

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review of the contents of this Circular prior to the issuance of this Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



KUMPULAN FIMA BERHAD

Registration No. 197201000167(11817-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN COMPRISING AN EMPLOYEES' SHARE OPTION SCHEME AND AN EMPLOYEES' SHARE GRANT PLAN OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES IN KUMPULAN FIMA BERHAD (EXCLUDING TREASURY SHARES, IF ANY); AND**
- (II) **PROPOSED ALLOCATION OF LTIP AWARDS (AS DEFINED HEREIN) TO THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS OF KUMPULAN FIMA BERHAD**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Investment Bank

Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolution in respect of the above proposal will be tabled at our Company's Extraordinary General Meeting ("**EGM**") to be conducted on a virtual basis via live streaming and online remote voting from the Broadcast Venue at the Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Thursday, 29 August 2024 at 4.00 p.m. or immediately upon conclusion of the 52nd Annual General Meeting of Kumpulan Fima Berhad which will be held at the same venue and on the same day at 3.00 p.m., whichever is later or any adjournment thereof.

If you are unable to attend and vote at our Company's EGM, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein with our Company's Share Registrar at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the EGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com/> to log in and deposit your Proxy Form electronically, also 48 hours before the meeting. The lodging of the Proxy Form will not preclude you from participating and voting at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Tuesday, 27 August 2024 at 4.00 p.m..

This Circular is dated 31 July 2024

DEFINITIONS

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

Act	:	Companies Act 2016
Announcement	:	The announcement in relation to the Proposed LTIP dated 4 July 2024
Award Letter	:	A letter of offer to Eligible Person(s) issued pursuant to an offer made by the NRC under the By-Laws
Board or Board of Directors	:	Board of Directors of KFima
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	:	The by-laws governing the rules, terms and conditions of the Proposed LTIP as may be modified, varied and/or amended from time to time, the draft of which is set out in Appendix I of this Circular
Circular	:	This circular to the shareholders of our Company in relation to the Proposed LTIP dated 31 July 2024
Constitution	:	Constitution of KFima
CMSA	:	Capital Markets and Services Act 2007
Director(s)	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of subsection 2(1) of the CMSA
Effective Date	:	The date on which the LTIP comes into force following full compliance with the relevant requirements of the Listing Requirements
EGM	:	Extraordinary general meeting
Eligible Director(s)	:	Executive and non-executive Directors of our Group by virtue of their eligibility for the LTIP Awards
Eligible Person(s)	:	The Eligible Director(s), Senior Management Personnel and employees of our Group (excluding dormant subsidiaries, if any) who fulfil the eligibility criteria for participation in the Proposed LTIP as set out in the By-Laws
Employee	:	A natural person who is employed by and on the payroll of our Company or any company within our Group (excluding dormant subsidiaries)
EPS	:	Earnings per KFima Share
ESGP	:	Employees' share grant plan
ESGP Award(s)	:	The award of such number of KFima Share(s) to an Eligible Person at no payment by the Eligible Person
ESGP Award Date(s)	:	The date of the Award Letter in which an ESGP Award(s) is awarded to any Eligible Person pursuant to the ESGP Award made by the NRC

DEFINITIONS *(Cont'd)*

ESGP Shares	:	The award of KFima Shares to the Senior Management Personnel of our Group who fulfil the eligibility criteria for participation in the Proposed ESGP as set out in the By-Laws
ESGP Participant(s)	:	Eligible Person(s) who has accepted the ESGP Award(s) in accordance with the terms of the Proposed LTIP
ESOS	:	Employees' share option scheme
ESOS Award(s)	:	The grant of such number of ESOS Options to the Eligible Persons to subscribe for the KFima Shares at the ESOS Exercise Price in the manner and subject to the terms and conditions provided in the By-Laws
ESOS Award Date(s)	:	The date of the Award Letter in which an ESOS Award(s) is awarded to any Eligible Person pursuant to the ESOS Award made by the NRC
ESOS Exercise Price	:	The price at which the ESOS Participant(s) shall be entitled to subscribe for every new KFima Share by exercising his / her ESOS Options as determined in accordance with the provisions of the By-Laws
ESOS Option(s)	:	The right of an ESOS Participant to subscribe for new KFima Shares at the ESOS Exercise Price pursuant to the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner as indicated in the By-Laws
ESOS Participant(s)	:	Eligible Person(s) who has accepted the ESOS Options in the manner provided in the By-Laws in accordance with the terms of the Proposed LTIP
FYE		Financial year ended / ending 31 March, as the case may be
Interested Director(s)	:	Directors of our Company (in both executive and non-executive capacities) who are Eligible Directors in respect of their respective Proposed Specific Allocations
Interested Parties	:	Eligible Person who is a Director or major shareholder or chief executive officer of our Company
KFima or Company	:	Kumpulan Fima Berhad (Registration No. 197201000167 (11817-V))
KFima Group or Group	:	Collectively, KFima and its subsidiaries and in the context of the Proposed LTIP, our Group shall exclude subsidiaries which are dormant
KFima Share(s) or Share(s)	:	Ordinary shares in KFima
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
LPD	:	17 July 2024, being the latest practicable date prior to the printing of this Circular
LTIP	:	Long-term incentive plan
LTIP Award(s)	:	The ESOS Award(s) and/or ESGP Award(s) (as the case may be)

DEFINITIONS *(Cont'd)*

LTIP Award Date(s)	: The date of which the LTIP Award is made by the NRC from time to time to an Eligible Person to participate in the Proposed LTIP
LTIP Participant(s)	: Collectively, the ESOS Participant(s) and the ESGP Participant(s) in relation to the Proposed LTIP who has accepted the LTIP Award in the manner provided in the By-Laws
LTIP Scheme or Scheme	: LTIP for the LTIP Awards to any Eligible Persons in accordance with the By-Laws
Market Day	: A day on which Bursa Securities is open for trading in securities
Maximum Allowable Allotment	: The maximum number of KFima Shares in respect of the LTIP Award that can be offered and allotted to an Eligible Person in the manner as provided by the By-Laws
Maximum Shares	: The aggregate maximum number of KFima Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP
Maybank IB	: Maybank Investment Bank Berhad (Registration No. 197301002412)
MFRS 2	: Malaysian Financial Reporting Standards 2 – Share-based payment
NA	: Net assets
NRC	: Nomination and Remuneration Committee of our Board to administer the Proposed LTIP in accordance with the By-Laws
Person(s) Connected	: Shall have the same meaning assigned to it in Paragraph 1.01 of the Listing Requirements
Proposed ESGP	: Proposed establishment of an employees' share grant plan pursuant to the Proposed LTIP
Proposed ESOS	: Proposed establishment of an employees' share option scheme pursuant to the Proposed LTIP
Proposed LTIP	: Proposed establishment of an LTIP which comprises the Proposed ESOS and the Proposed ESGP of up to 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP for the Eligible Persons
Proposed Specific Allocations	: The proposed allocations of LTIP Awards to the Interested Directors and the Persons Connected under the Proposed LTIP
RM and sen	: Ringgit Malaysia and sen
Senior Management Personnel	: Group Managing Director and senior management personnel having the designation of General Manager and above in our Group who fulfil the eligibility criteria for participation in the Proposed ESGP as set out in the By-Laws

DEFINITIONS *(Cont'd)*

USD	:	United States Dollar
Vesting Conditions	:	The conditions which are required to be fulfilled by an LTIP Participant before the ESOS Option(s) and/or ESGP Award(s) is capable of being vested onto the LTIP Participant pursuant to the terms of the By-Laws
VWAP	:	Volume weighted average price

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

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

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

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

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED LTIP. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED LTIP BEFORE VOTING AT THE FORTHCOMING EGM.

Key information	Description	Reference in Circular
Details of the Proposed LTIP	<p>Our Company proposes to establish and implement the Proposed LTIP, which comprises the Proposed ESOS to the Eligible Persons and the Proposed ESGP to the Senior Management Personnel.</p> <p>The Proposed LTIP serves to attract, retain, motivate and reward the Eligible Persons through the award of ESOS Options with rights to subscribe for KFima Shares and the award of KFima Shares.</p> <p>The Proposed LTIP will be administered in accordance with the By-Laws by the NRC. The NRC will have the absolute discretion in administering the Proposed LTIP.</p> <p>The maximum number of new KFima Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any point in time over the duration of the LTIP.</p>	Section 2
Rationale and justification for the Proposed LTIP	<p>The Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of our Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in our Company and help achieve the positive objectives as set out below:</p> <ul style="list-style-type: none">(i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;(ii) to provide an incentive to drive and motivate the Eligible Persons towards improved performance through greater productivity and loyalty;(iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and(iv) to reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of KFima Shares. <p>Further, the Proposed ESOS is also extended to the non-executive Directors of the listed entity(ies) within our Group to recognise their contribution towards the growth and performance of our Group and to enable them to participate in the future growth of our Group.</p>	Section 3

<u>Key information</u>	<u>Description</u>	<u>Reference in Circular</u>
	<p>The ESGP Awards which are only extended to the Senior Management Personnel are intended to drive the individual performance of the Senior Management Personnel and at the same time, motivate the Senior Management Personnel to collaborate and achieve our Group's goals and aspirations. In other words, the Proposed ESGP is also intended to enable the Company to award and retain capable Senior Management Personnel, via a comprehensive remuneration structure and long-term incentive plan.</p>	
Approvals required	<p>The Proposed LTIP is subject to the following being obtained:</p> <ul style="list-style-type: none"> (i) approval of Bursa Securities, which was obtained vide its letter dated 18 July 2024, for the listing of and quotation for such number of KFima Shares representing 10% of the total number of issued KFima Shares (excluding treasury shares, if any) to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities; (ii) approval of our shareholders at the forthcoming EGM; and (iii) approvals and/or consents from any other relevant authorities and/or parties, if required. 	Section 8
Interest of Directors, major shareholders, chief executive and persons connected	<p>All the Directors of our Company (in both executive and non-executive capacities) who are entitled to participate in the Proposed LTIP are deemed interested in the Proposed LTIP by virtue of their eligibility for the LTIP Awards and in respect of their Proposed Specific Allocations under the Proposed LTIP.</p> <p>Accordingly, the Directors:</p> <ul style="list-style-type: none"> (i) will abstain from deliberating and voting for their Proposed Specific Allocations under the Proposed LTIP (if any) at the relevant Board meetings of our Company; (ii) will abstain from voting on their direct and/or indirect shareholding in our Company (if any) on the resolution in respect of their Proposed Specific Allocations under the Proposed LTIP (if any) to be tabled at the forthcoming EGM; and (iii) will ensure that Persons Connected (if any) will abstain from voting on their direct and/or indirect shareholding in our Company (if any) on the resolution in respect of their Proposed Specific Allocations under the Proposed LTIP to be tabled at the forthcoming EGM. 	Section 9
Directors' statement and recommendation	<p>Our Board, having considered and deliberated on all aspects of the Proposed LTIP, is of the opinion that the Proposed LTIP is in the best interest of our Group. Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed LTIP to be tabled at the forthcoming EGM.</p>	Section 11

EXECUTIVE SUMMARY (Cont'd)

<u>Key information</u>	<u>Description</u>	<u>Reference in Circular</u>
	<p>Our Board (save for the Interested Directors in respect of the respective Proposed Specific Allocations to them and Persons Connected) having considered all aspects of the Proposed Specific Allocations, is of the opinion that the Proposed Specific Allocations are in the best interest of our Group and recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed Specific Allocations to be tabled at the forthcoming EGM.</p>	



KUMPULAN FIMA BERHAD

Registration No. 197201000167(11817-V)
(Incorporated in Malaysia)

Registered Office

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
50490 Kuala Lumpur
Wilayah Persekutuan

31 July 2024

Board of Directors

Dato' Idris Bin Kechot (*Chairman/Independent Non-Executive Director*)

Dato' Roslan Bin Hamir (*Group Managing Director/Non-Independent Executive Director*)

Dato' Rosman Bin Abdullah (*Non-Independent Non-Executive Director*)

Rozana Zeti Binti Basir (*Non-Independent Non-Executive Director*)

Datuk Anuar Bin Ahmad (*Independent Non-Executive Director*)

Datin Rozilawati Binti Haji Basir (*Non-Independent Non-Executive Director*)

Danny Hoe Kam Thong (*Independent Non-Executive Director*)

To : Our shareholders

Dear Sir / Madam,

PROPOSED LTIP

1. INTRODUCTION

On 4 July 2024, Maybank IB had, on behalf of our Board, announced that our Company proposes to establish and implement the Proposed LTIP, which comprises the Proposed ESOS and the Proposed ESGP.

On 19 July 2024, Maybank IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 18 July 2024, resolved to approve the listing of and quotation for such number of new KFima Shares, representing up to 10% of the total number of issued KFima Shares (excluding treasury shares, if any) which are to be issued under the Proposed LTIP at any point in time during the duration of the Proposed LTIP, on the Main Market of Bursa Securities, subject to, among others, the conditions as set out in Section 8 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED LTIP, TOGETHER WITH OUR BOARD'S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED LTIP TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED LTIP TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED LTIP

The Proposed LTIP entails the granting of options to the Eligible Persons for subscription of new KFima Shares and the award of KFima Shares to the Senior Management Personnel. The Proposed LTIP will be administered by the NRC who will have the absolute discretion in administering the Proposed LTIP as it deems fit, in accordance with the By-Laws.

As at the LPD, the members of the NRC are as follows:

Name	Designation	Directorship
Danny Hoe Kam Thong	Chairman	Independent Non-Executive Director
Datuk Anuar Bin Ahmad	Member	Independent Non-Executive Director
Datin Rozilawati Binti Haji Basir	Member	Non-Independent Non-Executive Director

The Proposed LTIP shall comprise the following:

- (i) the Proposed ESOS, which is intended to allow our Company to grant ESOS Options to the Eligible Persons; and
- (ii) the Proposed ESGP, which is intended to award ESGP Shares to the Senior Management Personnel,

subject to the respective Eligible Persons and Senior Management Personnel fulfilling certain Vesting Conditions as may be determined by the NRC in accordance with the By-Laws.

In implementing the Proposed LTIP and subject to prevailing legislation and the Listing Requirements, the NRC may at its sole and absolute discretion decide that the LTIP Award(s) be satisfied through the following methods, where applicable:

- (i) allotment and issuance of new KFima Shares;
- (ii) transfer of existing KFima Shares (vide treasury shares), if any;
- (iii) any other methods as may be permitted by the Act and the Listing Requirements, as amended from time to time and any re-enactment thereof, such as acquisition of existing KFima Shares from the open market, followed by the transfer of such KFima Shares (vide treasury shares) to the Eligible Persons or cash payments; if any; or
- (iv) a combination of any of the above.

In deciding the mode of satisfaction as set out above, the NRC will take into consideration, among others, the issue price of the new KFima Shares (which shall be determined based on the fair value of the KFima Shares as at the LTIP Award Date), the prevailing market price of the KFima Shares, funding requirements of our Group, dilutive effects of any such issuance on our Company's share capital base, future returns and potential cost arising from the grant of the LTIP Awards.

2.1 Proposed ESOS

Under the Proposed ESOS, the NRC may, at its sole and absolute discretion, within the duration of the Proposed LTIP, grant the ESOS Options to the Eligible Persons to subscribe for new KFima Shares at the ESOS Exercise Price, subject to the terms and conditions of the By-Laws.

Upon acceptance of the ESOS Awards by the ESOS Participants, the ESOS Awards will be vested to the ESOS Participants over the duration of the Proposed LTIP, subject to the ESOS Participants fulfilling certain Vesting Conditions to be determined by the NRC at a later date after the establishment of the Proposed LTIP.

2.2 Proposed ESGP

Under the Proposed ESGP, the NRC may, at its sole and absolute discretion, during the duration of the Proposed LTIP, award such number of ESGP Shares to the Senior Management Personnel.

Upon acceptance of the ESGP Awards by the ESGP Participants, the ESGP Awards will be vested to the ESGP Participants over the duration of the Proposed LTIP at no cost, subject to the ESGP Participants fulfilling certain Vesting Conditions to be determined by the NRC at a later date after the establishment of the Proposed LTIP.

