adjustment shall be modified or nullified (or an adjustment made even though not required to be made) in such manner as shall be considered by such Adviser or external auditors to be in its opinion appropriate.
- 14.7 The decision of the Board as to whether any adjustment shall be made or not made to the Exercise Price and and/or the number of Shares comprised in the Option or any portion thereof pursuant to this By-law 14 shall be binding, final and conclusive.



**15. ADMINISTRATION**

- 15.1 The Scheme shall, be implemented and administered by the ESOS Committee consisting of such persons appointed by the Board from time to time.
- 15.2 Subject to these By-Laws, the ESOS Committee shall administer the Scheme in such manner as it shall in its sole and absolute discretion deem fit and with such powers and duties as are conferred upon it by the Board.
- 15.3 For the purpose of administering the Scheme, the ESOS Committee may do all acts and things, rectify any errors in Offers, execute all documents and enter into any transaction, agreement, deed, document or arrangement, make rules, regulations or impose terms and conditions or delegate part or any of its powers and duties relating to the administration of the Scheme as it may in its sole and absolute discretion deem fit, necessary or expedient to give full effect to the Scheme. The ESOS Committee may impose restrictions and/or make policies relating to, amongst others, the granting and exercising of Options by the Grantees.
- 15.4 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee; and
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-laws.

**16. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME**

- 16.1 Subject to By-law 16.2 and in compliance with the Listing Requirements and approvals of any other relevant authorities, where necessary, the ESOS Committee may at any time and from time to time recommend to the Board any addition, amendment and/or modification to and/or deletion of these By-laws as it shall, in its discretion, think fit and the Board shall have the power at any time and from time to time by resolution to amend, add, modify and/or delete with the recommendation of the ESOS Committee, all or any of the provisions of the Scheme provided that:
- (a) no such amendment, addition, modification and/or deletion shall be made which would provide an advantage to any Eligible Person or group of Eligible Persons or all the Eligible Persons in respect of any matters which are required to be contained in the By-laws by virtue of the Listing Requirements; or
  - (b) no such amendment, addition, modification and/or deletion shall be made which would increase the number of Shares available for issuance under the Scheme beyond the Maximum Limit,
- without the prior approval of the Company's shareholders in a general meeting.
- 16.2 The ESOS Committee shall give written notice within ten (10) days of any amendment to this Scheme to all Grantees.
- 16.3 In respect of any addition, amendment, modifications and/or deletion made to these By-laws, the Company shall submit to Bursa Securities the amended and/or modified By-laws and a confirmation letter that such amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements within five (5) Market Days from the effective date of the said amendment and/or modification.

**17. DURATION AND TERMINATION OF THE SCHEME**

- 17.1 The Scheme shall be in force for a period of ten (10) years commencing from the Effective Date ("**Scheme Period**"). The Effective Date on which the Scheme takes full force and effect shall be such date after all of the following conditions have been fulfilled or satisfied:

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- (a) submission of the final copy of the By-laws to Bursa Securities together with a letter of compliance pursuant to Rules 2.12 and 6.43 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
  - (b) receipt of approval or approval-in-principle, as the case may be, from Bursa Securities for the listing and quotation of the new Shares to be issued pursuant to the Scheme;
  - (c) procurement of the approval of the shareholders of SHB in a general meeting for the Scheme;
  - (d) receipt of approval of any other relevant authorities (where applicable); and
  - (e) fulfilment or waiver of all conditions attached to the above approvals (if any).
- 17.2 The Company shall, through the Adviser submit a confirmation letter to Bursa Securities of full compliance with the approvals and/or conditions set out in By-law 17.1 stating the Effective Date of the Scheme together with a certified true copy of a resolution passed by the shareholders of the Company in the general meeting approving the Scheme. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.
- 17.3 Notwithstanding anything set out in these By-laws and subject always to compliance with the Listing Requirements and any other applicable law, the Scheme may be terminated by the Board at its sole and absolute discretion upon recommendation by the ESOS Committee at any time during the Scheme Period by written notice to the affected Grantees, without obtaining the approvals from the Grantees whereupon no further Options shall be vested, no further Offer shall be made by the ESOS Committee and any unaccepted Offer and unexercised Options shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice ("**Termination Date**") provided that the ESOS Committee may in its discretion, permit the vesting of any Options to the Grantees, the acceptance of any outstanding Offer by the Eligible Person, and/or the exercise of any unexercised Options by the Grantee at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Vesting Conditions have not been fully and duly satisfied;
  - (b) the Option Period has not commenced; and/or
  - (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 17.4 In the event that the Scheme is terminated pursuant to By-law 17.3, the Company shall make an announcement immediately to Bursa Securities and comply with the requirements of Bursa Securities or any other relevant authorities. The announcement shall include:
- (a) the effective date of termination;
  - (b) the number of Options exercised or Shares vested; and
  - (c) the reasons for termination.
- 18. NON-TRANSFERABILITY**
- 18.1 The rights of a Grantee under and in relation to an Option shall be personal to him and cannot be assigned, transferred, disposed of, or otherwise subjected to encumbrances in any manner whatsoever unless By-laws 9 and/or 13 applies. Any such attempt to assign, transfer, dispose or encumber any Options shall result in the automatic cancellation of such Options.

