THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of Section 7 of Part A of this Circular in respect of the Proposed Change of Name (as defined below) prior to its issuance as it is an exempt circular pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities has perused Part C of this Circular on a limited review basis prior to the issuance of this Circular pursuant to Paragraph 4.1(c) of 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.

COMINTEL CORPORATION BHD
Registration No. 200301027648 (630068-T)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

(I) PROPOSED ACQUISITION;
(II) PROPOSED RIGHTS ISSUE;
(III) PROPOSED ESTABLISHMENT OF A NEW EXECUTIVES' SHARE SCHEME;
(IV) PROPOSED BONUS ISSUE; AND
(V) PROPOSED CHANGE OF NAME

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSED ACQUISITION

PART C

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

AmInvestment Bank

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

Independent Adviser for Part B

BDO

BDO Capital Consultants Sdn Bhd
Registration No. 199601032957 (405309-T)

The Extraordinary General Meeting ("**EGM**") of the Company will be conducted on a fully virtual basis through live streaming and online participation and voting using Remote Participation and Voting facilities via online meeting platform at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia on Thursday, 7 March 2024 at 11.00 a.m. or any adjournment thereof. The Notice of EGM and the Form of Proxy are set out in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy should be lodged at the office of the Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at https://tiih.online not less than 48 hours before the time appointed for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting at the EGM should subsequently wish to.

Last day, date and time for lodging the Form of Proxy	: Tuesday, 5 March 2024 at 11.00 a.m.
Day, date and time of the EGM	: Thursday, 7 March 2024 at 11.00 a.m.

This Circular is dated 8 February 2024

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

(I) PROPOSED ACQUISITION OF CONSTRUCTION EQUIPMENT BY BINASTRA BUILDERS SDN BHD *(FORMERLY KNOWN AS TOTAL PACKAGE WORK SDN. BHD.)*, A WHOLLY-OWNED SUBSIDIARY OF COMINTEL CORPORATION BHD ("COMINTEL" OR "COMPANY") FROM BINASTRA CONSTRUCTION (M) SDN BHD, FOR A TOTAL PURCHASE CONSIDERATION OF RM35.00 MILLION ("PROPOSED ACQUISITION");

(II) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 45,250,000 NEW ORDINARY SHARES IN COMINTEL ("COMINTEL SHARE(S)" OR "SHARE(S)") ("RIGHT SHARE(S)") AT AN ISSUE PRICE OF RM0.80 PER RIGHTS SHARE, ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 10 EXISTING COMINTEL SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE");

(III) PROPOSED ESTABLISHMENT OF A NEW EXECUTIVES' SHARE SCHEME FOR THE ELIGIBLE EXECUTIVE DIRECTORS AND EXECUTIVES OF THE COMPANY AND ITS SUBSIDIARIES (WHICH ARE NOT DORMANT) ("PROPOSED ESS" OR "SCHEME");

(IV) PROPOSED BONUS ISSUE OF UP TO 543,000,000 COMINTEL SHARES ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING COMINTEL SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE"); AND

(V) PROPOSED CHANGE OF NAME OF THE COMPANY FROM "COMINTEL CORPORATION BHD" TO "BINASTRA CORPORATION BERHAD" ("PROPOSED CHANGE OF NAME")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSED ACQUISITION

PART C

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

DEFINITIONS FOR PART A, PART B AND THE APPENDICES OF THE CIRCULAR

Except where the context otherwise required, the following definitions shall apply throughout Part A and Part B of this Circular as well as the accompanying appendices:-

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual general meeting
AmInvestment Bank	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
BBSB or **Purchaser**	:	Binastra Builders Sdn Bhd (formerly known as Total Package Work Sdn Bhd) (Registration No. 198501009307 (141757-V)), a wholly-owned subsidiary of Comintel
BCSB or **Vendor**	:	Binastra Construction (M) Sdn Bhd (Registration No. 198001004508 (58293-K))
BDOCC or **Independent Adviser**	:	BDO Capital Consultants Sdn Bhd (Registration No. 199601032957 (405309-T))
Board	:	Board of Directors of Comintel
Bonus Issue Entitlement Date	:	A date to be determined and announced later by the Board, on which the names of the Shareholders must appear in the record of depositors of the Company as at the close of business in order to be entitled to participate in the Proposed Bonus Issue
Bonus Share(s)	:	Up to 543,000,000 new Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Proposed ESS and shall include any amendments or variations made thereto from time to time, the draft of which is set out in Appendix II of the Circular
Circular	:	This circular to shareholders of the Company dated 8 February 2024 in relation to the Proposals
Comintel or **Company**	:	Comintel Corporation Bhd (Registration No. 200301027648 (630068-T))
Comintel Group or **Group**	:	Collectively, Comintel and its subsidiary
Comintel Share(s) or **Share(s)**	:	Ordinary share(s) in Comintel
Completion Date	:	The day falling 30 days after the Unconditional Date, or such other date mutually agreed on by the parties in writing on which the SPA shall be completed in accordance with its terms
Constitution	:	The constitution of the Company
Construction Equipment	:	Collectively, the aluminium formwork systems, green formwork systems, self-climbing scaffolding and related accessories to be purchased by BBSB from BCSB in relation to the Proposed Acquisition

Datuk Jackson Tan or **Interested Director**	:	Datuk Tan Kak Seng
EGM	:	Extraordinary general meeting
Eligible Person(s)	:	Eligible executive directors (excluding independent directors, alternate directors and substitute directors) and executives of Comintel Group who fulfil the criteria of eligibility as stipulated in the By-Laws
Entitled Shareholders for Rights Issue		Shareholders whose names appear in the record of depositors of the Company on the Rights Issue Entitlement Date in order to be entitled to the Rights Shares
EPS	:	Earnings per Share
ESOS	:	Executives' share option scheme
ESOS Options	:	The right of an ESOS Grantee(s) to subscribe for new and/or existing Comintel Shares under the ESOS pursuant to their acceptance of a grant of ESOS Options in the manner as stipulated in the By-Laws
ESOS Exercise Price	:	The price payable for Comintel Shares upon exercise of any ESOS Options granted under the Proposed ESOS
ESOS Grantee(s)	:	The Eligible Person who has accepted a grant of ESOS Options in accordance with the terms of the By-laws
ESS Award Date	:	The date the ESS Awards is made in writing by the ESS Committee
ESS Award(s)	:	An award made in writing by the ESS Committee to an Eligible Person from time to time within the duration of the Scheme to participate in the Proposed ESOS and/or Proposed RSG in the manner stipulated in the By-Laws
ESS Committee	:	The committee appointed by the Board to implement and administer the ESS in accordance with the By-Laws
ESS Interested Directors	:	All Executive Directors of Comintel who are eligible to participate in the Proposed ESS
ESS Interested Shareholders	:	Collectively, Datuk Jackson Tan and LSY
ESS Period	:	A duration of 5 years commencing from the effective date of the implementation of the Scheme and may be extended for a period of up to another 5 years, provided that the tenure of the Proposed ESS shall not, in aggregate, exceed a duration of 10 years from the effective date of the implementation of the Scheme or such longer period as may be permitted by Bursa Securities or any other relevant authorities
FPE	:	Financial period ended/ending, as the case may be
Full Subscription Basis	:	The Company's intention to undertake the Proposed Rights Issue on a full subscription basis
FYE	:	Financial year ended/ending 31 January, as the case may be

General Mandate	:	The approval from the Shareholders at the last AGM held on 5 July 2023, authorising the Board to issue and allot new Shares pursuant to Section 75 of the Act, provided that the aggregate number of new Shares to be issued does not exceed 10% of the total number of issued Shares of the Company
Grantee(s)	:	The ESOS Grantee(s) and/or RSG Grantee(s), as the case may be
IAL	:	Independent advice letter dated 8 February 2024 prepared by BDOCC in relation to the Proposed Acquisition, as set out in Part B of this Circular
Illustrative Placement Issue Price	:	The illustrative Placement Issue Price of RM1.22 per Placement Share
Interested Major Shareholders	:	Collectively, JCSB and Datuk Jackson Tan
JCSB	:	JT Conglomerate Sdn Bhd (Registration No. 202101029188 (1429488-T))
Knight Frank or **Independent Valuer**	:	Knight Frank Malaysia Sdn Bhd (Registration No. 200201017816 (585479-A))
LSY	:	Lee Seng Yong
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
LPD	:	15 January 2024, being the latest practicable date prior to the printing of this Circular
MFRS 2	:	MFRS 2 Share-based Payment issued by the Malaysian Accounting Standards Board
NA	:	Net assets
PAT	:	Profit after tax
Placement Issue Price	:	The issue price of the Placement Shares which shall be determined separately and fixed by the Board
Placement Share(s)	:	Up to 45,250,000 new Shares to be issued pursuant to the Proposed Private Placement
PN17	:	Practice Note 17 of the Listing Requirements
PN17 Regularisation	:	The Company's regularisation plan to regularise its PN17 status, which was completed on 5 December 2022
Proposals	:	Collectively, the Proposed Acquisition, the Proposed Rights Issue, the Proposed ESS, the Proposed Bonus Issue and the Proposed Change of Name.
Proposed Acquisition	:	The proposed acquisition by BBSB of the Construction Equipment from BCSB for the Purchase Consideration pursuant to the SPA
Proposed Bonus Issue	:	Proposed bonus issue of up to 543,000,000 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Comintel Share held on the Bonus Issue Entitlement Date

Proposed Change of Name	:	The proposed change of name of the Company from "Comintel Corporation Bhd" to "Binastra Corporation Berhad"
Proposed ESOS	:	The executives' share option scheme, a component of the Proposed ESS
Proposed ESS or **Scheme**	:	Proposed establishment and implementation of an executives' share scheme, comprising of the Proposed ESOS and Proposed RSG, of up to ten percent (10%) of the total number of issued Shares (excluding treasury shares, if any) at any point in time over the ESS Period
Proposed Private Placement	:	Proposed private placement of up to 45,250,000 Placement Shares, which represents approximately 10% of the total number of issued Shares, at an issue price to be determined and to placee(s) to be identified at a later stage
Proposed Rights Issue	:	Proposed renounceable rights issue of 45,250,000 Rights Shares at the Rights Issue Price on the basis of 1 Rights Share for every 10 existing Comintel Shares held on the Rights Issue Entitlement Date
Proposed RSG	:	The restricted share grant plan, a component of the Proposed ESS
Purchase Consideration	:	Purchase consideration of RM35.00 million payable by BBSB to BCSB pursuant to the terms of the SPA for the Proposed Acquisition
RCPS	:	Redeemable convertible preference shares
Rights Issue Price	:	The issue price of RM0.80 for each Rights Share
Rights Issue Entitlement Date	:	A date to be determined and announced later by the Board, on which the names of the Shareholders must appear in the record of depositors the Company as at the close of business in order to be entitled to participate in the Proposed Rights Issue
Rights Share(s)	:	45,250,000 new Comintel Shares to be issued pursuant to the Proposed Rights Issue
RM and **sen**	:	Ringgit Malaysia and sen respectively
RRPT	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group
RSG Award(s)	:	The grant of an award of such number of Shares to the Eligible Persons without any consideration payable by the Eligible Persons in the manner stipulated in the By-Laws
RSG Grantee(s)	:	The Eligible Person who has accepted a grant of RSG Awards in accordance with the terms of the By-laws
Share Grant Price	:	The reference price of the Shares to be granted pursuant to the RSG Awards
Shareholder(s)	:	Shareholder(s) of Comintel
SPA	:	Conditional sale and purchase agreement dated 6 December 2023 entered into between BBSB and BCSB for the Proposed Acquisition
Valuation Report	:	Valuation report dated 6 December 2023 prepared by Knight Frank
TERP	:	Theoretical ex-rights price

Unconditional Date	:	The date when all the conditions precedent in the SPA have been obtained/fulfilled/waived, as the case may be
Undertaking(s)	:	The Undertaking Shareholders' irrevocable and unconditional undertaking pursuant to the Undertaking Letters procured by the Company to fully subscribe for their respective entitlements of 32,283,852 Rights Shares under the Proposed Rights Issue based on their shareholdings in the Company as at 6 December 2023
Undertaking Letters	:	The Undertaking Shareholders' irrevocable and unconditional undertaking letters dated 6 December 2023 procured by the Company
Undertaking Shareholders	:	Collectively, JCSB, Datuk Jackson Tan and LSY
Underwriting	:	The underwriting arrangement to be entered between the Company and the underwriter(s) for 12,966,148 Rights Shares for a total subscription amount of RM10,372,918
VWAP	:	Volume weighted average market price

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

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

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR AND THE APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.

No.	Key Information	Summary	Reference to this Circular
1.	**Details of the Proposed Acquisition**	The Proposed Acquisition of Construction Equipment by BCSB from BBSB for a cash consideration of RM35.00 million to be satisfied in accordance with the terms and conditions of the SPA. The salient terms of the SPA are set out in Appendix I of this Circular. The Construction Equipment in relation to the Proposed Acquisition comprises of aluminium formwork systems, green formwork systems and related accessories and self-climbing scaffolding and related accessories. The Purchase Consideration was arrived at, after negotiation on a on a willing-buyer and willing-seller basis, after taking into consideration the market value of the Construction Equipment as ascribed by the Independent Valuer of RM35.80 million. The Purchase Consideration will be satisfied entirely in cash, which will be fully funded via the proceeds raised by the Company from the Proposed Rights Issue.	Section 2.0 of Part A
2.	**Details of the Proposed Rights Issue**	The Proposed Rights Issue entails the issuance of 45,250,000 Rights Shares at an issue price of RM0.80 per Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Comintel Shares held by the Entitled Shareholders for Rights Issue. It is the intention of the Company to undertake the Proposed Rights Issue based on the Full Subscription Basis, where it would entail the issuance of 45,250,000 Rights Shares to raise gross proceeds of approximately RM36.20 million, which will be channelled towards the utilisation as set out in Section 3.6 of Part A of this Circular. The Proposed Rights Issue is not conditional upon the Proposed Acquisition. In the event the Proposed Acquisition fails to materialise, the Group shall utilise the proceeds of the Proposed Rights Issue to fund the Group's working capital requirements such as purchase of construction materials and labour cost and/or payment to sub-contractors for the Group's construction business.	Section 3.0 of Part A

No.	Key Information	Summary	Reference to this Circular
3.	**Details of the Proposed ESS**	• Proposed establishment of a new executives' share scheme comprising the Proposed ESOS and the Proposed RSG for the Eligible Persons involving up to 10% of the total number of issued Shares, subject to the provisions of the By-Laws. • The Scheme shall be in force for a duration of 5 years from the effective date of implementation of the Scheme subject to any extension of the Scheme as provided under the By-Laws. • Subject to any adjustments that may be made in accordance with the By-Laws, the ESOS Exercise Price and the Share Grant Price shall be based on the five (5)-day VWAP of Comintel Shares, immediately preceding the ESS Award Date, with a discount of not more than 10% or such basis as the relevant authorities may permit. • The new Comintel Shares to be issued pursuant to the Proposed ESS shall upon allotment and issuance, rank equally in all respects with the existing Shares.	Section 5.0 of Part A
4.	**Details of the Proposed Bonus Issue**	• The Proposed Bonus Issue entails the issuance of up to 543,000,000 Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Comintel Share held by the shareholders of Comintel on the Bonus Issue Entitlement Date that will be determined and announced by the Board at a later date upon receipt of all relevant approvals for the Proposals. • The Proposed Bonus Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time. • The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.	Section 6.0 of Part A
5.	**Details of the Proposed Change of Name**	• The Board proposes to change the name of the Company from "Comintel Corporation Bhd" to "Binastra Corporation Berhad". • The proposed name, "Binastra Corporation Berhad", has been approved and reserved by the Companies Commission of Malaysia on 21 November 2023 for a period of 180 days from 21 November 2023 to 19 May 2024.	Section 7.0 of Part A

No.	Key Information	Summary	Reference to this Circular
		• The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name issued by the Companies Commission of Malaysia to the Company.	
6.	**Rationale for the Proposals**	**<u>Proposed Acquisition</u>** Comintel Group's construction business segment undertakes a wide-range of construction services with the focus on construction of high-rise residential and commercial buildings. As part of the construction services, the Group undertakes civil and structural as well as building construction works. Notwithstanding the Group does have its own formwork systems and scaffolding equipment, it is not sufficient to cater for the usage of the Group's on-going construction works. As such, the Group had engaged its sub-contractors to provide the requisite formwork systems and scaffolding system for the undertaking of its construction projects. The Company is of the view that the Proposed Acquisition provides a good opportunity for the Company to have ownership of the Construction Equipment, after taking into consideration the substantial growth in its construction order book. Moreover, the Proposed Acquisition will allow the Group to reduce reliance on external parties for the supply of the Construction Equipment such that the Group will have more flexibility in the coordination of deploying the Construction Equipment according to the project schedule. **<u>Proposed Rights Issue</u>** The Proposed Rights Issue will enable the Company to raise the required proceeds to be utilised to fund the Purchase Consideration for the Proposed Acquisition and provide all Entitled Shareholders for Rights Issue with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in the Group at a discount to the prevailing market price. In addition, the Proposed Rights Issue will also enable the Company to issue new Comintel Shares without diluting its shareholders' equity interests provided that the Entitled Shareholders for Rights Issue fully subscribe for their respective entitlements to the Rights Shares under the Proposed Rights Issue.	Section 8.0 of Part A

No.	Key Information	Summary	Reference to this Circular
		Furthermore, the Company is able to ensure that the Proposed Rights Issue will be fully subscribed in order for the Company to raise the required proceeds in view of the Undertaking as well as the Underwriting. The enlarged capital base upon the completion of the Proposed Rights Issue will also further strengthen the Group's financial position and the benefits from the utilisation of proceeds therefrom are expected to improve the Group's future earnings. **Proposed ESS** The Proposed ESS is intended to recognise, reward, retain and motivate the Eligible Persons whose contributions are important to the Group and to attract prospective skilled and experienced executives and executive directors to the Group by making the total compensation package more competitive. In addition, the Proposed ESS is also intended to motivate the Eligible Persons towards better performance through greater productivity and loyalty to the Group as well as create a greater sense of dedication and belonging of the Eligible Persons as they will be able to participate directly in the long-term growth of the Group. Furthermore, the Proposed ESS will help to foster an ownership culture within the Group by aligning the interests of the Eligible Persons with the interests of shareholders of the Company. **Proposed Bonus Issue** The Proposed Bonus Issue is proposed to be undertaken to reward the Company's shareholders by enabling them to have greater participation in the equity of Comintel by increasing the number of Shares held with no cash outlay required, while retaining their percentage of equity interest held and improve the trading liquidity and marketability of Comintel Shares on the Main Market of Bursa Securities whilst increasing the capital base of the Company. Moreover, the Proposed Bonus issue would result in the Shares being more affordable in order to appeal to a wider group of public shareholders and investors, which may widen the Company's shareholder base.	

No.	Key Information	Summary	Reference to this Circular
		Proposed Change of Name The construction projects undertaken by Datuk Jackson Tan have historically been carried out under the "Binastra" brand name via BCSB, which has more than 20 years of operating history within the construction industry. Accordingly, the Proposed Change of Name will enhance the Company's corporate branding and identity as it enables the Company to capitalise on Binastra's construction operating history and legacy as well as enhance the profiling of its current and future construction projects.	
7.	**Inter-conditionality**	Save for the Proposed Acquisition being conditional upon the Proposed Rights Issue, the remaining Proposals and the Proposed Private Placement are not conditional upon each other. For avoidance of doubt, the Proposed Rights Issue is not conditional upon the Proposed Acquisition.	Section 12.0 of Part A
8.	**Approvals required**	The Proposals are subject to the following approvals being obtained:- (i) approval of Bursa Securities, for the listing and quotation for:- (a) 45,250,000 Rights Shares to be issued pursuant to the Proposed Rights Issue; (b) up to 543,000,000 Bonus Shares to be issued pursuant to the Bonus Issue; and (c) such number of new Comintel Shares to be issued pursuant to the Proposed ESS, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the ESS Period; on the Main Market of Bursa Securities. The approval was obtained vide Bursa Securities' letter dated 29 January 2024 and subject to the conditions as set out in Section 16 of Part A of this Circular. (ii) approval of shareholders of Comintel at the forthcoming EGM to be convened; and (iii) approval of any other relevant regulatory authorities, if applicable.	Section 16.0 of Part A

No.	Key Information	Summary	Reference to this Circular
9.	**Directors' recommendation**	The Board (save for the Interested Director in relation to the Proposed Acquisition and Proposed Rights Issue), having considered and deliberated on all aspects of the Proposals including terms and conditions of the Proposals, rationale of the Proposals as well as the evaluation of the Independent Adviser, is of the opinion that the Proposals are in the best interest of the Group, fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested shareholders of Comintel. Additionally, in view that the ESS Interested Directors are deemed interested in the Proposed ESS to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed ESS, they have abstained and will continue to abstain from expressing any opinion and recommendation insofar as their specific allocation and specific allocation to any persons connected with them (if any) under the Proposed ESS. Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.	Section 17.0 of Part A

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART A

LETTER TO THE SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSALS

COMINTEL CORPORATION BHD
(Registration No. 200301027648 (630068-T))
(Incorporated in Malaysia)

Registered Office
802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

8 February 2024

Board of Directors

Tan Sri Dato' Samshuri bin Arshad *(Independent Non-Executive Chairman)*
Datuk Tan Kak Seng *(Managing Director)*
Lee Seng Yong *(Executive Director)*
Teh Soon Hin *(Independent Non-Executive Director)*
Tan Mai Yean *(Independent Non-Executive Director)*
Low Tuan Lee *(Independent Non-Executive Director)*

To: The shareholders of Comintel

Dear Sir/Madam,

(I) PROPOSED ACQUISITION;
(II) PROPOSED RIGHTS ISSUE;
(III) PROPOSED ESS;
(IV) PROPOSED BONUS ISSUE; AND
(V) PROPOSED CHANGE OF NAME

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 6 December 2023, AmInvestment Bank had, on behalf of the Board, announced that BBSB, a wholly-owned subsidiary of the Company, had on even date entered into the SPA with BCSB for the Proposed Acquisition. Concurrently with the Proposed Acquisition, the Company had also proposed to undertake the Proposed Rights Issue, Proposed Private Placement, Proposed ESS, Proposed Bonus Issue and Proposed Change of Name.

In view of the interests of certain director and major shareholder of Comintel in the Proposed Acquisition as set out in Section 13 of Part A of this Circular, the Proposed Acquisition is deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Accordingly, BDOCC has been appointed by the Board to act as an Independent Adviser to advise the non-interested directors and non-interested shareholders of Comintel in respect of the Proposed Acquisition. As the Proposed Acquisition is conditional upon the Proposed Rights Issue, the Independent Adviser will also be providing its comments on the Proposed Rights Issue.

Save for the Proposed Acquisition being conditional upon the Proposed Rights Issue, the remaining Proposals and the Proposed Private Placement are not conditional upon each other. For avoidance of doubt, the Proposed Rights Issue is not conditional upon the Proposed Acquisition.

For information purpose, the Proposed Private Placement shall be undertaken pursuant to the General Mandate and does not require the approval of the Shareholders in the forthcoming EGM and hence the information on the Proposed Private Placement as set out throughout Part A of this Circular is for information purpose only.

For information purpose, it is the Company's intention to implement the Proposed Acquisition after the completion of the Proposed Rights Issue. Thereafter, the Proposed Private Placement is expected to be implemented after the completion of the Proposed Rights Issue and the Proposed Acquisition. The Proposed Bonus Issue shall be implemented after the completion of the Proposed Private Placement.

On 30 January 2024, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 January 2024, granted its approval for the following:-

(i) listing of and quotation for 45,250,000 Rights Shares to be issued pursuant to the Proposed Rights Issue;

(ii) listing of and quotation for up to 45,250,000 Placement Shares to be issued pursuant to the Proposed Private Placement;

(iii) listing of and quotation for up to 543,000,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue; and

(iv) listing of and quotation for such number of new Comintel Shares to be issued pursuant to the Proposed ESS, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the ESS Period;

on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 16 of Part A of this Circular.

Further details of the Proposals are set out in the ensuing sections of Part A of this Circular.

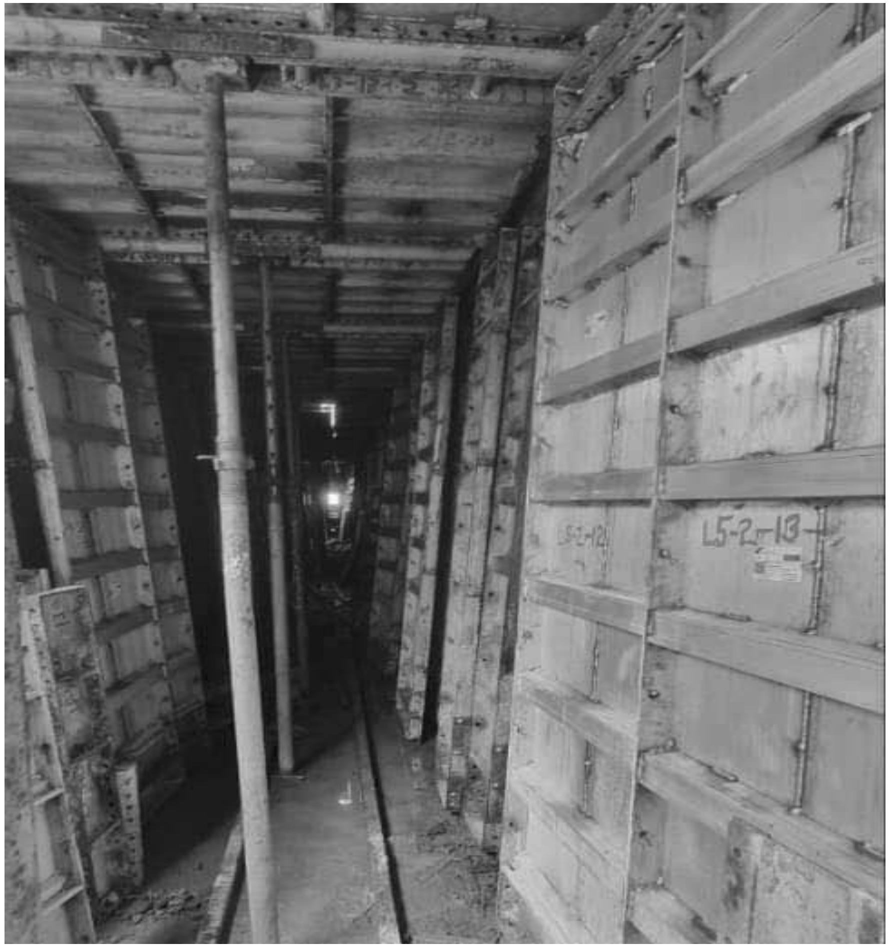
THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR, BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED ACQUISITION

On 6 December 2023, BBSB and BCSB entered into the SPA, whereby BBSB agrees to acquire the Construction Equipment for the Purchase Consideration. For information purposes, the Construction Equipment comprises of the following:-

(i) 79,713 square meters of aluminium formwork systems



Aluminium formwork system uses temporary aluminium structures to perform cast in situ (on site casting) which allows the formation of complete structure with consistent dimensions and quality finishing as well as having better control of project scheduling. The building structures that can be formed using aluminium formwork system include slabs, beams, columns and walls. The aluminium formwork system uses structural-grade aluminium alloy and is environmentally friendly, adaptable, flexible, accurate and fast to install.

The formworks made of aluminium materials can be easily assembled on the project site to serve as moulds for concrete to be poured in. The formworks will be subsequently removed once the concrete is set and developed the required strength.

Aluminium formwork systems are ideal for large concrete construction projects as they are lighter in weight in comparison to steel, which means that the aluminium formwork systems are easier to transport and haul around project sites. Nonetheless, as aluminium is not as strong as steel, larger number of formworks are usually required to be used in larger sections and is also harder to modify once it has been fabricated.

Aluminium formwork systems are specifically engineered for repeated use over an extended lifespan, often lasting between 100 to 200 cycles involving installation-pouring-forming-dismantling process as 1 cycle, followed by repetition on the subsequent floors with minimal refurbishment, hence making it cost effective.

Due to its re-usable demand and high resale value, aluminium formwork systems are valued by area (square meters) or weight (kilograms), instead of a per unit basis.

(ii) <u>10,945 units of green formwork systems and related accessories</u>

Green formwork system usage is similar to aluminium formwork and are primarily used for building / formation of horizontal structures (e.g. floors). It is a panel-drop concrete formwork system with early-stripping mechanism. It provides a systematic, modular formwork solution for the construction of beam and slab structural elements and suits generally all in-situ construction methods and conditions.

Green formwork system is made of steel and durable plywood, which is more durable, rigid and stronger than aluminium. It is less likely to warp and is easier to customise to a specific project's needs in comparison to aluminium due to its modular systems, consisting of a few main components such as the system panel, steel head and brace as well as panel tools.