2.3 Salient terms of the Proposed LTIP

(i) Maximum number of new KFima Shares available under the Proposed LTIP

The maximum number of new KFima Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued KFima Shares (excluding treasury shares, if any), at any point of time during the duration of the Proposed LTIP as set out in Section 2.3(iv) of this Circular.

As at the LPD, our Company has 282,231,600 KFima Shares in issue, of which 6,853,200 KFima Shares are held as treasury shares.

(ii) Basis of allocation and maximum allowable allotment

Subject to the By-Laws and any adjustment which may be made under the By-Laws, the maximum number of ESGP Shares to be awarded and/or ESOS Options to be granted to an Eligible Person under the Scheme at any point of time in each LTIP Award shall be at the sole and absolute discretion of the NRC after taking into consideration, inter-alia, the Eligible Person's seniority, job grading, performance, length of service, contribution to our Group and/or such other matters as the NRC deems fit in its sole and absolute discretion, and subject to the following conditions:

- (a) the total number of new KFima Shares made available under the Scheme shall not exceed the Maximum Shares stipulated in Section 2.3(i) of this Circular;
- (b) not more than 10% of the total number of issued KFima Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through Persons Connected with the Eligible Person, holds 20% or more of the total number of issued KFima Shares (excluding treasury shares, if any);
- (c) not more than 10% of the total number of KFima Shares which may be made available under the Proposed LTIP shall be allocated to the Directors who are Eligible Persons, whereas not more than 30% of the total number of KFima Shares under the Proposed LTIP shall be allocated to the Senior Management Personnel of our Group (excluding dormant subsidiaries of our Company) who are Eligible Persons. The maximum allowable allocation to the Directors and the Senior Management Personnel of our Group is determined after taking into consideration, among others, the seniority, job grading, performance, length of service, contribution to our Group, the profit after tax of our Group and the total shareholder return; and
- (d) the Eligible Persons shall not participate in the deliberation or discussion of their Proposed Specific Allocations as well as to their Persons Connected, if any,

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

The NRC may at its sole and absolute discretion determine whether the LTIP Award(s) to the Eligible Person(s) will be made on staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions.

Subject to the By-Laws, the NRC may at its sole and absolute discretion determine to grant and/or award more than 1 LTIP Award(s) to an Eligible Person provided that the total aggregate number of KFima Shares comprised in the LTIP Award(s) awarded to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment.

(iii) Eligibility

Subject to the discretion of the NRC, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to be considered for participation in the Proposed LTIP:

- (a) in respect of the ESOS Awards and ESGP Awards, an Employee (including Senior Management Personnel), he/she:
 - (i) is a Malaysian citizen;
 - (ii) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is employed on a full-time basis and is on the payroll of any company within our Group for more than 1 continuous year and such employment has been confirmed prior to and up to the LTIP Award Date;
 - (iv) where he/she is employed by our Company and/or any other company within our Group on a fixed-term contract basis, the term of his/her contract of employment with our Company or any other Group company is not less than 2 years, provided that where his/her contract of employment has been renewed and such renewal shall be effected within 6 months (or such longer period as the NRC may determine in its discretion) from the expiration of his employment with the relevant company, the NRC shall have the discretion (but not the obligation) to take into consideration the total aggregate term of all the contracts of employment of the employee with the relevant company within our Group for determining his satisfaction of the eligibility criteria as set out in the By-Laws;
 - (v) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
 - (vi) fulfils any other criteria as may be determined by the NRC from time to time at its sole discretion;
- (b) in respect of the ESOS Awards to the Directors, he/she:
 - (i) is a Malaysian citizen;
 - (ii) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) has been appointed as a director of our Company or any company within our Group for such periods as may be determined by the NRC prior to and up to the LTIP Award Date;

- (iv) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
- (v) fulfils any other criteria as may be determined by the NRC from time to time at its sole discretion,

provided always that the selection of any Director or Employee for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to an Eligible Person under the Proposed LTIP shall be at the sole and absolute discretion of the NRC and the decision of the NRC shall be final and binding.

In addition, the ESGP Awards may require the performance targets to be met by the Senior Management Personnel prior to the vesting of the ESGP Awards. The performance targets comprise key performance indicators to be measured against the individual performance of the ESGP Participants and/or Group as well as the performance of their respective business units within our Group, as may be determined by our Company from time to time.

Where a specific allocation of ESOS Options and/or KFima Shares is proposed to be made pursuant to the LTIP Awards to the Interested Parties or a Person Connected with any of the Interested Parties, such specific allocation to the said person under the Proposed LTIP must be approved by the shareholders of our Company at a general meeting provided always that such Interested Parties and/or Persons Connected shall abstain from voting on the resolution approving their respective allocations and/or allocations to Persons Connected and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulations.

Notwithstanding the above, the NRC may from time to time, at its absolute discretion, determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in the By-Laws for the purpose of selecting an Eligible Person to be offered the LTIP Awards, and the decision of the NRC shall be final and binding.

Eligibility under the Proposed LTIP however, does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Proposed LTIP and an Eligible Person does not acquire or has any right over or in connection with the LTIP Awards unless the LTIP Awards have been made by the NRC to the Eligible Person and the Eligible Person has accepted the LTIP Awards in accordance with the provisions of the By-Laws.

(iv) Duration

The Proposed LTIP, when implemented, shall be in force for a period of 5 years from the Effective Date of the Proposed LTIP. Our Company may, if our Board deems fit and upon recommendation of the NRC, extend the Proposed LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date.

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

(v) Basis of determining the ESOS Exercise Price and the reference price of the ESGP Awards

For the Proposed ESOS, subject to any adjustments made in accordance with the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price shall be a price to be determined by our Board upon recommendation of the NRC based on the 5-day VWAP of KFima Shares immediately preceding the date of the ESOS Awards, with a discount of not more than 10% during the duration of the Proposed LTIP.

The reference price of the ESGP Awards to be awarded will be determined based on the fair value of the ESGP Awards, which will take into account, among others, the market price of the KFima Shares as at or prior to the award date of the ESGP Awards.

(vi) Ranking of the new KFima Shares to be issued and/or existing KFima Shares to be transferred

The new KFima Shares to be allotted and issued pursuant to the Proposed LTIP will be subject to the provisions of the Constitution of our Company and shall, upon allotment and issuance, rank equally in all respects with the existing KFima Shares, save and except that these new KFima Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new KFima Shares.

In respect of the transfer of existing KFima Shares (vide treasury shares) to the ESGP Participants, if any, pursuant to the vesting of the KFima Shares comprised in the ESGP Awards, such KFima Shares shall rank equally in all respects with the existing KFima Shares. However, the ESGP Participants shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the KFima Shares are credited into the central depository system accounts of the ESGP Participants on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

(vii) Retention Period

Subject to the Listing Requirements and/or any other applicable laws, the new KFima Shares to be allotted and issued and/or existing KFima Shares to be transferred to the ESOS Participants and/or ESGP Participants, as the case may be, pursuant to the Proposed LTIP will not be subjected to any retention period unless otherwise stated in the LTIP Awards as determined by the NRC at its sole and absolute discretion. However, the ESOS Participants and/or ESGP Participants are encouraged to hold such KFima Shares as a long-term investment and not for any speculative and/or realisation of any immediate gains.

Notwithstanding the above, the NRC shall be entitled to prescribe or impose, in relation to any LTIP Award, any condition relating to any retention period or restriction on the transfer of the KFima Shares to be issued and/or transferred (vide treasury shares, if any) pursuant to the Proposed LTIP as the NRC deems fit.

Notwithstanding the above, in accordance with Paragraph 8.20 of the Listing Requirements, an ESOS Participant or ESGP Participant who is a non-executive director, must not sell, transfer or assign the KFima Shares obtained through the exercise of the ESOS Options or ESGP Shares awarded to him/her within 1 year from the date of the ESOS Awards or ESGP Awards.

(viii) Alteration of share capital

Subject to the By-Laws, 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 profits or reserves, rights issue, bonus issue, capital reduction, capital repayment, sub-division or consolidation of capital (save for set-off against accumulated losses), declaration of any special dividend or distribution or any other variation of capital howsoever shall take place during the duration of the Scheme, our Company shall cause such adjustment to be made:

- (i) in relation to ESGP:
 - (a) the number of ESGP Shares comprised in the ESGP Award(s) to the extent not yet vested; and/or
 - (b) the method and/or manner in the vesting of the ESGP Shares comprised in the ESGP Award(s).
- (ii) in relation to ESOS:
 - (a) the ESOS Exercise Price and/or number of ESOS Options comprised in the ESOS Award(s) to the extent not yet vested or exercised; and/or
 - (b) the method and/or manner in the vesting of the ESOS Options comprised in the ESOS Award(s).

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

- (i) any adjustment to the ESOS Exercise Price shall be rounded up to the nearest 1 sen; and
- (ii) in determining a LTIP Participant's entitlement to have the KFima Shares vested and/or to exercise the ESOS Options, any fractional entitlements will be disregarded.

Subject to the By-Laws, the ESOS Exercise Price for the ESOS Award(s) and/or the number of new KFima Shares unvested/ESOS Options relating to the LTIP Award(s) awarded to each LTIP Participant(s) shall from time to time be adjusted, calculated and determined by the NRC in accordance with the following relevant provisions in the By-Laws in consultation with the external auditors of our Company or adviser identified by the NRC (acting as experts and not arbitrators) who must confirm the adjustment in writing to be in their opinion, fair and reasonable.

(ix) Modification, variation and/or amendment to the Proposed LTIP

Subject to the By-Laws and compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the NRC may at any time and from time to time recommend to our Board any additions, modifications or amendments to or deletions of the By-Laws as it shall at its sole discretion deem fit and our Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in the By-Laws upon such recommendation and our Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the rules of Bursa Malaysia Depository Sdn Bhd.

Subject to the By-Laws, the approval of the shareholders of our Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of the By-Laws provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will:

- (i) prejudice any rights which would have accrued to any LTIP Participant(s) without the prior consent or sanction of that LTIP Participant(s); or
- (ii) increase the number of the KFima Shares available under the Scheme beyond the maximum amount set out in the By-Laws; or
- (iii) prejudice any rights of the shareholders of our Company; or

- (iv) alter to the advantage of an Eligible Person and/or LTIP Participant(s) in respect of any matters which are required to be contained in the By-Laws without the prior approval of the shareholders of our Company obtained in a general meeting unless allowed by the provisions of the Listing Requirements.

Such amendment or modification to the By-Laws does not need the prior approval of Bursa Securities. However, our Company shall submit to Bursa Securities a confirmation letter that the amendment or modification does not contravene any of the provisions of the Listing Requirements pertaining to the Scheme no later than 5 Market Days after the effective date of the said amendment or modification is made.

The NRC shall within 10 Market Days of any amendment and/or modification made pursuant to the By-Laws notify the LTIP Participant(s) in writing of any amendment and/or modification made pursuant to the By-Laws.

(x) Termination of the Proposed LTIP

Subject to compliance with the Listing Requirements and other requirements of Bursa Securities and other relevant authorities, our Company may, if our Board deems fit and upon the recommendation of the NRC, at any time before the date of expiry of the Proposed LTIP, terminate the Proposed LTIP in accordance with the terms of the By-Laws, provided that our Company makes an announcement immediately to Bursa Securities on the following:

- (a) the effective date of termination (“**Termination Date**”);
- (b) the number of ESOS Options exercised pursuant to the Proposed ESOS and/or the number of KFima Shares vested pursuant to the Proposed ESGP; and
- (c) the reasons and justifications for termination.

In the event of termination of the Proposed LTIP, the following provisions shall apply:

- (a) no further LTIP Award shall be made by the NRC from the Termination Date;
- (b) all LTIP Awards which have yet to be accepted by the Eligible Persons shall automatically lapse and become null and void on the Termination Date; and
- (c) all LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall automatically be deemed cancelled and be null and void on the Termination Date.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of our Company by way of resolution in a general meeting and written consent of the LTIP Participants who have yet to vest their LTIP Awards and/or exercise their vested ESOS Options are not required to effect a termination of the Proposed LTIP.

2.4 Listing of and quotation for the new KFima Shares to be issued pursuant to the Proposed LTIP

Bursa Securities had, vide its letter dated 18 July 2024, resolved to approve the listing of and quotation for such number of new KFima Shares, representing up to 10% of the total number of issued KFima Shares (excluding treasury shares, if any) which are to be issued under the Proposed LTIP at any point in time during the duration of the Proposed LTIP, on the Main Market of Bursa Securities, subject to, among others, the conditions as set out in Section 8 of this Circular.

2.5 Fund-raising exercises in the past 12 months

Our Company has not undertaken any equity fund-raising exercises in the past 12 months prior to the date of the Announcement.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED LTIP

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

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;
- (ii) to provide an incentive to drive and motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and
- (iv) to reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of KFima Shares.

The Proposed ESOS is also extended to the non-executive Directors of the listed entity(ies) within our Group to recognise their contribution towards the growth and performance of our Group and to enable them to participate in the future growth of our Group.

The ESGP Awards which are only extended to the Senior Management Personnel are intended to drive the individual performance of the Senior Management Personnel and at the same time, motivate the Senior Management Personnel to collaborate and achieve our Group's goals and aspirations. In other words, the Proposed ESGP is intended to enable our Company to award and retain capable Senior Management Personnel, via a comprehensive remuneration structure and long-term incentive plan.

4. UTILISATION OF PROCEEDS

Our Company will receive proceeds as and when the ESOS Options are exercised. However, the actual amount of proceeds will be dependent on the number of ESOS Options granted and exercised at the relevant point in time and the ESOS Exercise Price payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received cannot be determined at this juncture.

The proceeds to be raised from the exercise of the ESOS Options, if any, will be utilised for the working capital requirements of our Group's existing businesses which include, among others, maintenance costs relating to our Group's equipment, plant and machinery, transportation costs and administrative expenses.

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

Our Company will not receive any proceeds pursuant to the Proposed ESGP as the ESGP Participants will not be required to pay for the KFima Shares to be issued and allotted and/or transferred to them pursuant to the ESGP Award.

5. INDUSTRY OUTLOOK AND PROSPECTS OF OUR GROUP

5.1 Overview and outlook for the Malaysian economy

The Malaysian economy continued to show strength and resilience in 2023. Despite the challenging external environment, the economy grew by 3.7%. This was supported by resilient domestic demand, a rebound in tourism and improvement in labour market conditions. Additionally, both headline and core inflation are gradually moderating and converging towards their long-term averages. The pre-emptive and measured Overnight Policy Rate (OPR) increases in 2022 and 2023 have helped to maintain a good balance between supporting growth whilst managing inflationary pressures.

Looking to 2024, there is room for optimism even as the external environment remains highly uncertain. The Malaysian economy is projected to expand between 4%-5%. This will be supported by the improvement of external demand, with the rebound in global trade, and the technological upcycle being a bright spot for Malaysia given the significant role in the semiconductor supply chain. This will provide positive spillovers to the exports and production. Meanwhile, the tourism sector in Malaysia will benefit from the recovery of global tourism to pre-pandemic levels.

In addition to the more favourable external demand, resilient domestic demand will remain a driving force for growth. Household spending will be underpinned by improving labour market conditions given the ongoing recovery in tourism-related sectors, as well as higher production and trade activities. Sustained financial buffers among households will also support spending, with targeted policy measures assisting vulnerable households. Meanwhile, investment growth will be supported by the continued progress of multi-year projects across the public and private sectors, as well as catalytic initiatives under strategic masterplans such as the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR).

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

5.2 Overview and outlook for liquid bulk, biodiesel, biofuel, plantation, manufacturing and food industry in Malaysia

(i) Liquid bulk, biodiesel and biofuel

According to the Business Research Company's Global Market Report for 2024, the liquid bulk market size is projected to increase from USD60.58 billion in 2023 to USD65.3 billion in 2024, with a compound annual growth rate of 7.8%. This growth can be attributed to various factors such as shifts in energy consumption, regulatory changes, the emergence of the petrochemical industry, global trade expansion, and the impact of the industrial revolution.

Anticipated growth in international trade is set to drive the expansion of the bulk liquid market. International trade, involving the exchange of goods, services, and capital across national borders, is a critical component of global business. The bulk liquid industry is expected to benefit from and adapt to international trade, as evidenced by the United Nations Conference on Trade and Development's report in June 2023, stating a 1.9% increase in trade in products and a 2.8% rise in the value of global services trade in the first 3 months of 2023 compared to the last quarter of 2022. The growing landscape of international trade serves as a driving force for the bulk liquid market.