**19. DISPUTES / DIFFERENCES**

- 19.1 In the event of a dispute between the ESOS Committee and an Eligible Person or Grantee, as to any matter or thing of any nature arising hereunder, the Board shall determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person or Grantee, as the case may be. The said decision shall be final and binding on the parties in all respects.

**20. NO COMPENSATION FOR TERMINATION**

- 20.1 An Eligible Person who ceases to hold employment (including cessation of employment pursuant to a contract of service with the Group) shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract.
- 20.2 An Eligible Person or Grantee or legal personal representatives shall not bring any claim, action or proceeding against the Company, the Board or the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension and/or revocation of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of the By-laws herein, as may be amended from time to time in accordance with By-law 16 hereof.
- 20.3 This Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the Option themselves) against the Company or any company or corporation of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company or corporation of the Group.

**21. DISCLAIMER OF LIABILITY**

- 21.1 The ESOS Committee, the Group and the Board shall in no event be liable to the Grantee, its representative or any other person or entity for any losses, expenses, costs, damages or liability whatsoever and howsoever arising, incurred and/or suffered, directly or indirectly, in relation to the Scheme, including in the event of (i) any breach of these By-laws by the ESOS Committee, the Company or the Board; (ii) the Company or the ESOS Committee's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Bursa Securities; (iii) any change in the price of the Shares; or (4) any other matters or circumstances, even if the ESOS Committee, the Group, the Board or any other party has been advised of the possibility of losses, expenses, costs, damages or liability.
- 21.2 The Grantee shall at all times indemnify and keep the Company indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by the Company at any time as a result of and/or in connection with or arising from any failure on the part of the Grantee to perform and/or observe the terms and conditions and stipulations of the By-laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-laws by the Grantee or that may be incurred, suffered or sustained by the Company as a result thereof and the Grantee shall promptly upon a demand being made by the Company pay to the Company all amounts so paid incurred suffered or sustained by the Company.

**22. SCHEME NOT A TERM OF EMPLOYMENT**

- 22.1 This Scheme shall not form part nor shall it in any way be construed as part of the terms and conditions of employment or contract of service of any Eligible Person. The rights of any Eligible Person under the terms of his employment or contract of service with any company or corporation within the Group shall not be affected by his participation in the Scheme, nor shall such participation or the Offer or consideration for the Offer accord such Eligible Person any additional rights to compensation or damages in consequence of the termination of such employment for any reason.

- 22.2 This Scheme shall not confer or be construed to confer on any Eligible Person any special rights or privileges over the Eligible Persons' terms and conditions employment or contract of service in the Group nor any rights in addition to compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service.

### **23. COSTS AND EXPENSES**

- 23.1 All cost and expenses incurred in relation to the Scheme including but not limited to administrative and handling charges, fees, costs and expenses relating to the allotment and issuance of new Shares pursuant to the exercise of any Option shall be borne by the Company.
- 23.2 All other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes relating to the exercise of any Options and any holding or dealing of such Shares (such as, but not limited to brokerage commissions and stamp duty) shall be borne by that Grantee and the Company shall not be liable for any of such costs, fees, levies, charges and/or taxes.

### **24. LISTING AND QUOTATION OF SHARES**

- 24.1 The new Shares to be allotted pursuant to the Scheme will not be listed or quoted on the ACE Market of Bursa Securities until the approval for such listing and quotation is obtained from Bursa Securities.

### **25. CONSTITUTION AND LISTING REQUIREMENTS**

- 25.1 In the event of a conflict between any provision of these By-laws and the Constitution and/or the Listing Requirements, the provisions of the Constitution and/or the Listing Requirements shall prevail to the extent of such conflict.