Green formwork is the most productive formwork system particularly for big-span flat slab structure. Minimal numbers of workers are required to work in small team of 3 to 4 persons to erect the formwork system.

Due to the hugely modular nature comprising of multiple components that make up green formwork systems and that these different components can be purchased separately on a per unit basis, green formwork systems are generally valued on a unit basis.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(iii) <u>443 units of self-climbing scaffolding and related accessories</u>

The scaffolding is a self-climbing protecting screen with working platform and comes equipped with controlled, synchronised climbing mechanism designed to prevent workers and objects from falling when working at heights.

The self-climbing scaffolding system is more intensively designed as compared to traditional platforms and only requires a one-time installation at low level.

For information purposes, the Construction Equipment shall be depreciated over a period of 5 years in the financial statements of Comintel, consistent with the Group's accounting policy for plant and machineries. However, based on Comintel's estimation, with routine maintenance being performed, the Construction Equipment is expected to generally have an operational lifespan of approximately 10 to 15 years. Furthermore, Comintel does not expect the Construction Equipment to become obsolete in the foreseeable future as the aluminium and green formwork system together with self-climbing scaffolding will continue to be integral construction methods adopted within the industry going forward.

BCSB agrees to sell and BBSB agrees to purchase the Construction Equipment, on an "as is where is" basis, free from all liens, charges and encumbrances and with full legal and beneficial interest, subject to the terms and conditions contained in the SPA.

The salient terms of the SPA are set out in Appendix I of this Circular.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

2.1 Basis and justification of the Purchase Consideration

The Purchase Consideration was arrived at, after negotiation on a willing-buyer and willing-seller basis, after taking into consideration of the following:-

(i) The market value of the Construction Equipment as ascribed by Knight Frank in its Valuation Report. Based on the Valuation Report, the Independent Valuer has adopted the Depreciated Replacement Cost to arrive at the market value of RM35.80 million for the Construction Equipment ("**Market Value**").

The Purchase Consideration represents a discount of RM0.80 million or approximately 2.23% to the Market Value.

The Depreciated Replacement Cost is the cost of replacing the assets as new including costs for installation, infrastructure and professional fees and allowing for depreciation of physical, functional and economic obsolescence over its useful life as well as making appropriate allowances for refurbishment costs to be incurred and their respective residual value (scrap value). Furthermore, the Independent Valuer had conducted inspections on the Construction Equipment and their operating conditions in arriving at the Market Value.

(ii) The rationale and benefits of the Proposed Acquisition as set out in Section 8 of Part A of this Circular.

2.2 Mode of settlement

The Purchase Consideration of RM35.00 million shall be settled by BBSB on the Completion Date.

2.3 Salient terms of the SPA

The salient terms of the SPA are set out in Appendix I of this Circular.

2.4 Details of BCSB

BCSB was incorporated in Malaysia on 15 May 1980 as a private limited company under the Companies Act, 1965 and is deemed registered under the Act. BCSB is principally involved in building construction and transportation.

The details of the directors and shareholders of BCSB as well as their respective shareholdings in BCSB are as follows:-

Name	Relationship	Nationality	No. of shares	%
Datuk Jackson Tan	Director and shareholder	Malaysian	32,347,365	64.69
Tan Nge	Director and shareholder	Malaysian	16,159,073	32.32
Liu Soh Yon	Director and shareholder	Malaysian	1,493,562	2.99
Sue Har	Director	Malaysian	-	-
		Total	**50,000,000**	**100.00**

2.5 Source of funding

The Purchase Consideration will be satisfied entirely in cash, which will be fully funded via the proceeds raised by the Company from the Proposed Rights Issue.

The Proposed Acquisition is conditional upon the Proposed Rights Issue. Hence, if the Company is unable to complete the Proposed Rights Issue, the SPA may be terminated by either party at its sole discretion pursuant to the terms and conditions of the SPA.

2.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from and in connection with the SPA, there are no other liabilities, contingent liabilities or guarantees to be assumed by Comintel Group pursuant to the Proposed Acquisition.

2.7 Additional financial commitments

Save for the Purchase Consideration in respect of the Proposed Acquisition, the Group does not expect to incur any additional material financial commitment to operate the Construction Equipment.

2.8 Original cost and date of investment

The Construction Equipment were acquired by BCSB between 2018 and 2023 at a total cost of approximately RM61.26 million, as presented in the schedule below:-

Construction Equipment	Year of Purchase	Cost (RM'000)
Aluminium formwork systems	2018	5,205
	2019	13,710
	2020	6,931
	2021	5,745
	2022	11,319
	2023	1,409
		44,319
Green formwork systems and related accessories	2018	789
	2019	3,478
		4,267
Self-climbing scaffolding and related accessories	2019	11,980
	2021	691
		12,671
Total cost of Construction Equipment		**61,257**
Total net book value of Construction Equipment based on BCSB's audited financial statements for the financial year ended 30 June 2023		**11,592**

3. PROPOSED RIGHTS ISSUE

3.1 Details of the Proposed Rights Issue

The Proposed Rights Issue entails the issuance of 45,250,000 Rights Shares at the Rights Issue Price of RM0.80 per Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Comintel Shares held by the Entitled Shareholders for Rights Issue.

As at the LPD, the total number of issued Shares is 452,500,000 Comintel Shares. Comintel does not have any treasury shares.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders for Rights Issue may fully or partially renounce their entitlements under the Proposed Rights Issue. Any unsubscribed Rights Shares will be made available to other Entitled Shareholders and/or their renouncee(s) under excess Rights Shares applications and to such other persons as the Board shall determine. The Rights Shares will be provisionally allotted to the Entitled Shareholders for Rights Issue. It is the intention of the Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

In determining the entitlements of the Entitled Shareholders for Rights Issue to the Rights Shares under the Proposed Rights Issue, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its absolute discretion deems fit and expedient or in the best interest of the Company.

3.2 Basis and justification of determining the Rights Issue Price

The Board has fixed the Rights Issue Price of RM0.80 per Rights Share after taking into consideration, amongst others, the following:-

(i) the funding requirements of Comintel Group, as set out in Section 3.6 of Part A of this Circular;

(ii) the prevailing market conditions as well as the current and historical market price of Comintel Shares for the past 12 months as set out in Section 7 of Appendix IV of this Circular; and

(iii) the resultant TERP of Comintel Shares of approximately RM1.32 computed based on the five (5)-day VWAP of Comintel Shares up to and including the latest practicable date prior to the announcement date, of RM1.3718 whereby the Rights Issue Price represents a discount of approximately 39.39% to the TERP. Notwithstanding the Undertakings and underwriting arrangement to achieve the Full Subscription Basis, the aforesaid discount is intended to provide the Entitled Shareholders with an attractive opportunity to increase their participation in the Company on a pro-rata basis at a discount to the prevailing market price of Comintel Shares and to reward the Entitled Shareholders for their continuous support to the Company.

For information purposes, the TERP of Comintel Shares, computed based on the five (5)-day VWAP of Comintel Shares up to and including the LPD of RM1.4099 per Comintel Share is RM1.35. The Rights Issue Price represent a discount of approximately 40.74% to the TERP.

3.3 Ranking of Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Comintel Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Comintel, on the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares.

3.4 Undertakings and underwriting arrangement for the Proposed Rights Issue

It is the intention of the Company to undertake the Proposed Rights Issue based on the Full Subscription Basis, where it would entail the issuance of 45,250,000 Rights Shares to raise gross proceeds of approximately RM36.20 million, which will be channeled towards the utilisation as set out in Section 3.6 of Part A of this Circular.

To meet the Full Subscription Basis, the Company has procured the Undertaking Letters from the Undertaking Shareholders to fully subscribe for their respective entitlements under the Proposed Rights Issue based on their shareholdings in the Company as at 6 December 2023.

The details of the Undertaking Shareholders based on the Undertakings are as follows:-

Undertaking Shareholders	Shareholdings as at the LPD		Undertakings		Shareholdings after the Proposed Rights Issue	
	No. of Shares	%[(i)]	Entitlement[(ii)]	Subscription amount (RM'000)	No. of Shares	%[(iii)]
JCSB	231,057,870	51.06	23,105,787	18,485	254,163,657	51.06
Datuk Jackson Tan	55,000,000	12.15	5,500,000	4,400	60,500,000	12.15
LSY	36,780,650	8.13	3,678,065	2,942	40,458,715	8.13
Total	322,838,520	71.34	32,283,852	25,827	355,122,372	71.34

Notes:-

(i) Based on the Company's issued share capital of 452,500,000 Comintel Shares as at the LPD.

(ii) Based on the entitlement basis for the Proposed Rights Issue of one (1) Rights Share for every ten (10) existing Comintel Shares.

(iii) Based on the Company's enlarged issued share capital of 497,750,000 Comintel Shares upon completion of the Proposed Rights Issue under the Full Subscription Basis.

Pursuant to the Undertaking Letters, the Undertaking Shareholders have confirmed that they have sufficient financial means and resources to fulfil their obligations under their respective Undertaking and such confirmation has been verified by AmInvestment Bank.

The fulfilment of the Undertaking by JCSB and Datuk Jackson Tan (who is the shareholder of JCSB) are not expected to give rise to any mandatory take-over offer pursuant to the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia after taking into consideration that JCSB's shareholdings in Comintel as at the LPD is more than 50%.

The remaining portion of 12,966,148 Rights Shares for which no undertaking has been obtained will be fully underwritten via the Underwriting. As at the LPD, the Underwriting and resultant commission have not been finalised. Such Underwriting and resultant commission will be in place prior to the implementation of the Proposed Rights Issue, details of which will be set out in the abridged prospectus to be issued for the Proposed Rights Issue.

As illustrated above, the public shareholding spread of the Company is not expected to fall below 25% of the enlarged issued share capital of the Company after the completion of the Proposed Rights Issue in view that the Proposed Rights Issue is undertaken on the Full Subscription Basis via the Underwriting.

3.5 Listing of and quotation for the Rights Shares

Bursa Securities had, vide its letter dated 29 January 2024, approved the listing and quotation of Rights Shares pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in Section 16 of Part A of this Circular.

3.6 Utilisation of proceeds raised from the Proposed Rights Issue

Based on the Rights Issue Price of RM0.80 per Rights Share, the Proposed Rights Issue will raise gross proceeds of approximately RM36.20 million, which is expected to be utilised in the following manner:-

Details of utilisation	Note	(RM'000)	Estimated timeframe for utilisation from the receipt of proceeds
To fund the Purchase Consideration for the Proposed Acquisition	(i)	35,000	Immediate
General working capital	(ii)	1,200	Within 12 months
Total estimated proceeds		**36,200**	

Notes:-

(i) The earmarked proceeds of RM35.0 million will be utilised to wholly finance the Purchase Consideration for the Proposed Acquisition, details of which are set out in Section 2 of Part A of this Circular. The Proposed Acquisition is subject to the obtainment/fulfilment/waiver of conditions precedent pursuant to the SPA as set out in Section 4 of Appendix I of this Circular. If the conditions precedent are not fulfilled within the stipulated timeframe, this may lead to a termination of the SPA and thereby result in non-completion of the Proposed Acquisition.

As the Proposed Rights Issue is not conditional upon the Proposed Acquisition, in the event the Proposed Acquisition fails to materialise, the Group shall utilise the proceeds of the Proposed Rights Issue to fund the Group's working capital requirements such as purchase of construction materials and labour cost and/or payment to sub-contractors for the Group's construction business. As at the LPD, the Comintel Group has an outstanding order book of approximately RM1.43 billion from its 15 on-going construction projects.

Notwithstanding there are funds raised from the Proposed Private Placement for working capital purposes, the Proposed Rights Issue is not conditional upon the Proposed Acquisition as the excess funds (should the Proposed Acquisition not materialise) can be channelled towards additional working capital requirements of the Group, which is undergoing a steep growth trajectory, as evidenced from the increase of its order book from RM565.59 million, as disclosed in Comintel's circular to shareholders dated 7 September 2022 for purposes of its PN17 Regularisation, to RM1.43 billion as at the LPD, further details of which are set out in Section 4.6 of Part A of this Circular.

Furthermore, the Company, in determining for the Proposed Rights Issue to be not conditional upon the Proposed Acquisition, had also taken into consideration the size of the Proposed Rights Issue, which is expected to raise an additional RM36.20 million, vis-a-vis the Group's average contract replenishment rate of approximately RM750 million per annum since securing its first construction award in May 2021.

For information purposes, in the event the proceeds of RM35.00 million is utilised to finance the Purchase Consideration for the Proposed Acquisition, the Group shall utilise its internally generated funds, bank borrowings as well as proceeds received from other fund raising exercise such as the Proposed Private Placement to fund the Group's working capital requirement.

(ii) *The Company intends to allocate the remaining amount of RM1.20 million to fund the Group's general working capital for its day-to-day operations, the breakdown of which is as follows:-*

Details	***RM'000***
Staff related expenses[(a)]	*1,000*
General administrative expenses[(b)]	*200*
Total	***1,200***

Notes:-

(a) *Includes employees' salaries and allowances, wages, overtime and other statutory contributions and payments.*

(b) *Includes rent, utilities as well as professional and consultants' fees.*

Pending full utilisation of the proceeds from the Proposed Rights Issue for the above purposes, the proceeds will be placed in interest-bearing deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for the Group's working capital purposes.

4. PROPOSED PRIVATE PLACEMENT

For the avoidance of doubt, the Proposed Private Placement does not require the Shareholders' approval at the forthcoming EGM. Hence, the disclosure of the Proposed Private Placement as set out in this section and throughout Part A of this Circular is strictly for information purposes only.

For information purposes, the Proposed Private Placement shall be implemented after the completion of the Proposed Acquisition and the Proposed Rights Issue.

The Company has obtained the approval from its shareholders at the last AGM held on 5 July 2023, authorising the Board to issue and allot new Shares pursuant to Section 75 of the Act, provided that the aggregate number of new Shares to be issued does not exceed 10% of the total number of issued Shares. The said approval shall continue to be in force, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of the Company. The Placement Shares to be issued pursuant to the Proposed Private Placement will therefore be issued in accordance with the General Mandate. In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from the shareholders of the Company at the next AGM for renewal of the General Mandate.

Furthermore, under the General Mandate, the Shareholders have given their direction to the Board under Article 55 of the Company's Constitution to offer and issue new Shares ranking equally to the existing Shares to any such persons without having to first offer the new Shares to the existing Shareholders in proportion to their shareholding as provided in Section 85 of the Act.

4.1 Placement size

As at the LPD, the total issued ordinary share capital of Comintel is RM28,850,815.48 comprising 452,500,000 Comintel Shares.

The Proposed Private Placement entails the issuance of up to 45,250,000 Placement Shares, representing up to 10.00% of the existing total number of issued Shares as at the LPD or approximately up to 9.09% of the enlarged total number of issued Shares post-completion of the Proposed Rights Issue.

4.2 Placement arrangement

The Placement Shares will be placed to independent investor(s) ("**Placee(s)**") where the Placee(s) shall also be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007, who/which shall be identified at a later date.

In accordance with Paragraphs 6.04(c) and 6.06 of the Listing Requirements, the Placement Shares will not be placed to the following parties:-

(i) the director, major shareholder or chief executive of Comintel or a holding company of Comintel ("**Interested Person(s)**");

(ii) a person connected with an Interested Person; and

(iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Subject to prevailing market conditions and timing of identification of the Placee(s), the Proposed Private Placement may be implemented in a few tranches within six (6) months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation.

4.3 Basis and justification of the Placement Issue Price

The Placement Issue Price, where applicable, shall be determined separately and fixed by the Board and with a discount of not more than 10.00% to the five (5)-day VWAP of Comintel Shares (where applicable) immediately preceding the price-fixing date to be determined by the Board.

For illustration purposes, based on the Illustrative Placement Issue Price of RM1.22 per Placement Share, the Illustrative Placement Issue Price represents approximately a 10.00% discount to the TERP as at LPD of RM1.35 after the completion of the Proposed Rights Issue. The proceeds to be derived from the Proposed Private Placement at such indicative issue price will be up to approximately RM55.21 million.

4.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing Comintel Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Comintel, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

4.5 Listing of and quotation for the Placement Shares

Bursa Securities had, vide its letter dated 29 January 2024, approved the listing and quotation of the Placement Shares pursuant to the Proposed Private Placement on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in Section 16 of Part A of this Circular.

4.6 Utilisation of proceeds raised from the Proposed Private Placement

Based on the Illustrative Placement Issue Price of RM1.22 per Placement Share and assuming the entire 45,250,000 Placement Shares are fully placed out, the Proposed Private Placement will raise gross proceeds of up to approximately RM55.21 million, which is expected to be utilised in the following manner:-

Details of utilisation	Note	Up to (RM'000)	Estimated timeframe for utilisation from the receipt of proceeds
Working capital requirement for its construction business	(i)	51,625	Within 15 months
Estimated expenses for the Proposals and the Proposed Private Placement	(ii)	3,580	Immediate
Total estimated proceeds		**55,205**	**-**

(i) The Company intends to allocate the proceeds of up to RM51.63 million to be raised from the Proposed Private Placement to part finance the working capital requirements of the Group's construction projects. As at the LPD, the Group has an outstanding order book of approximately RM1.43 billion from its 15 on-going construction projects. Such proceeds are expected to be allocated in the following manner:-

Details	RM'000
Purchase of construction materials and labour cost[(a)]	20,000
Payment to sub-contractors[(b)]	31,625
Total	**51,625**

Notes:-

(a) Construction materials comprises, amongst others, steel bars, concrete, cement and sand, plywood, brickwork materials and tiles, whereas labour cost comprises of, amongst others, salaries of staff directly involved in construction business and wages of foreign workers as well as sub-contract workers.

(b) Includes payment to sub-contractors engaged for, amongst others, site clearance, foundation and earthworks, building works, mechanical and electrical works as well as infrastructure works.

In addition to the working capital requirements of the Group's existing construction projects, the working capital may also be used to fund any new construction contracts secured by the Group subsequent to the LPD.

The actual allocation of the working capital may differ and is subject to the Group's funding requirement and the status of the construction contracts at the material point of time.

For information purposes, as set out in Section 3.6 of Part A of this Circular, in the event the Proposed Acquisition fails to materialise, the indicative total proceeds to be utilised for purposes of working capital of the Group arising from the Proposed Rights Issue and the Proposed Private Placement shall amount to an aggregate of RM87.83 million (calculated based on the Rights Issue Price and Illustrative Placement Issue Price). In this respect, the amount allocated towards the abovementioned purpose is after taking into consideration the increased operational requirements of the Group as the Group's order book have grown to RM1.43 billion as at LPD, as compared to RM565.59 million as disclosed in Comintel's circular to shareholders dated 7 September 2022 for purposes of its PN17 Regularisation.

As at the LPD, the Group's on-going construction projects are as follows:-

No.	Project name	Description	Contract value (RM'million)	Outstanding order book as at the LPD (RM'million)
1.	Sasar Piling Project	Earthwork, piling and related works for 5 blocks of affordable apartments	47.53	0.67
2.	D' Erica Project	Construction and completion of reinforced concrete framework, architectural and infrastructure works for 2 blocks of serviced apartment and related facilities	170.84	22.40
3.	Sasar MBW Project	Construction and completion of reinforced concrete framework, architectural and infrastructure works for 5 blocks of affordable apartments	260.00	128.42
4.	Butirjaya Project	Main building works for 2 blocks of affordable apartments	172.80	130.24
5.	Empire Residence	Take over of the construction works of the uncompleted phases of Empire Residence	183.15	177.74
6.	D'Terra MBW Project	Construction and completion of main building works and infrastructure works for 1 block of serviced apartment and related facilities	231.11	187.25
7.	D'Tessera MBW Project	Construction and completion of main building works and infrastructure works for 1 block of serviced apartment and related facilities	227.65	211.52
8.	Bukit Jalil Earthwork	Earthwork for a commercial development	9.00	2.29
9.	D'Velada	Piling and main building works for 1 block of serviced apartment	168.30	158.08
10.	Risen	Main building works for 2 blocks of suite apartments	229.80	219.44
11.	D'Cosmos	Supply, installation and delivery of lightweight vertical fin and water reticulation works, internal clearing and cleaning works, landscaping works and road safety works for 1 block of serviced apartment and related facilities	1.94	0.66
12.	D'Quince	Site preliminary, interior, building-integrated photovoltaics system, landscaping, cleaning and related works for 2 blocks of serviced apartments and related facilities	17.68	13.32

No.	Project name	Description	Contract value (RM'million)	Outstanding order book as at the LPD (RM'million)
13.	D'Vervain	Preliminary site works, interior works, building-integrated photovoltaics system works, landscaping, cleaning and related works for 2 blocks of serviced apartments and related facilities	14.16	6.98
14.	Data Centre Project	Main building works and infrastructure works for 2 blocks of a data centre	161.28	157.47
15.	Master Infra Project	Master infrastructure works for a commercial development	10.00	9.56
Total			**1,905.24**	**1,426.04**

(ii) The total estimated expenses relating to the Proposals and the Proposed Private Placement are as follows: -

Details	***RM'000***
Professional fees (1)	*3,360*
Regulatory fees	*92*
Miscellaneous expenses (printing costs, advertisement, etc.)	*128*
Total	***3,580***

Note:-

(1) Comprised estimated professional fees payable to the principal adviser, placement agent, company secretary, solicitors, reporting accountant, independent valuer and independent adviser for the Proposals and the Proposed Private Placement as well as the Underwriting fees for the Proposed Rights Issue.

Any deviation in actual expenses for the Proposals and the Proposed Private Placement will be adjusted to/from proceeds earmarked for general working capital of the Group.

Pending full utilisation of the proceeds from the Proposed Private Placement for the above purposes, the proceeds will be placed in interest-bearing deposits with financial institutions or short-term money market instruments. The interest derived from deposits with financial institutions or any gains arising from the short-term money market instruments will be used for the Group's working capital purposes.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5. PROPOSED ESS

The Proposed ESS will be implemented and administered by the ESS Committee and governed by the By-Laws. The ESS Committee will have absolute discretion in administering the Scheme including prescribing financial and/or performance criteria and/or such other conditions as it may deem fit. Offers will be granted to the Eligible Persons as set out in Section 5.4 of Part A of this Circular. The composition of the ESS Committee has yet to be determined at this juncture. The principal features of the Proposed ESS are as follows:-

5.1 Details of the Proposed ESS

(i) Proposed ESOS

The Proposed ESOS will involve the granting of ESOS Options at a pre-determined price, in accordance with the By-Laws. Upon acceptance by the ESOS Grantees, the ESOS Options will be vested to the ESOS Grantees over the tenure of the ESS Period. At this juncture, there is no performance target which has been set for the vesting of the ESOS Options.

(ii) Proposed RSG

The Proposed RSG entails a share grant which entitles the RSG Grantees to receive the RSG Awards, in accordance with the By-Laws. As such, no proceeds would be raised by the Company pursuant to the Proposed RSG.

For avoidance of doubt, pursuant to the establishment of the Proposed ESS, the ESS Committee will also have absolute discretion in granting to selected Eligible Persons the following:-

(i) the right to receive ESOS Options; and/or

(ii) the right to receive RSG Awards at specified dates.

The allocation of the ESS Awards between the ESOS Options and the RSG Awards will be determined at a later stage by the ESS Committee. At this juncture, there is no performance target which has been set for the vesting of the RSG Awards.

5.2 Mode of settlement

Subject to the prevailing legislations and the Listing Requirements, the Company will have the flexibility and discretion in determining the mode of settlement of the ESS Awards by way of any of the following methods:-

(i) issuance of new Comintel Shares;

(ii) transfer of Comintel Shares held in treasury (if any);

(iii) acquisition of existing Comintel Shares from the market;

(iv) payment of the equivalent cash value of such new Shares and/or existing Shares;

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

(vi) a combination of any of the above.

In determining the various mode of settlement, the ESS Committee will take into account factors such as the prevailing market price of the Shares, funding considerations and the dilutive effects on the Company's capital base, future returns and cash requirement of the Group. The Company shall have the flexibility to approve the vesting of the ESS Awards, wholly or partly, in the form of cash rather than Shares, in which event the Eligible Persons shall receive the aggregate value of the relevant number of Shares in cash, subject to provisions in the By-Laws.

The inclusion of the cash option as set out in item (iv) above is to cater for scenarios that prevent or restrict the ability of Comintel to expediently settle the ESS Awards via the issuance or transfer of Comintel Shares, which includes but not limited to any changes in the applicable laws and/or regulatory requirements, where the ESS Committee may, at its sole discretion, consider the settlement of such ESS Awards in cash in lieu of Comintel Shares. Notwithstanding the aforesaid, the Company's decision to undertake the alternative cash settlement for the ESS Awards may still hinge on, inter-alia, the Company's available cash balances at that juncture vis-à-vis the total cash payment required for the purposes of settling the ESS Awards as well as taking into consideration the Company's funding requirements at such material time.

Such alternative settlement will give Comintel the flexibility to satisfy the ESS Awards in an expedient, fair and equitable manner for the Eligible Persons and at the same time will provide flexibility to the Eligible Persons, whereby they can decide to invest in whole or in part of the equivalent cash amount in Comintel Shares to participate as a shareholder in the growth of the Comintel Group.

To facilitate the implementation and administration of the Proposed ESS, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by a trustee(s) ("**Trustee**") in accordance with the terms of the trust deed. The Company shall have the power to appoint or rescind the appointment of the Trustee as it deems fit in accordance with the provisions of the trust deed.

The Trustee shall, at such times as the ESS Committee shall direct, subscribe for and/or acquire the necessary number of existing Comintel Shares to accommodate any issue or transfer of the Comintel Shares to Eligible Persons. For this purpose, the Trustee will be entitled from time to time to the extent permitted by law to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries or any third party.

5.3 Maximum number of Shares available under the Proposed ESS

The aggregate maximum number of Shares to be allotted and issued pursuant to the Proposed ESS shall not at any point in time in aggregate exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares, if any) at any point of time during the ESS Period ("**Maximum Shares**").

In the event the maximum number of Shares which may be granted under the Proposed ESS exceeds the Maximum Shares at any point in time as a result of the Company purchasing and/or cancelling its own Shares in accordance with the provisions of the Act or undertaking any corporate proposal(s) resulting in the reduction of the Company's total number of issued Shares, no further ESS Awards shall be awarded by the Board unless the total number of Shares to be issued under the Scheme falls below the Maximum Shares. During this period, entitlement to the Shares arising from the Proposed ESS which have already been awarded at that point in time shall remain valid and exercisable in accordance with the By-Laws.

5.4 Eligibility

The following persons will be eligible to participate in the Proposed ESS if, as at the date the ESS Award Date, he/she fulfils the following conditions:-

(a) in relation to an executive of the Group (excluding dormant subsidiaries), he/she:-

(i) has attained the age of eighteen (18) years and he/she is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) is employed:-

(A) on a full-time basis and is on the payroll of any company in the Group (excluding dormant subsidiaries) and his/her employment has been confirmed by any company in the Group; or

(B) under an employment contract for a fixed duration and has been in the employment of any company in the Group (which are not dormant) for such period as may be determined by the ESS Committee;

(iii) falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding; and

(iv) is not an independent director of the Company or any subsidiaries of the Company.

(b) in relation to an executive director of the Company and/or an executive director of any subsidiaries of Comintel (excluding dormant subsidiaries), he/she:-

(i) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) has been appointed as an executive director of the Group; and

(iii) falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding,

provided always that the selection of any of the abovementioned persons for participation in the Proposed ESS shall be at the sole discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

The specific allocation of ESS Awards granted under the Scheme to any of the Eligible Persons who is an executive director, chief executive, major shareholder of the Company or a person connected with a director, chief executive or major shareholder of the Company must have been approved by the shareholders of the Company at a general meeting and such Eligible Persons shall not participate in the deliberation or discussion of their own allocation.

For avoidance of doubt, the ESS Committee 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 above, for the purposes of selecting an Eligible Person. In the event that any Eligible Person is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of the ESS Awards.

Eligibility under the Scheme does not confer upon an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or the Shares in the RSG Awards unless the ESS Committee has awarded the ESS Awards to the Eligible Person and the Eligible Person has accepted the ESS Awards in accordance with the provisions of the By-Laws.

5.5 Maximum allowable allotment and basis of allocation

The basis of allocation of the aggregate number of the Shares which may be comprised in the ESOS Options and/or RSG Awards and the aggregate maximum number of Shares which may be offered to an Eligible Person under the Scheme shall be determined entirely at the sole discretion of the ESS Committee subject to provisions in the By-Laws and after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the ESS Period relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person and/or such other matters which the ESS Committee may in its sole discretion deem fit. An Eligible Person shall abstain from deliberations or discussions in respect of their respective allocations.