(Source: Business Research Company's Global Market Report for 2024)

From 2024 to 2030, the biofuels and biodiesel market displays a consistent and positive growth direction, indicating a favorable outlook for the industry. This growth is propelled by several key factors, including increasing consumer demand, advancements in technology, and shifting consumer preferences.

A significant driver of the biofuels and biodiesel market is the growing consumer awareness of health and wellness. This heightened consciousness has resulted in a surge in demand for biofuels and biodiesel products that are perceived as healthier and more natural alternatives. Furthermore, technological advancements within the biofuels and biodiesel industry have led to the emergence of more efficient and sustainable production methods, further enhancing market growth. Furthermore, key players in the industry are making substantial investments, which are anticipated to drive innovation and fuel market expansion. These investments primarily focus on the development of new products and the expansion of distribution networks, which in turn will stimulate future demand.

(Source: Biodiesel Market Global Forecast 2024-2030)

(ii) Plantation

The Malaysian oil palm industry displayed a mixed performance in 2023 compared to the preceding year. Although there was a slight reduction in planted area due to replanting initiatives, crude palm oil (“CPO”) production increased by 0.5% to 18.55 million tonnes, aided by improved labor supply. The yield of fresh fruit bunches and oil extraction rate also saw growth, rising by 1.9% and 0.8% respectively. However, a decline in palm oil exports led to higher stock levels. Exports stood at 15.13 million tonnes, down from 15.71 million tonnes in 2022, with India remaining the largest export market.

The Russia-Ukraine war and Indonesia’s lifting of export bans contributed to a substantial 25.1% drop in CPO prices, though they later stabilized due to higher soybean oil prices, firmer Brent crude oil prices and lower CPO production. Despite these challenges, total export earnings decreased by 27.1% to RM94.95 billion. Palm oil ending stocks increased for the third consecutive year, reaching 2.29 million tonnes in December 2023, driven by higher carry-over stocks and a decrease in exports.

Overall, the Malaysian oil palm industry showcased resilience and adaptability in the face of various challenges. With a focus on sustainable growth and ongoing initiatives, the industry is poised to navigate future uncertainties and maintain its position in the global market.

(Source: Overview of the Malaysian Oil Palm industry in 2023, Malaysian Palm Oil Board)

(iii) Manufacturing

The evolving digital landscape, driven by end users and consumers, is compelling the traditional security printing industry to adapt. The increasing adoption of advanced data security measures and stringent regulatory requirements regarding data protection are also major driving factors for the market's growth. More countries are adopting eGovernment platforms to enable citizens to access services online, including applying for identity documents such as birth certificates, driving licenses, and passports. ePassports and eNational Identity (eNID) cards already combine physical and digital elements, featuring securely printed documents embedded with chips that store the holder’s personal data.

Although digital identities are on the rise, they will not entirely replace physical documents. Users will gradually rely less on carrying physical documents as digital solutions become more prevalent. Physical documents are expected to remain relevant, however, the future of security printing is increasingly moving towards virtual formats, but this transition will take time. In the long run, this shift will result in fewer physical secure documents.

(Source: Management of our Company)

(iv) Food

Global food production systems remain vulnerable to shocks stemming from extreme weather events, geopolitical tensions, policy changes and developments in other markets, potentially tipping the delicate demand-supply balances and impacting prices and world food security.

In 2024, global fisheries and aquaculture production is forecast at 191 million tonnes, with aquaculture output expected to exceed 100 million tonnes for the first time. Landings from capture fisheries will remain at about 90 million tonnes. In 2024, global capture fisheries production is expected to remain stable, with a modest 1.1% increase over 2023 levels. Waning El Niño weather conditions from early 2024 onwards have eased pressure on key stocks.

In 2023, international tuna trade experienced a decline, with a 13% reduction in volume and a 10% fall in value that were largely driven by decreasing demand for canned tuna. Prices dropped considerably from previous highs, with the tuna component of the Food and Agriculture Organization Fish Price Index showing a 20-point reduction between June 2023 and February 2024. While demand for fresh tuna remained stable, processed tuna suffered from reduced consumption. Tuna canners and processors worldwide imported nearly 1.7 million tonnes of frozen tuna in 2023, a 13% decrease from 2022. Global imports of non-canned tuna, declined to 275,000 tonnes.

(Source: Food Outlook (June 2024) – Food and Agriculture Organization of The United Nations (FAO))

5.3 Prospects of our Group

The execution of our strategic goals throughout the past few years has given us a growing portfolio of valuable infrastructure assets, enabling us to efficiently meet market demand and serve customers' requirements for both conventional and alternative fuel storage. Our focus will be largely on continuing the execution of our strategic goals and capitalising on the low-carbon and renewable energy megatrends to sustain our growth trajectory. The demand for renewable energy is expected to increase even further, driven by population and economic growth, of which will primarily contribute to our growth in the liquid storage business. However, the performance of our biodiesel plant can be impacted by issues relating to feedstock supply.

Our Plantation division will continue its mechanization initiatives to enhance operational efficiencies and reduce reliance on manual labour. We also aim to improve agronomic standards, accelerate regenerative agriculture programs, and complete development and rehabilitation projects in our Malaysian estates. We anticipate that our markets in Papua New Guinea will remain relatively resilient, with improving volume trends. To capitalize on this, the Food division's priority for the current year is to optimize their supply chain and unlock efficiencies. For Manufacturing division, we are adopting a more cautious view of our outlook in this current financial year due to market dynamics related to the anticipated impact of governments' transition to digital solutions.

We are also mindful of the inflationary pressures that could affect our operating costs and margins as we expect fuel costs and interest rates to remain elevated during this current financial year, and in this regard, we will closely monitor the market conditions and maintain a strict financial discipline to deliver optimal value for our stakeholders.

In the current financial year 2024, we will focus on making further progress with our multiyear strategy and delivering on our key priorities that we believe will be the catalysts for organic growth and ultimately, consistent value creation for the long term.

Bulking division's performance in this current financial year is expected to be favourable on the back of contributions from the newly completed tanks, and the corresponding rise in freight/haulage handling activities. We are optimistic about the prospects of the biodiesel segment, having shifted our focus to producing used cooking oil methyl ester and palm oil methyl ester (PME). The demand for these products appears strong, presenting promising growth opportunities.

In addition, and considering the modest forecast for economic growth in the near term, all our operating units will continue working towards deriving cost efficiencies to support bottom-line growth, preserve margin profiles and reduce our carbon footprint.

6. EFFECTS OF THE PROPOSED LTIP

6.1 Issued share capital

The Proposed LTIP will not have an immediate effect on the issued share capital of our Company until such time when new KFima Shares are issued pursuant to the Proposed LTIP. The issued share capital of our Company will increase progressively as and when new KFima Shares are issued arising from the exercise of the ESOS Options granted under the Proposed ESOS and/or pursuant to the vesting of new KFima Shares under the Proposed ESGP. However, if the existing KFima Shares or treasury shares are transferred to the Eligible Persons pursuant to the Proposed ESGP, there will be no effect on the issued share capital of our Company.

For illustrative purposes, assuming all the treasury shares are resold at cost prior to the implementation of the Proposed LTIP and the Maximum Shares available under the Proposed LTIP are fully granted and vested via the issuance of new KFima Shares, the pro forma effect of the Proposed LTIP on the issued share capital of our Company is as follows:

	No. of KFima Shares	RM'000
As at the LPD ⁽¹⁾	282,231,600	311,670
To be issued pursuant to the Proposed LTIP	⁽²⁾ 28,223,160	⁽³⁾ 56,729
After the Proposed LTIP	310,454,760	368,399

Notes:

- (1) As at the LPD, the Company has 282,231,600 KFima Shares in issue, of which 6,853,200 KFima Shares are held as treasury shares.
- (2) Calculated based on 10% of the total number of issued shares of our Company as at the LPD.
- (3) Calculated based on the illustrative price of RM2.01 per KFima Share, which represents a discount of approximately 9.76% to the 5-day VWAP of KFima Shares up to and including the LPD of RM2.2273.

6.2 NA, NA per KFima Share and gearing

Save for the potential impact of the MFRS 2 as set out in Section 6.4 of this Circular, the Proposed LTIP will not have any immediate material effect on the NA per KFima Share and gearing of our Group until such time as and when the new KFima Shares are allotted and issued pursuant to the vesting of the ESGP Awards and/or exercise of the ESOS Options.

Any potential effect on the consolidated NA per KFima Share and gearing of our Group in the future will depend on factors such as the method of satisfaction of the LTIP Awards, actual number of KFima Shares to be issued and/or transferred which can only be determined at the point of the vesting of the ESGP Awards and/or the exercise of the ESOS Options and the ESOS Exercise Price.

Upon the vesting of the ESGP Awards pursuant to the Proposed LTIP, the consolidated NA per KFima Share will decrease when the KFima Shares are vested in satisfaction of the ESGP Awards.

Upon exercise of the ESOS Options pursuant to the Proposed LTIP, the consolidated NA per KFima Share is expected to:

- (i) increase if the ESOS Exercise Price is higher than the consolidated NA per KFima Share;
or
- (ii) decrease if the ESOS Exercise Price is lower than the consolidated NA per KFima Share,
at such point of exercise.

6.3 Substantial shareholders' shareholdings

The Proposed LTIP is not expected to have any immediate effect on the shareholding of the substantial shareholders of our Company unless they are participants of the Proposed LTIP and/or until such time when the new KFima Shares are issued pursuant to the Proposed LTIP. Any potential effect on the shareholding of the substantial shareholders of our Company would depend on the number of ESOS Options granted and new KFima Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS as well as the number of new KFima Shares to be issued under the Proposed ESGP at the relevant point in time.

For illustrative purposes, assuming all of the treasury shares are resold at cost, the Maximum Shares available under the Proposed LTIP are issued to the Eligible Persons and the LTIP Awards are satisfied via the issuance of new KFima Shares, the pro forma effect of the Proposed LTIP on the substantial shareholders' shareholdings is as follows:

	Shareholding as at the LPD		Assuming all the treasury shares are resold		After (1) and the Proposed LTIP	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of KFima Shares	(1)%	No. of KFima Shares	(2)%	No. of KFima Shares	(3)%
Dr. Roshayati Binti Basir ("Dr Roshayati")	50,084,100	18.19	50,084,100	17.75	(6)50,284,100	16.20
Rozana Zeti Binti Basir ("Rozana Zeti")	49,415,100	17.94	49,415,100	17.51	(6)49,615,100	15.98
BHR Enterprise Sdn Bhd ("BHR")	47,852,300	17.38	47,852,300	16.95	47,852,300	15.41
Subur Rahmat Sdn Bhd ("SRSB")	11,509,200	4.18	11,509,200	4.08	11,509,200	3.71
			(5)9,375,200	3.40	(5)9,375,200	3.32
			(4)121,212,700	44.02	(4)121,212,700	42.95
			(4)121,881,700	44.26	(4)121,881,700	43.18
					(4)121,212,700	39.04

Notes:

- (1) Computed based on the total number of 275,378,400 KFima Shares (excluding 6,853,200 treasury shares).
- (2) Computed based on the total number of 282,231,600 KFima Shares (assuming all treasury shares are resold).
- (3) Computed based on the enlarged number of 310,454,760 KFima Shares (assuming the Maximum Shares available under the Proposed LTIP are issued to the Eligible Persons).
- (4) Dr Roshayati, Datin Rozilawati Binti Haji Basir ("Datin Rozilawati") and Rozana Zeti are sisters and their shareholdings in BHR of more than 20%.
- (5) SRSB's indirect shareholdings in our Company are held through M & A Nominee (Tempatan) Sdn. Bhd., Ahmad Riza Bin Basir ("Ahmad Riza"), Zailini Binti Zainal Abidin ("Zailini") and their children. Ahmad Riza and his wife, Zailini are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Act.
- (6) For illustrative purposes only, assuming the allotment and issuance of up to 200,000 new KFima Shares each to the substantial shareholders of our Company who are Eligible Persons pursuant to the Proposed LTIP. For the avoidance of doubt, the NRC shall have the sole and absolute discretion on the allocation of new KFima Shares that may be offered to the substantial shareholders of our Company who are Eligible Persons. In the event the Eligible Person is a member of the NRC, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of LTIP Awards or the allocations to the persons connected with him/her.

6.4 EPS

The Proposed LTIP is not expected to have any immediate material effect on our Group's earnings and EPS until such time when the ESOS Options are granted and exercised under the Proposed ESOS and/or KFima Shares are granted under the Proposed ESGP. However, any potential effect on our Group's earnings and EPS in the future would depend on the number of the ESOS Options granted and exercised, the ESOS Exercise Price payable upon exercise of the ESOS Options, the number of KFima Shares granted under the Proposed ESGP as well as the impact of MFRS 2.

Under the MFRS 2, the potential cost arising from the issuance of the ESOS Options under the Proposed ESOS, which is measured by the fair value of the ESOS Options after taking into account, among others, the number of ESOS Options granted, the vesting period and the ESOS Exercise Price, will need to be measured at the grant date and to be recognised as an expense over the vesting period. Therefore, this may affect the future earnings of our Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by our Company as it is merely an accounting treatment.

Further, under the MFRS 2, the potential cost of awarding the new KFima Shares under the Proposed ESGP will need to be measured at fair value on the date of granting and recognised as an expense over the vesting period of such ESGP Shares. The extent of the effect of the Proposed ESGP on our Group's earnings and EPS cannot be determined at this juncture as it would depend on the fair value of the new KFima Shares at the respective dates of the ESGP Awards. However, the potential cost of the ESGP Awards does not represent a cash outflow and is only an accounting treatment.

Our Board and the NRC have taken note of the potential impact of the MFRS 2 on our Group's future earnings and shall take into consideration such impact in allocating and awarding the LTIP awards to the Eligible Persons.

6.5 Convertible securities

As at the LPD, we do not have any other convertible securities in issue.

7. HISTORICAL SHARE PRICES

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

	High (RM)	Low (RM)
<u>2023</u>		
July	2.00	1.90
August	2.00	1.89
September	1.89	1.80
October	1.79	1.75
November	1.84	1.75
December	1.85	1.77
<u>2024</u>		
January	1.88	1.80
February	1.92	1.86
March	2.04	1.90
April	2.09	2.00
May	2.29	2.08
June	2.21	2.13

	RM
Last transacted market price of KFima Shares on 3 July 2024 (being the last trading day prior to the announcement of the Proposed LTIP on 4 July 2024)	2.19
Last transacted market price of KFima Shares as at the LPD	2.26

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposed LTIP is subject to following being obtained:

- (i) approval of Bursa Securities for the listing of and quotation for such new number of KFima Shares, representing up to 10% of the total number of issued KFima Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities;

The approval of Bursa Securities was obtained vide its letter dated 18 July 2024 and is subject to the following conditions:

No.	Condition	Status of Compliance
1.	Maybank IB and our Company must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed LTIP.	To be complied
2.	Maybank IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation of the Proposed LTIP, together with a certified true copy of the resolutions passed by our shareholders in the EGM approving the Proposed LTIP and a letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws.	To be complied
3.	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of KFima Shares listed pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) approval of our shareholders at the forthcoming EGM; and
- (iii) approvals and/or consents from any other relevant authorities and/or parties, if required.

The Proposed LTIP is not conditional or inter-conditional upon any other corporate exercise/scheme of our Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED

All the Directors of our Company (in both executive and non-executive capacities) who are entitled to participate in the Proposed LTIP are deemed interested in the Proposed LTIP by virtue of their eligibility for the LTIP Awards and in respect of their Proposed Specific Allocations under the Proposed LTIP. Accordingly, the Interested Directors:

- (i) will abstain from deliberating and voting for their Proposed Specific Allocations under the Proposed LTIP (if any) at the relevant Board meetings of our Company;
- (ii) will abstain from voting on their direct and/or indirect shareholdings in our Company (if any) on the resolution in respect of their Proposed Specific Allocations under the Proposed LTIP (if any) to be tabled at the forthcoming EGM; and
- (iii) will ensure that Persons Connected (if any) will abstain from voting on their direct and/or indirect shareholding in our Company (if any) on the resolution in respect of their Proposed Specific Allocations under the Proposed LTIP (if any) to be tabled at the forthcoming EGM.