### **26. ERRORS AND OMISSIONS**

- 26.1 If in consequence of an error or omission, the ESOS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESOS Committee as a Grantee, has not been given the opportunity to participate in the Scheme on any occasion;
  - (b) the number of Shares comprised in an Option on any occasion is found to be incorrect; or
  - (c) the number of Shares allotted and issued to any Grantee (including those allotted and issued pursuant to the vesting of the Shares pursuant to the exercise of Options) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the By-Laws, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Grantee is given the opportunity to participate in the Scheme and/or the aggregate number of Shares to which the Grantee is correctly entitled to is credited into his CDS Account.

### **27. NOTICES**

- 27.1 Any notice or request under the Scheme required to be given to or served upon the ESOS Committee by an Eligible Person or Grantee or any correspondence to be made from an Eligible Person or Grantee to the ESOS Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the ESOS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered letter.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- 27.2 Unless otherwise provided in these By-laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person or Grantee or correspondence to be made to an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made:
- (a) if it is sent by ordinary post to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting; or
  - (b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery;
  - (c) if it is transmitted by facsimile, such notice or request shall be deemed to have been received, upon the printing of the transmission log print-out indicating the date, time and transmission of all the pages; or
  - (d) if it is sent by electronic media, including but not limited to electronic mail, or via a general or specific notice placed on any human resource electronic management system to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon the said notice or request being sent by the Company.
- 27.3 Notwithstanding By-law 27.2, where any notice is required to be given by the Company or the ESOS Committee under these By-laws in relation to matters which may affect all the Eligible Persons or Grantees, as the case may be, the Company or ESOS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under By-law 27.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantees.

**28. SEVERABILITY**

- 28.1 Any term, condition, stipulation or provision in these By-laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining terms, conditions, stipulations or 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 contained in these By-laws.

**29. DELAY OF PERFORMANCE**

- 29.1 The performance of any obligations provided in these By-Laws may be delayed, prohibited or become impossible by reason of events beyond the control of the Company or the ESOS Committee.

**30. DECISION OF THE ESOS COMMITTEE**

- 30.1 Any decision and/or determination made by the ESOS Committee under these By-laws shall, in the absence of any manifest of error, be final and binding.

**31. GOVERNING LAW**

- 31.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee shall submit to the exclusive jurisdiction of the Courts in Malaysia in all matters connected with the Scheme and these By-laws.
- 31.2 Any proceeding or action shall be instituted or taken in Malaysia and the Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

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**APPENDIX II – DRAFT BY-LAWS FOR THE PROPOSED ESOS (CONT'D)**

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- 31.3 In order to facilitate the making of any Offer (and/or the benefit thereof) under the Scheme, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the Scheme, as then in effect, unless the Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the Scheme shall be strictly valid in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.
- 31.4 No action has been or will be taken by the Company to make an Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken by the Company to ensure compliance by the Eligible Person to whom an Offer is made, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the Offer.
- 31.5 Any Eligible Person to whom an Offer is made is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Offer. By their acceptance of the Offer, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the Offer.

**SYNERGY HOUSE BERHAD**  
**(Registration No. 202101025778 (1426078-V))**  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of **SYNERGY HOUSE BERHAD** (“**SHB**” or the “**Company**”) will be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities via TIIH Online website <https://tjih.online> from the broadcast venue at Tricor Business Centre, Manuka 2, 3 and 5, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 22 January 2025 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:

**ORDINARY RESOLUTION 1**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS” OR “SCHEME”) INVOLVING UP TO 2.5% OF THE TOTAL NUMBER OF ISSUED SHARES OF SYNERGY HOUSE BERHAD (“SHB”) (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE EMPLOYEES OF SHB AND ITS SUBSIDIARIES (“SHB GROUP” OR “GROUP”) (“PROPOSED ESOS”)**

“**THAT** subject to the approvals being obtained from all relevant authorities/parties, approval is hereby given to the Board of Directors of SHB (“**Board**”) to undertake the proposed establishment of an ESOS involving up to 2.5% of the total number of issued shares of SHB (excluding treasury shares, if any) to enable the granting of new ordinary shares in SHB (“**SHB Shares**” or “**Shares**”) for the eligible employees of SHB Group (“**Eligible Persons**”) in accordance with the by-laws governing the ESOS (“**By-Laws**”) as set out in Appendix II of the Circular to shareholders dated 20 December 2025, and to approve and adopt the By-Laws and to do all such acts, as may be necessary or expedient in order to give full effect to the Proposed ESOS;