To the extent possible and subject always to provisions in the By-Laws, the ESS Committee will ensure that there should be equitable allocation to the various grades of Eligible Persons. The ESS Committee will also ensure that not more than 10% of the total number of Comintel Shares to be issued under the Proposed ESS shall be allocated to any individual Eligible Person, who either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any).

The ESS Committee shall also have the sole discretion in determining whether the granting of the ESS Awards shall be awarded in one (1) single award, or in several ESS Awards, where the vesting of the Shares comprised in those ESS Awards are staggered or made in several tranches at such times and on terms determined by the ESS Committee. In the event the ESS Committee decides that the ESS Award is to be staggered, the ESS Committee shall also have the discretion in determining (i) the number of Shares to be offered in each ESS Award, (ii) whether the ESS Awards are subject to any vesting period and if so, the timing for the vesting of each ESS Award and the vesting conditions, including whether such vesting conditions are subject to performance targets.

5.6 Duration of the Proposed ESS

The Proposed ESS, when implemented, shall be in force for a duration of five (5) years from the effective date of the implementation of the Proposed ESS and may be extended for a period of up to another five (5) years, provided that the tenure of the Proposed ESS shall not, in aggregate, exceed a duration of ten (10) years from the effective date of the implementation of the Scheme.

For avoidance of doubt, no further approvals from the shareholders of the Company shall be required for the extension of the ESS Period and the Company shall serve appropriate notices on the Grantees and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the expiry of the first five (5) years.

Notwithstanding anything to the contrary, on expiry of the Proposed ESS, all unvested ESS Awards shall lapse and be deemed terminated and be null and void.

5.7 Basis of determining the ESOS Exercise Price and the Share Grant Price

The ESOS Exercise Price and Share Grant Price shall be based on the five (5)-day VWAP of Comintel Shares, immediately preceding the ESS Award Date, with a discount of not more than 10% on the said VWAP or such basis as the relevant authorities may permit.

The ESOS Exercise Price and/or the Share Grant Price shall be subject to adjustments in accordance with the By-Laws. For avoidance of doubt, (i) a nominal non-refundable consideration of RM1.00 only or such other amount as may be determined by the ESS Committee shall be paid by the Eligible Persons for the acceptance of the RSG Awards, and (ii) no monetary consideration is required to be paid by the Eligible Persons for the subsequent vesting of the RSG Awards.

5.8 Alteration of share capital and adjustment to the Proposed ESS

In the event of any alteration in the capital structure of the Company during the ESS Period (whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other variation of capital), the ESS Committee may, at its discretion, determine whether the following shall be adjusted, and if so, the manner in which such adjustments should be made: -

(i) in respect of the Proposed ESOS, the ESOS Exercise Price and/or the number of unexercised ESOS Options and/or the Exercise Price for the unexercised ESOS Options which is open for acceptance; and

(ii) in respect of the Proposed RSG, the number of Shares which are the subject of the RSG Award to the extent not yet vested and/or the maximum number of existing Shares which may be delivered in settlement pursuant to the RSG Awards.

Such alterations (if any) will be in accordance with the By-Laws.

Save for the adjustments to the Proposed ESS arising from bonus issues, subdivision or consolidation of shares of the Company, an approved external auditor or the Company's recognised principal adviser (which must be a person who is permitted to carry out regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 and who is licensed to make submissions to the Securities Commission Malaysia for corporate proposals), must be engaged to confirm in writing that all adjustments made are in their opinion fair and reasonable. The opinion of the external auditor or the principal adviser shall be final, binding and conclusive.

5.9 Ranking of new Comintel Shares pursuant to the Proposed ESS

The new Comintel Shares to be issued pursuant to the Proposed ESS shall upon allotment and issuance, rank equally in all respects with the existing Shares except that the holders of such new Comintel Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Comintel, the entitlement date of which is prior to the date of allotment and issuance of such new Comintel Shares.

The Comintel Shares to be transferred pursuant to the Proposed ESS shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Comintel, the entitlement date of which is prior to the date on which the Comintel Shares are credited into the relevant securities accounts of the Grantees maintained by Bursa Depository.

5.10 Listing of and quotation for the new Comintel Shares to be issued pursuant to the Proposed ESS

Bursa Securities had vide its letter dated 29 January 2024 approved the listing of and quotation for such number of new Comintel Shares to be issued pursuant to the Proposed ESS, representing up to 10% of the total number of issued Shares (excluding treasury shares) at any point in time throughout the ESS Period on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 16 of Part A of this Circular.

5.11 Utilisation of proceeds

No proceeds will be received pursuant to the Proposed RSG as the RSG Grantees will not be required to pay for the Shares that may be issued and/or transferred to them.

Proceeds to be received by Comintel pursuant to the exercise of ESOS Options will depend on, *inter-alia*, the number of ESOS Options granted and exercised at the relevant point in time and the ESOS Exercise Price, which are not determinable at this juncture. Any proceeds from the exercise of ESOS Options are expected to be used for working capital requirements of the Group, which may include, amongst others, payment for trade and other payables, staff costs such as salaries, statutory contributions and employee benefits as well as other operating expenses. The proceeds to be utilised for each component of working capital are subject to the Group's operating requirements at the time of utilisation and therefore cannot be determined at this juncture. However, the Company expects to utilise the proceeds for the said working capital requirements within a period of twelve (12) months, as and when the proceeds are received throughout the ESS Period.

Pending the utilisation of proceeds raised by the Company as and when the ESOS Options are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board deems fit.

5.12 Retention period

The Comintel Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an ESOS Option and/or vesting of an RSG Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESS Committee at its discretion, which may be stipulated in the ESS Awards. The Grantees are encouraged to hold the Shares as an investment rather than to realise immediate gains from disposal.

5.13 Termination of the Proposed ESS

The Scheme may be terminated by the ESS Committee at any time before the expiry of the ESS Period and provided that the Company makes an announcement immediately to Bursa Securities, which shall include the following:-

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

(ii) number of ESOS Options exercised and/or Shares vested under the Proposed RSG; and

(iii) reasons and justifications for termination of the Proposed ESS.

Notwithstanding anything to the contrary, all unvested and/or unexercised ESS Awards shall automatically lapse and shall be null and void on the Termination Date. The approval or consent of the shareholders of Comintel by way of a resolution in a general meeting and written consent of the Grantees are not required to effect the termination of the Scheme unless otherwise required by the Listing Requirements and/or any other applicable laws.

6. PROPOSED BONUS ISSUE

6.1 Details of the Proposed Bonus Issue

The Proposed Bonus Issue entails the issuance of up to 543,000,000 Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Comintel Share held at an entitlement date to be determined and announced later.

The actual number of the Bonus Shares to be issued pursuant to the Proposed Bonus Issue will depend on the total number of issued Shares on the Bonus Issue Entitlement Date. As at the LPD, the total issued ordinary capital of Comintel is RM28,850,815.48 comprising 452,500,000 Comintel Shares.

Upon the completion of the Proposed Rights Issue and the Proposed Private Placement, the enlarged issued ordinary share capital of Comintel is up to approximately RM120.26 million comprising up to 543,000,000 Comintel Shares. The Proposed Bonus Issue is envisaged to be implemented upon completion of the Proposed Rights Issue and Proposed Private Placement. Hence, the Proposed Bonus Issue will involve an issuance of up to 543,000,000 Bonus Shares resulting in an enlarged total number of issued Shares of up to 1,086,000,000 Comintel Shares.

The entitlement basis for the Proposed Bonus Issue was arrived at after taking into consideration the potential enhancement to the trading liquidity of Comintel Shares in the market given the adjustment to the share price and the increase in the number of Comintel Shares pursuant to the Proposed Bonus Issue as well as compliance with Paragraph 6.30(1A) of the Listing Requirements which states that a listed issuer must ensure its adjusted share price for a bonus issue is not less than RM0.50 based on the daily VWAP during the three (3)-month period before the application date ("**Para 6.30(1A)**").

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner as it may in its absolute discretion deem fit, expedient and in the best interest of the Company.

The Bonus Issue Entitlement Date will be determined and announced by the Board at a later date upon receipt of all relevant approvals for the Proposals. The Proposed Bonus Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

6.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

With Section 74 of the Act that came into effect on 31 January 2017, the concept of par value of shares of Malaysian companies has been abolished. Hence, there is no such requirement and stipulation that cash consideration must be paid or be transferred in connection with new issuance of shares. As a result, a bonus issue can now be undertaken either:-

(i) by way of capitalisation from retained earnings or reserves of a company; or

(ii) without capitalisation, in a manner akin to a subdivision of shares.

In view of the above and the rationale as set out in Section 8 of Part A of this Circular, the Board has resolved that the Proposed Bonus Issue shall be implemented and undertaken without capitalising the retained earnings or reserves of the Company and that the Bonus Shares shall be issued as fully paid Comintel Shares at no consideration. The Proposed Bonus Issue will then increase the total number of Comintel Shares in issue but will not increase the amount of the total issued share capital of Comintel.

6.3 Theoretical ex-bonus price ("TEBP") of Comintel Shares

The Proposed Bonus Issue will result in an adjustment to the reference price of Comintel Shares, as quoted on the Main Market of Bursa Securities, but will not have any impact on the total market value of Comintel Shares held by the Company's shareholders.

For illustration purposes, assuming the TERP of RM1.35 being the reference price of Comintel Shares prior to the Proposed Bonus Issue (in view that the Proposed Bonus Issue is envisaged to be implemented after the Proposed Rights Issue), the TEBP per Comintel Share upon the completion of the Proposed Bonus Issue will be as follows:-

	Illustrative number of Comintel Shares	Market price / TEBP per Comintel Share (RM)	Total Value (ii) (RM)
TERP	100	1.35	135
After the completion of the Proposed Bonus Issue	200	0.675 (i)	135

***Notes*:-**

(i) The actual TEBP will be calculated as follows:-

$$TEBP = \text{Closing market price of Comintel Shares prior to ex-date} \times \frac{\text{Number of Comintel Shares before the Proposed Bonus Issue}}{\text{Number of Comintel Shares after the Proposed Bonus Issue}}$$

(ii) The total value was arrived at by multiplying the number of Comintel Shares held with the market price / TEBP per Share, as the case may be.

For illustration purposes only, based on the lowest daily VWAP of Comintel Shares in the past three (3) months up to and including 5 December 2023, being the last trading date prior to the date of the announcement of the Proposals, of RM1.2417 per Comintel Share, the TERP of Comintel Shares would be approximately RM1.20 after the Proposed Rights Issue, whilst the TEBP of Comintel Shares after the Proposed Bonus Issue amounts to approximately RM0.60 per Comintel Share, which is in compliance with Para 6.30(1A).

6.4 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Comintel Shares, save and except that the holders of such Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Comintel, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.

6.5 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 29 January 2024, approved the listing of and quotation for up to 543,000,000 Bonus Shares on the Main Market of Bursa Securities.

Subject to all relevant approvals being obtained, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day following the Bonus Issue Entitlement Date.

7. PROPOSED CHANGE OF NAME

The Board proposed to change the name of the Company from "Comintel Corporation Bhd" to "Binastra Corporation Berhad". The proposed name, "Binastra Corporation Berhad", has been approved and reserved by the Companies Commission of Malaysia ("**CCM**") on 21 November 2023 for a period of 180 days from 21 November 2023 to 19 May 2024.

The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name issued by the CCM to the Company.

In conjunction with the Proposed Change of Name, the Constitution of the Company will be amended accordingly to reflect the Proposed Change of Name whereby all references in the Constitution to the name of Comintel Corporation Bhd, wherever the same may appear, shall be substituted with the name of Binastra Corporation Berhad.

8. RATIONALE FOR THE PROPOSALS AND THE PROPOSED PRIVATE PLACEMENT

8.1 Proposed Acquisition

The Comintel Group's construction business segment undertakes a wide-range of construction services with the focus on construction of high-rise residential and commercial buildings. The Group's construction business is currently the main revenue driver of the Group whereby it contributed RM184.82 million or approximately 98% of the Group's revenue for the FYE 2023.

As part of the construction services, the Group undertakes civil and structural as well as building construction works. In this respect, the Construction Equipment are essential for the Group to carry out the related construction works as they are industrial building equipment used for the Group's building structural works. Please refer to Section 2 of Part A of this Circular for further details on the Construction Equipment.

Notwithstanding the Group does have its own formwork systems and scaffolding equipment, it is not sufficient to cater for the usage of the Group's on-going construction works. As at the LPD, the Group has 15 on-going construction projects, wherein most of these construction projects require the usage of formwork systems and scaffolding equipment whereby based on the Group's available formworks systems and scaffolding equipment, such equipment is only adequate for the Group to undertake two to three construction projects concurrently, depending on the size and the nature of these projects. As such, the Group had engaged its sub-contractors to provide the requisite formwork systems and scaffolding system for the undertaking of its construction projects.

For information purposes, prior to undertaking the Proposed Acquisition, the Company had explored various options, including renting and/or acquiring additional and/or second-hand formwork systems and scaffolding equipment. Upon considering the availability and suitability of the external suppliers' construction equipment vis-à-vis the Company's requirements, the Company proceeded to negotiate with Datuk Jackson Tan, who had agreed to dispose the Construction Equipment held by BCSB to the Company.

The Company is of the view that the Proposed Acquisition provides a good opportunity for the Company to have ownership of the Construction Equipment, after taking into consideration the substantial growth in its construction order book, i.e. as at the LPD, the total outstanding order book of Comintel Group is approximately RM1.43 billion as well as such Construction Equipment being necessary to facilitate the Group in carrying out the construction works. The formwork system is one of the main industrial building techniques adopted by the Group in the construction of high-rise buildings and such technique is expected to reduce labour costs and shorten the construction period. This will allow the Group to be more competitive in securing additional construction awards moving forward.

The Proposed Acquisition will allow the Group to reduce reliance on external parties for the supply of the Construction Equipment such that the Group will have more flexibility in the coordination of deploying the Construction Equipment according to the project schedule. The increased flexibility will result in better time management as project implementation will not be hindered by unavailability of the Construction Equipment. Additionally, by owning the Construction Equipment, it is envisaged that the Group is able to reduce its construction costs as the sub-contractors have been charging margin on the provision of the equipment to the Group.

Furthermore, based on the Group's management and the Independent Valuer's inspection of the Construction Equipment, they are in good working conditions. As such, the Proposed Acquisition represents a cost-effective means to own such equipment as opposed to purchasing brand new equipment.

8.2 Proposed Rights Issue

After due consideration of the various options available as well as the capital structure of the Company, the Board is of the opinion that the Proposed Rights Issue is the most appropriate means of fund raising after taking into consideration inter-alia:-

(i) to enable the Company to raise the required proceeds to be utilised in the manner as set out in Section 3.6 of Part A of this Circular, in particular, to fund the Purchase Consideration for the Proposed Acquisition;

(ii) the Proposed Rights Issue will provide all the Entitled Shareholders for Rights Issue with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in the Company at a discount to the prevailing market price;

(iii) the Proposed Rights Issue will enable the Company to issue new Comintel Shares without diluting its shareholders' equity interests provided that the Entitled Shareholders for Rights Issue fully subscribe for their respective entitlements to the Rights Shares under the Proposed Rights Issue;

(iv) the Company is able to ensure that the Proposed Rights Issue will be fully subscribed in order for the Company to raise the required proceeds in view of the Undertaking as well as the Underwriting; and

(v) the enlarged capital base upon the completion of the Proposed Rights Issue will also further strengthen the Group's financial position and the benefits from the utilisation of proceeds therefrom are expected to improve the Group's future earnings.

The Company is of the opinion that it is an opportune time to undertake the current fundraising exercises (via the Proposed Rights Issue and Proposed Private Placement) at this juncture as opposed to during the PN17 Regularisation upon taking into consideration the Company's current pursuit of an aggressive growth strategy especially since the successful completion of the PN17 Regularisation and subsequent upliftment from PN17 status.

In line with such strategy, the Group had expanded its construction team from 30 construction personnels as at 19 August 2022 (being the latest practicable date for the Company's circular to Shareholders in relation to the PN17 Regularisation) to 228 construction personnels as at the LPD, to undertake its increasing construction order book. Going forward, the Group also envisages that it will be embarking on additional construction projects and hence this will necessitate additional working capital reserves to meet its daily operating requirements, including higher payables for raw materials and sub-contractor costs as well as operating expenses.

Given the growth in its orderbook, in addition to equity fund raising exercises, the Company had also obtained bank borrowings from various financial institutions to fund its construction projects. Based on the Group's financial result for the 9-month FPE 31 October 2023, the Group has total borrowings amounting to RM19.74 million representing gearing level of 0.29 times. Whilst the Group's gearing ratio is still able to provide the flexibility for the Group to further increase its borrowing levels, the Company is mindful on the interest expense and cash outflow (in relation to principal and interest payments) associated with such borrowings.

8.3 Proposed Private Placement

Comintel Group had on 5 December 2022 completed its PN17 Regularisation which resulted in Comintel being uplifted from PN17 status in September 2023. Since its PN17 Regularisation, the Group had been successfully securing additional construction awards. As at the LPD, the Company has 15 on-going construction projects with outstanding order book of approximately RM1.43 billion. The Group's financial performance has also improved significantly by recording a 12-months cumulative PAT of RM30.96 million up to its latest financial quarter ended 31 October 2023.

The Company, taking into consideration the additional construction contracts secured vis-a-vis the present high interest rate regime, endeavours to place less reliance on bank borrowings, whenever possible, for its working capital purposes. The Proposed Private Placement will enable the Group to raise additional funds without being exposed to adverse interest rate fluctuations going forward and without having to incur interest expenses or service principal repayment as compared to conventional bank borrowings or issuance of debt securities. Furthermore, upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of the Company.

The Proposed Private Placement also represents an avenue for the Company to raise additional equity funds without being entirely reliant on existing shareholders. The Proposed Private Placement is also part of the Company's overall strategy to improve the institutional shareholding mix in Comintel and the liquidity of Comintel Shares (by increasing the public shareholding spread of the Company) as well as to reposition Comintel Shares to the wider investment community.

8.4 Proposed ESS

The Board believes that the Proposed ESS will act as an incentive plan to give an opportunity to the Eligible Persons to participate in the equity of the Company which will align the interests of the Eligible Persons with the objectives of the Group to create sustainable value enhancement for shareholders. Accordingly, the Proposed ESS is intended to:-

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

(ii) attract prospective skilled and experienced executives and executive directors to the Group by making the total compensation package more competitive;

(iii) motivate the Eligible Persons towards better performance through greater productivity and loyalty;

(iv) create a greater sense of dedication and belonging of the Eligible Persons as they will be able to participate directly in the long-term development and growth of the Group;

(v) reinforce pay for performance to achieve a balance between retention and value creation; and

(vi) foster an ownership culture within the Group by aligning the interests of Eligible Persons with the interests of shareholders of the Company.

The objective of incorporating both the Proposed ESOS and the Proposed RSG under the Scheme is to accord the Company flexibility in determining the mode/manner of rewarding its executives at the relevant point in time which will take into account various factors, amongst others, the dilutive effect arising from the issuance of new Shares to the earnings and funding requirements of the Group.

Further to the above, the inclusion of the cash option as a mode of settlement of the ESS Awards allows the Company to satisfy the ESS Awards in an expedient, fair and equitable manner in the event there are restrictions preventing the settlement of ESS Awards via Comintel Shares to Eligible Persons. This will still accord the Eligible Persons the flexibility in determining whether to retain the cash or to re-invest such proceeds into the Company and participate as a shareholder, which is aligned with the objective of providing Eligible Persons with the opportunity to participate in the equity and growth of the Company.

8.5 Proposed Bonus Issue

The Proposed Bonus Issue is proposed to be undertaken to:-

(i) reward the Company's shareholders by enabling them to have greater participation in the equity of Comintel by increasing the number of Shares held with no cash outlay required, while retaining their percentage of equity interest held;

(ii) improve the trading liquidity and marketability of Comintel Shares on the Main Market of Bursa Securities whilst increasing the capital base of the Company; and

(iii) result in the Shares being more affordable in order to appeal to a wider group of public shareholders and investors, which may widen the Company's shareholder base.

8.6 Proposed Change of Name

Prior to Datuk Jackson Tan's emergence as the Managing Director and the controlling shareholder of Comintel, the construction projects undertaken by Datuk Jackson Tan have historically been carried out under the "Binastra" brand name via BCSB, which has more than 20 years of operating history within the construction industry.

Accordingly, the Proposed Change of Name will enhance the Company's corporate branding and identity as it enables the Company to capitalise on Binastra's construction operating history and legacy as well as enhance the profiling of its current and future construction projects.

9. INDUSTRY OVERVIEW AND PROSPECTS

9.1 Overview and outlook of the Malaysian economy

Overall, Malaysia's economic recovery in 2022 was largely driven by stronger domestic demand as economic activity normalised. However, the pace of recovery varied across different economic sectors. While economic activity in export-oriented industries thrived, some sectors such as that of the leisure-related services remained below pre-pandemic levels. This was mostly due to tourist arrivals recovering only at a gradual pace during the year.

Headline inflation averaged higher in 2022 at 3.3% (2021: 2.5%). Underlying inflation, as measured by core inflation, also rose, averaging at 3.0% (2021: 0.7%). The surge in global commodity prices and prolonged supply-related disruptions were key factors that resulted in cost-push inflationary pressures. The continued US dollar strength against the ringgit also led to higher import prices, which added to the cost pressures. While inflation was largely driven by these cost factors, the strengthened domestic demand following the economic reopening also contributed to the increasing inflationary pressures. However, upward pressures on prices were partly contained by domestic price controls, subsidies, and prevailing spare capacity in the economy.

(Source: Annual Report 2022, Bank Negara Malaysia)

Going forward, growth of the Malaysian economy will be driven largely by resilient domestic expenditure, with some support from electrical and electronic ("**E&E**") exports recovery. Household spending will be supported by steady growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. Additionally, continued progress of multi-year infrastructure projects and implementation of catalytic initiatives will support investment activity. Budget 2024 measures will also provide additional impetus to economic activity. Meanwhile, domestic financial conditions remain conducive to sustain credit growth, as financial institutions continue to operate with strong capital and liquidity buffers. The growth outlook is subject to downside risks from weaker-than expected external demand, and larger and protracted declines in commodity production. Nevertheless, stronger-than-expected tourism activity, a stronger recovery from the E&E downcycle, and faster implementation of projects provide upside to Malaysia's economic outlook.

In line with expectations, headline and core inflation have continued to ease through the year amid the more moderate cost conditions. This would likely continue for the remainder of 2023 amid moderate momentum of price increases. Overall, headline inflation is expected to average between 2.5% and 3.0% in 2023. Moving into 2024, headline and core inflation are projected to remain modest barring further cost shocks. However, risks to the inflation outlook remain highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments. Of note, the Government's intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions.

(Source: BNM Quarterly Bulletin, 3Q 2023, Vol. 38 No. 3, Bank Negara Malaysia)

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The gross domestic product ("**GDP**") is forecasted to expand by approximately 4% in 2023 and between 4% and 5% in 2024. The Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap ("**NETR**"), New Industrial Master Plan 2030 ("**NIMP 2030**"), and the Mid-Term Review of the Twelfth Malaysia Plan ("**MTR of the Twelfth Plan**").

Furthermore, Malaysia's domestic demand in 2023 continues to be buoyed by expansion in consumption and investment spending. This is also supported by the favourable labour market condition and easing inflationary pressures as well as vibrant tourism activities. The surge of private investment is attributed to the multiyear execution of infrastructure ventures and sustained capital investments in the services and manufacturing sectors. The robust activity in private sector expenditure is expected to offset the effects of moderate public spending in 2023.

The global economy is anticipated to moderate in 2023 and 2024 due to various downside risks, including weaker-than-expected global demand; tighter global financial conditions; worsening trade tensions between major economies; mounting geopolitical uncertainty; and a further rise in protectionist measures. World trade is projected to moderate in 2023 in line with weaker global demand. However, world trade is expected to strengthen in 2024 in tandem with improved trade activities. As an open economy, Malaysia is not spared from external developments. Thus, the GDP is expected to moderate in 2023. Nonetheless, the economy is expected to strengthen in 2024 supported by expansion in all sectors and better prospect in global trade.

Efforts will be intensified to strengthen Malaysia's agility in keeping pace with the fast-changing environment, which requires a paradigm shift and innovation culture to enhance economic growth. The continuation of strategic projects, digitalisation, improved productivity and advanced manufacturing will further stimulate the growth of the economy in the medium term. All economic sectors are expected to benefit from the recent policies such as NETR, NIMP 2030 and MTR of the Twelfth Plan, which are in tandem with the Ekonomi MADANI framework. Looking ahead, effective implementation of these policies will further enhance economic growth and resilience as Malaysia navigates through the challenging global landscape.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

9.2 Overview and outlook of property development and construction industry in Malaysia

The construction sector grew by 7.2% (1Q 2023: 6.2%). due to the continued progress of large infrastructure projects and support from higher special trade activities.

(Source: BNM Quarterly Bulletin,3Q 2023, Vol. 38 No. 3, Bank Negara Malaysia)

The real estate and business services subsector is poised to grow by 5.4% attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link (ECRL) and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities. Efforts are underway to accelerate the construction of public infrastructure projects in Sabah and Sarawak including the Sabah Pan-Borneo Highway and Sarawak-Sabah Link Road.

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan). Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector's growth. The implementation of NIMP 2030 is expected to further strengthen the performance of non-residential buildings subsector as it will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

The property market recorded an increase in 2022 supported by a better performance in all sectors compared to the previous year. In 2022, total transactions volume and value increased by 29.5% and 23.6%, respectively to 389,107 transactions and RM179.07 billion (2021: 300,497 transactions; RM144.87 billion). Total transactions volume in 2022 is the highest volume recorded within the period of 10 years (2012: 427,520 transactions) whilst total transactions value is higher than the previous record high in 2014 (162.97 billion).

The property market continued to record growth in 2022, supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals.

Several initiatives which outlined under Budget 2022 by the government to a certain extent helped improve property market activities. These are:-

(i) RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes.

(ii) Lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies.

(iii) Guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

The property market recorded a total of 389,107 transactions worth RM179.07 billion for 2022. This indicated an increase of 29.5% in volume and 23.6% in value compared to 2021. Of the total transactions recorded in the review year, 20.7% (80,373) and 76.5% (297,700) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

The residential overhang situation improved as the numbers reduced compare to previous year. A total of 27,746 overhang units worth RM18.41 billion recorded in 2022, reduced by 24.7% and 19.2% in volume and value respectively against 2021 (36,863 units worth RM22.79 billion). The industrial sub-sector recorded 8,082 transactions worth RM21.16 billion in 2022. Compared to 2021, the market activity increased by 44.5% in volume and 24.8% in value. Selangor continued to dominate the market, with 33.8% of the nation's volume, followed by Johor and Perak, each with 14.0% and 8.1% market share.

The industrial overhang remained manageable. The overhang volume decreased to 880 units worth nearly RM1.15 billion, down by 22.1% volume and 27.6% in value against 2021. On similar note, the unsold under construction decreased to 450 units, down by 31.2%. The unsold not constructed recorded 51 units, more than 22 units recorded in 2021.

On the construction front, the industrial sub-sector saw a mixed movement. Completions increased by nearly one-fold to 589 units whilst starts increased by 13.1% to 537 units. On the contrary, the new planned supply was down by 31.7% to 468 unit. Selangor contributed the highest number of completions, accounting for 34.1% of the national total, followed by Sarawak (23.8%) and Pulau Pinang (20.7%). There were slightly more than 120,000 existing industrial units, slightly more than 4,000 units in the incoming supply and nearly 7,000 units in the planned supply as at end-2022.

The unsold under construction improved as the numbers dropped to 57,649 units (2021: 70,231 units), declined by 17.9% meanwhile unsold not constructed recorded sharply decrease by 49.7% in number with 11,053 units (2021: 21,960 units).

As the country's GDP growth is projected to be moderately lower than the previous year and in line with other countries in the region, the property market performance is expected to be cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under the 12th Malaysia Plan (RMK-12) are expected to remain supportive of the property sector.

(Source: Annual Property Market 2022, Valuation and Property Services Department, Ministry of Finance Malaysia)

9.3 Prospects of Comintel Group

Since the Group's diversification of its business activities to include construction related businesses in November 2021 ("**Diversification**"), construction segment represents the primary source of revenue and main profit contributor to the Group, as depicted in the Group's latest audited consolidated financial result for the FYE 2023 as follows:-

Operating segment	Revenue (RM'000)	PAT / LAT (RM'000)
Construction	184,817	19,594
System integration and maintenance service	3,820	(937)
Investment holding	29	(2,134)
Total	188,666	16,523

As at the LPD, the Group's construction segment has 15 on-going construction projects with remaining order book of approximately RM1.43 billion, which will provide earnings visibility over the next 4 financial years. Such construction order book predominantly comprise of construction contracts for high-rise residential / commercial buildings. Additionally, Comintel will continue to pursue additional contracts to replenish and expand its construction order book which is envisaged to sustain the earnings of the Group moving forward.