As at the LPD, the direct and/or indirect shareholding of the Interested Directors are as follows:

	Direct		Indirect	
	No. of KFima Shares	%	No. of KFima Shares	%
Rozana Zeti	49,415,100	17.94	⁽¹⁾⁽²⁾ 121,881,700	44.26
Dato' Idris Bin Kechot	10,000	*	-	-
Dato' Roslan Bin Hamir	320,000	0.12	⁽³⁾ 1,291,000	0.47
Datuk Anuar Bin Ahmad	-	-	-	-
Dato' Rosman Bin Abdullah	-	-	-	-
Datin Rozilawati	1,000,000	0.36	⁽¹⁾⁽²⁾ 170,296,800	61.84
Danny Hoe Kam Thong	-	-	-	-

* negligible

Notes:

(1) Deemed interested by virtue of the following:

- (i) Puan Sri Datin Hamidah Binti Abdul Rahman ("**Puan Sri Datin Hamidah**") is the mother of Dr Roshayati, Datin Rozilawati, Rozana Zeti and Ahmad Riza and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (ii) Dr Roshayati, Datin Rozilawati and Rozana Zeti are sisters and their shareholdings in BHR of more than 20%. Dr Roshayati and Rozana Zeti are major shareholders of our Company.
- (iii) Rozana Zeti's direct shareholding in RZB Holdings Sdn. Bhd. ("**RZB**") pursuant to Section 8 of the Act. RZB holds 102,000 KFima Shares (or 0.04%).
- (iv) Children of Dr Roshayati and Rozana Zeti's direct shareholdings of 180,300 KFima Shares (or 0.07%) and 1,200 KFima Shares (or 0.00%).
- (v) Ahmad Riza is the son of Puan Sri Datin Hamidah and brother of Dr Roshayati, Datin Rozilawati and Rozana Zeti and:
 - (a) his indirect shareholding in our Company via M & A Nominee (Tempatan) Sdn. Bhd. of 360,000 KFima shares (or 0.13%) and SRSB pursuant to Section 8 of the Act. SRSB holds 11,509,200 KFima Shares (or 4.18%) and 7,700,000 KFima Shares (or 2.80%), respectively;
 - (b) his wife, Zailini's shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in our Company of 909,000 KFima Shares (or 0.33%); and
 - (c) his children's shareholdings of 406,200 KFima Shares (or 0.15%).

- (2) *Datin Rozilawati's indirect shareholding in our Company via Maybank Nominees (Tempatan) Sdn. Bhd. of 747,700 KFima Shares (or 0.27%), M & A Nominee (Tempatan) Sdn. Bhd. of 461,000 KFima Shares (or 0.17%) and Affin Hwang Nominees (Tempatan) Sdn. Bhd. of 200,000 KFima Shares (or 0.07%).*
- (3) *Dato' Roslan Bin Hamir's indirect shareholding in our Company via Maybank Nominees (Tempatan) Sdn. Bhd.*

Dr Roshayati and BHR who are the major shareholders of KFima are deemed Persons Connected to Datin Rozilawati and Rozana Zeti by virtue of the following:

- (i) Dr Roshayati is the sister of Datin Rozilawati and Rozana Zeti; and
- (ii) the aggregate shareholdings of Dr Roshayati, Datin Rozilawati and Rozana Zeti in BHR are more than 20%.

Save as disclosed above, none of the Directors, major shareholders, chief executive of our Company and/or Persons Connected has any interest, direct and/or indirect, in the Proposed LTIP.

10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed LTIP (which is the subject matter of this Circular), there is no other outstanding corporate proposals which have been announced but not yet completed as at the LPD.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered and deliberated on all aspects of the Proposed LTIP, is of the opinion that the Proposed LTIP is **in the best interest** of our Group. Accordingly, our Board recommends that you **vote in favour** of the resolution pertaining to the Proposed LTIP to be tabled at the forthcoming EGM.

Our Board (save for the Interested Directors in respect of the respective Proposed Specific Allocations to them and Persons Connected) having considered all aspects of the Proposed Specific Allocations, is of the opinion that the Proposed Specific Allocations are **in the best interest** of our Group and recommends that you **vote in favour** of the ordinary resolutions pertaining to the Proposed Specific Allocations to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, our Company expects to implement the Proposed LTIP by the third quarter of 2024.

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

<u>Key Event</u>	<u>Tentative Timeline</u>
EGM for the Proposed LTIP	29 August 2024
Effective date for the implementation of the Proposed LTIP	By end September 2024

13. EGM

Our EGM, the notice of which is enclosed in this Circular, will be conducted as a virtual meeting via live streaming on Thursday, 29 August 2024 at 4.00 p.m. or immediately upon conclusion of the 52nd Annual General Meeting of KFima which will be held at the same venue and on the same day at 3.00 p.m., whichever is later or any adjournment thereof for the purpose of considering the Proposed LTIP contained herein and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed LTIP.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of our Company's share registrar at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, to deposit the Proxy Form by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/> to login and deposit your Proxy Form electronically, not later than Tuesday, 27 August 2024 at 4.00 p.m..

14. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
KUMPULAN FIMA BERHAD

Dato' Idris Bin Kechot
Independent Non-Executive Chairman

1. DEFINITIONS AND INTERPRETATIONS

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

Act	:	Companies Act 2016
Adviser	:	A person who is permitted to carry on the regulated activity of advising corporate finance under the CMSA, which includes a Principal Adviser as defined in the Securities Commission Malaysia's Licensing Handbook (Chapter 7A)
Board	:	The Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time)
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time including all subsidiary legislations made thereunder and any re-enactment thereof
Constitution	:	The constitution of the Company, including any amendments thereto that may be made from time to time
CMSA	:	Capital Markets and Services Act 2007
Date of Expiry	:	Last day of the duration of the Scheme or last day of any extended period pursuant to By-Law 13.2 (as the case may be) If such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which the Record of Depositors is closed
Director	:	A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of subsection 2(1) of the CMSA
Effective Date	:	The date on which the Scheme comes into force as provided in By-Law 13.1
Eligible Director(s)	:	Executive and non-executive Directors of the Group
Eligible Person(s)	:	The Eligible Director(s) and employees of the Group (excluding dormant subsidiaries, if any) who fulfil the eligibility criteria for participation in the Proposed LTIP as set out in the By-Laws
Employee	:	A natural person who is employed by and on the payroll of the Company or any company within the Group (excluding dormant subsidiaries)

APPENDIX I – DRAFT BY-LAWS FOR THE PROPOSED LTIP (Cont'd)

Entitlement Date	: The date as at the close of business on which shareholders' names must appear in the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
ESGP	: Employee share grant plan as stipulated in Section 1 of these By-Laws
ESGP Award(s)	: The award of such number of KFima Shares to an Eligible Person in the manner and subject to the terms and conditions provided in these By-Laws
ESGP Award Date(s)	: The date of the Award Letter in which an ESGP Award(s) is awarded to any Eligible Person pursuant to the ESGP Award made by the NRC
ESGP Participant(s)	: Eligible Person(s) who has accepted ESGP Award(s) in the manner provided in By-Law 30
ESGP Vesting Date(s)	: The date upon which all or any parts of the KFima Shares awarded to ESGP Participant(s) are eligible to be vested upon fulfilment of all terms and Vesting Conditions, if any, as determined by the NRC
ESOS	: Employees' share option scheme as stipulated in Section 2 of these By-Laws
ESOS Award(s)	: The award of such number of ESOS Option(s) to an Eligible Person to subscribe for the KFima Shares at the Exercise Price in the manner and subject to the terms and conditions provided in these By-Laws
ESOS Award Date(s)	: The date of which an ESOS Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
ESOS Option(s)	: The right of ESOS Participant(s) to subscribe for the KFima Share(s) at the Exercise Price in the manner provided in By-Law 36
ESOS Participant(s)	: Eligible Person(s) who has accepted the ESOS Award(s) in the manner provided in By-Law 35
ESOS Vesting Date(s)	: The date upon which all or any part of the ESOS Options awarded to ESOS Participant(s) are eligible to be vested and are entitled to exercise the ESOS Options upon fulfilment of all terms and Vesting Conditions, if any, as determined by the NRC
Exercise Price	: The price at which ESOS Participant(s) shall be entitled to subscribe for the KFima Share(s) upon the exercise of the ESOS Option(s), as initially determined and as may be adjusted, pursuant to the provisions of By-Law 38

APPENDIX I – DRAFT BY-LAWS FOR THE PROPOSED LTIP (Cont'd)

KFima or the Company	: Kumpulan Fima Berhad (197201000167 (11817-V))
KFima Group or the Group	: The Company and its subsidiary companies as defined in Section 4 of the Act, and in the context of the LTIP, shall exclude subsidiary companies which are dormant. Subject to the foregoing, subsidiary companies include subsidiary companies which are existing as at the Effective Date and subsidiary companies which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 11
KFima Share(s) or Share(s)	: Ordinary share(s) in KFima
Listing Requirements	: Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes issued in relation thereto
LTIP	: Long-term incentive plan as stipulated in these By-Laws
LTIP Award(s)	: The ESGP Award(s) and/or the ESOS Award(s), as the case may be
LTIP Award Date(s)	: The ESGP Award Date(s) and/or the ESOS Award Date(s), as the case may be
LTIP Award Vesting Date(s)	: The ESGP Vesting Date(s) and/or the ESOS Vesting Date(s), as the case may be
LTIP Participant(s)	: The ESGP Participant(s) and/or the ESOS Participant(s), as the case may be
LTIP Scheme or Scheme	: LTIP for the LTIP Awards to any Eligible Persons in accordance with these By-Laws
Market Day	: A day on which Bursa Securities is open for trading in securities
Maximum Allowable Allotment	: The maximum number of KFima Shares in respect of the LTIP Awards that can be made available to an Eligible Person as set out in By-Law 5 hereof
NRC	: Nomination and Remuneration Committee of the Board to administer the Proposed LTIP in accordance with these By-Laws
Record of Depositors	: A record provided by Bursa Depository to a listed issuer under Chapter 24 of the Rules of Bursa Securities, including any amendment that may be made from time to time
RM and sen	: Ringgit Malaysia and sen respectively
Rules of Bursa Depository	: The rules of Bursa Depository, as issued pursuant to the Central Depositories Act

- Senior Management Personnel** : Group Managing Director and senior management personnel of the Group who fulfil the eligibility criteria for participation in the Proposed ESGP as set out in the By-Laws
- Vesting Conditions** : The conditions which are required to be fulfilled by a LTIP Participant before the ESOS Option(s) and/or ESGP Award(s) is capable of being vested onto the LTIP Participant pursuant to the terms of these Bylaws

1.2 In this By-Laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and Listing Requirements and any policies and/or guidelines of the 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 to by Bursa Securities and/or the relevant authorities);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any LTIP Award(s) awarded and accepted during the duration of the Scheme and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (iii) words denoting the singular shall include the plural and vice versa and references to gender shall include both genders and the neuter;
- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the NRC may be exercised in the NRC's absolute discretion and the NRC shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
- (v) the heading in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;
- (vi) for the purpose of these By-Laws, "person connected" shall have the meaning as defined in Paragraph 1.01 of the Listing Requirements;
- (vii) 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;
- (viii) any reference to the Company and/or other person shall include a reference to its successors-in-title and permitted assigns; and
- (ix) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

PART A – GENERAL PROVISIONS OF THE LTIP

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

2. NAME AND OBJECTIVE OF SCHEME

2.1 This Scheme shall be called the “**KFima’s Long-Term Incentive Plan**”.

2.2 The objectives of the Scheme are as follows:

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (ii) to provide an incentive to drive and motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (iv) to reward the Eligible Persons by allowing them to participate in the Group’s profitability and eventually realise any potential capital gains arising from possible appreciation in the value of KFima Shares.

3. MAXIMUM NUMBER OF NEW KFIMA SHARES AVAILABLE UNDER THE SCHEME

3.1 The maximum number of new KFima Shares which may be made available under the Scheme shall not in aggregate exceed 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any point of time during the duration of the Scheme as provided in By-Law 13.2.

3.2 Notwithstanding the provision of By-Law 3.1 above and any other provisions contained herein, in the event the total number of the KFima Shares that may be made available under the Scheme exceeds 10% of the total number of issued KFima Shares (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing the KFima Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued KFima Shares, then such LTIP Award(s) awarded prior to the adjustment of the issued KFima Shares (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the NRC shall not make any further LTIP Award(s) until the total number of KFima Shares under the subsisting LTIP Award(s) falls below 10% of the total number of issued KFima Shares (excluding treasury shares, if any).

3.3 Notwithstanding the above, the Company may implement more than one (1) LTIP during the duration of this Scheme provided that the aggregate KFima Shares available for issuance under all the share issuance schemes implemented by the Company are not more than 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any one time 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.

4. ELIGIBILITY

4.1 Subject to the sole discretion of the NRC, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to participate in the Scheme:

4.1.1 ESOS Awards

- (a) in respect of the ESOS Awards and ESGP Awards, an Employee of the Group (including Senior Management Personnel), he/she:
 - (i) is a Malaysian citizen;
 - (ii) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is employed on a full-time basis and is on the payroll of any company within the Group (which is not dormant) for more than one (1) continuous year and such employment has been confirmed prior to and up to the LTIP Award Date;
 - (iv) where he/she is employed by the Company and/or any other company within the Group on a fixed-term contract basis, the term of his/her contract of employment with the Company or any other Group company is not less than two (2) years, provided that where his/her contract of employment has been renewed and such renewal shall be effected within six (6) months (or such longer period as the NRC may determine in its discretion) from the expiration of his employment with the relevant company, the NRC shall have the discretion (but not the obligation) to take into consideration the total aggregate term of all the contracts of employment of the employee with the relevant company within the Group for determining his satisfaction of the eligibility criteria as set out in this section;
 - (v) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
 - (vi) fulfils any other criteria as may be determined by the NRC from time to time at its sole discretion,

- (b) in respect of the ESOS Awards to the Directors, he/she:
 - (i) is a Malaysian citizen;
 - (ii) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) has been appointed as a Director of the Company or any company within the Group for such periods as may be determined by the NRC prior to and up to the LTIP Award Date;
 - (iv) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
 - (v) fulfils any other criteria as may be determined by the NRC from time to time at its sole discretion,

4.1.2 ESGP Scheme

- (a) in respect of the Senior Management Personnel, he/she:
 - (i) is a Malaysian citizen;

- (ii) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (iii) is under full-time employment with, and is on the payroll of, the Company or any other company within the Group for more than one (1) continuous year, having the designation of General Manager or above;
- (iv) where he/she is employed by the Company and/or any other company within the Group on a fixed-term contract basis, the term of his/her contract of employment with the Company or any other Group company is not less than two (2) years, provided that where his/her contract of employment has been renewed and such renewal shall be effected within six (6) months (or such longer period as the NRC may determine in its discretion) from the expiration of his employment with the relevant company, the NRC shall have the discretion (but not the obligation) to take into consideration the total aggregate term of all the contracts of employment of the employee with the relevant company within the Group for determining his/her satisfaction of the eligibility criteria as set out in this section (iv); and
- (v) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
- (vi) fulfils any other criteria as may be determined by the NRC from time to time at its sole discretion,

the ESGP Awards may require the performance targets to be met by the Senior Management Personnel prior to the vesting of the ESGP Awards. The performance targets comprise key performance indicators to be measured against the individual performance of the ESGP Participants and/or the Group as well as the performance of their respective business units within the Group, as may be determined by the Company from time to time,

provided always that the selection of any director or employee for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to an Eligible Person under the Proposed LTIP shall be at the sole and absolute discretion of the NRC and the decision of the NRC shall be final and binding.