**THAT** the Board be and is hereby authorised to allot and issue from time to time such number of new SHB Shares as may be required pursuant to the exercise of the options under the Proposed ESOS (“**ESOS Options**”), provided that the aggregate number of new Shares to be allotted and issued shall not exceed 2.5% of the total number of issued shares of our Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS and such new Shares shall, upon allotment and issuance, rank equally in all respects with the existing issued shares of our Company, except that the new Shares so allotted and issued shall not be entitled to any dividends, rights, allotments and/or other forms of distribution, for which the entitlement date is prior to the date of allotment and issuance of such new Shares;

**THAT** the Board be and is hereby authorised to set up a committee to implement and administer the Proposed ESOS.

**THAT** the Board be and is hereby authorised to do all such acts and things and to execute all such documents and enter into all such transactions, arrangements and agreements, deeds or undertakings, to make such rules or regulations, or impose such terms and conditions or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-Laws;

**THAT** the Board be and is hereby authorised to make such applications as may be necessary at the appropriate time or times to Bursa Securities for the listing and quotation of such new SHB Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the Options to be granted under the Proposed ESOS;

**THAT** subject to the By-Laws, compliance with the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) and the approvals of any other authorities (if required), the Board be and is hereby authorised to add, modify and/or amend the Scheme and/or the By-Laws from time to time as may be permitted by the authorities or deemed necessary by the relevant regulatory authorities or the Board or any committee established to administer the Scheme, provided that such additions, modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws.

**AND THAT** the Board be and are hereby authorised to give effect to the above with full powers to amend and/or assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant government/regulatory authorities and to take all steps and enter into and execute all commitments, transactions, arrangements, deeds, agreements, undertakings, indemnities, transfers, assignments and guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect in connection with the above.”

**BY ORDER OF THE BOARD  
SYNERGY HOUSE BERHAD**

**FONG SEAH LIH (MAICSA 7062297) / (SSM PC NO. 202008000973)  
THAM YIN TONG (MAICSA 7049718) / (SSM PC NO. 202008001314)**

Company Secretaries

Kuala Lumpur  
20 December 2024



## Notes:

1. The EGM of the Company will be held virtually through live streaming and online remote voting using the RPV facilities via TIIH Online website at <https://tiih.online>. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. The shareholders of SHB will not be allowed to attend the EGM in person at the Broadcast Venue on the day of the meeting. The shareholders of SHB are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM through the RPV facilities via TIIH Online website at <https://tiih.online>.
2. A member entitled to attend and vote at this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Please read these notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely through the RPV facilities.
4. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 13 January 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the EGM through the RPV facilities must request his/her proxy or to register himself/herself for the RPV facilities at TIIH Online website at <https://tiih.online>. Procedures for the RPV facilities can be found in the Administrative Guide of the EGM.
6. A member of the Company who is entitled to attend and vote at an EGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.
7. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Listing Requirements.
8. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
10. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
11. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
  - (ii) By electronic means via Tricor's TIIH Online website at <https://tiih.online>

Please refer to the Administrative Guide of the EGM for further information on electronic lodgement of proxy form.
12. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
13. Last date and time for lodging the proxy form is Monday, 20 January 2025 at 11.00 a.m.

14. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
15. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The certificate of appointment of authorised representative should be executed in the following manner:

- (a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (i) at least two (2) authorised officers, of whom one shall be a director; or
    - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
16. Pursuant to Rule 8.31A(1) of the Listing Requirements, the resolution set out in the notice of EGM will be put to vote by way of poll.



## FORM OF PROXY

CDS Account no.
No. of shares held

Telephone no. (During office hours) \_\_\_\_\_

NRIC(New)/Company No \_\_\_\_\_

\*I/We \_\_\_\_\_  
(PLEASE USE BLOCK CAPITAL)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member(s) of **SYNERGY HOUSE BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport no.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/Passport no.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the extraordinary general meeting of the Company to be conducted fully virtual through live streaming and online remote voting using Remote Participation and Voting facilities via TIH Online website at <https://tiih.online> from the broadcast venue at Tricor Business Centre, Manuka 2, 3 and 5, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 22 January 2025 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
Proposed ESOS	Ordinary Resolution 1		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this ..... day of ..... 2024

.....  
Signature of Member(s) or/Common Seal

**Manner of execution:**

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

## Notes:

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8. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
9. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
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    - (i) at least two (2) authorised officers, of whom one shall be a director; or
    - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
16. Pursuant to Rule 8.31A(1) of the Listing Requirements, the resolution set out in the notice of EGM will be put to vote by way of poll.

Fold this flap for sealing

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AFFIX  
STAMP

The Share Registrars of  
**SYNERGY HOUSE BERHAD**  
**Registration No. 202101025778 (1426078-V)**

Trico Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No.8, Jalan Kerinchi,  
59200, Kuala Lumpur

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