Moving forward, the Board believes that the Comintel Group would be able to leverage on its existing relationships with developers to secure additional construction projects and at the same time the Group plans to leverage on its experienced management team to expand its construction portfolio, by securing additional contracts, as the main construction company.

In this respect, as part of the Group's efforts to replenish its future order book, Comintel Group will continue to focus in securing construction contracts as the main contractor for high-rise residential / commercial buildings. However, the Group will also monitor and assess the feasibility of other related construction projects, which includes inter-alia, landed residential projects, industrial projects and/or infrastructure related projects which are suitable for Comintel Group's operations and construction expertise should the opportunity arise.

Notwithstanding the construction industry continues to face challenges from shortage of skilled labour, fluctuations in building materials prices and rising logistic costs, the Board is cautiously optimistic that the Group's financial performance will continue to improve and remain profitable, given the Group's strong management led by Datuk Jackson Tan coupled with prudent fiscal management to ensure sustainable growth moving forward.

(Source: Board of Comintel)

9.4 Steps taken by the Group to improve its financial condition

The Group had been taking proactive steps in improving its financial and operational performance, which is evident via its decision to undertake the Diversification in November 2021 and formulating the PN17 Regularisation which was completed in December 2022. In this respect, the Group's efforts had successfully uplifted Comintel from its PN17 status in September 2023.

The Group will continue to take such steps to ensure that the financial performance and financial position of the Group will continue its positive trajectory. In this respect, the Group has been actively bidding and securing new construction contracts to replenish and strengthen its order book. As at the LPD, the Group has remaining order book of approximately RM1.43 billion which is envisaged to provide the Group with earnings visibility for the next 4 financial years.

Additionally, the Group shall continue to monitor closely the Group's cost structure and evaluate its existing business segments to ensure that the Group is able to maintain and improve its financial condition. For information purposes, based on the Group's latest unaudited financial result for the FPE 31 October 2023, the Group has current ratio of 1.34 times and a manageable gearing ratio of 0.29 times.

9.5 Impact of the Proposals and the Proposed Private Placement to the Group and its shareholders

Since completion of the PN17 Regularisation in December 2022, the Group had been continuously expanding its construction order book and simultaneously ensuring sufficient funding is raised to undertake such construction works. It is the intention of the management to exercise prudent fiscal management to ensure that the Group is not placing too high reliance on bank borrowings, taking into consideration the present high interest rate environment. The Proposed Rights Issue and Proposed Private Placement was undertaken as it will enable the Group to raise additional funds for its intended utilisation without incurring additional interest expenses or service principal repayment, thereby minimising any potential cash outflow and focusing the Group's cash flows to fund its working capital.

The Proposed Right Issue was also undertaken by the Company to provide an avenue for all the Entitled Shareholders for Rights Issue with an opportunity to participate in an equity offering on a pro-rata basis at an attractive discount. The Company also took cognisance that the Proposed Private Placement will assist the Company to raise additional funds without solely in reliance of its existing shareholders and to improve its institutional shareholding mix and the liquidity of Comintel Shares. The Proposed Bonus Issue, which will result in a lower share price per Comintel Share, is also envisaged to facilitate the shareholders and/or prospective investors of the Company to further increase the trading liquidity moving forward.

As set out in Section 3.6 of Part A of this Circular, the proceeds to be raised from the Proposed Rights issue will be utilised to fund the Purchase Consideration of the Proposed Acquisition. This is beneficial to the Group as the Construction Equipment are necessary to facilitate the Group in carrying out the construction activities.

Additionally, the Proposed ESS is undertaken to mainly retain and reward the Group's Eligible Persons who are key contributors to the improvement of the Group's financial performance and financial position. This is to ensure that the Group has the right personnel to lead the Group on its current growth trajectory.

9.6 Adequacy of the Proposals and the Proposed Private Placement in addressing the financial requirements of the Group

The Group recorded revenue and PAT of RM188.67 million and RM16.52 million for the FYE 2023 respectively as well as revenue and PAT of RM38.55 million and RM4.34 million for the FYE 2022 respectively.

Based on the Group's latest quarterly financial result for the FPE 31 October 2023, the Group has cash and bank balances of RM27.58 million and bank borrowings of RM19.74 million. Additionally, as at the LPD, the Group has banking facilities of RM62.18 million available for drawdown to fund its working capital, as and when necessary.

Thus, the Proposals, in particular the Proposed Rights Issue, together with the Proposed Private Placement, are not undertaken arising from any financial concern by the Group but rather to enable the Group to raise the requisite fund to facilitate the Group's growing construction business as well as to further grow its share capital base, as evident from the effects of the Proposals and the Proposed Private Placement as set out in Section 11.1 of Part A of this Circular.

Notwithstanding the above, the Group will continuously assess its financial position and condition moving forward and address its financial requirement as and when required.

Additionally, the Proposed Bonus Issue was not intended to address any financial concern of the Group but to reward the shareholders for their continuous support. Similarly, the Proposed ESS was undertaken to retain and reward its Eligible Persons who had contributed to the growth of the Group.

10. RISK FACTORS OF THE PROPOSED ACQUISITION

The prospect of the Construction Equipment, being the subject matter of the Proposed Acquisition will be exposed to similar risks inherent to Comintel Group as the Construction Equipment will be utilised for the Group's undertaking of its construction projects upon the completion of the Proposed Acquisition.

10.1 Non-completion risk

The Proposed Acquisition is subject to, amongst others, the fulfilment of the terms and conditions of the SPA and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the SPA. In addition, the Proposed Acquisition is also conditional upon the approval of Comintel's non-interested shareholders and other relevant authorities. There is neither assurance that the Company would be able to obtain all the requisite approvals nor ensure all parties fulfil the respective obligations as set out in the SPA. If any of the terms and conditions of the SPA is not fulfilled within the stipulated timeframe set out in the SPA, the SPA may be terminated. Consequently, the Proposed Acquisition will not be completed and the potential benefits arising thereon may not be materialised.

Notwithstanding the above, BBSB and the Vendor will take all reasonable steps to ensure that the terms and conditions of the SPA are fulfilled, their respective obligations as set out in the SPA are performed within the stipulated timeframe, and all requisite approvals for the Proposed Acquisition are obtained in accordance with the provisions of the SPA.

11. EFFECTS OF THE PROPOSALS AND THE PROPOSED PRIVATE PLACEMENT

The Proposed Change of Name will not have any effect on Comintel Group's share capital, substantial shareholders' shareholdings, NA, gearing, earnings and EPS. For information purposes, the illustrative effects of the Proposed Private Placement have also been included herein.

11.1 Share capital

The Proposed ESS is not expected to have any immediate effect on the existing share capital of Comintel. However, the share capital of the Company will increase progressively depending on the number of new Shares that may be issued or treasury shares transferred, as the case may be, in connection with the Proposed ESS. Nevertheless, there will be no effect on the share capital of the Company if the ESS Awards granted under the Proposed ESS are satisfied via transfer of existing Comintel Shares or settled in cash to the relevant Eligible Persons.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

For illustration purposes, the proforma effects of the Proposed Rights Issue, the Proposed Private Placement, the Proposed Bonus Issue and the Proposed ESS on the share capital of Comintel are shown in the table below:-

	No. of Shares ('000) (Up to)	**RM'000 (Up to)**
Issued share capital as at the LPD	452,500	28,851
Rights Shares to be issued pursuant to the Proposed Rights Issue [(i)]	45,250	36,200
Enlarged issued share capital after the Proposed Rights Issue	**497,750**	**65,051**
Placement Shares to be issued pursuant to the Proposed Private Placement [(ii)]	45,250	55,205
Enlarged issued share capital after the Proposed Private Placement	**543,000**	**120,256**
Bonus Shares to be issued pursuant to the Proposed Bonus Issue	543,000	-
Enlarged issued share capital after the Proposed Bonus Issue	**1,086,000**	**120,256**
Maximum number of new Shares to be issued under the Proposed ESS (i.e. 10% of the total number of issued Shares, excluding treasury shares)	108,600	65,975[(iii)]
Enlarged issued share capital after the Proposed ESS	**1,194,600**	**186,231**

Notes:-

(i) *Computed based on the issuance of Rights Shares on Full Subscription Basis at the Rights Issue Price.*

(ii) *Assuming the issuance of 45,250,000 Placement Shares, representing 10.00% of the issued share capital of the Company as at the LPD, at the Illustrative Placement Issue Price.*

(iii) *Assuming that the ESOS Exercise Price and the Share Grant Price are calculated based on RM0.6075 per Share, which represents a discount of approximately 10.00% to the theoretical all bonus price of RM0.675 after the Proposed Rights Issue and the Proposed Bonus Issue, computed based on the five (5)-day VWAP of Comintel Shares up to and including the LPD of RM1.4099 per Share.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

11.2 Substantial shareholders' shareholdings

The Proposed ESS will not have any immediate effect on the shareholdings of Comintel's substantial shareholders unless the substantial shareholders of the Company are participants in the Proposed ESS themselves and until and unless new Shares are issued or treasury shares are transferred, as the case may be, to the Eligible Persons. Any potential effects on their shareholdings will depend on the number of new Shares to be issued pursuant to the Proposed ESS at the relevant point in time.

In the event that the existing Shares are transferred, or an equivalent cash value is paid to Eligible Persons (assuming that Comintel's substantial shareholders are not participants in the Proposed ESS) as a mode of settlement for the ESS Awards, there will be no impact on the shareholdings of Comintel's substantial shareholders.

The proforma effects of the Proposed Rights Issue, the Proposed Private Placement and the Proposed Bonus Issue on Comintel's substantial shareholders' shareholdings as at the LPD are set out as follows:-

	As at the LPD				(I) After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
JCSB	231,057,870	51.06	-	-	254,163,657	51.06	-	-
Datuk Jackson Tan	55,000,000	12.15	231,057,870 (i)	51.06	60,500,000	12.15	254,163,657 (i)	51.06
LSY	36,780,650	8.13	-	-	40,458,715	8.13	-	-

	(II) After (I) and the Proposed Private Placement				(III) After (I), (II) and the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
JCSB	254,163,657	46.81	-	-	508,327,314	46.81	-	-
Datuk Jackson Tan	60,500,000	11.14	254,163,657 (i)	46.81	121,000,000	11.14	508,327,314 (i)	46.81
LSY	40,458,715	7.45	-	-	80,917,430	7.45	-	-

Note:-

(i) Deemed interested by virtue of his shareholdings in JCSB pursuant to Section 8(4) of the Act.

11.3 NA and gearing

Save for the potential impact of the MFRS 2 as described in Section 11.4.5 of Part A of this Circular, the Proposed ESS is not expected to have any immediate effect on the NA and NA per Share of Comintel until such time the new Shares are issued or treasury shares are transferred, as the case may be, in connection with the exercise of ESOS Options and/or vesting of RSG Awards. Any potential effects on the NA and NA per Share of Comintel will depend on the actual number of Shares to be issued arising from the exercise of the ESOS Options and/or vesting of RSG Awards, as well as the ESOS Exercise Price. Additionally, the Proposed ESS is not expected to have any material effect on Comintel's gearing level.

For illustrative purposes, the proforma effects of the Proposed Rights Issue, the Proposed Acquisition, the Proposed Private Placement and the Proposed Bonus Issue on the audited consolidated NA and gearing of Comintel Group as at 31 January 2023 are set out below:-

		(I)	(II)	(III)	(IV)	(V)
	Audited as at 31 January 2023 (RM'000)	**After material subsequent events[i] (RM'000)**	**After (I) and the Proposed Rights Issue (RM'000)**	**After (I), (II) and the Proposed Acquisition (RM'000)**	**After (I), (II), (III) and the Proposed Private Placement (RM'000)**	**After (I), (II), (III), (IV) and the Proposed Bonus Issue (RM'000)**
Share capital	23,461	28,851	64,295[iii] [iv]	64,295	117,764[v]	117,755[vi]
RCPS	5,390	-	-	-	-	-
Reserves	(20)	(20)	(20)	(20)	(20)	(20)
Retained earnings	13,607	12,832	11,766[viii]	11,766	11,766	11,766
Shareholders' fund / NA attributable to equity holders	**42,438**	**41,663**	**76,041**	**76,041**	**129,510**	**129,501**
No. of Comintel Shares in issue ('000)	382,500	452,500	497,750	497,750	543,000	1,086,000
NA per Share (RM)	0.11	0.09	0.15	0.15	0.24	0.12
Total borrowings (RM'000)	166	27,817[ii]	27,817[ii]	27,817[ii]	27,817[ii]	27,817[ii]
Gearing (times)	-[vii]	0.67	0.37	0.37	0.21	0.21

Notes:-

(i) *Material subsequent events comprise the following:-*

(a) *70,000,000 RCPS converted on 8 November 2023 into 70,000,000 new Comintel Shares; and*

(b) *Disposal of Comintel System Technologies Sdn Bhd, a wholly-owned subsidiary of Comintel, to Huang Chai Sheng for disposal consideration of RM135,000 as announced by the Company on 20 November 2023.*

(ii) *Representing the total bank borrowings of the Group as at the LPD.*

(iii) *After taking into consideration of the 45,250,000 Rights Shares to be issued under the Full Subscription Basis at the Rights Issue Price of RM0.80 per Rights Share.*

(iv) *After deducting the estimated expenses to be incurred in relation to the Proposed Rights Issue of approximately RM0.76 million.*

(v) *After deducting the estimated expenses to be incurred in relation to the Proposed Private Placement of approximately RM1.74 million.*

(vi) *After deducting the estimated expenses to be incurred in relation to the Proposed Bonus Issue of approximately RM8,584.*

(vii) *Negligible.*

(viii) *After deducting the estimated expenses to be incurred in relation to the Proposed Rights Issue of approximately RM1.07 million.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

11.4 Earnings and EPS

The Proposed Change of Name will not have any effect on the earnings and EPS of Comintel.

11.4.1 Proposed Acquisition

The Proposed Acquisition, which is expected to be completed in the first half of 2024 is not expected to have any material effect on the earnings and EPS of the Group for FYE 2024.

Notwithstanding the additional depreciation expenses from the Construction Equipment of approximately RM7.0 million per annum to be incurred (or 5 years of depreciation based on the Group's accounting policy), the Company views the ownership of the Construction Equipment to be beneficial as the useful life of the Construction Equipment is expected to exceed 5 years and upon the completion of the Proposed Acquisition, the Company would not need to incur rental expenses for the Construction Equipment and hence is able to garner better margins for its construction projects. Furthermore, the Company would be able to reduce its cash outflows for the construction projects in relation to rentals paid to its sub-contractors for such equipment.

Accordingly, the Proposed Acquisition is expected to contribute positively to the earnings and EPS of the Group. The Proposed Acquisition allows the Group to have ownership of the Construction Equipment and greater flexibility in coordinating and implementing its construction contracts thus leading to shorter construction period and achieving greater costs savings. This will also allow the Group to bid for additional construction awards moving forward.

11.4.2 Proposed Rights Issue

The Proposed Rights Issue, which is expected to be completed in the first half of 2024, is not expected to have any material effect on the earnings and EPS of the Group for the FYE 2024. However, the Proposed Rights Issue is expected to contribute positively to the future earnings of the Group in the ensuing financial years via the utilisation of the proceeds. Subsequent to the completion of the Proposed Rights Issue, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of Comintel Shares in issue arising from the issuance and allotment of the Rights Shares to successful Entitled Shareholders for Rights Issue and/or their renouncee(s).

11.4.3 Proposed Private Placement

The Proposed Private Placement is not expected to have a material effect on the earnings of the Group. However, it is expected to contribute positively to the future earnings of the Group when the benefits of the use of the proceeds from the Proposed Private Placement are realised.

The EPS will be diluted accordingly as a result of the increase in the number of the Shares issued in relation to the Proposed Private Placement. The effects of the Proposed Private Placement on the future earnings and/or EPS of the Group would depend on, amongst others, the actual number of new Comintel Shares issued in relation to the Proposed Private Placement as well as the return derived from the use of proceeds from the Proposed Private Placement.

Nevertheless, the Board is confident that the Company will use the proceeds raised from the Proposed Private Placement efficiently and in a manner that is expected to be accretive to the future earnings of the Group and/or EPS in the mid to long term.

11.4.4 Proposed Bonus Issue

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group, save for the potential dilution in EPS as a result of the increase in the number of Comintel Shares in issue arising from the Proposed Bonus Issue. However, assuming that the net earnings for the Group remains unchanged, the EPS will be proportionately diluted as a result of the increase in the total number of Comintel Shares in issue upon the completion of the Proposed Bonus Issue.

11.4.5 Proposed ESS

The Proposed ESS is not expected to have any immediate material effect on the earnings and EPS of the Group until such time when the ESS Awards are granted. In accordance with the MFRS 2, the Proposed ESS will result in a change to the earnings of the Group over the period from the ESS Award Date to the vesting date of the ESS Awards. However, the potential effect of the Proposed ESS on the future earnings and EPS of the Group cannot be determined at this juncture as it will depend on, amongst others, the number of ESS Awards granted and exercised as well as the various factors that affect the fair value of the ESS Awards as at the respective ESS Award Date. The Board has taken note of the potential effect of the Proposed ESS on the earnings of the Group and will take proactive measures to manage the earnings impact in the granting of ESS Awards.

11.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

12. INTER-CONDITIONALITY

Save for the Proposed Acquisition being conditional upon the Proposed Rights Issue, the remaining Proposals as well as the Proposed Private Placement are not conditional upon each other. For avoidance of doubt, the Proposed Rights Issue is not conditional upon the Proposed Acquisition.

Save for the Proposals and the Proposed Private Placement, there are no other corporate exercises which have been announced by the Company but are pending completion as at the LPD.

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

Save as disclosed below, none of the directors, major shareholders and/or chief executive of the Company and/or persons connected with them has any interests, direct and/or indirect, in the Proposals:-

(i) Proposed Acquisition

(a) Datuk Jackson Tan, the Managing Director and major shareholder of Comintel via his direct shareholdings in the Company and indirect shareholdings in the Company held through JCSB, is also a major shareholder and director of BCSB being the vendor of the Proposed Acquisition; and

(b) JCSB, the major shareholder of Comintel, is deemed interested in view that Datuk Jackson Tan is the director and major shareholder of JCSB.

(ii) Proposed Rights Issue

In view that the Proposed Acquisition is conditional upon the Proposed Rights Issue as the proceeds from the Proposed Rights Issue will be utilised to settle the Purchase Consideration, Datuk Jackson Tan and JCSB are accordingly deemed interested in the Proposed Rights Issue.

The shareholdings of the Interested Director and the Interested Major Shareholders in Comintel as at the LPD are as follows:-

	Direct		Indirect	
	No. of Comintel Shares	%	No. of Comintel Shares	%
JCSB	231,057,870	51.06	-	-
Datuk Jackson Tan	55,000,000	12.15	231,057,870(i)	51.06

Note:-

(i) Deemed interested by virtue of his shareholdings in JCSB pursuant to Section 8(4) of the Act.

As such, the Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the Proposed Acquisition and Proposed Rights Issue. In addition, the Interested Director will also undertake to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in Comintel on the resolution pertaining to the Proposed Acquisition and Proposed Rights Issue to be tabled at an EGM to be convened.

The Interested Major Shareholders will abstain from voting and undertake to ensure that persons connected with them (if any) to abstain from voting in respect of their direct and/or indirect shareholdings in Comintel on the resolution pertaining to the Proposed Acquisition and Proposed Rights Issue to be tabled at an EGM to be convened.

(iii) Proposed ESS

Presently, all Executive Directors of Comintel are eligible to participate in the Proposed ESS and are therefore deemed to be interested in the Proposed ESS to the extent of their respective allocations as well as the allocations to persons connected with them (if any) under the Proposed ESS. Notwithstanding the foregoing, the directors have deliberated on the Proposed ESS and have agreed to present the Proposed ESS to the shareholders of the Company for their consideration and approval.

Accordingly, all ESS Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the specific allocation of the ESS Awards to themselves as well as the specific allocations to any persons connected with them (if any) at the relevant Board meetings of the Company.

Further, the ESS Interested Directors will also abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Comintel on resolutions pertaining to any specific allocations of the ESS Awards to themselves, as well as the specific allocations to any persons connected with them under the Proposed ESS at the EGM to be convened.

The shareholdings of the ESS Interested Directors in the Company as at the LPD are as below:-

	Direct		Indirect	
	No. of Comintel Shares	%(i)	No. of Comintel Shares	%(i)
Datuk Jackson Tan	55,000,000	12.15	231,057,870(ii)	51.06
LSY	36,780,650	8.13	-	-

Notes:-

(i) Based on the existing number of issued Shares of 452,500,000.

(ii) Deemed interested by virtue of his shareholdings in JCSB pursuant to Section 8(4) of the Act.

Accordingly, each ESS Interested Shareholder will abstain and has undertaken to ensure that persons connected with him will abstain from voting in respect of his respective direct and/or indirect shareholdings in Comintel, on the resolutions pertaining to his specific allocations of the ESS Awards as well as the specific allocations to any persons connected with him under the Proposed ESS at the EGM to be convened.

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

14. TRANSACTIONS WITH THE INTERESTED DIRECTOR, INTERESTED MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM FOR THE PRECEDING 12 MONTHS

Save for the following, there were no other transactions entered into by the Group with the Interested Director, Interested Major Shareholders and/or persons connected with them for the preceding 12 months up to the LPD:-

a) Proposed Acquisition;

b) RRPTs as disclosed in Comintel's circulars to shareholders dated 31 May 2023 and 27 December 2022 respectively; and

c) the new RRPT as disclosed in Part C of this Circular.

15. HIGHEST PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

Pursuant to Paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable to the Proposed Acquisition is approximately 82.47% computed based on the aggregate value of the consideration given as compared with the NA of Comintel Group as at 31 January 2023.

16. APPROVALS REQUIRED

The Proposals and the Proposed Private Placement are subject to the following approvals being obtained:-

(i) approval of Bursa Securities, for the listing of and quotation for:-

  (a) 45,250,000 Rights Shares pursuant to the Proposed Rights Issue;

  (b) up to 45,250,000 Placement Shares to be issued pursuant to the Proposed Private Placement;

  (c) up to 543,000,000 Bonus Shares to be issued pursuant to the Bonus Issue; and

  (d) such number of new Comintel Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any) to be issued pursuant to the Proposed ESS;

on the Main Market of Bursa Securities. The approval was obtained vide Bursa Securities' letter dated 29 January 2024 and subject to the following conditions:-

No.	Conditions	Status of compliance
1.	Comintel and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the respective Proposals and the Proposed Private Placement;	To be complied
2.	AmInvestment Bank to inform Bursa Securities upon the completion of the respective Proposals and the Proposed Private Placement;	To be complied
3.	AmInvestment Bank to furnish to Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the respective Proposals and the Proposed Private Placement are completed;	To be complied
4.	Comintel / AmInvestment Bank is required to furnish Bursa Securities with certified true copy of the resolutions passed by the shareholders at the forthcoming general meeting for the respective Proposals prior to the listing and quotation of the shares;	To be complied
5.	Comintel / AmInvestment Bank is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements pursuant to the Proposed Bonus Issue;	To be complied
6.	AmInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation, together with the following; (i) A certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESS; and (ii) 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; and	To be complied
7.	Comintel is required to furnish to Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the Proposed ESS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) approval of shareholders of Comintel at the forthcoming EGM to be convened for the following:-

   (a) the Proposals; and

   (b) direction to the contrary of pre-emptive rights under Section 85 of the Act for the new Comintel Shares to be issued pursuant to the Proposed ESS.

   Section 85(1) of the Act provides that:-

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

   Section 85(1) of the Act, when read together with Article 55 of the Constitution of the Company, may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion to their existing shareholding as nearly as the circumstances admit ("**Pre-emptive Rights**").

   Accordingly, in conjunction with the Proposed ESS, the Company wishes to seek the shareholders' approval to give direction to the Board under Article 55 of the Company's Constitution to offer and issue new Comintel Shares pursuant to the Proposed ESS ranking equally to the existing shares to the Eligible Persons without first to offer the new Shares to the existing Shareholders in proportion to their shareholding. Such direction to the contrary has been incorporated as part of the ordinary resolution pertaining to the Proposed ESS. Should the resolution for the Proposed ESS be approved by the Shareholders, such approval shall have the effect of the shareholders of the Company having agreed to irrevocably waive their Pre-emptive Rights in respect of the new Comintel Shares to be allotted and issued pursuant to the Proposed ESS by the Company, which will result in dilution to their shareholding percentage in the Company.

(iii) approval of any other relevant regulatory authorities, if applicable.

17. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Director in relation to the Proposed Acquisition and Proposed Rights Issue), having considered and deliberated on all aspects of the Proposals, is of the opinion that the Proposals:-

(i) are in the best interest of the Group;

(ii) are fair, reasonable and on normal commercial terms; and

(iii) are not detrimental to the interest of the non-interested shareholders of Comintel.

The opinion of the Board (save for the Interested Director) was arrived after having considered, inter-alia, the terms and conditions of the Proposals and the rationale of the Proposals, as well as the evaluation of the Independent Adviser.

Additionally, in view that the ESS Interested Directors are deemed interested in the Proposed ESS to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed ESS, they have abstained and will continue to abstain from expressing any opinion and recommendation insofar as their specific allocation and specific allocation to any persons connected with them (if any) under the Proposed ESS.

Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

18. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, after having considered all relevant aspects of the Proposed Acquisition and Proposed Rights Issue, including but not limited to the rationale, terms and conditions of the Proposed Acquisition, the basis and justification for the Purchase Consideration, the basis for the Rights Issue Price as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition and Proposed Rights Issue are:-

(i) in the best interest of the Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of the Company.

19. EXPECTED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Board expects to implement all the Proposals and the Proposed Private Placement by the first half of year 2024.

The tentative timeline for the implementation of the Proposals and the Proposed Private Placement is set out below:-

Tentative Timeline	Events
March 2024	• EGM for the Proposals • Announcement of the Rights Issue Entitlement Date
April 2024	• Rights Issue Entitlement Date and despatch of the abridged prospectus in relation to the Proposed Rights Issue together with notices of provisional allotment and rights subscription form • Closing date of acceptance and applications for the Rights Shares
May 2024	• Listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities • Completion of the Proposed Acquisition
June 2024	• Completion of the Proposed Private Placement • Completion of the Proposed Bonus Issue

20. ADVISERS

AmInvestment Bank has been appointed by Comintel as the Principal Adviser for the Proposals as well as the Proposed Private Placement and Placement Agent for the Proposed Private Placement.

BDOCC has been appointed as the Independent Adviser to provide the following:-

(i) an independent evaluation of the Proposed Acquisition and the Proposed Rights Issue;

(ii) an opinion as to whether the Proposed Acquisition and the Proposed Rights issue are fair and reasonable and on normal commercial terms as well as not detrimental to the non-interested shareholders of the Company; and

(iii) a recommendation as to whether the non-interested shareholders of the Company should vote for or against the resolution pertaining to the Proposed Acquisition and the Proposed Rights Issue to be tabled at the forthcoming EGM.

In addition, Knight Frank has been appointed by the Company as the Independent Valuer to conduct a valuation on the Construction Equipment.

21. EGM

The forthcoming EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis via online platform at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn Bhd on Thursday, 7 March 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering, and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, speak, or vote at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than 48 hours before the time for the EGM or any adjournment thereof.

The completion and lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting at the EGM should you subsequently decide to do so.

22. FUND RAISING EXERCISE IN THE PAST TWELVE (12) MONTHS

The Company has not undertaken any fund raising exercises in the past twelve (12) months.

23. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
COMINTEL CORPORATION BHD

TAN SRI DATO' SAMSHURI BIN ARSHAD
Independent Non-Executive Chairman

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSED ACQUISITION

EXECUTIVE SUMMARY

All definitions or defined terms used in this executive summary shall have the same meanings as defined in the "Definitions for Part A and Part B of the Circular" section, except where the context requires otherwise or as otherwise defined.

All references to "we", "us" and "our" in this executive summary are ascribed to BDO, being the Independent Adviser for the Proposed Acquisition.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THIS IAL. THE NON-INTERESTED SHAREHOLDERS OF COMINTEL ARE ADVISED TO READ AND UNDERSTAND THIS IAL IN ITS ENTIRETY, TOGETHER WITH PART A OF THE CIRCULAR AND THE APPENDICES THERETO FOR ANY OTHER RELEVANT INFORMATION, AND ARE NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE. YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS RELATING TO THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

1. INTRODUCTION

On 6 December 2023, AmInvestment Bank had, on behalf of the Board, announced that the Company proposed to undertake the following:

(i) Proposed Acquisition;
(ii) Proposed Rights Issue;
(iii) Proposed Private Placement;
(iv) Proposed Bonus Issue;
(v) Proposed ESS; and
(vi) Proposed Change of Name.