- 4.2 Notwithstanding the above, the NRC may, at its sole and absolute discretion, waive any of the eligibility conditions as set out in By-Law 4.1 above (save for By-Law 4.1.1 and 4.1.2). The selection of any Employee for participation in the Scheme, eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the NRC and the decision of the NRC shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the NRC may take into account amongst other factors, job grading, performance, length of service, contribution to the Group, the profit after tax of the Group, total shareholder return and/or such other factors that the NRC may in its sole and absolute discretion deem fit.
- 4.3 The NRC shall have the discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, and further to amend any Vesting Conditions if the NRC decides that a changed performance target would be a fairer measure of performance.
- 4.4 Notwithstanding By-Law 4.1, the LTIP Award(s) to be awarded to any Eligible Person, who is a Director, major shareholder or chief executive of the Company or persons connected with such Director, major shareholder or chief executive (as defined in the Listing Requirements), shall also be approved by the shareholders of the Company in general meeting to be convened unless such approval is no longer required under the Listing Requirements provided always that such interested parties shall not have voted on the resolution approving their respective allocation.

- 4.5 Any Eligible Person who holds more than 1 position within the Group and by holding such positions, the Eligible Person is in more than 1 category, shall only be entitled to the Maximum Allowable Allotment of any 1 of those category/designation of employment. The NRC shall be entitled at its sole discretion to determine the applicable category/designation of employment.
- 4.6 A Senior Management Personnel of a dormant company within the Group is not eligible to participate in the Scheme.
- 4.7 An Employee who during the duration of the Scheme becomes an Eligible Person may, at the sole discretion of the NRC, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment and the decision of the NRC shall be final and binding.
- 4.8 Eligibility under the Scheme does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any right over or in connection with the LTIP Award(s) unless the LTIP Award(s) has been made by the NRC to the Eligible Person and the Eligible Person has accepted the LTIP Award(s) in accordance with these By-Laws.

5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

- 5.1 The allocation of the KFima Shares to be made available for the LTIP Award(s) under the Scheme shall be determined by the NRC.
- 5.2 Subject to By-Law 3 and any adjustment which may be made under By-Law 9, the maximum number of ESGP Shares to be awarded and/or ESOS Options to be granted to an Eligible Person under the Scheme at any point of time in each LTIP Award shall be at the sole and absolute discretion of the NRC after taking into consideration, inter alia, the Eligible Person's seniority, job grading, performance, length of service, contribution to the Group and/or such other matters as the NRC deems fit in its sole and absolute discretion, and subject to the following conditions:
- (i) the total number of new KFima Shares made available under the Scheme shall not exceed the amount in By-Law 3.1 above;
 - (ii) not more than 10% of the total number of issued KFima Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% or more of the total number of issued KFima Shares (excluding treasury shares, if any);
 - (iii) not more than 10% of the total number of KFima Shares which may be made available under the Proposed LTIP shall be allocated to the Directors who are Eligible Persons, whereas not more than 30% of the total number of KFima Shares under the Proposed LTIP shall be allocated to the Senior Management Personnel of the Group (excluding dormant subsidiaries of the Company) who are Eligible Persons. The maximum allowable allocation to the Directors and the Senior Management Personnel of the Group is determined after taking into consideration, among others, the seniority, job grading, performance, length of service, contribution to the Group, the profit after tax of the Group and the total shareholder return; and
 - (iv) the Eligible Person shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any;

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

- 5.3 The NRC shall determine the maximum number of KFima Shares for the LTIP Award(s) that will be made available to an Eligible Person under the Scheme, in the manner provided in these By-Laws in relation to the Eligible Directors and each class or grade of Senior Management Personnel and the aggregate maximum number of LTIP Award(s) that can be awarded to the Eligible Directors and Senior Management Personnel under the Scheme from time to time, and the decision of the NRC shall be final and binding. For the avoidance of doubt, the NRC shall not be obliged in any way to offer an Eligible Person the LTIP Award(s) for all the specified Maximum Allowable Allotment applicable to such Eligible Person under the Scheme.
- 5.4 In the event that an Employee is promoted and becomes an Eligible Person, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of employee of which he/she then is a party, subject always to the maximum number of KFima Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.5 In the event that an Eligible Person who is demoted/re-designated to a lower grade below Senior Management Personnel for whatsoever reason shall no longer be entitled to the participation of the LTIP Scheme unless an award has been made and accepted by him before such demotion/re-designated or subject to the discretion of the NRC.
- 5.6 The Company shall ensure that the LTIP Award(s) awarded pursuant to the Scheme is verified by the Audit and Risk Committee of the Group at the end of each financial year as being in compliance with the award criteria of the LTIP Award(s) which have been disclosed to the Eligible Person.
- 5.7 The NRC may at its sole and absolute discretion determine whether the LTIP Award(s) to the Eligible Person(s) will be made on staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions.
- 5.8 If any Eligible Person is a member of the NRC, such Eligible Person shall not participate in the deliberation or discussion of his/her LTIP Award(s).
- 5.9 The selection of any Eligible Person to participate in the Scheme will be at the sole discretion of the NRC and the decision of the NRC shall be final and binding.
- 5.10 At the time the LTIP Award(s) is awarded in accordance with these By-Laws, the NRC shall set out the basis of award, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment that may be awarded to such Eligible Person under the LTIP Award(s).
- 5.11 Subject to By-Law 5.2, nothing herein shall prevent the NRC from awarding more than 1 LTIP Award(s) to an Eligible Person provided that the total aggregate number of KFima Shares comprised in the LTIP Award(s) awarded to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment that an Eligible Person is entitled under the LTIP Award(s).

6. RIGHTS OF LTIP PARTICIPANT(S)

- 6.1 The LTIP Award(s) shall not carry any right to vote at any general meeting of the Company or rank for any distributions in the event of any voluntary or involuntary liquidation or dissolution of the Company until and unless such KFima Shares have been issued, allotted and credited into the CDS Account of the LTIP Participant(s).

- 6.2 The KFima Shares which are credited into the LTIP Participants' CDS Account upon vesting of the ESGP Awards and/or exercising of the ESOS Options, would carry rights to vote at the general meeting of the Company, if the LTIP Participant(s) is registered in the Record of Depositors on the Entitlement Date to be entitled to attend and vote at the general meeting.
- 6.3 A LTIP Participant(s) shall not be entitled to any dividends, rights and/or other distributions or entitlements on his/her unvested ESGP Awards and/or unexercised ESOS Options.

7. RIGHTS ATTACHING TO THE KFIMA SHARES

- 7.1 The KFima Shares arising upon vesting of ESGP Awards and/or exercising of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing KFima Shares and together with the KFima Shares procured by the Company, shall:
- (i) be subject to the provisions of the Constitution; and
 - (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing KFima Shares, the record date for which is on or after the date on which the KFima Shares are credited into the CDS Account of the LTIP Participant(s) and shall in all other respects rank equally with other existing KFima Shares then in issue.
- 7.2 Notwithstanding any provision in these By-Laws, the LTIP Participant(s) shall not be entitled to any rights, dividends, allotments or other distributions attached to the KFima Shares prior to the date on which such KFima Shares are credited into their respective CDS Accounts or of which is prior to the date of allotment of such new KFima Shares.
- 7.3 In the event that any existing KFima Shares are to be transferred upon the vesting of any ESGP Shares under ESGP Awards, the existing KFima Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the KFima Shares are credited not the CDS Accounts of the relevant ESGP Participants.

8. RETENTION PERIOD

- 8.1 The new KFima Shares to be allotted and issued and/or existing KFima Shares to be transferred to the ESOS Participants and/or ESGP Participants, as the case may be, pursuant to the Proposed LTIP will not be subjected to any retention period or restriction on transfer. However, LTIP Participant(s) are encouraged to hold the KFima Shares as a long-term investment and not for any speculative and/or capitalisation of any immediate gain. The expression "retention period" shall mean the period in which the KFima Shares awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the LTIP Participant(s).
- 8.2 Notwithstanding to the above By-Law 8.1, the NRC shall be entitled to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on the transfer of the KFima Shares to be issued and/or transferred (vide treasury shares, if any) pursuant to the Proposed LTIP as the NRC deems fit.
- 8.3 Notwithstanding to the above By-Law 8.1, in accordance with Paragraph 8.20 of the Listing Requirements, an ESOS Participant or ESGP Participant who is a non-executive director, must not sell, transfer or assign the KFima Shares obtained through the exercise of the ESOS Options or ESGP Shares awarded to him/her within 1 year from the date of the ESOS Awards or ESGP Awards.

9. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

9.1 Subject to By-Law 9.5 hereof, in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, capital reduction, capital repayment, sub-division or consolidation of capital (save for set-off against accumulated losses), declaration of any special dividend or distribution or any other variation of capital howsoever shall take place during the duration of the Scheme, the Company shall cause such adjustment to be made:

(i) in relation to ESGP:

- (a) the number of ESGP Shares comprised in the ESGP Award(s) to the extent not yet vested; and/or
- (b) the method and/or manner in the vesting of the ESGP Shares comprised in the ESGP Award(s).

(ii) in relation to ESOS:

- (a) the Exercise Price and/or number of ESOS Options comprised in the ESOS Award(s) to the extent not yet vested or exercised; and/or
- (b) the method and/or manner in the vesting of the ESOS Options comprised in the ESOS Awards.

9.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 9.1:

- (i) any adjustment to the Exercise Price shall be rounded up to the nearest 1 sen; and
- (ii) in determining a LTIP Participant's entitlement to have the KFima Shares vested and/or to exercise the ESOS Options, any fractional entitlements will be disregarded.

9.3 Subject to By-Law 9.2, the Exercise Price for the ESOS Award(s) and/or the number of new KFima Shares unvested/ESOS Options relating to the LTIP Award(s) awarded to each LTIP Participant(s) shall from time to time be adjusted, calculated and determined by the NRC in accordance with the following relevant provisions in consultation with the external auditors of the Company or adviser identified by the NRC (acting as experts and not arbitrators) who must confirm the adjustment in writing to be in their opinion, fair and reasonable:

(1) Consolidation and subdivision

Whenever a KFima Share by reason of any consolidation or subdivision, the total number of issued shares shall be different. Then, the Exercise Price for the ESOS Award(s) and/or the number of additional KFima Shares/ESOS Options relating to the LTIP Award(s) to be issued shall be adjusted, calculated or determined in the following formula:

(a) New Exercise Price

$$\text{New Exercise Price} = \text{EP} \times \frac{\text{Former total number of issued shares before the consolidation or subdivision}}{\text{Revised total number of issued shares after the consolidation or subdivision}}$$

(b) Number of additional KFima Shares/ESOS Options

$$\text{Number of additional KFima Shares/ESOS Options} = T \times \frac{\text{Revised total number of issued shares after the consolidation or subdivision}}{\text{Former total number of issued shares before the consolidation or subdivision}} - T$$

Where:

EP = Existing Exercise Price; and

T = Existing number of KFima Shares/ESOS Options relating to the LTIP Award(s) awarded.

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision becomes effective (being the date when the KFima Shares are traded on Bursa Securities), or such other period as may be prescribed by Bursa Securities.

(2) Capitalisation of profits/reserves

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

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

and the number of additional KFima Shares/ESOS Options relating to the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional Shares/ESOS Options =

$$T \times \left[\frac{A+B}{A} \right] - T$$

Where:

A = the aggregate number of issued and fully paid-up KFima Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of KFima Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund); and

T = as T above

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

If and whenever the Company shall make:

(3) Capital Distribution

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

(a) Rights issue of KFima Shares

any offer or invitation to its ordinary shareholders where under they may acquire or subscribe for new KFima Shares by way of rights; or

(b) Rights issue of convertible securities

any offer or invitation to ordinary shareholders by way of rights where under they may acquire or subscribe for securities convertible into new KFima Shares or securities with rights to acquire or subscribe for new KFima Shares attached thereto,

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

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

and in respect of the case referred to in By-Law 9.3(iii)(b) hereof, the number of additional KFima Shares/ESOS Options comprised in the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional KFima Shares/ESOS Options =

$$T \times \left[\frac{C}{C-D^*} \right] - T$$

Where:

T = as T above;

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

D = (aa) in the case of an offer or invitation to acquire or subscribe for new KFima Shares under By-Law 9.3(iii)(b) above or for securities convertible into KFima Shares or securities with rights to acquire or subscribe for new KFima Shares under By-Law 9.3(iii)(c) above, the value of rights attributable to 1 existing KFima Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 9.3(iii) hereof, the fair market value as determined by the external auditor of the Company of that portion of the Capital Distribution attributable to 1 existing KFima Share.

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

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

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

Where:

C = as C above;

E = the subscription price for 1 additional KFima Share under the terms of such offer or invitation to acquire or subscribe for the KFima Share or subscription price of 1 additional security convertible into KFima Shares or 1 additional security with rights to acquire or subscribe for the KFima Shares;

F = the number of existing KFima Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional KFima Share or subscribe for security convertible into 1 additional KFima Share or rights to acquire or subscribe for 1 additional KFima Share; and

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

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

Where:

C = as C above;

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

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

For the purpose of By-Law 9.3(iii) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new KFima Shares (not falling under By-Law 9.3(ii) hereof) or other securities issued by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any capital redemption reserve fund).

Any distribution out of profits or reserves (including any capital redemption reserve fund) made (whenever paid and 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 statements of profit or loss and other comprehensive income of the Company.

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

(4) Capitalisation of profits/reserves and rights issue of KFima Shares/ convertible securities

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) or (c) above and Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional KFima Shares comprised in the LTIP Award(s) to be issued shall be calculated as follow:

Number of additional KFima Shares (ESOS Options) =

$$T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional KFima Shares (ESGP Award) =

$$T \times \left[\frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right] - T$$

Where:

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up KFima Shares on the Entitlement Date;

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

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

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

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

T = as T above.

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

(5) Rights issue of the KFima Shares and rights issue of convertible securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new KFima Shares as provided in By-Law 9.3(iii)(b) above together with an offer or invitation to acquire or subscribe for securities convertible into new KFima Shares or securities with rights to acquire or subscribe for new KFima Shares as provided in By-Law 9.3(iii)(c) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

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

And the number of additional KFima Shares/ESOS Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional KFima Shares (ESOS Options) =

$$T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional KFima Shares (ESGP Award) =

$$T \times \left[\frac{(G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)} \right] - T$$

Where:

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

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

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

T = as T above.

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

(6) Capitalisation of profits/reserve, rights issue of the KFima Shares and rights issue of convertible securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new KFima Shares as provided in By-Law 9.3(iii)(b) above together with an offer or invitation to acquire or subscribe for securities convertible into new KFima Shares or securities with rights to acquire or subscribe for new KFima Shares as provided in By-Law 9.3(iii)(c) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

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

and the number of additional KFima Shares/ESOS Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional KFima Shares (ESOS Options) =

$$T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional KFima Shares (ESGP Award) =

$$T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

Where:

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above

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

(7) Others

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under By-Laws 9.3(iii)(b), (iii)(c), (iv), (v) or (vi) above), the Company shall issue either new KFima Shares or any securities convertible into new KFima Shares or any rights to acquire or subscribe for the KFima Shares, and in any such case, the Total Effective Consideration per KFima Share (as defined below) is less than 90% of the Average Price (as defined below) for one (1) KFima Share or, as the case may be, the price at which the KFima Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

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

Where:

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

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

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

For the purpose of By-Law 9.3(vii), the “**Total Effective Consideration**” shall be determined by the NRC with the concurrence of the external auditor of the Company and shall be:

- (a) in the case of the issue of new KFima Shares, the aggregate consideration receivable by the Company on payment in full for such KFima Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into new KFima 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
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for new KFima 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 KFima Share**” shall be the Total Effective Consideration divided by the number of new KFima Shares issued as aforesaid or, in the case of securities convertible into new KFima Shares or securities with rights to acquire or subscribe for new KFima Shares, by the maximum number of new KFima Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 9.3(vii), “**Average Price**” of a KFima Share shall be the average market price of 1 KFima Share as derived from the last traded prices for one or more board lots of KFima Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such KFima Shares is determined.

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

For the purpose of By-Laws 9.3(iii), (iv), (v) and (vi), the current market price in relation to 1 existing KFima Share for any relevant day shall be based on the volume weighted average market price of the KFima Shares for the 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustment must be confirmed in writing by the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the NRC, to be in their opinion, fair and reasonable, provided always that:

- (i) any adjustment to the Exercise Price shall be rounded up to the nearest 1 sen;
 - (a) in the event that a fraction of a new KFima Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon vesting of the ESGP Awards and/or exercising of an ESOS Option by the LTIP Participant(s), the LTIP Participant(s)' entitlement shall be round down to the nearest whole number;
 - (b) upon any adjustment being made pursuant to these By-Laws, the NRC shall, within 30 days of the effective date of the alteration in the capital structure of the Company, notify the LTIP Participant(s) (or his legal representatives where applicable) in writing informing him of the adjusted Exercise Price for the ESOS Award(s) thereafter in effect and/or the number of the KFima Shares/ESOS Options comprised in the LTIP Award(s);
 - (c) any adjustments made must be in compliance with the provisions for adjustments provided in these By-Laws.