For information purpose, the Proposed Private Placement shall be undertaken via the General Mandate and does not require the approval of the Shareholders in the forthcoming EGM and hence the information on the Proposed Private Placement as set out in **Section 4, Part A** of the Circular is for information purpose only.

It is to be noted that the Company's intention is to implement the Proposed Acquisition after the completion of the Proposed Rights Issue. Thereafter, the Proposed Private Placement is expected to be implemented after the completion of the Proposed Rights Issue and Proposed Acquisition. The Proposed Bonus Issue shall be implemented after the completion of the Proposed Private Placement.

The Proposed Acquisition is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of certain director and major shareholders as set out in **Section 13, Part A** of the Circular.

Accordingly, BDO was appointed by Comintel on 29 September 2023 as the Independent Adviser to advise the non-interested shareholders of Comintel in relation to the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is detrimental to the non-interested shareholders of Comintel.

It is to be noted that the Proposed Rights Issue is not deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. However, in view that the Proposed Acquisition is conditional upon the Proposed Rights Issue, we have also provided our views with respect to the Proposed Rights Issue.

The purpose of this IAL is to provide the non-interested shareholders of Comintel with an independent evaluation of the fairness and reasonableness of the Proposed Acquisition and Proposed Rights Issue, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.

2. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

In evaluating the Proposed Acquisition and Proposed Rights Issue, we have taken into consideration the following:

Section in this IAL	Area of evaluation	Our evaluation
Section 7	Rationale of the Proposed Acquisition and Proposed Rights Issue	**(a) Rationale of Proposed Acquisition** Since Comintel Group's diversification into the construction business which was approved by shareholders of Comintel on 9 November 2021, the Group has been actively securing new construction projects. As at LPD, the Group's construction order book stood at approximately RM1.43 billion. As at the LPD, the Group owns approximately RM9.70 million worth of formwork systems and scaffolding equipment. As disclosed in **Section 8.1, Part A** of the Circular, the Group's available formwork systems and scaffolding equipment are only adequate for the Group to undertake 2 to 3 construction projects concurrently, depending on the size and the nature of these projects. As at the LPD, the Group has 15 ongoing construction projects, wherein most of these construction projects require the usage of formwork systems and scaffolding equipment. We noted from the management of Comintel that its own formwork systems and scaffolding are not sufficient to cater for the usage of the Group's ongoing construction works. As such, the Proposed Acquisition represents an opportunity for the Group to acquire the Construction Equipment, which can be deployed to support the Group's ongoing construction works. The Proposed Acquisition is also necessary for the Group to support its construction business which is currently the main revenue driver of the Group whereby it contributed RM184.82 million or approximately 98.0% of the Group's revenue for the FYE 31 January 2023. Without ownership of the Construction Equipment, the Group would have to rely on external parties (i.e. the Group's subcontractors) to supply formwork systems and scaffolding to the Group. A high dependency on subcontracts for the supply of formwork systems and scaffolding may not bode well for the Group as the Group may face the risk of disruption in supply in the event that the subcontractors are not able to provide the formwork systems and scaffolding due to unforeseen circumstances. Nevertheless, it is to be noted from the management of Comintel that the Group has not experienced any disruption in the

Section in this IAL	Area of evaluation	Our evaluation
		supply of the mentioned equipment since the Group's diversification into the construction business up to the LPD. **Based on the above, we are of the view that the rationale of the Proposed Acquisition is <u>reasonable</u>.** **(b) Rationale of Proposed Rights Issue** Without the Proposed Rights Issue, the Proposed Acquisition will not be able to proceed as the Proposed Acquisition is conditional upon the Proposed Rights Issue. As a result, the Group will not be able to realise the benefits arising from the Proposed Acquisition as set out in **Section 7.1** of this IAL. The Proposed Rights Issue also represents an opportunity for all Entitled Shareholders for Rights Issue to further increase their equity participation in the Group's future growth and prospects on a pro-rata basis as compared to other equity / equity-linked fundraising activities that have a dilutive impact to the equity interest of shareholders (provided that all Entitled Shareholders for Rights Issue subscribe in full for their respective entitlements). **Premised on the above, we are of the view that the rationale of the Proposed Rights Issue is <u>reasonable</u>.**
Section 8	Evaluation of the Proposed Acquisition and Proposed Rights Issue	**(a) Basis and justification for the Purchase Consideration** In arriving at the fairness evaluation of the Purchase Consideration, we have compared the Purchase Consideration against the Market Value of the Construction Equipment as appraised by the Independent Valuer as follows: **Details** — **RM** Purchase Consideration — 35,000,000 Market Value of the Construction Equipment as appraised by the Independent Valuer — 35,800,000 Based on the table above, the Purchase Consideration of RM35.00 million represents a discount of 2.23% to the Market Value of the Construction Equipment of RM35.80 million. **As such, we are of the view that the Purchase Consideration is <u>fair.</u>**

Section in this IAL	Area of evaluation	Our evaluation
		(b) Evaluation of the Rights Issue Price We noted that: (i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholdings of all Entitled Shareholders for Rights Issue on the Rights Issue Entitlement Date; (ii) the pricing mechanism of the Rights Shares is based on a market-based approach; and (iii) all Entitled Shareholders for Rights Issue have the same rights to subscribe for their entitlements to the Rights Shares at the same issue price. **Based on the above, we are of the view that the pricing mechanism of the Rights Issue Price is <u>reasonable</u>.** **(c) Salient terms of the SPA** We are of the view that the salient terms of the SPA are **<u>reasonable</u>** and **<u>not detrimental</u>** to the non-interested shareholders of Comintel.
Section 9	Effects of the Proposed Acquisition and Proposed Rights Issue	The effects of the Proposals are summarised as follows: **(i) <u>Issued share capital</u>** The Proposed Acquisition will not have any effects on the issued share capital of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel. Based on the Full Subscription Basis, the Proposed Rights Issue will result in an increase in Comintel's issued number of Shares from 452,500,000 Shares (as at the LPD) to 497,750,000 Shares and issued share capital increase from RM28.85 million (as at the LPD) to RM65.05 million. **(ii) Substantial shareholders' shareholding** The Proposed Acquisition will not have any effects on the substantial shareholders' shareholdings of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel. Based on the above, we noted that on a Full Subscription Basis, the number of Shares held by Comintel's substantial shareholders will increase based on their entitlements for the Proposed Rights Issue. However, the shareholding percentage of Comintel's substantial shareholders will remain unchanged as Comintel has procured irrevocable and

Section in this IAL	Area of evaluation	Our evaluation
		unconditional undertaking letters from them to fully subscribe for its entitlements under the Proposed Rights Issue as at the Entitlement Date and the remaining portion of 12,966,148 Rights Shares for which no undertaking has been obtained will be fully underwritten. **(iii) <u>NA and gearing</u>** The Proposed Acquisition will not have any effects on the NA per Share and gearing of Comintel Group as it does not entail any change to the equity structure or borrowings of Comintel Group. Upon completion of the Proposed Rights Issue, we noted that the proforma NA per Comintel Share will increase from RM0.09 as at 31 January 2023 (after adjusting for material subsequent events) to RM0.15 as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares. The increase in proforma NA per Comintel Share is also due to the Rights Issue Price of RM0.80 which is issued at a higher price as compared to NA per Comintel Share of RM0.09 as at 31 January 2023 (after adjusting for material subsequent events). Upon completion of the Proposed Rights Issue, we also noted that the proforma gearing of the Group will decrease from 0.67 times as at 31 January 2023 (after adjusting for material subsequent events) to 0.37 times as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares. **(iv) <u>Earnings and EPS</u>** For illustrative purposes, save for the additional depreciation expenses of approximately RM7.00 million per annum, the Proposed Acquisition are not expected to have a material impact on the consolidated earnings of Comintel Group immediately upon completion of the Proposed Acquisition. The Proposed Rights Issue is not expected to have any immediate material effect on the consolidated earnings of Comintel Group but is expected to have a dilutive impact on the EPS of Comintel Group as a result of the increase in number of issued Comintel Shares arising from the issuance of the Rights Shares immediately upon completion of the Proposed Rights Issue. **Based on the above, the overall effects of the Proposals are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of Comintel.**

Section in this IAL	Area of evaluation	Our evaluation
Section 10	Industry overview and prospects of Comintel Group	We noted that since Comintel Group's diversification into construction business which was approved by shareholders of Comintel on 9 November 2021, the construction business segment has become a major revenue contributor to Comintel Group. As at LPD, the Group has outstanding orderbook of RM1.43 billion and 15 on-going construction projects which mainly comprises of construction contracts for high-rise residential and commercial buildings. Moving forward, the performance of the Group's construction business will be underpinned by the outlook of the construction sector which is further supported by government initiatives such as the implementation of NIMP 2030, the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme. The completion of the Proposed Acquisition and Proposed Rights Issue will also enable the Group to own Construction Equipment that will be used to support its growing construction business. The completion of the Proposals will allow the Group to strengthen the Group's financial position and capital base through reduced gearing level, as well as the improved proforma NA, which would improve the Group's financial position and enhance the Group's ability to negotiate and secure funding arrangements for its existing and future construction projects. **Premised on the above, we are of the view that the prospects of Comintel Group upon completion of the Proposals is positive.**
Section 11	Risk factors associated with the Proposed Acquisition	In evaluating the Proposals, non-interested shareholders of Comintel should carefully consider the risk factors as set out in **Section 10**, **Part A** of the Circular. While we noted that measures would be taken by Comintel to mitigate such risk associated with the Proposed Acquisition, no assurance can be given that the risk factor will not occur and give rise to material adverse impact on the business and operation of the Group, its financial performance or prospects thereon.

3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors as set out in this IAL. Based on this, BDO views that the Proposed Acquisition and Proposed Rights Issue are **fair** and **reasonable** and are **not detrimental** to the non-interested shareholders of Comintel.

Accordingly, we advise and recommend that the non-interested shareholders of Comintel **vote in favour** of the ordinary resolutions pertaining to the Proposed Acquisition and Proposed Rights Issue to be tabled at the forthcoming EGM.

8 February 2024

To: The non-interested shareholders of Comintel Corporation Bhd

Dear Sir / Madam,

COMINTEL CORPORATION BHD ("COMINTEL" OR THE "COMPANY")

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

This IAL has been prepared for inclusion in the Circular in relation to the Proposed Acquisition and Proposed Rights Issue. All definitions or defined terms used in this IAL shall have the same meanings as defined in the "Definitions for Part A and Part B the Circular" section, except where the context requires otherwise or as otherwise defined.

All references to "we", "us" and "our" in this IAL are ascribed to BDO, being the Independent Adviser for the Proposed Acquisition.

1. INTRODUCTION

On 6 December 2023, AmInvestment Bank had, on behalf of the Board, announced that the Company proposed to undertake the following:

(i) Proposed Acquisition;
(ii) Proposed Rights Issue;
(iii) Proposed Private Placement;
(iv) Proposed Bonus Issue;
(v) Proposed ESS; and
(vi) Proposed Change of Name.

For information purpose, the Proposed Private Placement shall be undertaken via the General Mandate and does not require the approval of the Shareholders in the forthcoming EGM and hence the information on the Proposed Private Placement as set out in **Section 4, Part A** of the Circular is for information purpose only.

It is to be noted that the Company's intention is to implement the Proposed Acquisition after the completion of the Proposed Rights Issue. Thereafter, the Proposed Private Placement is expected to be implemented after the completion of the Proposed Rights Issue and Proposed Acquisition. The Proposed Bonus Issue shall be implemented after the completion of the Proposed Private Placement.

The Proposed Acquisition is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Director and Interested Major Shareholders as set out in **Section 13, Part A** of the Circular.

Accordingly, BDO was appointed by Comintel on 29 September 2023 as the Independent Adviser to advise the non-interested shareholders of Comintel in relation to the fairness and reasonableness of the Proposed Acquisition and whether the Proposed Acquisition is detrimental to the non-interested shareholders of Comintel.

It is to be noted that the Proposed Rights Issue is not deemed as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. However, in view that the Proposed Acquisition is conditional upon the Proposed Rights Issue, we have also provided our views with respect to the Proposed Rights Issue.

The purpose of this IAL is to provide the non-interested shareholders of Comintel with an independent evaluation of the fairness and reasonableness of the Proposed Acquisition and Proposed Rights Issue, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.

THE NON-INTERESTED SHAREHOLDERS OF COMINTEL ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR, TOGETHER WITH THE ACCOMPANYING APPENDICES, AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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

The Proposed Acquisition is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements by virtue of the interests of the Interested Director and Interested Major Shareholders as set out in **Section 13, Part A** of the Circular.

3. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

BDO was not involved in the formulation of the Proposed Acquisition and Proposed Rights Issue and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Acquisition and Proposed Rights Issue. BDO's terms of reference as an Independent Adviser are limited to expressing an independent evaluation of the Proposed Acquisition and Proposed Rights Issue which is based on the information provided to us or which is available to us, including but not limited to the following:

(i) the information contained in Part A of the Circular and the appendices attached thereto;

(ii) the Valuation Report;

(iii) the SPA;

(iv) discussions with and representations by the Board and management of Comintel;

(v) other relevant information, documents, confirmations and representations furnished to us by the Board and/or the management of Comintel; and

(vi) other publicly available information which we deemed to be relevant.

We have made such reasonable enquiries to the Board and management of Comintel and have relied upon the information and/or documents as mentioned above as well as the relevant facts and information and/or representations necessary for our evaluation of the Proposed Acquisition and Proposed Rights Issue that have been disclosed to us, and that such information is accurate, valid and there is no omission of material facts which would make any information provided to us to be incomplete, misleading or inaccurate. We express no opinion on any such information and have not undertaken any independent investigation into the business and affairs of Comintel and all relevant parties involved in the Proposed Acquisition and Proposed Rights Issue. Based on the above, we are satisfied with the information and documents provided by Comintel and are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. After making all reasonable enquiries and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission.

In rendering our advice, we had taken note of pertinent issues, which we believe are necessary and important to an assessment of the implications of the Proposed Acquisition and Proposed Rights Issue and therefore of general concern to the non-interested shareholders of Comintel. As such:

(i) The scope of BDO's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Acquisition and Proposed Rights Issue only. Comments or points of consideration which may be commercially oriented, such as the rationale and potential benefits of the Proposed Acquisition and Proposed Rights Issue, are included in our overall evaluation as we deem it necessary for disclosure purposes to enable the non-interested shareholders of Comintel to consider and form their views thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Acquisition and Proposed Rights Issue;

(ii) BDO's views and advice as contained in this IAL only cater to the non-interested shareholders of Comintel at large and not to any shareholder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual shareholder or any specific group of shareholders; and

(iii) We recommend that any individual shareholder or group of shareholders of Comintel who are in doubt as to the action to be taken or require advice in relation to the Proposed Acquisition and Proposed Rights Issue, and in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, should consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions and the information and/or documents made available to us as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account the information, events and conditions arising after the LPD.

The Board has seen and approved the contents of this IAL. They collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAL (save for the assessment, evaluation and opinion of BDO) and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any information in this IAL false or misleading.

The responsibility of the Board in respect of the independent advice and expression of opinion by BDO in relation to the Proposed Acquisition and Proposed Rights Issue as set out in **Section 1, Appendix IV** of the Circular, is to ensure that accurate information in relation to Comintel was provided to BDO for its evaluation of the Proposed Acquisition and Proposed Rights Issue and to ensure that all information in relation to Comintel that is relevant to BDO's evaluation of the Proposed Acquisition and Proposed Rights Issue have been completely disclosed to BDO and that there is no omission of material facts which would make any information provided to BDO false or misleading.

We shall notify the shareholders of Comintel if, after the despatch of this IAL, we become aware of the following:

(i) significant change affecting the information contained in this IAL;

(ii) there is a reasonable ground to believe that the statements in this IAL are misleading and/or deceptive; and

(iii) there is a material omission in this IAL.

If circumstances require, a supplementary IAL will be sent to the shareholders of Comintel.

4. DECLARATION OF CONFLICT OF INTEREST

BDO confirms that there is no conflict of interest situation or potential conflict of interest situation arising from it carrying out the role of as the Independent Adviser in respect of the Proposed Acquisition.

Save as disclosed below and the current appointment as the Independent Adviser of the Proposed Acquisition, we did not have any other professional relationship with Comintel at any time during the past two (2) years prior to the date of this IAL.

- Appointment of BDO on 25 November 2022 by the non-interested directors of Comintel as the independent adviser for the unconditional mandatory take-over offer by JT Conglomerate Sdn Bhd to acquire the offer shares for a cash consideration of RM0.15 per offer share. The independent advice circular was issued on 27 December 2022. This corporate exercise is not related to the Proposed Acquisition and Proposed Rights Issue.

5. CREDENTIALS, EXPERIENCE AND EXPERTISE OF BDO

BDO is a corporate advisory firm in Malaysia with a corporate finance advisory team which provides an extensive range of services to both the corporate and financial sectors as well as the investment community. The areas of expertise include valuation services, capital market transactions, due diligence works and mergers and acquisitions.

The credentials and experience of BDO as an Independent Adviser, where we have been appointed in the past two (2) years prior to the date of this IAL, include the following proposals:

(i) Appointment by MPHB Capital Berhad as the Independent Adviser in relation to the proposed disposal of 51% equity interest in MPI Generali Insurans Berhad to Generali Asia N.V. for a total cash consideration of RM485.00 million, subject to adjustments. Our independent advice letter was issued on 28 June 2022;

(ii) Appointment by Citaglobal Berhad as the Independent Adviser in relation to the proposed acquisition of 100% equity interest in Citaglobal Engineering Services Sdn Bhd for a purchase consideration of RM140.00 million. Our independent advice letter was issued on 21 September 2022;

(iii) Appointment by Heng Huat Resources Group Berhad as the Independent Adviser for the conditional mandatory take-over offer by GH Consortium Sdn Bhd to acquire all the offer securities for a cash consideration of RM0.3771 per offer share and RM0.2971 per offer warrant. Our independent advice circular was issued on 31 October 2022;

(iv) Appointment by Iskandar Waterfront City Berhad as the Independent Adviser in relation to the proposed disposal of a piece of freehold vacant land for a cash consideration of RM53.24 million and settlement of debt owing by the company and its subsidiary amounting to RM50.76 million by way of set-off against the disposal consideration. Our independent advice letter was issued on 31 October 2022;

(v) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed sale and leaseback of 3 real property assets involving the interest of related parties. Our independent advice letter was issued on 22 November 2022;

(vi) Appointment by Comintel as the independent adviser for the unconditional mandatory take-over offer by JT Conglomerate Sdn Bhd to acquire the offer shares for a cash consideration of RM0.15 per offer share. Our independent advice circular was issued on 27 December 2022;

(vii) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed disposal of 2 parcels of land involving the interest of related parties. Our independent advice letter was issued on 22 March 2023;

(viii) Appointment by Tropicana Corporation Berhad ("**TCB**") as the Independent Adviser in relation to the proposed capitalisation of the advances amounting to RM180.00 million via issuance of new ordinary shares in TCB. Our independent advice letter was issued on 8 June 2023;

(ix) Appointment by DPS Resources Berhad as the independent adviser in relation to the proposed exemptions by Tan Sri (Dr) Sow Chin Chuan and persons acting in concert with him from the obligation to undertake a mandatory offer for the remaining shares and convertible securities in DPS Resources Berhad not already held by them. Our independent advice letter was issued on 14 June 2023;

(x) Appointment by PTT Synergy Group Berhad (**"PTT"**) as the Independent Adviser in relation to the proposed acquisition by PTT of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd for a total purchase consideration of RM152.00 million. Our independent advice letter was issued on 30 June 2023;

(xi) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed renewal of lease of specialist medical centres involving the interest of related parties. Our independent advice letter was issued on 31 July 2023;

(xii) Appointment by Malaysian Bulk Carriers Berhad ("**MBC**") as the independent adviser in relation to the proposed acquisition of a piece of freehold land for a cash consideration of RM165.00 million, proposed joint venture between MBC and Golden Valley Ventures Sdn Bhd to jointly acquire and develop the land and proposed diversification of the existing principal activities of MBC and its subsidiaries to include industrial property development and property investment. Our independent advice letter was issued on 9 November 2023; and

(xiii) Appointment by Berjaya Corporation Berhad as the independent adviser in relation to the proposed disposal of 100% equity interest in Berjaya Enviro Holdings Sdn Bhd to Naza Corporation Holdings Sdn Bhd for a cash consideration of RM700.00 million. Our independent advice letter was issued on 14 November 2023.

Premised on the foregoing, BDO is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested shareholders of Comintel in relation to the Proposed Acquisition and Proposed Rights Issue.

6. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

In evaluating the Proposed Acquisition and Proposed Rights Issue, we have considered the following:

		Section in this IAL
(1)	Rationale of the Proposed Acquisition and Proposed Rights Issue	7
(2)	Evaluation of the Proposed Acquisition and Proposed Rights Issue (a) Basis and justification for the Purchase Consideration (b) Evaluation of the Rights Issue Price (c) Salient terms of the SPA	8
(3)	Effects of the Proposed Acquisition and Proposed Rights Issue	9
(4)	Industry overview and prospects of Comintel Group	10
(5)	Risk factors associated with the Proposed Acquisition	11

7. RATIONALE OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

7.1 Rationale of the Proposed Acquisition

We take cognisance of the rationale of the Proposed Acquisition as outlined in **Section 8.1, Part A** of the Circular.

We noted that as part of the construction services, the Group undertakes civil and structural as well as building construction works. In this respect, the Construction Equipment are for the Group to carry out the related construction works as they are industrial building equipment used for the Group's building structural works.

We also noted that Company is of the view that the Proposed Acquisition provides an opportunity for the Company to have ownership of the Construction Equipment, after taking into consideration its construction order book.

We further noted that the Proposed Acquisition will allow the Group to reduce reliance on external parties for the supply of the Construction Equipment such that the Group will have more flexibility in the coordination of deploying the Construction Equipment according to the project schedule. The increased flexibility will result in better time management as project implementation will not be hindered by the unavailability of the Construction Equipment.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Our Comments:

Since Comintel Group's diversification into the construction business which was approved by shareholders of Comintel on 9 November 2021, the Group has been actively securing new construction projects. As at the LPD, the Group's construction order book stood at approximately RM1.43 billion.

As at the LPD, the Group owns approximately RM9.70 million worth of formwork systems and scaffolding equipment. As disclosed in **Section 8.1, Part A** of the Circular, the Group's available formwork systems and scaffolding equipment are only adequate for the Group to undertake 2 to 3 construction projects concurrently, depending on the size and the nature of these projects. As at the LPD, the Group has 15 ongoing construction projects, wherein most of these construction projects require the usage of formwork systems and scaffolding equipment. We noted from the management of Comintel that its own formwork systems and scaffolding are not sufficient to cater for the usage of the Group's ongoing construction works. As such, the Proposed Acquisition represents an opportunity for the Group to acquire the Construction Equipment, which can be deployed to support the Group's ongoing construction works.

The Proposed Acquisition is also necessary for the Group to support its construction business which is currently the main revenue driver of the Group whereby it contributed RM184.82 million or approximately 98.0% of the Group's revenue for the FYE 31 January 2023. Without ownership of the Construction Equipment, the Group would have to rely on external parties (i.e. the Group's subcontractors) to supply formwork systems and scaffolding to the Group. A high dependency on subcontracts for the supply of formwork systems and scaffolding may not bode well for the Group as the Group may face the risk of disruption in supply in the event that the subcontractors are not able to provide the formwork systems and scaffolding due to unforeseen circumstances. Nevertheless, it is to be noted from the management of Comintel that the Group has not experienced any disruption in the supply of the mentioned equipment since the Group's diversification into the construction business up to the LPD.

For information purposes only, we noted that the Construction Equipment are not new equipment. It also may be subject to further wear and tear that may occur from time to time upon its usage. The Group will be adopting a depreciation rate of 20% per annum for the Construction Equipment. For illustrative purposes, the Group is expected to incur additional depreciation expenses of approximately RM7.00 million per annum (i.e. RM35.00 million x 20% per annum) for 5 years after the completion of the Proposed Acquisition.

The additional depreciation expenses of approximately RM7.00 million per annum is reasonable as it is based on the Purchase Consideration of the Construction Equipment of RM35.00 million and is consistent with the Group's accounting policy of 5 years for plant and machineries. Accordingly, the Construction Equipment will be used to support the Group's existing order book of RM1.43 billion as at the LPD.

Based on the above, we are of the view that the rationale of the Proposed Acquisition is reasonable. Nevertheless, non-interested shareholders of Comintel should note that the potential benefits arising from the Proposed Acquisition are subject to risk factor as disclosed in Section 10, Part A of this Circular.

7.2 Rationale of the Proposed Rights Issue

We take cognisance of the rationale of the Proposed Rights Issue as outlined in **Section 8.2, Part A** of the Circular.

As set out in **Section 3.6, Part A** of the Circular we noted that the proceeds to be raised from the Proposed Rights Issue is mainly to utilise to fund the Purchase Consideration for the Proposed Acquisition.

Without the Proposed Rights Issue, the Proposed Acquisition will not be able to proceed as the Proposed Acquisition is conditional upon the Proposed Rights Issue. As a result, the Group will not be able to realise the benefits arising from the Proposed Acquisition as set out in **Section 7.1** of this IAL.

The Proposed Rights Issue also represents an opportunity for all Entitled Shareholders for Rights Issue to further increase their equity participation in the Group's future growth and prospects on a pro-rata basis as compared to other equity / equity-linked fundraising activities that have a dilutive impact to the equity interest of shareholders (provided that all Entitled Shareholders for Rights Issue subscribe in full for their respective entitlements).

Entitled Shareholders for Rights Issue are also able to further increase their equity participation in the Group's future growth and prospects at the Rights Issue Price which is at discount of 40.74% to the TERP based on the 5-day VWAP up to and including LPD.

In addition, we noted that the Proposed Rights Issue is expected to strengthen the financial position of the Group as:

(i) the proforma NA will increase from RM41.66 million (as at 31 January 2023 and after adjusting for material subsequent events) to RM76.04 million; and

(ii) the proforma NA per share will increase from RM0.09 (as at 31 January 2023 and after adjusting for material subsequent events) to RM0.15.

Non-interested directors of Comintel and non-interested shareholders of Comintel should also take note that in general, a highly dilutive rights issue can be detrimental to the interests of shareholders who do not participate in the rights issue. The existing percentage shareholdings of non-participating shareholders would be diluted accordingly as the value from the discount is transferred to the participating shareholders. The Entitled Shareholders for Rights Issue and/or their renouncee(s) would also need to incur cash outlay to subscribe for the Rights Shares based on the Rights Issue Price of RM0.80.

Premised on the above, we are of the view that the rationale of the Proposed Rights Issue is <u>reasonable</u>.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

The details of the Proposed Acquisition and Proposed Rights Issue are set out in **Section 2 and Section 3, Part A** of the Circular. In evaluating the Proposed Acquisition and Proposed Rights Issue, we have taken into consideration, amongst others, the following:

(i) Basis and justification of the Purchase Consideration;
(ii) Evaluation of the Rights Issue Price; and
(iii) Salient terms of the SPA.

8.1 Basis and justification for the Purchase Consideration

As set out in **Section 2**, **Part A** of the Circular, we noted that BBSB and BCSB had, on 6 December 2023, entered into the SPA, whereby BBSB agrees to acquire the following Construction Equipment from BCSB for the Purchase Consideration of RM35.00 million:

(i) 79,713 square meters of aluminium formwork systems ("**Aluminium Formwork**");

(ii) 10,945 units of green formwork systems and related accessories ("**Green Formwork**"); and

(iii) 443 units of self-climbing scaffolding and related accessories ("**Self-climbing Scaffolding**")

The Purchase Consideration of RM35.00 million for the Construction Equipment was arrived at on a "willing-buyer willing-seller" basis after taking into consideration, amongst others, the following:

(i) The market value of the Construction Equipment as ascribed by Knight Frank in its Valuation Report. Based on the Valuation Report, the Independent Valuer has adopted the Depreciated Replacement Cost ("**DRC**") to arrive at the market value of RM35.80 million for the Construction Equipment ("**Market Value**").

The Purchase Consideration represents a discount of RM0.80 million or approximately 2.23% to the Market Value.

The DRC is the cost of replacing the assets as new, including costs for installation, infrastructure and professional fees and allowing for depreciation of physical, functional and economic obsolescence over its useful life as well as making appropriate allowances for refurbishment costs to be incurred and their respective residual value (scrap value). Furthermore, the Independent Valuer had conducted inspections on the Construction Equipment and their operating conditions in arriving at the Market Value.

(ii) The rationale and benefits of the Proposed Acquisition as set out in **Section 8**, **Part A** of the Circular.