For avoidance of doubt, any adjustments to the Exercise Price for the ESOS Award(s) and/or the number of the KFima Shares/ESOS Options comprised in the LTIP Award(s) so far as unvested and/or unexercised arising from bonus issue, subdivision or consolidation of the KFima Shares need not be confirmed in writing by the external auditors of the Company.

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

9.5 The provisions of By-Law 9 shall not apply where the alteration in the capital structure of the Company arises from any of the following:

- (i) an issue of KFima Shares pursuant to the vesting of LTIP Award(s) under the Scheme; or

- (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (iii) private placement or restricted issue or special issue of new KFima Shares by the Company; or
 - (iv) a special issue of securities to Bumiputera parties or investors nominated by the Ministry of International Trade and Industry and/or other government authority to comply with the government's policy on Bumiputera capital participation; or
 - (v) a purchase by the Company of its own KFima Shares and cancellation of all or a portion of such KFima Shares purchased pursuant to Section 127 of the Act; or
 - (vi) an issue of new KFima Shares arising from the exercise of any conversion rights attached to securities convertible to new KFima Shares or upon exercise of any other rights including warrants and convertible loan stocks or other instruments (if any) issued by the Company.
- 9.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 9.1 shall be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is applicable, but By-Law 9.1 shall not be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is not applicable as described in By-Law 9.5.
- 9.7 An adjustment pursuant to By-Law 9.1 shall be made according to the following terms:
- (i) in the case of a right issue, bonus issue or other capitalisation issue, on the next Market Day following the Entitlement Date in respect of such issue; or
 - (ii) in the case of a consolidation or subdivision of the KFima Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective or such period as may be prescribed by Bursa Securities.

Upon any adjustment being made, the NRC shall give notice in writing within 30 days from the date of adjustment to the LTIP Participant(s), or his/her legal representative, where applicable, to inform him/her of the adjustment and the event giving rise thereto.

- 9.8 Notwithstanding the provisions referred to in these By-Laws, the NRC may exercise its sole discretion to determine whether any adjustments to the Exercise Price for ESOS Award(s) and/or the number of the KFima Shares/ESOS Options comprised in the LTIP Award(s) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price for the ESOS Award(s) and/or the number of the KFima Shares/ESOS Options comprised in the LTIP Award(s) notwithstanding that no such adjustment formula has been explicitly set out in these By-Laws.

10. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS, RECONSTRUCTIONS AND DISPOSAL OF ASSETS

- 10.1 In the event of:
- (i) a take-over offer being made for, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over (“**Offeror**”) or any persons acting in concert with the Offeror); or

- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the KFima Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the LTIP Participant(s) that it intends to exercise such rights on a specific date ("**Specified Date**"); or
- (iii) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

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

In the foregoing circumstances, all LTIP Award(s) which the NRC permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the NRC notwithstanding that the LTIP Award Vesting Date has not commenced or has not expired.

- 10.2 Notwithstanding to the provisions of these By-Laws and subject to the sole discretion of the NRC, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, the NRC may at its absolute discretion decide whether a LTIP Participant(s) may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised LTIP Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective provided always that no LTIP Awards shall be vested and LTIP Awards shall be subscribed and/or exercised after the expiry of the LTIP Award Vesting Date. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised LTIP Awards shall automatically lapse and become null and void and of no further force and effect.

11. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 11.1 If a LTIP Participant(s) is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, the LTIP Participant(s):
- (i) shall cease to be capable of being vested with any unvested LTIP Awards awarded to him/her under the Scheme from the date of completion of such divestment or the Date of Expiry, whichever expires first; and
 - (ii) will not be entitled to exercise any unexercised vested ESOS Options from the date of completion of such divestment,

unless the NRC at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested LTIP Awards including its allocation thereof. In avoidance of doubt, save and except to the extent permitted by the NRC, all existing LTIP Awards shall automatically lapse and become null and void and of no further force and effect; and

- (iii) shall not be eligible to participate for further LTIP Award(s) under the Scheme as from the date of completion of such divestment.

11.2 For the purposes of By-Law 11.1 above, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act (other than pursuant to a takeover, scheme of arrangement, amalgamation, reconstruction, merger or otherwise as provided under the By-Law 10).

11.3 In the event that:

- (i) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of (“**the Group**”) and is subsequently transferred from such company to any company within the Group; or
- (ii) an employee who was in the employment of a company which subsequently becomes a company within the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (i) above;

(the first abovementioned company in (i) and (ii) herein referred to as the “**Previous Company**”), such an employee of the Previous Company will be eligible to participate in this Scheme for the remaining duration of the Scheme, if the affected employee becomes an “**Eligible Person**” within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (ii) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of “**Eligible Person**” under By-Law 1 and the provisions of these By-Laws shall apply.

12. WINDING UP

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

13. DURATION AND TERMINATION OF THE SCHEME

13.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including but not limited to the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of a compliance pursuant to Paragraph 2.12 of the Listing Requirements and checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new KFima Shares to be issued under the Scheme;
- (iii) procurement of the shareholders’ approval for the Scheme in a general meeting;

- (iv) receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
- (v) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals, if any.

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

- 13.2 The Scheme, when implemented, shall be in force for a period of 5 years from the Effective Date. The Company may, if the Board deems fit and upon recommendation of the NRC, extend the Proposed LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date.
- 13.3 LTIP Award(s) can only be made from the Effective Date and before the Date of Expiry.
- 13.4 Notwithstanding anything to the contrary, all unvested LTIP Awards and/or unexercised vested ESOS Options shall lapse and become null and void on the Date of Expiry.
- 13.5 Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Scheme may be terminated by the NRC at any time before the Date of Expiry PROVIDED THAT an announcement is released to Bursa Securities on the following:
- (i) the effective date of termination (“**Termination Date**”);
 - (ii) the number of the KFima Shares vested pursuant to the ESGP and/or number of ESOS Option(s) exercised pursuant to the ESOS; and
 - (iii) the reasons and justification for termination.
- 13.6 In the event of termination as stipulated in By-Law 13.5 above, the following provisions shall apply:
- (i) no further LTIP Award(s) shall be awarded by the NRC from the Termination Date;
 - (ii) all LTIP Award(s) which have yet to be accepted by the Eligible Persons shall automatically lapse and become null and void on the Termination Date; and
 - (iii) any LTIP Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) awarded under the Scheme shall automatically lapse and be deemed cancelled and be null and void.
- 13.7 Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of LTIP Participant(s) who have yet to vest their LTIP Awards and/or exercise their vested ESOS Options are not required to effect a termination of the Scheme.

14. ADMINISTRATION AND IMPLEMENTATION OF THE SCHEME

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

- 14.2 Without limiting the generality of By-Law 14.1, the NRC may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the LTIP Award(s), execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:
- (i) subject to the provisions of the Scheme, construe and interpret the Scheme and LTIP Award(s) awarded under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The NRC in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the LTIP Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
 - (ii) determine all question of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.
- 14.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the NRC as it shall deem fit.
- 14.4 In implementing the Scheme, the NRC may at its absolute discretion decide that the LTIP Awards be satisfied by the following methods:
- (i) issuance of new KFima Shares;
 - (ii) transfer of existing KFima Shares (vide treasury shares), if any;
 - (iii) any other methods as may be permitted by the Act and the Listing Requirements, as amended from time to time and any re-enactment thereof, such as acquisition of existing KFima Shares from the open market, followed by the transfer of such KFima Shares (vide treasury shares) to the Eligible Persons or cash payments; if any; or
 - (iv) a combination of any of the above.

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

- 15.1 Subject to By-Law 15.2 and compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the NRC may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in these By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.
- 15.2 Subject to By-Law 15.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws provided that no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
- (i) prejudice any rights which would have accrued to any LTIP Participant(s) without the prior consent or sanction of that LTIP Participant(s); or
 - (ii) increase the number of the KFima Shares available under the Scheme beyond the maximum amount set out in By-Law 5 above; or

- (iii) prejudice any rights of the shareholders of the Company; or
- (iv) alter to the advantage of an Eligible Person and/or LTIP Participant(s) in respect of any matters which are required to be contained in these By-Laws without the prior approval of the Company's shareholders obtained in a general meeting unless allowed by the provisions of the Listing Requirements.

Such amendment or modification to the By-Laws does not need the prior approval of Bursa Securities. However, the Company shall submit to Bursa Securities a confirmation letter that the amendment or modification does not contravene any of the provisions of the Listing Requirements pertaining to the Scheme no later than 5 Market Days after the effective date of the said amendment or modification is made.

- 15.3 The NRC shall within 10 Market Days of any amendment and/or modification made pursuant to these By-Laws notify the LTIP Participant(s) in writing of any amendment and/or modification made pursuant to these By-Laws.

16. INSPECTION OF THE AUDITED ACCOUNTS

- 16.1 All LTIP Participant(s) are entitled to inspect the latest audited accounts of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

17. SCHEME NOT A TERM OF EMPLOYMENT

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

18. NO COMPENSATION FOR TERMINATION

- 18.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the LTIP Awards(s) or this Scheme pursuant to the provisions of these By-Laws.

- 18.2 Notwithstanding any provisions of these By-Laws:

- (i) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the LTIP Award(s) or consideration for the LTIP Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (ii) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the LTIP Award(s)) against the Company or any company within the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within the Group.

- (iii) no LTIP Participant(s) or his/her personal or legal representative (as the case may be) shall bring any claim, action or proceeding against any company within the Group, the NRC or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her LTIP Award(s) or his/her LTIP Award(s) ceasing to be valid pursuant to the provisions of these By-Laws; and
- (iv) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme) or the NRC shall in no event be liable to the LTIP Participant(s) or his/her personal or legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the KFima Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company within the Group, the Board or the NRC has been advised of the possibility of such damage.

19. DISPUTES

- 19.1 In case any dispute or difference shall arise between the NRC and an Eligible Person or a LTIP Participant or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the NRC during the duration of the Scheme. The NRC then shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or the LTIP Participant, as the case may be provided that where the dispute is raised by a member of the NRC, the said member shall abstain from voting in respect of the decision of the NRC in that instance. In the event the Eligible Person or the LTIP Participant(s), as the case may be, shall dispute the same by written notice to the NRC within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the NRC shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the NRC shall be borne by such party.
- 19.2 Notwithstanding the foregoing provisions of By-Law 19.1 above, matters concerning adjustments made pursuant to By-Law 9 shall be referred to external auditors of the Company or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

20. COSTS AND EXPENSES

- 20.1 Unless otherwise stipulated by the Company in the LTIP Award(s), all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issuance and/or transfer of the KFima Shares pursuant to the exercise or vesting of LTIP Award(s), shall be borne by the Company. Notwithstanding this, the LTIP Participant(s) shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the LTIP Award(s) and/or exercise of the ESOS Option(s) under the Scheme and any holding or dealing of the KFima Shares after the KFima Shares have been successfully issued and allotted or transferred to the LTIP Participant(s) pursuant to the LTIP Award(s), including but not limited to the opening and maintenance of his or her own CDS Account, brokerage commissions and stamp duties.

21. CONSTITUTION

- 21.1 In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

22. TAXES

- 22.1 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the KFima Shares pursuant to the ESGP Award(s) and/or exercising of the ESOS Option(s) and any holding or dealing of such KFima Shares (including but not limited to brokerage commissions and stamp duty) under the Scheme shall be borne by the LTIP Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

23. LISTING OF AND QUOTATION FOR THE SHARES

- 23.1 An application will be made by the Company for the listing of and quotation for such new KFima Shares to be issued pursuant to LTIP Award(s) on the Main Market of Bursa Securities.
- 23.2 The Company and the NRC shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the KFima Shares or in procuring Bursa Securities to list the KFima Shares for which the LTIP Participant(s) are entitled to.

24. NOTICE

- 24.1 Any notice under the Scheme required to be given to or served upon the NRC by an Eligible Person or LTIP Participant(s) or any correspondence to be made between an Eligible Person or LTIP Participant(s) to the NRC shall be given or made in writing and either delivered by hand or sent to the NRC or the Company by email or ordinary letter. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.
- 24.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the LTIP Participant(s) pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given;
- (i) if it is sent by ordinary post by the Company to the Eligible Person or the LTIP Participant(s) at the last address known to the Company as being his/her address such notice or request shall be deemed to have been received 3 Market Days after posting;
 - (ii) if it is delivered by hand to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received on the date of delivery; and
 - (iii) if it is sent by electronic media, including but not limited to electronic mail to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

Any change of address of the Eligible Person or the LTIP Participant(s) shall be communicated in writing to the Company by email or ordinary letter.

24.3 Where any notice which the Company or the NRC is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the LTIP Participant(s) (as the case may be) pursuant to the Scheme, the Company or the NRC may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the LTIP Participant(s) (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 24.2 above shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or LTIP Participant(s), as the case may be.

25. SEVERABILITY

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

26. DISCLOSURES IN ANNUAL REPORT

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

27. SUBSEQUENT LONG-TERM INCENTIVE PLAN

27.1 Subject to the approval of Bursa Securities and other relevant authorities, the Company may establish a new long-term incentive plan after the expiry date of this Scheme or upon termination of this Scheme.

27.2 The Company may implement more than 1 scheme provided that the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

28. GOVERNING LAW AND JURISDICTION

28.1 The Scheme, these By-Laws, all LTIP Award(s) awarded and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia.

28.2 The Eligible Persons, by accepting the LTIP Award(s) in accordance with these By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

PART B

Section 1 – ESGP

The provisions of this Section 1 shall only apply to the ESGP.

29. ESGP AWARD

29.1 During the duration of the Scheme as provided under By-Law 13, the NRC may, at its sole discretion, at any time and from time to time award the ESGP Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each ESGP Award awarded to the selected Eligible Person(s) shall be separate and independent from any previous or subsequent ESGP Award(s) awarded by the NRC to that Eligible Person.

29.2 The actual number of the KFima Shares which may be awarded to an Eligible Person shall be at the discretion of the NRC, subject to any adjustments that may be made under By-Law 9. The number of the KFima Shares arising from the vesting of the ESGP Award(s) shall not be less than 100 KFima Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of 100 KFima Shares. The NRC may stipulate any terms and conditions it deems appropriate in an ESGP Award(s) and the terms and conditions of each may differ.

29.3 The NRC shall, in its LTIP Award letter to an Eligible Person, state, amongst others:

- (i) the number of the KFima Shares which the Eligible Person shall be entitled upon acceptance of the ESGP Award(s);
- (ii) the ESGP Award Date;
- (iii) the manner of acceptance of the ESGP Award(s);
- (iv) the closing date for acceptance of the ESGP Award(s);
- (v) the Vesting Conditions, if any;
- (vi) the ESGP Vesting Date(s); and
- (vii) any other terms and conditions deemed necessary by the NRC.

29.4 Under the ESGP, the reference price of the ESGP Awards to be awarded will be determined based on the fair value of the ESGP Awards, which will take into account, amongst others, the market price of the KFima Shares immediately prior to the award date of the ESGP Awards.

29.5 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 29.3 above, as soon as possible but in any event no later than 1 month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 29.3.

30. ACCEPTANCE

30.1 The ESGP Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of 30 days from the ESGP Award Date (inclusive) or such period as may be determined by the NRC at its sole discretion on a case to case basis.

- 30.2 The ESGP Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of RM1.00 only, as acceptance of the ESGP Award(s).
- 30.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of the ESGP Award(s).
- 30.4 If the ESGP Award(s) is not accepted in the manner as set out in By-Law 30.2 and within the time as set out in By-Law 30.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESGP Award(s), the ESGP Award(s) shall automatically lapse and become null and void. The ESGP Award(s) may, at the discretion of the NRC, be re-offered to other Eligible Person.
- 30.5 Upon acceptance of the ESGP Award(s) by the Eligible Person(s), the ESGP Award(s) will be vested to the ESGP Participant(s) on the ESGP Vesting Date(s) during the duration of the Scheme subject to the ESGP Participant(s) fulfilling the Vesting Conditions, if any, as determined by the NRC.
- 30.6 The ESGP Participant is not required to pay for the KFima Shares they are entitled to receive upon vesting of the ESGP Award(s).

31. ESGP VESTING CONDITIONS

- 31.1 The NRC shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions. The KFima Shares to be issued under the ESGP Award(s) shall be vested to the ESGP Participant(s) on the ESGP Vesting Date once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (i) the ESGP Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the ESGP Vesting Date; and
 - (ii) any other conditions which are determined by the NRC.
- 31.2 If applicable, where the NRC has determined that the Vesting Conditions have been fully and duly satisfied, the NRC shall notify the ESGP Participant(s) of the number of the ESGP Shares vested or which will be vested to him/her on the ESGP Vesting Date (“**ESGP Vesting Notice**”).
- 31.3 No ESGP Participant(s) shall have the right to or interest in the KFima Shares under the ESGP Award(s) until and unless such number of new KFima Shares are credited into their respective CDS Accounts.
- 31.4 The ESGP Participant(s) shall provide all information as required in the ESGP Vesting Notice and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within 8 Market Days from the ESGP Vesting Date or such other period as may be prescribed or allowed by Bursa Securities,
- (i) allot and issue such number of new KFima Shares and/or transfer the relevant number of existing KFima Shares to the ESGP Participant(s) (subject to absolute discretion of the NRC); and
 - (ii) despatch notices of allotment and/or notice of transfer to the ESGP Participant(s) accordingly, if applicable.

- 31.5 The KFima Shares arising from the vesting of the ESGP Award(s) shall be credited directly to the CDS Account of the ESGP Participant(s), and no physical share certificate will be issued and delivered to the ESGP Participant(s). The ESGP Participant(s) shall provide the NRC with his CDS Account number when accepting the ESGP Award(s). Any change to the ESGP Participant(s)' CDS Account number will need to be made in writing to the NRC.
- 31.6 Any failure to comply with the procedures specified by the NRC or to provide information as required by the Company in the ESGP Vesting Notice or inaccuracy in the CDS Account number provided shall result in the ESGP Vesting Notice being rejected at the sole discretion of the NRC. The NRC shall inform the ESGP Participant of the rejection of the ESGP Vesting Notice within 5 Market Days from the date of rejection and the ESGP Participant shall then be deemed not to have vested his/her ESGP Award(s).
- 31.7 Notwithstanding anything contrary contained in these By-Laws, the NRC shall have the right, at its sole discretion by notice in writing to the relevant ESGP Participant(s) to that effect, to suspend the unvested ESGP Award(s) of any ESGP Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such ESGP Participant or are found to have had no basis or justification) pending the outcome of such disciplinary proceedings.
- 31.8 In addition to the right to suspend, the NRC may impose such terms and conditions as the NRC shall deem appropriate at its sole discretion, on the ESGP Participant's unvested ESGP Award(s) having regard to the nature of the charges made or brought against such ESGP Participant, provided always that:
- (i) in the event such ESGP Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the NRC shall reinstate the unvested ESGP Award(s) of such ESGP Participant;
 - (ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESGP Participant, all or any part of any unvested ESGP Award(s) of the ESGP Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the ESGP Participant, upon pronouncement of the dismissal or termination of service of such ESGP Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESGP Participant in any other forum;
 - (iii) in the event the ESGP Participant is found guilty but no dismissal or termination of service is recommended, the NRC shall have the right to determine at its sole discretion whether or not the ESGP Participant may continue to satisfy the Vesting Conditions of the unvested ESGP Award(s).

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

32. NON-TRANSFERABILITY

- 32.1 An ESGP Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.

32.2 Subject to the provisions in these By-Laws, an ESGP Award(s) is personal to the ESGP Participant(s) during his/her employment or appointment within the Group and it shall not be transferred, assigned or disposed of by the ESGP Participant(s).

33. TERMINATION OF ESGP AWARD(S)

33.1 Prior to the full vesting of any ESGP Award(s) in the manner as provided for under By-Law 31.2, such ESGP Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:

- (i) termination or cessation of employment of the ESGP Participant(s) within the Group for any reason whatsoever, in such event the unvested ESGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the day the ESGP Participant(s)' employer accepts his/her notice of resignation or the ESGP Participant(s)' employer notifies the ESGP Participant(s) of termination of his/her employment or on the day the ESGP Participant(s) notifies his/her employer of his/her resignation or on the ESGP Participant(s)' last day of employment, whichever is the earlier; or
- (ii) bankruptcy of the ESGP Participant(s), in such event the unvested ESGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the date a receiving order is made against the ESGP Participant(s) by a court of competent jurisdiction; or
- (iii) upon the happening of any other event which results in the ESGP Participant(s) being deprived of the beneficial ownership of the unvested ESGP Award(s), in such event the unvested ESGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the date such event occurs; or
- (iv) winding up or liquidation of the Company, in such event the unvested ESGP Award(s) shall be automatically terminated and/or cease to be valid on the following date:
 - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (v) the subsidiary which employs the ESGP Participant(s) ceasing to be part of the the Group in such event the ESGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the the Group; or
- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the unvested ESGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the termination date,

whichever shall be applicable.

- 33.2 Upon the termination of the unvested ESGP Award(s) pursuant to By-Laws 33.1 above, the ESGP Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any ESGP Award(s) or his/her ESGP Award(s) ceasing to be valid.
- 33.3 Notwithstanding By-Law 33.1(i) above, the NRC may at its discretion allow for all or any part of any unvested ESGP Award(s) to vest in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
 - (ii) retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (iii) ill-health, injury, physical or mental disability; or
 - (iv) redundancy or retrenchment pursuant to the acceptance by that ESGP Participant(s) or a voluntary separation scheme offered by a company within the Group; or
 - (v) any other circumstance as may be deemed as acceptable to the NRC in its sole discretion,

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

- 33.4 Where an ESGP Participant(s) dies before the expiry of the vesting period for the ESGP Award(s), the NRC may at its discretion determine that all or any part of any unvested ESGP Award(s) held by the ESGP Participant(s), be vested to the executor or administrator of that deceased ESGP Participant(s), and the times or periods at or within which such ESGP Award(s) may vest, provided always that no ESGP Award(s) may vest after the expiry of the vesting period. In this regard, the NRC may require the executor or administrator of that deceased ESGP Participant(s) to provide evidence satisfactory to the NRC of his status as such executor or administrator, as the case may be.
- 33.5 Notwithstanding By-Law 33.4 above, the ESGP Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of 18 years at the time of nomination to receive the ESGP Award(s) (which are unvested at the time of the death of the deceased ESGP Participant(s)) after the death of the deceased ESGP Participant(s) but in any event during the duration of the scheme. The ESGP Award(s) awarded pursuant to the provision of this By-Law 33.5 may be for the benefit of the estate of the ESGP Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the ESGP Participant(s) during his/her lifetime and shall be in the prescribed form approved by the NRC and the KFima Shares to be allotted and issued will be in the name of the deceased ESGP Participant(s)'s estate or in the name of the nominated person as the ESGP Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the ESGP Participant(s) during his/her lifetime, the NRC may at its discretion determine that his/her unvested ESGP Award(s) shall only vested to the legal personal representatives pursuant to By-Law 33.4 above.

APPENDIX I – DRAFT BY-LAWS FOR THE PROPOSED LTIP (Cont'd)

33.6 For the purposes of By-Law 33.5 above, the term “immediate family members” shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the ESGP Participant(s).

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SECTION 2 – ESOS

The provisions of this Section 2 shall only apply to the ESOS.

34. ESOS AWARD

- 34.1 During the duration of the Scheme as provided under By-Law 13, the NRC may, at its sole discretion, at any time and from time to time award the ESOS Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each ESOS Award(s) awarded to selected Eligible Person(s) shall be separate and independent from any previous or subsequent ESOS Award(s) awarded by the NRC to that Eligible Person.
- 34.2 The actual number of ESOS Option(s) which may be awarded to an Eligible Person shall be at the discretion of the NRC, subject to any adjustments that may be made under By-Law 9. The number of the KFima Shares which may be allotted and issued upon exercising the ESOS Option(s) shall not be less than 100 KFima Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of 100 KFima Shares. The NRC may stipulate any terms and conditions it deems appropriate in an ESOS Award(s) and the terms and conditions of each may differ.
- 34.3 The NRC shall, in its LTIP Award letter to an Eligible Person, state, amongst others:
- (i) the number of ESOS Option(s) under the ESOS Award(s) that are being awarded to the Eligible Person;
 - (ii) the number of the KFima Share(s) which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Option(s);
 - (iii) the ESOS Award Date;
 - (iv) the manner of acceptance of the ESOS Award(s);
 - (v) the Exercise Price;
 - (vi) the closing date for acceptance of the ESOS Award(s);
 - (vii) the Vesting Conditions, if any;
 - (viii) ESOS Vesting Date(s); and
 - (ix) any other terms and conditions deemed necessary by the NRC.
- 34.4 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 34.3 above, the following provisions shall apply:
- (i) as soon as possible but in any event no later than 1 month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 34.3;
 - (ii) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental LTIP Award letter shall remain as the Exercise Price as per the original LTIP Award letter; and

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

35. ACCEPTANCE

- 35.1 The ESOS Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of 30 days from the ESOS Award Date (inclusive) or such period as the NRC at its sole discretion on a case to case basis.
- 35.2 The ESOS Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of RM1.00 only, as acceptance of the ESOS Award(s).
- 35.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of ESOS Award(s).
- 35.4 If the ESOS Award(s) is not accepted in the manner as set out in By-Law 35.2 and within the time as set out in By-Law 35.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Award(s), the ESOS Award(s) shall automatically lapse and become null and void. The ESOS Award(s) may, at the discretion of the NRC, be re-offered to other Eligible Person.
- 35.5 Upon acceptance of the ESOS Award(s) by the Eligible Person(s), the ESOS Award(s) will be vested to the ESOS Participant(s) on the ESOS Vesting Date(s) during the duration of the Scheme, subject to the ESOS Participant(s) fulfilling the vesting condition(s), if any, as determined by the NRC.

36. ESOS VESTING CONDITIONS AND EXERCISE OF OPTIONS

- 36.1 Subject to the provisions of these By-Laws, the ESOS Option(s) awarded to the ESOS Participant(s) are exercisable by that ESOS Participant(s) during his/her employment in the Group during the duration of the Scheme. All unexercised ESOS Options shall become null and void after the expiry date of this Scheme without any claim against the Company or any company within the Group.
- 36.2 The NRC shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions. The ESOS Option(s) can be exercised by the ESOS Participant(s) on the ESOS Vesting Date once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
 - (i) the ESOS Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination on the ESOS Vesting Date; and
 - (ii) any other conditions which are determined by the NRC.
- 36.3 If applicable, where the NRC has determined that the Vesting Conditions have been fully and duly satisfied, the NRC shall notify the ESOS Participant(s) the number of ESOS Options vested or which will be vested to him/her on the ESOS Vesting Date (“**ESOS Vesting Notice**”).

- 36.4 An ESOS Participant shall exercise his/her vested ESOS Option(s) by notice in writing to the Company in such form as the NRC may prescribe or approve. The procedure for the exercise of the ESOS Option(s) to be complied with by an ESOS Participant shall be determined by the NRC from time to time.
- 36.5 Every written notice to exercise the ESOS Option(s) shall state the number of the KFima Shares that an ESOS Participant intends to subscribe and shall state his CDS Account (“**Notice of Exercise**”).
- 36.6 The ESOS Participant(s) shall complete the Notice of Exercise together with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker’s draft or cashier’s order drawn and payable in Malaysia or any other mode acceptable to the NRC for the full amount of the Exercise Price in relation to the number of KFima Shares in respect of which the Notice of Exercise is given and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within 8 Market Days from the date of receipt of the Notice of Exercise or such other period as may be prescribed or allowed by Bursa Securities,
- (i) allot and issue such number of new KFima Shares and/or transfer the relevant number of existing KFima Shares to the ESOS Participant(s) (subject to absolute discretion of the NRC); and
 - (ii) despatch a notice of allotment to the ESOS Participant, if applicable.
- 36.7 The KFima Shares arising from the exercising of the ESOS Award(s) shall be credited directly to the CDS Account of the ESOS Participant(s) and no physical share certificate will be issued and delivered to the ESOS Participant(s). The ESOS Participant(s) shall provide the NRC with his/her CDS Account number when accepting the ESOS Award(s). Any change to the ESOS Participant(s)’ CDS Account number will need to be made in writing to the NRC.
- 36.8 Any failure to comply with the procedures specified by the NRC or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the sole discretion of the NRC. The NRC shall inform the ESOS Participant of the rejection of the Notice of Exercise within 5 Market Days from the date of rejection and the ESOS Participant shall then be deemed not to have exercised his/her ESOS Option(s).
- 36.9 The NRC may with its power under By-Law 14, at any time and from time to time, before and after the ESOS Award(s) is awarded, limit the exercise of the ESOS Options to a maximum number of KFima Shares and/or such percentage of the total KFima Shares comprised in the ESOS Options and impose any other terms and/or conditions deemed appropriate by the NRC in its sole discretion including amending or varying any terms and conditions imposed earlier.
- 36.10 An ESOS Participant shall exercise the ESOS Option(s) awarded to him/her in whole or part multiples of 100 new KFima Shares or such other units of the KFima Shares constituting 1 board lot as may be determined by the NRC, save and except where an ESOS Participant’s balance of ESOS Option(s) exercisable in accordance with these By-Laws shall be less than one 100 new KFima Shares or such other units of the KFima Shares constituting 1 board lot as may be determined by the NRC, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option(s) as to the balance of any ESOS Option(s).

- 36.11 Notwithstanding anything contrary contained in these By-Laws, the NRC shall have the right, at its sole discretion by notice in writing to the relevant ESOS Participant(s) to that effect, to suspend the right of any ESOS Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such ESOS Participant or are found to have had no basis or justification) to exercise his/her ESOS Option(s) pending the outcome of such disciplinary proceedings.
- 36.12 In addition to the right to suspend, the NRC may impose such terms and conditions as the NRC shall deem appropriate at its sole discretion, on the ESOS Participant's right to exercise his/her ESOS Option(s) having regard to the nature of the charges made or brought against such ESOS Participant, provided always that:
- (i) in the event such ESOS Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the NRC shall reinstate the right of such ESOS Participant to exercise his/her ESOS Option(s);
 - (ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESOS Participant, all unexercised and partially exercised ESOS Option(s) of the ESOS Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the ESOS Participant, upon pronouncement of the dismissal or termination of service of such ESOS Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESOS Participant in any other forum;
 - (iii) in the event the ESOS Participant is found guilty but no dismissal or termination of service is recommended, the NRC shall have the right to determine at its sole discretion whether or not the ESOS Participant may continue to exercise his/her ESOS Option(s) or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise right.

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

37. NON-TRANSFERABILITY

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

38. EXERCISE PRICE

- 38.1 Subject to any adjustments in accordance with By-Law 9 and pursuant to the Listing Requirements, the Exercise Price shall be based on a price to be determined by the Board upon recommendation of the NRC, based on the volume weighted average price of the KFima Shares for the 5 Market Days at the ESOS Award Date with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and / or any other relevant authorities from time to time during the duration of the Scheme.

39. TERMINATION OF ESOS AWARD(S)

39.1 Prior to the full vesting of any ESOS Award(s) in the manner as provided for under By-Law 36.3, such ESOS Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:

- (i) termination or cessation of employment of the ESOS Participant(s) within the Group for any reasons whatsoever, in which event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the day the ESOS Participant(s)' employer accepts his/her notice of resignation or the ESOS Participant(s)' employer notifies the ESOS Participant(s) of termination of his/her employment or on the day the ESOS Participant(s) notifies his/her employer of his/her resignation or on the ESOS Participant(s)' last day of employment, whichever is the earlier; or
- (ii) bankruptcy of the ESOS Participant(s), in which event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the date a receiving order is made against the ESOS Participant(s) by a court of competent jurisdiction; or
- (iii) upon the happening of any other event which results in the ESOS Participant(s) being deprived of the beneficial ownership of the ESOS Award(s), in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the date such event occurs; or
- (iv) winding up or liquidation of the Company, in such event the ESOS Option(s) shall be automatically terminated on the following date:
 - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (v) the subsidiary which employs the ESOS Participant(s) ceasing to be part of the the Group in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the the Group; or
- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within the Group on the termination date;

whichever shall be applicable.