We have reviewed the contents of the Valuation Report prepared by the Independent Valuer and noted that the Valuation Report is prepared solely for internal management purposes only. We also noted that the Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. Accordingly, we are satisfied with the bases and assumptions adopted by the Independent Valuer in arriving at the Market Value of the Construction Equipment. For further details of the bases and assumptions adopted by the Independent Valuer and our accompanying comments, please refer to item (i) to (iii) below.

In valuing the Construction Equipment, we noted that the Independent Valuer had considered the sales comparison approach, income approach and the DRC approach. The income approach was not used as the valuation of the Construction Equipment as appraised by the Independent Valuer is based on its potential remaining economic life only, while the sales comparison approach was not used as the Independent Valuer was unable to identify similar comparable transactions for the Construction Equipment.

As such, we noted that the Independent Valuer had adopted the DRC approach as the sole valuation method in appraising the Market Value of the Construction Equipment. DRC refers to the cost of replacing the assets as new, including costs for installation, infrastructure and professional fees and allowing for depreciation of physical, functional and economic obsolescence (where applicable).

The valuation of the Construction Equipment (i.e. Aluminium Formwork, Green Formwork and Self-climbing Scaffolding) as appraised by the Independent Valuer are summarised as follows:

(i) Aluminium Formwork

We noted that the Independent Valuer has computed the market value of the Aluminium Formwork as follows:

	Assumptions	RM
Estimated new replacement cost	1	45,000,000
Less: Depreciation (for valuation purposes) (after rounding)	2	(9,000,000)
Less: Cost of refurbishment	3	(5,870,410)
Less: Adjustment of value of certain odd-shaped Aluminium Formwork to scrap value	4	(414,000)
Market value of Aluminium Formwork		29,715,590
Market value of Aluminium Formwork (after rounding)		29,000,000

Note:

^ *For information purposes, the scrap value is computed based on the following formula: 1,953 square meters x 23 kilograms per square meter x RM10 per kilogram = RM449,190, which is equivalent to RM450,000 (after rounding).*

The adjustment of value of certain odd-shaped Aluminium Formwork to scrap value of RM414,000 is derived based on the difference between the value of certain odd-shaped Aluminium Formwork and the scrap value of RM450,000. Please see assumption 4 below for further explanation.

The key bases and assumptions adopted by the Independent Valuer in determining the market value of the Aluminium Formwork and our comments are set out as follows:

No.	Key bases and assumptions	Our comments
1.	Estimated new replacement cost In estimating the new replacement cost of the Aluminium Formwork, the Independent Valuer: (i) has adopted the actual purchase cost of the Aluminium Formwork by BCSB; and (ii) less the estimated losses that might occur during the transfer of the equipment. Accordingly, the	In estimating the new replacement cost of the Aluminium Formwork, we noted that the Independent Valuer had adopted the actual cost of purchase of the Aluminium Formwork by BCSB due to the difficulty in obtaining the new replacement cost via actual comparable quotations. Further, as set out in the Valuation Report, the Aluminium Formwork was purchased by BCSB based on the following timeframe:

<table>
<tr><th>No.</th><th>Key bases and assumptions</th><th>Our comments</th></tr>
<tr>
<td></td>
<td>Independent Valuer has assumed a rate of 0.5% of the total purchase cost.

The table below summarises the computation of the estimated replacement cost:

<table>
<tr><th></th><th>(RM' mil)</th></tr>
<tr><td>Actual purchase cost</td><td>44.32</td></tr>
<tr><td>Less: estimated losses</td><td>(0.22)</td></tr>
<tr><td>Estimated new replacement cost</td><td>44.10</td></tr>
<tr><td>Estimated new replacement cost (rounded)^</td><td>45.00</td></tr>
</table>

Note:
^ In view that 47% of the Aluminium Formwork were purchased by BCSB from 2018 to 2019, the Independent Valuer had rounded up the estimated new replacement cost from RM44.10 million to RM45.00 million to adjust for the increase in price over the years.</td>
<td>
<table>
<tr><th>Year of Purchase</th><th>%</th><th>Total Cost (RM' mil)</th></tr>
<tr><td>2020-2023</td><td>57%</td><td>25.40</td></tr>
<tr><td>2018-2019</td><td>43%</td><td>18.92</td></tr>
<tr><td>Actual purchase cost</td><td></td><td>44.32</td></tr>
</table>

Based on the table above, we noted from the Independent Valuer that the actual cost of purchase is still relevant as approximately 57% of the Aluminium Formwork was purchased from 2020 to 2023. Accordingly, the Independent Valuer indicated that the market price has not substantially changed since 2020.

As for the remaining 47% of the Aluminium Formwork that was purchased from 2018 to 2019, the Independent Valuer had taken into consideration the increase in price over the years by rounding up the estimated new replacement cost from RM44.10 million to RM45.00 million.

We also noted that the estimated losses of 0.5% from the actual purchase cost is derived based on past records by BCSB and Independent Valuer's discussion with the management of BCSB. The estimated losses refer to the potential losses that might occur during the transfer of the equipment from the Vendor to the Purchaser, which could render the equipment unfeasible for refurbishment. We are of the view that the deduction of the estimation losses is reasonable to better reflect the estimated new replacement cost.

Based on the above, we are of the view that the estimated replacement cost adopted by the Independent Valuer is reasonable.</td>
</tr>
<tr>
<td>2.</td>
<td>Depreciation (for valuation purposes)

The Independent Valuer had adopted a depreciation adjustment of 6.7% per annum for a period of 3 years.</td>
<td>We noted that the Independent Valuer had adopted a depreciation adjustment of 6.7% per annum ((100% - 40%) / 9 years) for a period of 3 years after taking into consideration:

(i) the average age profile of the Aluminium Formwork of approximately 3 years;

(ii) the economic useful life[(1)] of an aluminium formwork of 9 years; and

(iii) residual value of 40%.</td>
</tr>
</table>

No.	Key bases and assumptions	Our comments
		It is further noted that the Independent Valuer had only accounted for the physical depreciation and had not factored in any provisions for potential technical or functional obsolescence in view that the functionality of Aluminium Formwork does not change over time. We also noted in the Valuation Report that the residual value of 40% is derived based on the current market price for scrap Aluminium Formwork of RM10 per kilogram divided by the actual cost of Aluminium Formwork per kilogram of RM25. **Based on the above, we are of the view that the depreciation adjustment adopted by the Independent Valuer is reasonable.**
3.	Cost of refurbishment Upon inspection of the Aluminium Formwork, the Independent Valuer had estimated: (i) a total of 68,742 square meters of Aluminium Formwork will be subject to refurbishment by third-party supplier; and (ii) 7,421 square meters of Aluminium Formwork will be subject to refurbishment by BCSB; due to wear and tear suffered during usage. Accordingly, the Independent Valuer had estimated the total cost of refurbishment to be approximately RM5.87 million.	We noted that the Independent Valuer had determined the costs of refurbishment for the Aluminium Formwork based on the following rates: (i) Refurbishment quotation provided by third-party supplier of RM80 per square meter, which is 15% of the estimated new replacement cost of RM550 per square meter; and (ii) Refurbishment by BCSB is at a rate of RM50 per square meter. We further noted from the Valuation Report that the refurbishment rates above are based on actual market rates quoted by third-party suppliers and/or BCSB. **Based on the above, we are of the view that the cost of refurbishment adopted by the Independent Valuer is reasonable.**
4.	Adjustment of certain odd-shaped Aluminium Formwork to scrap value Upon inspection of the Aluminium Formwork, the Independent Valuer had estimated a total of 1,953 square meters of Aluminium Formwork that are “odd-shaped” are no longer feasible for normal usage and have no re-sale value. As such, the Independent Valuer had adjusted 1,953 square meters of Aluminium Formwork from new replacement cost to scrap value.	We noted that the estimated amount of 1,953 square meters of Aluminium Formwork that are “odd-shaped” is derived based on the Independent Valuer’s discussion with the management of BCSB. We also noted that the Independent Valuer had determined the scrap value of RM10 per kilogram based on actual market rates quoted by scrap dealers. **Based on the above, we are of the view that the adjustment of certain odd-shaped Aluminium Formwork to scrap value by the Independent Valuer is reasonable.**

Note:

*(1) As set out in **Section 2, Part A** of the Circular, we noted that based on Comintel's estimation, with routine maintenance being performed, the Construction Equipment is expected to operate for approximately 10 to 15 years.*

However, for valuation purposes, we noted that the Independent Valuer had adopted the economic useful life where it focuses on the period during which the Construction Equipment remains cost-effective for business use, taking into account factors beyond just physical wear and tear. The economic useful life has been adopted to determine the depreciation charge for the Construction Equipment before arriving at the Market Value of the Construction Equipment.

(ii) Green Formwork

We noted that the Independent Valuer has computed the market value of the Green Formwork as follows:

	Assumptions	RM
Estimated new replacement cost	1	4,050,000
Less: Depreciation (for valuation purposes)	2	(1,822,500)
Less: Cost of refurbishment	3	(607,500)
Market value of Green Formwork		1,620,000

The key bases and assumptions adopted by the Independent Valuer in determining the market value of the Green Formwork and our comments are set out as follows:

<table>
<tr><th>No.</th><th>Key bases and assumptions</th><th>Our comments</th></tr>
<tr><td>1</td><td>Estimated new replacement cost

In estimating the new replacement cost of the Green Formwork, the Independent Valuer:

(i) has adopted the actual purchase cost of the Green Formwork by BCSB; and

(ii) less the estimated losses that might occur during the transfer of the equipment. Accordingly, the Independent Valuer has assumed a rate of 5% of the total purchase cost.

The table below summarises the computation of the estimated replacement cost:

<table><tr><th></th><th>(RM' mil)</th></tr><tr><td>Actual purchase cost</td><td>4.26</td></tr><tr><td>Less: estimated losses</td><td>(0.21)</td></tr><tr><td>Estimated new replacement cost</td><td>4.05</td></tr></table></td><td>In estimating the new replacement cost of the Green Formwork, we noted that the Independent Valuer had adopted the actual cost of purchase of the Green Formwork by BCSB due to the difficulty in obtaining the new replacement cost via actual comparable quotations.

Further, as set out in the Valuation Report, the Green Formwork was purchased by BCSB in 2018 and 2019. We noted from the Independent Valuer that the actual cost of purchase is still relevant as the market price has not substantially changed since 2018.

As there is no past reported data, we noted that the estimated losses of 5% of the actual purchase cost are derived based on Independent Valuer's professional judgment. The estimated losses refer to the potential losses that might occur during the transfer of the equipment from the Vendor to the Purchaser, which could render the equipment unfeasible for refurbishment. We are of the view that the deduction of the estimation losses is reasonable to better reflect the estimated new replacement cost.</td></tr>
</table>

No.	Key bases and assumptions	Our comments
		Based on the above, we are of the view that the estimated replacement cost adopted by the Independent Valuer is reasonable.
2	Depreciation (for valuation purposes) The Independent Valuer had adopted a depreciation adjustment of 9% per annum for a period of 5 years.	We noted that the Independent Valuer had adopted a depreciation adjustment of 9% per annum ((100% - 10%) / 10 years) for a period of 5 years after taking into consideration: (i) the average age profile of the Green Formwork of approximately 5 years; (ii) the economic useful life(1) of a green formwork of 10 years; and (iii) residual value of 10%. It is further noted that the Independent Valuer had only accounted for the physical depreciation and had not factored in any provisions for potential technical or functional obsolescence in view that the functionality of Green Formwork does not change over time. We also noted that the Independent Valuer had estimated the residual value as being the average scrap price of steel of approximately 10% of cost. The residual value of the Green Formwork is determined by considering the scrap value of the steel, as the Green Formwork is constructed from this material. **Based on the above, we are of the view that the depreciation adjustment adopted by the Independent Valuer is reasonable.**
3	Cost of refurbishment In estimating the cost of refurbishment, the Independent Valuer has multiplied the estimated new replacement cost of the Green Formwork by a rate of 15% of the estimated new replacement cost.	We noted that the cost of refurbishment for Green Formwork of 15% is based on the Independent Valuer's professional judgement. We further noted that the cost of refurbishment for Green Formwork of 15% is consistent with the third-party supplier quotation provided for the refurbishment of Aluminium Formwork. **Based on the above, we are of the view that the estimated cost of refurbishment adopted by the Independent Valuer is reasonable.**

__Note:__

*(1) As set out in **Section 2, Part A** of the Circular, we noted that based on Comintel's estimation, with routine maintenance being performed, the Construction Equipment is expected to operate for approximately 10 to 15 years.*

However, for valuation purposes, we noted that the Independent Valuer had adopted the economic useful life where it focuses on the period during which the Construction Equipment remains cost-effective for business use, taking into account factors beyond just physical wear and tear. The economic useful life has been adopted to determine the depreciation charge for the Construction Equipment before arriving at the Market Value of the Construction Equipment.

(iii) Self-climbing Scaffolding

We noted that the Independent Valuer has computed the market value of the Self-climbing Scaffolding as follows:

	Assumptions	RM
Estimated new replacement cost	1	11,500,000
Less: Depreciation (for valuation purposes)	2	(4,600,000)
Less: Cost of refurbishment	3	(1,725,000)
Market value of Self-climbing Scaffolding		5,175,000
Market value of Self-climbing Scaffolding (after rounding)		5,180,000

The key bases and assumptions adopted by the Independent Valuer in determining the market value of the Self-climbing Scaffolding and our comments are set out as follows:

<table>
<tr><th>No.</th><th>Key bases and assumptions</th><th>Our comments</th></tr>
<tr><td>1</td><td>Estimated new replacement cost

In estimating the new replacement cost of the Scaffolding, the Independent Valuer:

(i) has adopted the actual purchase cost of the Self-climbing Scaffolding by BCSB; and

(ii) less the estimated losses that might occur during the transfer of the equipment. Accordingly, the Independent Valuer has assumed a rate of 10% of the total purchase cost.

The table below summarises the computation of the estimated replacement cost:

<table><tr><th></th><th>(RM' mil)</th></tr><tr><td>Actual purchase cost</td><td>12.67</td></tr><tr><td>Less: estimated losses</td><td>(1.27)</td></tr><tr><td>Estimated new replacement cost</td><td>11.40</td></tr><tr><td>Estimated new replacement cost (rounded)</td><td>11.50</td></tr></table></td><td>In estimating the new replacement cost of the Self-climbing Scaffolding, we noted that the Independent Valuer had adopted the actual cost of purchase of the Self-climbing Scaffolding by BCSB due to the difficulty in obtaining the new replacement cost via actual comparable quotations.

Further, as set out in the Valuation Report, the Self-climbing Scaffolding was purchased by BCSB in 2019 and 2021. We noted from the Independent Valuer that the actual cost of purchase is still relevant as the market price has not substantially changed since 2019.

As there is no past reported data, we noted that the estimated losses of 10% of the actual purchase cost are derived based on Independent Valuer's professional judgment. The estimated losses refer to the potential losses that might occur during the transfer of the equipment from the Vendor to the Purchaser, which could render the equipment unfeasible for refurbishment. We are of the view that the deduction of the estimation losses is reasonable to better reflect the estimated new replacement cost.</td></tr>
</table>

No.	Key bases and assumptions	Our comments
		Based on the above, we are of the view that the estimated replacement cost adopted by the Independent Valuer is reasonable.
2	Depreciation (for valuation purposes) The Independent Valuer had adopted a depreciation adjustment of 10% per annum for a period of 4 years.	We noted that the Independent Valuer had adopted a depreciation adjustment of 10% per annum ((100% - 10%) / 9 years) for a period of 4 years after taking into consideration: (i) the average age profile of the Self-climbing Scaffolding of approximately 4 years; (ii) the economic useful life(1) of a Self-climbing Scaffolding of 9 years; and (iii) residual value of 10%. It is further noted that the Independent Valuer had only accounted the physical depreciation and have not factored in any provisions for potential technical or functional obsolescence in view that functionality of Self-climbing Scaffolding does not change over time. We also noted that the Independent Valuer had estimated the residual value as being the average scrap price of steel of approximately 10% of cost. **Based on the above, we are of the view that the depreciation adjustment adopted by the Independent Valuer is reasonable.**
3	Cost of refurbishment In estimating the cost of refurbishment, the Independent Valuer has multiplied the estimated new replacement cost of the Self-climbing Scaffolding by a rate of 15% of the estimated new replacement cost.	We noted that the cost of refurbishment for Self-climbing Scaffolding of 15% is based on the Independent Valuer's professional judgement. We further noted that the cost of refurbishment for Self-climbing Scaffolding of 15% is consistent with the third-party supplier quotation for the refurbishment of Aluminium Formwork. **Based on the above, we are of the view that the estimated cost of refurbishment adopted by the Independent Valuer is reasonable.**

Note:

(1) *As set out in **Section 2, Part A** of the Circular, we noted that based on Comintel's estimation, with routine maintenance being performed, the Construction Equipment is expected to operate for approximately 10 to 15 years.*

However, for valuation purposes, we noted that the Independent Valuer had adopted the economic useful life where it focuses on the period during which the Construction Equipment remains cost-effective for business use, taking into account factors beyond just physical wear and tear. The economic useful life has been adopted to determine the depreciation charge for the Construction Equipment before arriving at the Market Value of the Construction Equipment.

Summary

Based on our assessment above, we noted that the Independent Valuer had adopted the DRC approach as the sole valuation method in appraising the Market Value of the Construction Equipment. We are of the view that the DRC approach as the sole valuation method is reasonable in view of the nature and unique characteristics of the Construction Equipment where there is no similar comparable transactions with are identical in terms of shape, age profile and condition.

Given the unique characteristics of the Construction Equipment as well as the limited publicly available data on the Construction Equipment, we have assessed the 3 key assumptions (i.e. estimated new replacement cost, depreciation and cost of refurbishment) by taking into consideration, amongst others, the judgement of the Independent Valuer, data reported by the Vendor, the price quoted by the supplier/ Vendor and the existing age profile of the Construction Equipment before arriving at the reasonableness of the key bases and assumptions. Accordingly, we are satisfied with the bases and assumptions adopted by the Independent Valuer in arriving at the Market Value of the Construction Equipment.

In arriving at the fairness evaluation of the Purchase Consideration, we have compared the Purchase Consideration against the Market Value of the Construction Equipment as appraised by the Independent Valuer as follows:

Details	RM
Purchase Consideration	35,000,000
Market Value of the Construction Equipment as appraised by the Independent Valuer	35,800,000

Based on the table above, the Purchase Consideration of RM35.00 million represents a discount of 2.23% to the Market Value of the Construction Equipment of RM35.80 million.

As such, we are of the view that the Purchase Consideration is fair.

Nevertheless, non-interested shareholders of Comintel should also consider the qualitative factors of the Proposed Acquisition and Proposed Rights Issue as set out in the ensuing sections of this IAL to arrive at a holistic view.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8.2 Evaluation of the Rights Issue Price

As disclosed in **Section 3.2, Part A** of the Circular, we noted that the Board has fixed the Rights Issue Price of RM0.80 per Rights Share, after taking into consideration, amongst others, the following:

(i) The funding requirements of Comintel Group, as set out in **Section 3.6, Part A** of the Circular;

(ii) The prevailing market conditions as well as the current and historical market price of Comintel Shares for the past 12 months; and

(iii) The resultant TERP of Comintel Shares of approximately RM1.32 computed based on the 5-day VWAP of Comintel Shares up to and including the latest practicable date prior to the announcement date, of RM1.3718 whereby the Rights Issue Price of RM0.80 represents a discount of approximately 39.39% to the TERP.

Our Comments:

In our evaluation of the Rights Issue Price of RM0.80, we have compared the Rights Issue Price of RM0.80 to the TERP of Comintel Shares based on the closing market prices or the respective VWAP over various timeframes up to and including the LPD as follows:

	Closing market price / VWAP	TERP[1]	Discount to the TERP	
	RM	RM	RM	%
Up to and including the LPD:				
Closing market price	1.40	1.35	(0.55)	(40.74)
Five (5)-day VWAP	1.41	1.35	(0.55)	(40.74)
One (1)-month VWAP	1.44	1.38	(0.58)	(42.03)
Three (3)-month VWAP	1.40	1.34	(0.54)	(40.30)
Six (6)-month VWAP	1.29	1.25	(0.45)	(36.00)
One (1)-year VWAP	1.17	1.14	(0.34)	(29.82)

(Source: Bloomberg)

Note:

(1) TERP is computed based on the following formula:

$$TERP = \frac{(A \times X) + (B \times Y)}{A + B}$$

A = Number of Comintel Shares as at the LPD
B = Number of Rights Shares
X = Respective closing market price / VWAPs of Comintel Shares in the table above
Y = Rights Issue Price

Based on the table above, we noted that the Rights Issue Price of RM0.80 represents discounts ranging between 29.82% to 42.03% to the TERP based on the closing market price five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs of Comintel Shares up to and including the LPD.

We further noted the following:

(i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholdings of all Entitled Shareholders for Rights Issue on the Rights Issue Entitlement Date;

(ii) the pricing mechanism of the Rights Shares is based on a market-based approach; and

(iii) all Entitled Shareholders for Rights Issue have the same rights to subscribe for their entitlements to the Rights Shares at the same issue price.

Based on the above, we are of the view that the pricing mechanism of the Rights Issue Price is reasonable.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8.3 Salient Terms of the SPA

The salient terms of the SPA are disclosed in **Appendix I** of the Circular. The following sets out only a summary of the material salient terms of the SPA that was considered by us and non-interested shareholders of Comintel are advised to read **Appendix I** of the Circular in its entirety.

No.	Salient terms of the SPA	Our comments
1.	**Sale and purchase of Construction Equipment**	
	1.1 The Vendor shall sell and the Purchaser shall purchase the Construction Equipment, on an "as is where is basis", free from all liens, charges and encumbrances and with full legal and beneficial interest subject to the terms and conditions of the SPA.	This term is reasonable as it is the intention for Comintel to purchase the Construction Equipment on an "as is where is basis" based on the agreed Purchase Consideration.
	1.2 The legal and beneficial interest to and risk in the Construction Equipment shall pass to the Purchaser on the Completion Date.	This term is reasonable as the Purchaser assumes control of the Construction Equipment after making full payment on the Completion Date.
2.	**Manner and payment of Purchase Consideration**	
	2.1 The Purchase Consideration shall be RM35 million which was arrived at on a willing-buyer willing-seller basis.	This term is beneficial to Comintel as the Purchase Consideration of RM35.00 million represents a discount of 2.23% to the Market Value of the Construction Equipment of RM35.80 million as appraised by the Independent Valuer.
	2.2 The Purchase Consideration shall be paid by the Purchaser to the Vendor in cash on the Completion Date.	This term is reasonable as the Purchase Consideration is only paid by the Purchaser on the completion date, being the day falling thirty (30) days after the Unconditional Date.
3.	**Inspection** The Purchaser has a right to conduct an inspection on the Construction Equipment which are to be delivered to the Purchaser prior to the Completion Date.	The term is reasonable in ensuring that the transaction is conducted in good faith and to the satisfaction of the Purchaser.
4.	**Conditions Precedent**	
	4.1 The completion of the sale and purchase of the Construction Equipment will in all respects be conditional upon the following conditions precedent (**"Conditions Precedent"**) being fulfilled/obtained/waived by the parties upon mutual agreement to the extent permissible by law by the cut-off date, being the day falling six (6) months after the date of the SPA, or such later date as the parties may mutually agree (**"Cut-Off Date"**):	These terms are reasonable as the condition precedents of the SPA are the requisite approvals required to be fulfilled by the parties of the SPA to complete the Proposed Acquisition. These terms also ensure that the transaction is in compliance with the applicable laws and regulatory requirements.

No.	Salient terms of the SPA	Our comments
	(a) Comintel (being the holding company of the Purchaser) having obtained the approval of its shareholders at a general meeting to be convened for the Proposed Acquisition in accordance with the terms and conditions of the SPA and the Proposed Rights Issue; (b) Comintel (being the holding company of the Purchaser) having obtained the approval of Bursa Securities for the listing of and quotation for the Rights Shares on the official list of the Main Market of Bursa Securities; (c) Comintel (being the holding company of the Purchaser) having implemented and completed the Proposed Rights Issue (as evidenced by the listing and quotation of the Rights Shares on the Main Market of Bursa Securities); (d) the Purchaser being satisfied that the Construction Equipment shall be free from all liens, encumbrances and loan redemption liabilities whatsoever; (e) Comintel and/or the Purchaser having obtained the approval or consent of the financiers/creditors for the Proposed Acquisition in accordance with the terms and conditions of the SPA and the Proposed Rights Issue, if required; and (f) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties having been obtained. 4.2 If any of the Conditions Precedents is not fulfilled or waived by the Cut-Off Date, either party may, at its sole discretion, terminate the SPA by notice in writing, and neither party shall thereafter have any claim against the other party, save in respect of any antecedent breach. 4.3 The SPA shall become unconditional on the date Unconditional Date.	We are of the view that a time period of 6 months is reasonable for the parties of the SPA to fulfil the conditions precedent of the SPA.

No.	Salient terms of the SPA	Our comments
5.	**Termination** 5.1 Purchaser's right to terminate The Purchaser shall be entitled to issue a notice of termination to the Vendor at any time prior to the Completion Date if, at any time – (a) the Vendor commits any continuing or material breach of any of its obligations under the SPA which – (1) is incapable of remedy; or (2) if capable of remedy, is not remedied within fourteen (14) days of it being given notice so to do; (b) a petition is presented (and such petition is not stayed or struck-out within thirty (30) business days of the petition being served) or an order is made or a resolution is passed for the winding up of the Vendor; (c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the Vendor; (d) the Vendor becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or (e) any of the warranties given by the Vendor is found at any time to be untrue or inconsistent. 5.2 Vendor's right to terminate The Vendor shall be entitled to issue a notice of termination to the Purchaser at any time prior to the Completion Date if, at any time – (a) the Purchaser commits any continuing or material breach of any of its obligations under the SPA which – (1) is incapable of remedy; or (2) if capable of remedy, is not remedied within fourteen (14) days of it being given notice so to do;	These terms are reasonable as it sets out that the conditions for the termination of the SPA for both parties are parallel. These terms are reasonable as it entitles the Purchaser/the Vendor to terminate the SPA in the event the Vendor/the Purchaser is in material breach of any of its obligations, covenants, undertakings and representations and warranties contained in the SPA.

No.	Salient terms of the SPA	Our comments
	(b) a petition is presented (and such petition is not stayed or struck-out within thirty (30) business days of the petition being served) or an order is made or a resolution is passed for the winding up of the Purchaser; (c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the Purchaser; (d) the Purchaser becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or make a general assignment for the benefit of its creditors; or (e) any of the warranties given by the Purchaser is found at any time to be untrue or inconsistent.	
6.	**Completion** 6.1 The Vendor shall on the Completion Date pursuant to the provisions of the SPA (to the extent applicable) – (a) deliver to the Purchaser at such address in Malaysia to be specified by the Purchaser, all Construction Equipment; and (b) complete and comply with all other obligations stipulated in the SPA which are due to be performed or complied with on the part of the Vendor at the cost and expenses of the Vendor on or before the Completion Date. In exchange thereof, the Purchaser shall pay the Purchase Consideration. 6..2 The Vendor acknowledges that on the Completion Date, the Purchaser will have full and unrestricted possession of the Construction Equipment.	These terms are common commercial term for agreements of similar nature to the Proposed Acquisition.

Premised on the above, we are of the view that the salient terms of the SPA are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of Comintel.

9. **EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE**

In evaluating the Proposed Acquisition and Proposed Rights Issue, we have taken note of the effects of the Proposals as set out in **Section 11, Part A** of the Circular. Our comments on the effects of the Proposed Acquisition and Proposed Rights Issue are as follows:

(i) Issued share capital

The Proposed Acquisition will not have any effects on the issued share capital of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel.

Based on the Full Subscription Basis, the Proposed Rights Issue will result in an increase in Comintel's issued number of Shares from 452,500,000 Shares (as at the LPD) to 497,750,000 Shares and issued share capital increase from RM28.85 million (as at the LPD) to RM65.05 million.

(ii) Substantial shareholders' shareholding

The Proposed Acquisition will not have any effects on the substantial shareholders' shareholdings of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel.

The proforma effects of the Proposed Rights Issue (based on the Full Subscription Basis) on Comintel's substantial shareholders' shareholdings as at the LPD are set out as follows:-

	As at the LPD				**After the Proposed Rights Issue**			
	Direct		**Indirect**		**Direct**		**Indirect**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
JCSB	231,057,870	51.06	-	-	254,163,657	51.06	-	-
Datuk Jackson Tan	55,000,000	12.15	231,057,870(i)	51.06	60,500,000	12.15	254,163,657(i)	51.06
LSY	36,780,650	8.13	-	-	40,458,715	8.13	-	-

Note:

(i) Deemed interested by virtue of his shareholdings in JCSB pursuant to Section 8(4) of the Act.