39.2 Upon the termination of the ESOS Award(s) pursuant to By-Laws 39.1 above, the ESOS Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any SOP Award(s) or his/her ESOS Award(s) ceasing to be valid.

- 39.3 Notwithstanding By-Law 39.1 above, the NRC may at its discretion allow an ESOS Participant to continue to hold and to exercise any ESOS Option(s) held by him/her in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
 - (ii) retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (iii) ill-health, injury, physical or mental disability; or
 - (iv) redundancy, retrenchment pursuant to the acceptance by that ESOS Participant(s) or voluntary separation scheme offered by a company within the Group; or
 - (v) any other circumstances as may be deemed as acceptable to the NRC in its sole discretion.
- 39.4 Applications under By-Law 39.3 above shall be made during the duration of the Scheme and:
- (i) in a case where By-Law 39.3(i), (ii) or (v) is applicable, within 6 months before the ESOS Participant(s)' last day of employment, the ESOS Participant(s) may be vested with such number of unvested KFima Shares under the ESOS Award(s) within the said 1-month period. In the event that no application is received by the NRC within the said period, any such number of unvested KFima Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated;
 - (ii) in a case where By-Law 39.3(iii) is applicable, within 6 months after the ESOS Participant(s) notifies his/her employer of his/her resignation due to ill-health, injury, physical or mental disability, the ESOS Participant(s) may be vested with such number of unvested KFima Shares under the ESOS Award(s) within the said 6-month period. In the event that no application is received by the NRC within the said period, any unvested KFima Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated; and
 - (iii) in a case where By-Law 39.3(iv) is applicable, within 6 months after the ESOS Participant(s) are notified that he/she will be retrenched or, where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, within 6 months after he/she accepts such offer. Thereafter, any such number of unvested and/or unexercised KFima Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated.
- 39.5 The NRC shall consider applications under By-Law 39.3 on a case to case basis and may at its sole discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decisions of the NRC shall be final and binding. In the event the NRC approves an application in whole or in part, the ESOS Participant(s) may exercise the ESOS Option(s) which are the subject of the approval for such period so approved by the NRC during the duration of the Scheme and subject to the provisions of By-Law 36. Any ESOS Option(s) in respect of which an application is rejected shall be deemed automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 39.1 or on the date of the NRC's decision, whichever is the later.
- 39.6 In the event an ESOS Participant(s) dies before the expiration of the duration of the Scheme and at the time of his/her death held unexercised ESOS Option(s), such unexercised ESOS Option(s) may be exercised by the representative of the deceased ESOS Participant(s) after the date of his/her death provided that such exercise shall be within the duration of the Scheme subject to the approval of the NRC.

- 39.7 Notwithstanding By-Law 39.6 above, the ESOS Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of eighteen (18) years at the time of nomination to exercise the ESOS Option(s) (which are unexercised at the time of the death of the deceased ESOS Participant(s)) or after the death of the deceased ESOS Participant(s) but in any event during the duration of the scheme. The ESOS Option(s) exercised pursuant to the provision of this By-Law 39.7 may be for the benefit of the estate of the ESOS Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the ESOS Participant(s) during his/her lifetime and shall be in the prescribed form approved by the NRC and the KFima Shares to be allotted and issued will be in the name of the deceased ESOS Participant(s)'s estate or in the name of the nominated person as the ESOS Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the ESOS Participant(s) during his/her lifetime, his/her unexercised ESOS Option(s) shall only be exercised by the legal personal representatives pursuant to By-Law 39.6 above.
- 39.8 For the purposes of By-Law 39.7 above, the term "immediate family members" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the ESOS Participant(s).

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 given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts, the omission of which would make any information in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Maybank IB, being Principal Adviser to our Company for the Proposed LTIP, 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 which they appear in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction service businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at 24 July 2024, the Maybank Group has extended credit facilities to our Group amounting to RM318.13 million. Notwithstanding, Maybank IB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposed LTIP as:

- (i) the extension of credit facilities arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and the Maybank Group's internal controls and checks; and
- (iii) the total outstanding amount owed by our Group to the Maybank Group of approximately RM97.99 million is not material when compared to the audited NA of the Maybank Group as at 31 December 2023 of RM97.65 billion.

Save for the above, Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Proposed LTIP.

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, save as disclosed below, 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:

	<u>RM'000</u>
Property, plant and equipment	
- Approved and contracted for	114,702
- Approved but not contracted for	115,771
	<u>230,473</u>

4.2 Contingent Liabilities

As at the LPD, 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.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45 Jalan Medan Setia, Bukit Damansara, 50490, Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the EGM:

- (i) the Constitution of our Company;
- (ii) draft By-Laws as set out in **Appendix I** of this Circular;
- (iii) the audited consolidated financial statements of our Group for the past 2 FYE 2023 and FYE 2022 and the latest unaudited consolidated financial statements of our Group for the 12-months financial period ended 31 March 2024; and
- (iv) the letter of consent referred to in Section 2 of this Appendix.



KUMPULAN FIMA BERHAD

Registration No. 197201000167(11817-V)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Kumpulan Fima Berhad (“**KFima**” or “**Company**”) will be conducted on a virtual basis via live streaming and online remote voting using Remote Participation and Electronic Voting (“**RPEV**”) facilities available at <https://meeting.boardroomlimited.my>, from the Broadcast Venue at the Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Thursday, 29 August 2024 at 4.00 p.m. or immediately upon conclusion of the 52nd Annual General Meeting of KFima which will be held at the same venue and on the same day at 3.00 p.m., whichever is later or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolutions with or without modification(s):-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN COMPRISING AN EMPLOYEES’ SHARE OPTION SCHEME (“PROPOSED ESOS”) AND AN EMPLOYEES’ SHARE GRANT SCHEME (“PROPOSED ESGP”) OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF KFIMA (“KFIMA SHARES”) (EXCLUDING TREASURY SHARES, IF ANY) (“PROPOSED LTIP”)

“THAT subject to the approvals of the relevant authorities and/or parties (where applicable) being obtained and to the extent permitted by law and the Constitution of the Company, approval be and is hereby given for the Company to:

- (i) establish and implement the Proposed LTIP which shall be in force for a period of 5 years from the effective date of implementation of the Proposed LTIP, with an option to extend the Proposed LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, for the eligible directors (both executive and non-executive directors) and employees of KFima and its subsidiaries (excluding dormant subsidiaries, if any) (“**Group**”) who fulfil the eligibility criteria for participation in the Proposed LTIP as set out in the by-laws governing the Proposed LTIP (“**By-Laws**”) (“**Eligible Person(s)**”). The Proposed LTIP will be administered by the Nomination and Remuneration Committee (“**NRC**”) of the Board of Directors of the Company (“**Board**”) who will have the sole and absolute discretion in administering the Proposed LTIP in accordance with the By-Laws;
- (ii) allot and issue such number of new KFima Shares and/or transfer existing KFima Shares (vide treasury shares) and/or make cash payment, from time to time and at any time as may be required to be allotted and issued pursuant to the exercise of the Proposed LTIP:
 - (a) provided that the total number of KFima Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued KFima Shares (excluding treasury shares, if any) at any point in time over the duration of the Proposed LTIP; and

- (b) that such new KFima Shares shall, upon allotment and issuance, rank equally in all respects with the existing KFima Shares, save and except that these new KFima Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new KFima Shares;
- (iii) add, delete, modify and/or amend all or any part of the terms and conditions as set out in the By-Laws from time to time as may be permitted or deemed necessary by the Board or the NRC, provided that such additions, deletions, modifications, and/or amendments are effected in accordance with the provisions of the By-Laws;
- (iv) do all such acts and things and to execute all such documents and enter into all such transactions, arrangements, agreements, instruments, deeds and/or undertakings, to make all such rules or regulations, or to impose all such terms and conditions and/or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient to give full effect to the Proposed LTIP and the terms of the By-Laws; and

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed LTIP and the terms of the By-Laws with full powers to assent to any conditions, modifications, variations and / or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company;

AND THAT the draft By-Laws, as set out in **Appendix I** of the Circular, be and is hereby approved and adopted.”

ORDINARY RESOLUTIONS 2, 3, 4, 5, 6, 7 AND 8

PROPOSED ALLOCATION OF LTIP AWARDS TO THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS OF KFIMA (“PROPOSED ALLOCATION”)

“THAT subject to the passing of Ordinary Resolution 1 as well as the approval(s) of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to authorise the NRC, at any time and from time to time during the duration of the Proposed LTIP, to offer and grant to each of the following persons:

- | | | |
|-------|---|-----------------------|
| (i) | Dato' Idris Bin Kechot (Chairman/Independent Non-Executive Director) | Ordinary Resolution 2 |
| (ii) | Dato' Roslan Bin Hamir (Group Managing Director/Non-Independent Executive Director) | Ordinary Resolution 3 |
| (iii) | Dato' Rosman Bin Abdullah (Non-Independent Non-Executive Director) | Ordinary Resolution 4 |
| (iv) | Rozana Zeti Binti Basir (Non-Independent Non-Executive Director) ⁽¹⁾ | Ordinary Resolution 5 |
| (v) | Datuk Anuar Bin Ahmad (Independent Non-Executive Director) | Ordinary Resolution 6 |
| (vi) | Datin Rozilawati Binti Haji Basir (Non-Independent Non-Executive Director) ⁽¹⁾ | Ordinary Resolution 7 |
| (vii) | Danny Hoe Kam Thong (Independent Non-Executive Director) | Ordinary Resolution 8 |

Note:

- (1) *Rozana Zeti Binti Basir and Datin Rozilawati Binti Haji Basir are sisters.*

to subscribe for such number of KFima Shares to be issued under the Proposed LTIP subject always to the following provisions:

- (i) not more than 10% of the total number of issued shares of the Company made available under the Scheme shall be allocated to any one of the above-mentioned persons who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**")) with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (ii) the above-mentioned persons shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any.

AND THAT subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws, the Board be and is hereby authorised to take such steps as necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities."

By Order of the Board

JASMIN BINTI HOOD
(SSM PC No. 201908001455) (LS 0009071)
FADZIL BIN AZAHA
(SSM PC No. 201908001530) (CA 20995)

Company Secretaries Kuala Lumpur

31 July 2024

Notes:

1. *The EGM of the Company will be conducted on a virtual basis through live streaming and RPEV facilities which will be made available on the online portal provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the EGM that is published on our Company' website at <https://fima.com.my> in order to register, participate and vote remotely via the RPEV facilities.*
2. *The Broadcast Venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the EGM to be present at the main venue of the general meeting and to facilitate the conduct of the virtual meeting.*
3. *Members, proxies or corporate representatives are not allowed to be physically present at the Broadcast Venue. Only essential individuals and authorised personnel as determined by the Company shall be allowed entry into the Broadcast Venue.*
4. *Members may login via <https://investor.boardroomlimited.com> to pose and submit questions electronically in relation to the agenda items for the EGM prior to the meeting and no later than 4.00 p.m. on Tuesday, 22 August 2024. The responses to these questions will be shared at the EGM. Members may also pose questions via real time submission at <https://meeting.boardroomlimited.my> during the EGM.*
5. *Only members whose name appears in the General Meeting Record of Depositors as at 22 August 2024 shall be entitled to participate, speak and vote at the EGM or appoint proxy(ies) to attend and/or vote on their behalf.*

6. *A member of the Company who is entitled to attend and vote at the EGM, may appoint up to 2 proxies by specifying the proportion of his/her shareholding to be represented by each proxy. A proxy may not be a member of the Company.*
7. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
8. *The instrument appointing a proxy (proxy form) may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company’s share registrar, Boardroom Share Registrars Sdn. Bhd. not less than 48 hours before the time appointed for holding the EGM or adjournment thereof:*
 - (a) *In hard copy form*
The proxy form must be deposited at the Company’s share registrar’s office situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - (b) *By electronic means*
The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of proxy form that is published on our Company’ website at <https://fima.com.my>.
9. *If the appointer is a corporation, the proxy form or certificate of appointment of corporate representative must be deposited by hand or post to Boardroom Share Registrars Sdn. Bhd. Alternatively, the proxy form or certificate of appointment of corporate representative may also be sent to Boardroom Share Registrars Sdn. Bhd. via email at BSR.Helpdesk@boardroomlimited.com.*
10. *If you have submitted your proxy form prior to the EGM and subsequently, decide to participate in the EGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the EGM. Your proxy(ies) on revocation will not be allowed to participate in the EGM. In such event, you should advise your proxy(ies) accordingly.*
11. *The voting at the EGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll result*



KUMPULAN FIMA BERHAD

Registration No. 197201000167(11817-V)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	
Telephone No.	

PROXY FORM

I/We _____ NRIC/Company No: _____
(Full Name in Capital Letters)

of _____
(Full Address)

being a Member of KUMPULAN FIMA BERHAD (“KFima” and/or “the Company”), do hereby appoint the following person(s):

Proxy	Full Name (in Block Letters) as per NRIC/Passport No.	Telephone No.	NRIC/Passport No.	No. of Shares	%
1.					
	Email Address:				
2.					
	Email Address:				

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held on 29 August 2024 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Proposed Establishment of a Long-Term Incentive Plan comprising an Employees’ Share Option Scheme and an Employees’ Share Grant Plan of up to 10% of the total number of issued ordinary shares in KFima (excluding treasury shares, if any)		
Ordinary Resolution 2	Proposed Allocation of LTIP Awards to Dato’ Idris Bin Kechot		
Ordinary Resolution 3	Proposed Allocation of LTIP Awards to Dato’ Roslan Bin Hamir		
Ordinary Resolution 4	Proposed Allocation of LTIP Awards to Dato’ Rosman Bin Abdullah		
Ordinary Resolution 5	Proposed Allocation of LTIP Awards to Rozana Zeti Binti Basir		
Ordinary Resolution 6	Proposed Allocation of LTIP Awards to Datuk Anuar Bin Ahmad		
Ordinary Resolution 7	Proposed Allocation of LTIP Awards to Datin Rozilawati Binti Haji Basir		
Ordinary Resolution 8	Proposed Allocation of LTIP Awards to Danny Hoe Kam Thong		

* Strike out whichever is not applicable.

Signature (If shareholder is a corporation, this part should be executed under seal)

Dated this _____ day of _____ of 2024.

Notes:

1. The EGM of the Company will be conducted on a virtual basis through live streaming and RPEV facilities which will be made available on the online portal provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the EGM that is published on our Company' website at <https://fima.com.my> in order to register, participate and vote remotely via the RPEV facilities.
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5. Only members whose name appears in the General Meeting Record of Depositors as at 22 August 2024 shall be entitled to participate, speak and vote at the EGM or appoint proxy(ies) to attend and/or vote on their behalf.
6. A member of the Company who is entitled to attend and vote at the EGM, may appoint up to 2 proxies by specifying the proportion of his/her shareholding to be represented by each proxy. A proxy may not be a member of the Company.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy (proxy form) may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company's share registrar, Boardroom Share Registrars Sdn. Bhd. not less than 48 hours before the time appointed for holding the EGM or adjournment thereof:
 - (a) In hard copy form

The proxy form must be deposited at the Company's share registrar's office situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - (b) By electronic means

The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the EGM on the procedures for electronic lodgement of proxy form that is published on our Company' website at <https://fima.com.my>.
9. If the appointer is a corporation, the proxy form or certificate of appointment of corporate representative must be deposited by hand or post to Boardroom Share Registrars Sdn. Bhd.. Alternatively, the proxy form or certificate of appointment of corporate representative may also be sent to Boardroom Share Registrars Sdn. Bhd. via email at BSR.Helpdesk@boardroomlimited.com.
10. If you have submitted your proxy form prior to the EGM and subsequently, decide to participate in the EGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the EGM. Your proxy(ies) on revocation will not be allowed to participate in the EGM. In such event, you should advise your proxy(ies) accordingly.
11. The voting at the EGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony

No. 5 Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

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