Based on the above, we noted that on a Full Subscription Basis, the number of Shares held by Comintel's substantial shareholders will increase based on their entitlements for the Proposed Rights Issue. However, the shareholding percentage of Comintel's substantial shareholders will remain unchanged as Comintel has procured irrevocable and unconditional undertaking letters from them to fully subscribe for its entitlements under the Proposed Rights Issue as at the Entitlement Date and the remaining portion of 12,966,148 Rights Shares for which no undertaking has been obtained will be fully underwritten.

(iii) NA and gearing

The Proposed Acquisition will not have any effects on the NA per Share and gearing of Comintel Group as it does not entail any change to the equity structure or borrowings of Comintel Group.

For illustrative purposes, the proforma effects of the Proposed Rights Issue (based on the Full Subscription Basis) on the audited consolidated NA and gearing of Comintel Group as at 31 January 2023 are set out below:-

	Audited as at 31 January 2023 (RM'000)	(I) After material subsequent events[(i)] (RM'000)	(II) After the Proposed Rights Issue (RM'000)
Share capital	23,461	28,851	64,295[(iii)(iv)]
RCPS	5,390	-	-
Reserves	(20)	(20)	(20)
Retained earnings	13,607	12,832	11,766[(v)]
Shareholders' fund / NA attributable to equity holders	**42,438**	**41,663**	**76,041**
No. of Comintel Shares in issue ('000)	382,500	452,500	497,750
NA per Share (RM)	0.11	0.09	0.15
Total borrowings (RM'000)	166	27,817[(ii)]	27,817[(ii)]
Gearing (times)	-[(vi)]	0.67	0.37

Notes:

(i) Material subsequent events comprise the following:-
(a) 70,000,000 RCPS converted on 8 November 2023 into 70,000,000 new Comintel Shares; and
(b) Disposal of Comintel System Technologies Sdn Bhd, a wholly-owned subsidiary of Comintel, to Huang Chai Sheng for disposal consideration of RM135,000 as announced by the Company on 20 November 2023.

(ii) Represented the total bank borrowings of the Group as at the LPD.

(iii) After taking into consideration of the 45,250,000 Rights Shares to be issued under the Full Subscription Basis at the Rights Issue Price of RM0.80 per Rights Share.

(iv) After deducting the estimated expenses to be incurred in relation to the Proposed Rights Issue of approximately RM0.76 million.

(v) After deducting the estimated expenses to be incurred in relation to the Proposed Rights Issue of approximately RM1.07 million.

(vi) Negligible.

Upon completion of the Proposed Rights Issue, we noted that the proforma NA per Comintel Share will increase from RM0.09 as at 31 January 2023 (after adjusting for material subsequent events) to RM0.15 as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares. The increase in proforma NA per Comintel Share is also due to the Rights Issue Price of RM0.80 which is issued at a higher price as compared to NA per Comintel Share of RM0.09 as at 31 January 2023 (after adjusting for material subsequent events).

Upon completion of the Proposed Rights Issue, we also noted that the proforma gearing of the Group will decrease from 0.67 times as at 31 January 2023 (after adjusting for material subsequent events) to 0.37 times as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares.

(iv) Earnings and EPS

For illustrative purposes, save for the estimated additional depreciation expenses of approximately RM7.00 million per annum, the Proposed Acquisition are not expected to have a material impact on the consolidated earnings of Comintel Group immediately upon completion of the Proposed Acquisition.

The Proposed Rights Issue is not expected to have any immediate material effect on the consolidated earnings of Comintel Group but is expected to have a dilutive impact on the EPS of Comintel Group as a result of the increase in number of issued Comintel Shares arising from the issuance of the Rights Shares immediately upon completion of the Proposed Rights Issue.

Based on the above, the effects of the Proposed Acquisition and Proposed Rights Issue are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders of Comintel.

10. INDUSTRY OVERVIEW AND PROSPECTS

We take cognisance of the outlook of the Malaysian economy, property development and construction industry in Malaysia as well as the prospects of Comintel Group as set out in **Section 9, Part A** of the Circular.

10.1 Overview and Outlook of the Malaysian Economy

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial market due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies, and emerging market and developing economies.

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, gross domestic product (**"GDP"**) posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to the economic growth. Notwithstanding these challenges, the economy continues reaping the benefit from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, the GDP is anticipated to register a growth of approximately 4% in 2023.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

Efforts will be intensified to strengthen Malaysia's agility in keeping pace with the fast-changing environment, which requires a paradigm shift and innovation culture to enhance economic growth. The continuation of strategic projects, digitalisation, improved productivity and advanced manufacturing will further stimulate the growth of the economy in the medium term. All economic sectors are expected to benefit from the recent policies such as National Energy Transition Roadmap, New Industrial Master Plan 2030 (**"NIMP 2030"**) and Mid-Term Review (**"MTR"**) of the Twelfth Malaysia Plan, which are in tandem with the Ekonomi MADANI framework. Looking ahead, effective implementation of these policies will further enhance economic growth and resilience as Malaysia navigates through the challenging global landscape.

(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)

Headline and core inflation to remain moderate for remainder of 2023. In line with expectations, headline and core inflation have continued to ease through the year amid the more moderate cost conditions. This would likely continue for the remainder of 2023 amid moderate momentum of price increases. Overall, headline inflation is expected to average between 2.5% and 3.0% in 2023. Moving into 2024, headline and core inflation are projected to remain modest barring further cost shocks. However, risks to the inflation outlook remain highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments. Of note, the government's intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions.

The Monetary Policy Committee (**"MPC"**) maintained the Overnight Policy Rate (**"OPR"**) at 3.00% at the November 2023 MPC meeting. At the current OPR level, the MPC deemed that the monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects. The MPC remains vigilant to ongoing developments to inform the assessment on the outlook of domestic inflation and growth. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

(Source: BNM Quarterly Bulletin 3Q 2023, Bank Negara Malaysia)

10.2 Overview and Outlook of the Property Market in Malaysia

More than 89,000 transactions worth RM42.31 billion were recorded in Q1 2023. This showed a 5.7% decrease in market activity compared to Q1 2022 but the total transaction value increased slightly by 0.8%. The decrease in activity in the residential and agricultural property sub-sectors at a rate of 6.6% and 12.5% respectively compared to last year affected the performance of the overall property market. Nevertheless, the increased activity in the commercial and development land subsectors, which increased by 14.5% and 2.8% in volume and 22.1% and 30.4% in value respectively offset the overall decline.

The residential subsector continued to support the overall property market activity with 60.5% share, recording nearly 54,000 transactions worth RM20.87 billion. Seasonal factor in house purchases which is usually low at the beginning of the year, the increase in the OPR and the Consumer Sentiment Index decline (Q1 2023: 99.2 points; Q1 2022: 108.9 points) are among the factors that contributed to the decline in residential market activity in particular. However, the number of transactions recorded in Q1 2023 was higher than those recorded in pre-pandemic years.

The Malaysian House Price Index stood at 210.1 points (RM453,365 per unit) in Q1 2023 with a marginal annual growth of 2.0%. The growth ranging from 0.4% to 5.8%, which was recorded in all states except Sarawak, has stabilized the overall house price index. This annual growth was almost similar to the pre-pandemic growth.

The country's economic and financial developments are the internal factors that will have an impact on the real estate sector and the sentiment of industry players as well as the external factors such as the global financial and economic situation. Looking at the national economy which is projected to grow by 4.0% to 5.0% in 2023 supported by continued resilient domestic growth prospects, the property market is expected to remain cautiously optimistic in 2023.

(Source: Press Release - Property Market in the First Quarter of 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

The real estate and business services subsector is poised to grow by 5.4% in 2024 attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)

10.3 Overview and Outlook of the Construction Industry in Malaysia

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

The sector is forecast to expand by 5.9% in the second half of the year supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of government’s initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For the year, performance of the sector is expected to remain steady and grow by 6.3%.

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road, the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025. Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector’s growth. The implementation of NIMP 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the government’s effort to increase more affordable houses as outlined under the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Budget 2024, Economic Outlook 2024, Ministry of Finance Malaysia)

10.4 Prospects of Comintel Group

We noted that since Comintel Group’s diversification into construction business which was approved by shareholders of Comintel on 9 November 2021, the construction business segment has become a major revenue contributor to Comintel Group. As at LPD, the Group has outstanding orderbook of RM1.43 billion and 15 on-going construction projects which mainly comprises of construction contracts for high-rise residential and commercial buildings.

Moving forward, the performance of the Group’s construction business will be underpinned by the outlook of the construction sector which is further supported by government initiatives such as the implementation of NIMP 2030, the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme. The completion of the Proposed Acquisition and Proposed Rights Issue will also enable the Group to own Construction Equipment that will be used to support its growing construction business.

The completion of the Proposals will allow the Group to strengthen the Group’s financial position and capital base through reduced gearing level, as well as the improved proforma NA, which would improve the Group’s financial position and enhance the Group’s ability to negotiate and secure funding arrangements for its existing and future construction projects.

Moving forward, we wish to highlight that the future plans and strategies undertaken and/or to be undertaken by the Group are subject to uncertainties which are not within the Group’s control such as outbreak of war, government policies, interest rates, inflation, fluctuation in price of raw materials and changes in the global economic conditions. The occurrence of any of such events may materially impact the Group's operations and affect the Group's ability to implement the plans within the intended timeframe or such plans may not achieve the expected results.

Premised on the above, we are of the view that the prospects of Comintel Group upon completion of the Proposals is positive.

11. RISK FACTOR IN RELATION TO THE PROPOSED ACQUISITION

In view that the Proposed Acquisition is conditional upon the Proposed Rights Issue, the non-interested shareholders of Comintel are advised to give careful consideration to the risk factor as set out in **Section 10, Part A** of the Circular. Our comments on the risk factor relating to the Proposed Acquisition are as follows:

(i) Non-completion risk

We noted that the completion of the Proposed Acquisition is subject to the fulfilment of the terms and conditions as set out in the SPA and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the SPA. If any of the terms and conditions of the SPA are not fulfilled within the stipulated timeframe as set out in the SPA, the SPA may be terminated. Consequently, the Proposed Acquisition will not be completed and the potential benefits arising thereon may not be materialised.

We are of the view that the non-completion risk of the Proposed Acquisition is a common term of other acquisition or disposal transactions. We noted that in the event any of the terms and conditions of the SPA are not able to be fulfilled, some of which are beyond the control of Comintel, Comintel will not be able to complete the Proposed Acquisition, thus resulting in non-materialisation of the potential benefits expected from the Proposed Acquisition.

While we noted that measures would be taken by Comintel to mitigate such risk associated with the Proposed Acquisition, no assurance can be given that the risk factor will not occur and give rise to material adverse impact on the business and operation of the Group, its financial performance or prospects thereon.

In evaluating the Proposed Acquisition, non-interested shareholders of Comintel should carefully consider the said risk factor and their respective mitigating factors prior to voting on the ordinary resolution pertaining to the Proposed Acquisition at the forthcoming EGM. Non-interested shareholders of Comintel should also note that the risk factor mentioned in the Circular and this IAL are not meant to be exhaustive.

12. CONCLUSION AND RECOMMENDATION

You should carefully consider the terms of the Proposed Acquisition and Proposed Rights Issue based on all relevant and pertinent factors including those which are set out above, and other considerations as set out in this IAL, the Circular and any other publicly available information.

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors which are summarised as follows:

Section in this IAL	Area of evaluation	Our evaluation
Section 7	Rationale of the Proposed Acquisition and Proposed Rights Issue	**(a) Rationale of Proposed Acquisition** Since Comintel Group's diversification into the construction business which was approved by shareholders of Comintel on 9 November 2021, the Group has been actively securing new construction projects. As at LPD, the Group's construction order book stood at approximately RM1.43 billion.

Section in this IAL	Area of evaluation	Our evaluation
		As at the LPD, the Group owns approximately RM9.70 million worth of formwork systems and scaffolding equipment. As disclosed in **Section 8.1, Part A** of the Circular, the Group's available formwork systems and scaffolding equipment are only adequate for the Group to undertake 2 to 3 construction projects concurrently, depending on the size and the nature of these projects. As at the LPD, the Group has 15 ongoing construction projects, wherein most of these construction projects require the usage of formwork systems and scaffolding equipment. We noted from the management of Comintel that its own formwork systems and scaffolding are not sufficient to cater for the usage of the Group's ongoing construction works. As such, the Proposed Acquisition represents an opportunity for the Group to acquire the Construction Equipment, which can be deployed to support the Group's ongoing construction works. The Proposed Acquisition is also necessary for the Group to support its construction business which is currently the main revenue driver of the Group whereby it contributed RM184.82 million or approximately 98.0% of the Group's revenue for the FYE 31 January 2023. Without ownership of the Construction Equipment, the Group would have to rely on external parties (i.e. the Group's subcontractors) to supply formwork systems and scaffolding to the Group. A high dependency on subcontracts for the supply of formwork systems and scaffolding may not bode well for the Group as the Group may face the risk of disruption in supply in the event that the subcontractors are not able to provide the formwork systems and scaffolding due to unforeseen circumstances. Nevertheless, it is to be noted from the management of Comintel that the Group has not experienced any disruption in the supply of the mentioned equipment since the Group's diversification into the construction business up to the LPD. **Based on the above, we are of the view that the rationale of the Proposed Acquisition is <u>reasonable</u>.** **(b) Rationale of Proposed Rights Issue** Without the Proposed Rights Issue, the Proposed Acquisition will not be able to proceed as the Proposed Acquisition is conditional upon the Proposed Rights Issue. As a result, the Group will not be able to realise the benefits arising from the Proposed Acquisition as set out in **Section 7.1** of this IAL. The Proposed Rights Issue also represents an opportunity for all Entitled Shareholders for Rights Issue to further increase their equity participation in the Group's future growth and prospects on a pro-rata basis as compared to other equity / equity-linked fundraising activities that have a dilutive impact to the equity interest

Section in this IAL	Area of evaluation	Our evaluation
		of shareholders (provided that all Entitled Shareholders for Rights Issue subscribe in full for their respective entitlements). **Premised on the above, we are of the view that the rationale of the Proposed Rights Issue is <u>reasonable</u>.**
Section 8	Evaluation of the Proposed Acquisition and Proposed Rights Issue	**(a) Basis and justification for the Purchase Consideration** In arriving at the fairness evaluation of the Purchase Consideration, we have compared the Purchase Consideration against the Market Value of the Construction Equipment as appraised by the Independent Valuer as follows: **Details** — **RM** Purchase Consideration — 35,000,000 Market Value of the Construction Equipment as appraised by the Independent Valuer — 35,800,000 Based on the table above, the Purchase Consideration of RM35.00 million represents a discount of 2.23% to the Market Value of the Construction Equipment of RM35.80 million. **As such, we are of the view that the Purchase Consideration is <u>fair.</u>** **(b) Evaluation of the Rights Issue Price** We noted that: (i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholdings of all Entitled Shareholders for Rights Issue on the Rights Issue Entitlement Date; (ii) the pricing mechanism of the Rights Shares is based on a market-based approach; and (iii) all Entitled Shareholders for Rights Issue have the same rights to subscribe for their entitlements to the Rights Shares at the same issue price. **Based on the above, we are of the view that the pricing mechanism of the Rights Issue Price is <u>reasonable</u>.** **(c) Salient terms of the SPA** We are of the view that the salient terms of the SPA are **<u>reasonable</u>** and **<u>not detrimental</u>** to the non-interested shareholders of Comintel.

Section in this IAL	Area of evaluation	Our evaluation
Section 9	Effects of the Proposed Acquisition and Proposed Rights Issue	The effects of the Proposals are summarised as follows: **(i) <u>Issued share capital</u>** The Proposed Acquisition will not have any effects on the issued share capital of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel. Based on the Full Subscription Basis, the Proposed Rights Issue will result in an increase in Comintel's issued number of Shares from 452,500,000 Shares (as at the LPD) to 497,750,000 Shares and issued share capital increase from RM28.85 million (as at the LPD) to RM65.05 million. **(ii) Substantial shareholders' shareholding** The Proposed Acquisition will not have any effects on the substantial shareholders' shareholdings of Comintel as the Proposed Acquisition does not involve any issuance of new shares by Comintel. Based on the above, we noted that on a Full Subscription Basis, the number of Shares held by Comintel's substantial shareholders will increase based on their entitlements for the Proposed Rights Issue. However, the shareholding percentage of Comintel's substantial shareholders will remain unchanged as Comintel has procured irrevocable and unconditional undertaking letters from them to fully subscribe for its entitlements under the Proposed Rights Issue as at the Entitlement Date and the remaining portion of 12,966,148 Rights Shares for which no undertaking has been obtained will be fully underwritten. **(iii) <u>NA and gearing</u>** The Proposed Acquisition will not have any effects on the NA per Share and gearing of Comintel Group as it does not entail any change to the equity structure or borrowings of Comintel Group. Upon completion of the Proposed Rights Issue, we noted that the proforma NA per Comintel Share will increase from RM0.09 as at 31 January 2023 (after adjusting for material subsequent events) to RM0.15 as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares. The increase in proforma NA per Comintel Share is also due to the Rights Issue Price of RM0.80 which is issued at a higher price as compared to NA per Comintel Share of RM0.09 as at 31 January 2023 (after adjusting for material subsequent events). Upon completion of the Proposed Rights Issue, we also noted that the proforma gearing of the Group will decrease from 0.67 times as at 31 January 2023 (after

Section in this IAL	Area of evaluation	Our evaluation
		adjusting for material subsequent events) to 0.37 times as a result of the increase in proforma NA of Comintel arising from the issuance of Rights Shares. **(iv) Earnings and EPS** For illustrative purposes, save for the additional depreciation expenses of approximately RM7.00 million per annum, the Proposed Acquisition are not expected to have a material impact on the consolidated earnings of Comintel Group immediately upon completion of the Proposed Acquisition. The Proposed Rights Issue is not expected to have any immediate material effect on the consolidated earnings of Comintel Group but is expected to have a dilutive impact on the EPS of Comintel Group as a result of the increase in number of issued Comintel Shares arising from the issuance of the Rights Shares immediately upon completion of the Proposed Rights Issue. **Based on the above, the overall effects of the Proposals are reasonable and not detrimental to the non-interested shareholders of Comintel.**
Section 10	Industry overview and prospects of Comintel Group	We noted that since Comintel Group's diversification into construction business which was approved by shareholders of Comintel on 9 November 2021, the construction business segment has become a major revenue contributor to Comintel Group. As at LPD, the Group has outstanding orderbook of RM1.43 billion and 15 on-going construction projects which mainly comprises of construction contracts for high-rise residential and commercial buildings. Moving forward, the performance of the Group's construction business will be underpinned by the outlook of the construction sector which is further supported by government initiatives such as the implementation of NIMP 2030, the MTR of the Twelfth Plan and the MADANI Neighbourhood scheme. The completion of the Proposed Acquisition and Proposed Rights Issue will also enable the Group to own Construction Equipment that will be used to support its growing construction business. The completion of the Proposals will allow the Group to strengthen the Group's financial position and capital base through reduced gearing level, as well as the improved proforma NA, which would improve the Group's financial position and enhance the Group's ability to negotiate and secure funding arrangements for its existing and future construction projects. **Premised on the above, we are of the view that the prospects of Comintel Group upon completion of the Proposals is positive.**

Section in this IAL	Area of evaluation	Our evaluation
Section 11	Risk factors associated with the Proposed Acquisition	In evaluating the Proposals, non-interested shareholders of Comintel should carefully consider the risk factors as set out in **Section 10**, **Part A** of the Circular. While we noted that measures would be taken by Comintel to mitigate such risk associated with the Proposed Acquisition, no assurance can be given that the risk factor will not occur and give rise to material adverse impact on the business and operation of the Group, its financial performance or prospects thereon.

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors as set out in this IAL. Based on this, BDO views that the Proposed Acquisition and Proposed Rights Issue are **fair** and **reasonable** and are **not detrimental** to the non-interested shareholders of Comintel.

Accordingly, we advise and recommend that the non-interested shareholders of Comintel **vote in favour** of the ordinary resolutions pertaining to the Proposed Acquisition and Proposed Rights Issue to be tabled at the forthcoming EGM.

Yours faithfully
For and on behalf of
BDO CAPITAL CONSULTANTS SDN BHD

Wong Wing Seong
Executive Director - Advisory

Eng Cha Lun
Executive Director - Advisory

PART C

LETTER TO THE SHAREHOLDERS OF COMINTEL IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE

DEFINITIONS FOR PART C OF THE CIRCULAR

Except where the context otherwise required, the following definitions shall apply throughout Part C of this Circular and the accompanying appendices:

"Act"	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Audit Committee"	:	Audit and Risk Management Committee of our Company
"BBSB"	:	Binastra Builders Sdn Bhd (formerly known as Total Package Work Sdn Bhd), a wholly-owned subsidiary of our Company
"BCSB"	:	Binastra Construction (M) Sdn Bhd
"Board"	:	Board of Directors of our Company
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular to our shareholders dated 8 February 2024
"Comcorp" or "Company"	:	Comintel Corporation Bhd
"Comcorp Group" or "Group"	:	Our Company and our subsidiaries (including all future subsidiaries to be acquired/incorporated by our Company before our next AGM, wherever applicable), collectively
"Constitution"	:	Constitution of our Company
"Director(s)"	:	Has the meaning given in Section 2(1) of the Capital Market and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director or Chief Executive Officer of the Company or any other company which is its subsidiary
"EGM"	:	Extraordinary General Meeting
"Interested Related Parties"	:	Related Parties who are deemed interested in the RRPTs
"LDSB"	:	Lofthill Development Sdn Bhd
"Listing Requirements"	:	Bursa Securities Main Market Listing Requirements including any amendments thereto that may be made from time to time
"LPD"	:	15 January 2024, being the latest practicable date prior to the printing of this Circular
"LSY"	:	Lee Seng Yong

"Major Shareholder(s)"		Includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, has an interest or interests in one or more voting shares in Comcorp (or any other company which is its subsidiary) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) equal to or more than ten percent (10%) of the aggregate of all the voting shares in the Company; or (b) equal to or more than five per cent (5%) of the aggregate of all the voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act
"Person(s) Connected"	:	Such person(s) in relation to any person (referred to as "**said Person**") means such person who falls under any one of the following categories: (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or family member of the said Person is the sole beneficiary; (c) a partner of the said Person; (d) a person or where the person is a body corporate, the body corporate or its directors who is/are accustomed or under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of the said Person; (e) a person or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes of the said Person is accustomed or under an obligation, whether formal or informal to act; (f) a body corporate in which the said Person or persons connected with the said Person are entitled to exercise or control the exercise of, not less than twenty per cent (20%) of the votes attached to the voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
"Proposed New Shareholders' Mandate"	:	The proposed new shareholders' mandate for the RRPTs described in Section 2 of Part C of this Circular
"Related Party(ies)"	:	A Director or Major Shareholder or person connected with such Director or Major Shareholder
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RRPT(s)"	:	A transaction entered into by our Group which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for the day-to-day operations and are in the ordinary course of business of our Group

All references to "we", "us", "our" and "ourselves" are to our Company, or where the context requires, are to our Group. All references to "you" in this Circular are references to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment 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 stated.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

COMINTEL CORPORATION BHD
[Registration No. 200301027648 (630068-T)]
(Incorporated in Malaysia)

Registered Office:
802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

8 February 2024

The Board of Directors

Tan Sri Dato' Samshuri bin Arshad *(Independent Non-Executive Chairman)*
Datuk Tan Kak Seng *(Managing Director)*
Lee Seng Yong *(Executive Director)*
Teh Soon Hin *(Independent Non-Executive Director)*
Tan Mai Yean *(Independent Non-Executive Director)*
Low Tuan Lee *(Independent Non-Executive Director)*

To: Our Shareholders

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

1. INTRODUCTION

On 21 December 2023, our Company announced its intention to seek shareholders' approval for the Proposed New Shareholders' Mandate which is necessary for our Group's day-to-day operations in connection with Paragraph 10.09 of the Listing Requirements.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION RELATING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM OF OUR COMPANY. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements and Practice Note No. 12, a listed issuer may seek a mandate from its shareholders for recurrent related party transactions which are necessary for its day-to-day operations, subject to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital which is less than RM60.0 million:

  (i) the consideration, value of the assets, capital outlay or costs of the aggregated RRPT is RM1.0 million or more; or

  (ii) any one of the percentage ratios of such aggregated RRPT is 1% or more,

  whichever is the lower;

(c) the listed issuer to issue a circular to shareholders in relation to the shareholders' mandate and it must include the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;

(d) in a meeting to obtain shareholders' mandate, an Interested Related Party must not vote on the resolution in approving the transactions and ensuring that Persons Connected with them abstain from voting on the resolution approving the transactions; and

(e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and it must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed New Shareholders' Mandate, if approved by our shareholders at our EGM, will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM and will continue to be in force until:

(a) the conclusion of the next AGM of our Company, at which time it shall lapse, unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of our Company is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or

(c) revoked or varied by resolutions passed by the shareholders of our Company in a general meeting;

whichever is the earlier.

The Board will seek your approval for the Proposed New Shareholders' Mandate at the forthcoming EGM of our Company and its renewal at each subsequent AGM, subject to a satisfactory review by the Audit Committee of its continued application to RRPTs.

2.2 Principal Activities of our Group

Our Company is primarily an investment holding company. The principal activities of our subsidiary are as follows:

Name	Effective equity interest (%)	Principal activities
BBSB	100	General contractor which includes, but not limited to, provision of general building and construction works, project management, supply of building materials and property developer

2.3 Classes of Related Parties

Details of the RRPTs including the classes of Related Parties with whom the RRPTs will be carried out and the nature of such transactions contemplated shall include those described below:

Transacting Parties	Interested Related Parties	Nature of Transactions	Estimated aggregate value during the validity period of the Proposed New Shareholders' Mandate* (RM'000)
Comcorp Group and LDSB(2)	LSY(1) LDSB(2)	Provision of general building and construction works and other related services, which including but not limited to supply of building materials, formworks, plant and machineries and construction related materials, project management, provision of workers accommodation, renting of machineries and renting of premises by Comcorp Group to LDSB	400,000

Notes:

* The values are merely estimates for the period from the forthcoming EGM to the next AGM of our Company. The estimated value is based on the latest available information relating to the aforesaid transactions and historical trends and may vary.

Nature of relationship

The RRPTs involve the interests of the following Related Parties:-

(1) LSY is a substantial shareholder and a Director of our Company.

(2) LDSB is a company directly owned by LSY, solely. LSY is also a sole director of LDSB. LDSB is principally engaged in carry on business of property development and investment.

2.4 The Nature of Transactions Contemplated under the Proposed New Shareholders' Mandate

All the RRPTs covered by the Proposed New Shareholders' Mandate are in the ordinary course of business at any time and with some degree of frequency.

(a) Estimated value of RRPTs

The estimated value of the RRPTs was arrived based on the forecast revenue/costs to be undertaken from the date of the EGM to the date of our next AGM and the actual value may therefore vary and is subject to change. The aggregate or actual value of these RRPTs may exceed the estimated amounts over the said period. In the event the actual value of these RRPTs exceeds the estimated value of the RRPTs by 10% or more, our Company will immediately announce to Bursa Securities the required information as prescribed by Bursa Securities in the said announcement.

(b) Amount due and owing by the Related Parties

There is no outstanding sum due and owing to our Company and/or Group by the Related Parties pursuant to the RRPTs which exceed the credit term as at the LPD.

2.5 Review Procedures for the RRPTs

Our Group has set up its internal control systems which cover, amongst other things, the following methods and procedures to ensure all RRPTs are undertaken on an arm's length basis, on normal commercial terms transaction prices and are on terms not more favourable to the Related Parties than those generally available to third parties or the public, and are not detrimental to the minority shareholders:

(a) The management of the Company will regularly review its Group's structure, with a view to identifying companies and other entities which fall within the ambit of a Related Party and will inform all key personnel, head of departments and Directors accordingly;

(b) The pricing for such transaction or contract is determined in accordance with the Group's usual business practices and policies and consistent with the usual margins of the Group with unrelated parties;

(c) The terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, specifications and other relevant or related factors;

(d) Wherever feasible and practicable, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities;

(e) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined in accordance with the Group's usual business practices and policies, consistent with the usual margin of the Group for the same or substantially similar type of transactions made by the Group with unrelated third parties or otherwise in accordance with other applicable industry norm/considerations;

(f) Records will be maintained by the Company to capture all RRPTs entered into and the bases upon which they are entered into;

(g) Internal auditor shall incorporate a review of all RRPTs to ensure that the relevant approvals have been obtained and the procedures in respect of all such transactions are adhered to;

(h) The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. Any member of the Board or of the Audit Committee having any interest, direct or indirect, in any RRPTs shall abstain from any decision making by the Board or the Audit Committee in respect of such transactions;

(i) All RRPTs shall be tabled to the Audit Committee for review on quarterly basis. Any member of the Audit Committee may as he deems fit, request for additional information pertaining to the transactions under review from independent sources or advisers, including obtaining valuations from independent professional valuers; and

(j) The following are the approving authority ("**Approving Authority**") and the thresholds for the approval of the RRPTs:-

(i) RRPT

RRPT Value	**(1)** **First Approval**	**(2)** **Final Approval**
Below RM500,000	Chief Financial Officer	Executive Director
RM500,000 and above and below 5% of the Group's net assets based on the latest audited financial statements	Executive Director	(i) Audit Committee (ii) Board

(ii) Mandated RRPT

RRPT Value	**(1)** **First Approval**	**(2)** **Final Approval**
Within Mandated RRPT value	Chief Financial Officer	Executive Director
Above Mandated RRPT value	Executive Director	(i) Audit Committee (ii) Board

If a member of the Approving Authority has an interest in the RRPT, he/she shall abstain from the decision making. If all members of the relevant RRPT Approving Authority are conflicted or have interest in the Transaction, then the approval from the next higher Approving Authority shall be sought.

For avoidance of doubt, the Approving Authority in ascending order is: Chief Financial Officer, Executive Directors, Audit Committee and the Board.

2.6 Audit Committee Statement

Our Audit Committee has reviewed and considered the procedures mentioned in Section 2.5 above and is of the view that the said processes and procedures are:

(a) adequate and sufficient to monitor, track and identify RRPTs in a timely and orderly manner and, if necessary, may request internal audit to review these processes and procedures; and

(b) sufficient to ensure the RRPTs will be carried out on an arm's length basis and on commercial terms and on terms which are not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders of our Company. These processes and procedures are reviewed by our Audit Committee quarterly.

3. BENEFITS OF THE RRPTS AND RATIONALE OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The RRPTs entered into by our Group with the Related Party are all conducted in the ordinary course of business and undertaken on terms that are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time sensitive nature and confidentiality of such transactions and as such, it may be impractical to seek shareholders' approval on a case to case basis before entering into such related party transactions.

The Proposed New Shareholders' Mandate would eliminate the need to make announcements to Bursa Securities and/or to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPT occurs or arises. This would substantially reduce administrative time, inconvenience and resources associated with the convening of such meetings on an ad-hoc basis and allow manpower resources and time to be channelled towards attaining other corporate objectives. In addition, the Proposed New Shareholders' Mandate allows the RRPTs to be carried out for the benefit of our Group without the interruption to our Group's operations and possible loss of business opportunities.

As such, our Company is seeking your approval for the Proposed New Shareholders' Mandate pursuant to Paragraph 10.09(2) of the Listing Requirements to allow our Group to enter or continue to enter into the RRPTs as described in Section 2.3 above at the forthcoming EGM of our Company.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, none of our Directors and/or persons connected with the Directors have any interest, either direct or indirect, in the Proposed New Shareholders' Mandate.

Shareholdings of the interested Director in the shares of our Company as at LPD are as follows: -

INTERESTED DIRECTOR*	ORDINARY SHARES IN OUR COMPANY			
	DIRECT		INDIRECT	
	NO. OF SHARES	%	NO. OF SHARES	%
LSY^	36,780,650	8.13	-	-

Notes: -

* *Shareholding as per the Register of Directors' Shareholdings as at LPD.*

^ *LSY is a Director of our Company.*

LSY, being the interested Director, has and will continue to abstain from Board deliberations and voting in relation to the Proposed RRPT Mandate at Comcorp. LSY will also abstain from voting in respect of his direct and/or indirect shareholdings in Comcorp, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which he is interested to be tabled at the forthcoming EGM of our Company or at any adjournment thereof. In addition, he has undertaken that he will ensure persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in Comcorp, if any, on the Proposed New Shareholders' Mandate in which they are interested at the said EGM or at any adjournment thereof.

None of our Major Shareholders and/or persons connected with the Major Shareholders are interested in the Proposed New Shareholders' Mandate.

5. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any effect on the share capital and substantial shareholders' shareholdings of our Company and is not expected to have material impact on the gearing of our Group.

However, the Proposed New Shareholders' Mandate is expected to contribute positively to our Group's future earnings and net assets as and when the benefits of the RRPT are realised.

6. APPROVAL REQUIRED

The Proposed New Shareholders' Mandate is subject to approval being obtained from the shareholders of our Company at the forthcoming EGM.

7. DIRECTORS' RECOMMENDATIONS

Our Board, (save for LSY, being the interested Director) having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interests of our Company. Accordingly, the Board (save for LSY) recommends that the shareholders of our Company vote in favour of the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

The Proposed New Shareholders' Mandate will be tabled at the EGM of our Company to be held fully virtual through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via online meeting platform at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn. Bhd. In Malaysia on Thursday, 7 March 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution pertaining to the Proposed New Shareholders' Mandate.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and to deposit it at the share registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur or via electronic means through Tricor Investor & Issuing House at https://tiih.online not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the Appendices for further information.

Yours faithfully
for and on behalf of the Board of
COMINTEL CORPORATION BHD

TAN SRI DATO' SAMSHURI BIN ARSHAD
Independent Non-Executive Chairman

The salient terms of the SPA are as follows:

1. Sale and purchase of Construction Equipment

1.1 The Vendor shall sell and the Purchaser shall purchase the Construction Equipment, on an "as is where is basis", free from all liens, charges and encumbrances and with full legal and beneficial interest subject to the terms and conditions of the SPA.

1.2 The legal and beneficial interest to and risk in the Construction Equipment shall pass to the Purchaser on the Completion Date.

2. Manner and payment of Purchase Consideration

2.1 The Purchase Consideration shall be RM35 million which was arrived at on a willing-buyer willing-seller basis.

2.2 The Purchase Consideration shall be paid by the Purchaser to the Vendor in cash on the Completion Date.

3. Inspection

The Purchaser has a right to conduct an inspection on the Construction Equipment which are to be delivered to the Purchaser prior to the Completion Date.

4. Conditions Precedent

4.1 The completion of the sale and purchase of the Construction Equipment will in all respects be conditional upon the following conditions precedent ("**Conditions Precedent**") being fulfilled/obtained/waived by the parties upon mutual agreement to the extent permissible by law by the cut-off date, being the day falling six (6) months after the date of the SPA, or such later date as the parties may mutually agree ("**Cut-Off Date**"):

(a) Comintel (being the holding company of the Purchaser) having obtained the approval of its shareholders at a general meeting to be convened for the Proposed Acquisition in accordance with the terms and conditions of the SPA and the Proposed Rights Issue;

(b) Comintel (being the holding company of the Purchaser) having obtained the approval of Bursa Securities for the listing of and quotation for the Rights Shares on the official list of the Main Market of Bursa Securities;

(c) Comintel (being the holding company of the Purchaser) having implemented and completed the Proposed Rights Issue (as evidenced by the listing and quotation of the Rights Shares on the Main Market of Bursa Securities);

(d) the Purchaser being satisfied that the Construction Equipment shall be free from all liens, encumbrances and loan redemption liabilities whatsoever;

(e) Comintel and/or the Purchaser having obtained the approval or consent of the financiers/creditors for the Proposed Acquisition in accordance with the terms and conditions of the SPA and the Proposed Rights Issue, if required; and

(f) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties having been obtained.

4.2 If any of the Conditions Precedents is not fulfilled or waived by the Cut-Off Date, either party may, at its sole discretion, terminate the SPA by notice in writing, and neither party shall thereafter have any claim against the other party, save in respect of any antecedent breach.

4.3 The SPA shall become unconditional on the Unconditional Date.

5. Termination

5.1 Purchaser's right to terminate

The Purchaser shall be entitled to issue a notice of termination to the Vendor at any time prior to the Completion Date if, at any time –

(a) the Vendor commits any continuing or material breach of any of its obligations under the SPA which –

(1) is incapable of remedy; or

(2) if capable of remedy, is not remedied within fourteen (14) days of it being given notice so to do;

(b) a petition is presented (and such petition is not stayed or struck-out within thirty (30) business days of the petition being served) or an order is made or a resolution is passed for the winding up of the Vendor;

(c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the Vendor;

(d) the Vendor becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or

(e) any of the warranties given by the Vendor is found at any time to be untrue or inconsistent.

5.2 Vendor's right to terminate

The Vendor shall be entitled to issue a notice of termination to the Purchaser at any time prior to the Completion Date if, at any time –

(a) the Purchaser commits any continuing or material breach of any of its obligations under the SPA which –

(1) is incapable of remedy; or

(2) if capable of remedy, is not remedied within fourteen (14) days of it being given notice so to do;

(b) a petition is presented (and such petition is not stayed or struck-out within thirty (30) business days of the petition being served) or an order is made or a resolution is passed for the winding up of the Purchaser;

(c) an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the Purchaser;

(d) the Purchaser becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due or enter into any composition or arrangement with its creditors or make a general assignment for the benefit of its creditors; or

(e) any of the warranties given by the Purchaser is found at any time to be untrue or inconsistent.

6. Completion

6.1 The Vendor shall on the Completion Date pursuant to the provisions of the SPA (to the extent applicable) –

(a) deliver to the Purchaser at such address in Malaysia to be specified by the Purchaser, all Construction Equipment; and

(b) complete and comply with all other obligations stipulated in the SPA which are due to be performed or complied with on the part of the Vendor at the cost and expenses of the Vendor on or before the Completion Date.

In exchange thereof, the Purchaser shall pay the Purchase Consideration.

6.2 The Vendor acknowledges that on the Completion Date, the Purchaser will have full and unrestricted possession of the Construction Equipment.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

COMINTEL CORPORATION BHD
BY-LAWS OF THE EXECUTIVES' SHARE SCHEME

PART I

1. NAME OF THE SCHEME

This Scheme (as defined herein) shall be called the "Comintel Corporation Bhd Executives' Share Scheme".

2. OBJECTIVES OF SCHEME

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

(a) To recognise and reward the Eligible Persons (as defined herein) by giving recognition to their contributions and services that are considered vital to the operations and sustained growth and profitability of the Group (as defined herein);

(b) To retain, motivate and reward the Eligible Persons by allowing them to participate in the Company's profitability and eventually realise capital gains arising from any appreciation in the value of the Shares (as defined herein);

(c) To attract prospective Executives (as defined herein) and Directors (as defined herein) with relevant skills and experience to the Group (as defined herein) by making the total compensation package more competitive; and

(d) To foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Persons upon vesting of the ESS Awards as they will be able to participate in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

3. DEFINITIONS AND INTERPRETATION

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

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Adviser	A person who is permitted to carry out regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 and who is licensed to make submissions to the SC for corporate proposals
Award Date	The date of the letter or e-mail in which an ESS Award is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
Board	The Board of Directors for the time being of Comintel

Bursa Depository	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 27)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Company or Comintel	Comintel Corporation Bhd [Registration No. 200301027648 (630068-T)] or such other name as may be adopted from time to time, a public limited company incorporated in Malaysia under the Companies Act 1965 and includes its successor-in-title and permitted assigns
Constitution	The Company's constitution, as amended from time to time
Date of Expiry	Last day of the Duration of the Scheme as defined in By-Law 25.1
Date of Offer	The date of the letter of which an ESOS Offer is offered by the ESOS Committee to the Eligible Persons to participate in the ESOS
Director	A natural person who holds a directorship within the Group for the time being, in a non-independent and executive capacity, within the meaning stipulated in the Act, which for the avoidance of doubt excludes alternate and substitute directors
Disciplinary Proceedings	Proceedings instituted by a company in the Comintel Group against an Executive for any alleged misbehaviour, misconduct and/or any other act of the Executive deemed to be unacceptable by that company in the Comintel Group in the course of that Executive's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Executive
Duration of the Scheme	The duration of the Scheme as defined in By-Law 25 and includes any extension of the duration
Effective Date	The date on which the Scheme comes into force as provided in By-Law 25.1
Eligible Person(s)	The executive(s) and Director(s) of the Comintel Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5

Executive	A natural person who is an executive of the Group who has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings and – (a) is employed on a full time basis, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing; or (b) is under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESS Committee; (c) falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its sole discretion; and (d) is not an independent director of the Group.
Entitlement Date	The date as at the close of business on which the names of shareholders must appear in Comintel's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions
ESOS	The executives' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out herein
ESOS Offer	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Options or Options	The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS Award	Collectively, the ESOS Offer and the RSG Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of these By-Laws
ESS Committee	The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or senior management personnel of Comintel Group and or such other persons identified and appointed from time to time by the Board
ESS or Scheme	Comintel Corporation Bhd Executives' Share Scheme comprising the ESOS and the RSG, as may be modified or altered from time to time

Exercise Price	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	An ESOS Grantee and/or RSG Grantee, as the case may be
Group or Comintel Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23
Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Market Day	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	The maximum number of Shares in respect of the ESS Awards that can be offered and allotted and/or transferred to an Eligible Person in accordance with the provisions of By-Law 6
Maximum Limit	The maximum number of Shares that may be offered and issued under the ESS which shall not exceed ten percent (10%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the existence of the ESS, as stipulated in By-Law 4.1
Offer Period	A period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole discretion during which an ESOS Offer is valid
Option Certificate	The certificate issued by the ESOS Committee confirming the grant of the ESOS Options to the ESOS Grantee and the Exercise Price together with the number of Shares comprised in the ESOS Options
Option Period	The period commencing from the Effective Date to a date not exceeding five (5) years or such other date as stipulated by the ESS Committee in the ESOS Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 17 or 25 respectively
Performance Target	The performance targets determined by the ESS Committee, which are to be achieved by the RSG Grantee and/or Group and/or business units within the Group as determined by the ESS Committee, during such period as specified in the RSG Award

"persons connected"	Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in paragraph 1.01 of the Listing Requirements
RSG	The restricted share grant plan which entitles the Eligible Persons to receive new and/or existing Shares at no consideration and/or the equivalent cash value of such Shares or a combination thereof according to the terms set out herein
RSG Award	A contingent award of Shares comprising of a grant of Shares made in writing by the ESS Committee to the Eligible Persons to participate in the RSG as set out under By-Law 11
RSG Grantee	An Eligible Person who has accepted an RSG Award in the manner provided in By-Law 11
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to SICDA
SC	Securities Commission Malaysia
Shares	Ordinary shares in the relevant ordinary share capital of the Company from time to time
SICDA	Securities Industry (Central Depositories) Act 1991, as amended from time to time
Vesting Conditions	The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an RSG Award to be vested in a Grantee
Vesting Date(s)	The date or dates on which all or some of the Shares to which an ESS Award relates is vested pursuant to the ESS Award stipulated by the ESS Committee
Vesting Notice	Has the meaning ascribed to it in By-Law 13.3

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

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

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

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

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

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

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

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

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

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

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

(b) by the ESS Committee may be exercised in the ESS Committee's sole discretion and the ESS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESS Committee.

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

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

4.1 The aggregate maximum number of Shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.

4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate ten percent (10%) of the total number of issued share capital of the Company (excluding treasury shares, if any) as a result of the Company purchasing or cancelling its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued share capital of the Company, then such ESS Awards granted prior to the adjustment of the issued share capital (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESS Committee shall not make any further ESS Awards unless the total number of Shares to be issued under the Scheme falls below ten percent (10%) of the total number of issued share capital of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.

4.3 The Company shall during the Duration of the Scheme use its reasonable effort to make available sufficient unissued Shares in the capital of the Company to satisfy all outstanding ESOS Options which may be exercisable in accordance with the Scheme.

5. ELIGIBILITY

5.1 Only Eligible Persons who fulfil the following conditions on the Award Date shall be eligible to participate in the Scheme:

(a) In respect of an Executive, the Executive must fulfil the following criteria as at the Award Date:

(i) he/she has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) he/she is employed –

(1) on a full-time basis, and is on the payroll of, any company in the Group and his/her employment has been confirmed by any company in the Group; or

(2) under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESS Committee;

(iii) he/she falls within any other eligibility criteria (including variations to the eligibility criteria under By-Laws 5.1(a)(i) and 5.1(a)(ii) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding; and

(iv) is not an independent director of the Group.

(b) In respect of a Director, the Director must fulfil the following criteria as at the Award Date:

(i) he/she has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) he/she has been appointed as a Director of the Company or any other company in the Group; and

(iii) he/she falls within any other eligibility criteria (including variations to the eligibility criteria under By-Laws 5.1(b)(i) and 5.1(b)(ii) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.

(c) In respect of a Director, chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESS Awards granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.

(d) For the RSG, in addition to the criteria referred to in paragraphs (a) and (b) above, such Executive or Director shall hold a management rank or position in the Comintel Group, or such rank or position as may be designated by the ESS Committee from time to time as at the Award Date.

(e) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Award Date:

(i) he/she has attained the age of eighteen (18) years and he/she is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) he/she is employed –

(1) on a full time basis by and on the payroll of the newly acquired company for a continuous period of at least one (1) year and his/her employment has been confirmed by the newly acquired company; or

(2) under an employment contract for a fixed duration with the newly acquired company and has been in the employment of the newly acquired company for such period as may be determined by the ESS Committee; and

(iii) he/she is not an independent director of the newly acquired company.

(f) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESS Committee from time to time.

Except as may be prescribed by the ESS Committee or as stipulated in an ESOS Offer, there are no performance targets to be achieved by the ESOS Grantee before ESOS Options can be exercised and the Shares arising from the exercise of ESOS Options can be vested.

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

5.2 Without prejudice to the generality of the foregoing and subject to the ESS Committee's discretion otherwise, any ESS Award made by the ESS Committee shall become void, of no effect and cease to be capable of acceptance by Eligible Persons upon any of the following events occurring:

(a) the death of the Eligible Person selected by the ESS Committee to whom an ESS Award is made ("**Selected Person**");

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

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

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

(e) the corporation which employs the Selected Person ceasing to be part of the Comintel Group;

(f) the corporation which employs the Eligible Person becomes dormant;

(g) without prejudice to the provisions of By-Law 17.10, the Selected Person is subject to Disciplinary Proceedings and the employment of the Selected Person is terminated;

(h) winding up or liquidation of the Company, in which event the ESS Award shall be automatically terminated on the following date:

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

(ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or

(i) termination of the Scheme pursuant to By-Law 17,

whichever shall be applicable.

5.3 The ESS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the ESS Awards or to determine any other eligibility criteria or waive any of the conditions of the eligibility set out in this By-Law. In the event that any Eligible Persons are a member of the ESS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation of ESS Awards.

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

5.6 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.

5.7 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESS Awards unless an ESS Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award in accordance with By-Law 8 hereof.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 21, the aggregate maximum number of Shares that may be allocated to any one (1) category/designation of employment of the Eligible Person shall be determined entirely at the sole and absolute discretion of the ESS Committee.

6.2 Not more than ten percent (10%) of the aggregate number of Shares to be issued under the Scheme and any other executive/employee share scheme of the Company which may still be subsisting at the point in time when an ESS Award is offered shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasury shares, if any).

6.3 Subject to By-Law 6.2, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person and/or such other matters which the ESS Committee may in its sole discretion deem fit.

At the time an ESS Award is offered, the ESS Committee shall set out the basis of the allocation of the ESS Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4 and/or By-Law 11.3 (as the case may be).

6.4 The ESS Committee may make more than one (1) ESS Award to an Eligible Person **PROVIDED THAT** the aggregate number of ESS Awards so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.

6.5 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Executive and Directors.

6.6 For the avoidance of doubt, the ESS Committee shall have sole discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Grantees via:

(a) one (1) single ESS Award at a time determined by the ESS Committee; or

(b) several ESS Awards, where the vesting of Shares comprised in those ESS Awards is staggered or made in several tranches at such times and on terms determined by the ESS Committee.

6.7 In the event the ESS Committee decides that the ESS Award is to be staggered, the ESS Committee shall also have the discretion in determining the following:

(a) the number of Shares to be offered in each ESS Award;

(b) whether the ESS Awards are subject to any vesting period and if so –

(i) the timing for the vesting of each ESS Award; and

(ii) the Vesting Conditions, including whether such Vesting Conditions are subject to performance targets.

Each ESS Award shall be separate and independent from the others.

6.8 No Director or Executive shall participate in the deliberation and discussion of their own respective allocations under the Scheme.

PART III

7. ESOS OFFER

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

7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESS Committee, subject to any adjustments that may be made under By-Law 21, provided that the number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.

7.3 In the event the ESS Committee decides that the ESOS Offer is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Offer shall be decided by the ESS Committee at its sole discretion and each ESOS Offer shall be separate and independent from the others.

7.4 The ESS Committee shall determine at its discretion and state the following particulars in the letter of an ESOS Offer:

(a) The number of ESOS Options that are being offered to the Eligible Person;

(b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being offered;

(c) The date of the ESOS Award;

(d) The Option Period;

(e) The Exercise Price;

(f) The Vesting Conditions (if any/if applicable);

(g) The Vesting Date(s) (if any/if applicable);

(h) The Offer Period;

(i) The basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESS Committee may in its sole discretion deem fit;

(j) The retention period and/or restriction on transfer, if any/applicable for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option;

(k) The manner and conditions of exercise of the ESOS Options; and

(l) Any other information deemed necessary by the ESS Committee.

7.5 An ESOS Offer shall be valid during the Offer Period.

7.6 No ESOS Offer shall be made to any Director and/or major shareholder and/or chief executive officer of Comintel, a person connected with any Director and/or major shareholder and/or chief executive officer, who are Eligible Persons unless such ESOS Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in a general meeting.

7.7 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:

(a) As soon as possible but in any event no later than one (1) month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.4;

(b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and

(c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.

7.8 The Company shall keep and maintain at its own expenses, a register of ESOS Grantees and shall enter in that register the names and addresses of the ESOS Grantees, the Maximum Allowable Allotment, the number of ESOS Options offered, the number of ESOS Options exercised, the Date of Offer and the Exercise Price in accordance with Section 129 of the Act.

8. ACCEPTANCE OF ESOS OFFER AND VESTING CONDITIONS

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

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

8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for any future ESOS Offer.

8.4 The Company shall within thirty (30) days from the acceptance of the ESOS Offer by the Eligible Person ("**Acceptance Date**"), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESS Committee.

8.5 An administrative cost of Ringgit Malaysia Thirty (RM30.00) only and any administrative cost determined by the ESS Committee or the Board for the replacement of any lost Option Certificate shall be fully borne by the ESOS Grantee and such ESOS Grantee shall have to execute a statutory declaration in respect of the loss of the Option Certificate.

8.6 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the ESOS Grantee on the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:

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

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

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

8.7 The ESS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

8.8 The ESS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

9. EXERCISE OF ESOS OPTIONS

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

9.2 Subject to By-Laws 17, 22, 23, 24 and 25, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4) during the Duration of the Scheme as provided in these By-Laws whilst he/she is in the employment of the Comintel Group and within the Option Period.

9.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares constituting one (1) board lot. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 21 which result in the number of Shares comprised in an Option not being in multiples of not less than one hundred (100), then the requirement that an Option shall be exercised in multiples of not less than one hundred (100) Shares shall not be applicable for the ESOS Grantee's final exercise of the Option.

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

9.5 Where an ESOS Option is exercised only in part, a new Option Certificate for the balance of the ESOS Options not exercised shall be issued accordingly by the ESS Committee to the ESOS Grantee within thirty (30) days after receipt by the Company of the Notice of Exercise together with the requisite remittance.

9.6 Subject to By-Law 9.4, a Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the ESS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 9.2 and 9.3 above. The ESS Committee may pursuant to By-Law 27 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.

9.7 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution of the Company, in the event that the Shares are delivered to the ESOS Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).

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

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

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

10. EXERCISE PRICE

The Exercise Price of each new Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 21 hereof, be as follows:

(a) a price to be determined by the Board upon recommendation of the ESS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding date of the ESOS Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme; and

(b) the Exercise Price as determined by the ESS Committee shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 21.

PART IV

11. RSG AWARD

11.1 The ESS Committee may, within the Duration of the Scheme, at its discretion at any time from the Effective Date and from time to time make an RSG Award in writing for acceptance in accordance with By-Law 12 below to any Eligible Persons based on the criteria for allocation as set out in By-Law 5 and otherwise in accordance with the terms of these By-Laws.

11.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Law 21 but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.1. The ESS Committee may stipulate any terms and conditions it deems appropriate in an RSG Award and the terms and conditions of each RSG Award may differ. Nothing herein shall require any RSG Award offered to be the same as RSG Awards previously or subsequently offered whether to the same or a different Eligible Person.

11.3 (a) The ESS Committee will determine at its discretion and state in its offer document for an RSG Award to an Eligible Person ("**RSG Award Letter**"), amongst others:

(i) the number of Shares to be vested on the Vesting Date(s) if the Performance Targets are fully met;

(ii) the date of RSG Award;

(iii) the Vesting Conditions;

(iv) the Vesting Date(s);

(v) the Validity Period as mentioned in By-Law 11.3(b);

(vi) the basis of allocation of the RSG Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESS Committee may in its sole discretion deem fit;

(vii) the retention period and/or restriction on transfer, if any/applicable, for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the vesting of the RSG Award; and

(viii) any other information deemed necessary by the ESS Committee.

(b) An RSG Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its discretion determines on a case-to-case basis (**"Validity Period"**).

11.4 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 11.3, the Company shall as soon as possible issue a supplemental RSG Award Letter stating the correct particulars referred to in By-Law 11.3.

12. ACCEPTANCE OF RSG AWARD

12.1 An RSG Award shall be accepted by an Eligible Person within the Validity Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the RSG Award (regardless of the number of Shares comprised therein).

12.2 If the RSG Award is not accepted in the manner set out in By-Law 12.1 above, the RSG Award shall automatically lapse upon the expiry of the Validity Period and be null and void and be of no further force and effect. The Shares comprised in such RSG Award may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.

12.3 The number of Shares offered in the lapsed RSG Award shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of RSG Awards offered in the lapsed RSG Award, in any RSG Award made in the future. However, RSG Awards not taken up resulting from the non-acceptance of RSG Awards within the period specified shall thereafter form part of the balance of RSG Awards available under the RSG for future awards.

12.4 The Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the RSG Award.

13. RSG VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

13.1 The ESS Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an RSG Award. The Shares or such part thereof as may be specified in an RSG Award will only vest with the Grantee on the Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, which includes, amongst others, the following:

(a) the RSG Grantee must remain an Executive as at the Vesting Date and shall not have given a notice to resign or received a notice of termination as at the Vesting Date;

(b) the RSG Grantee has not been adjudicated a bankrupt;

(c) the Performance Targets are fully and duly satisfied; and/or

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

13.2 The ESS Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. In the event that the ESS Committee determines that the Performance Targets are not fully and duly satisfied, the Company may, at its discretion, adjust the number of Shares (if any) which may vest in the RSG Grantee on the Vesting Date(s) and/or take into account the shortfall in such manner as the Company may in its discretion otherwise deem fit.

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

13.4 No RSG Grantee shall have any right to or interest in the Share awarded to him/her under an RSG Award until and unless the Shares are vested in him/her on and with effect from the Vesting Date.

13.5 The RSG Grantee shall provide all information as required in the Vesting Notice and the RSG Award Letter respectively and the Company shall within eight (8) Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution of the Company, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the RSG Grantee(s) accordingly and apply to Bursa Securities for any new Shares arising from the vesting of an RSG Award. The Shares to be issued pursuant to the vesting of an RSG Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the RSG Grantee or his authorised nominee (as the case may be).

PART V

14. NON-TRANSFERABILITY

14.1 An ESS Award is personal to the Grantee and subject to the provisions of By-Laws 14.2, 14.3 and 17.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.

14.2 An ESS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 17.8. Any such attempt to transfer, assign, dispose or encumber any ESS Award shall result in the automatic cancellation of the ESS Award.

14.3 Notwithstanding this By-Law 14, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESS Awards granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESS Awards under the Scheme.

15. RIGHTS ATTACHING TO SHARES AND ESS AWARDS

15.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted or vesting of any RSG Awards under the Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.

15.2 In respect of existing Shares to be transferred to RSG Grantees (where applicable), such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date on which the existing Shares are credited into the CDS Accounts of the respective RSG Grantees pursuant to the vesting of the RSG Awards.

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

16. RESTRICTION ON DEALING/RETENTION PERIOD

16.1 The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option or vesting of an RSG Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESS Committee at its discretion, which may be stipulated in the ESOS Offer and/or RSG Award Letter. The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his/her financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his/her financier's CDS Account. A Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realisation of any immediate gain.

17. TERMINATION OF THE ESS AWARDS

17.1 Prior to the full vesting of any ESS Award and/or the allotment or satisfaction by any other means of an ESS Award in the manner as provided for under By-Law 28.2, such ESS Awards that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:

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

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

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

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

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

(ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or

(e) Termination of the Scheme pursuant to By-Law 25.5, in which event the ESS Awards shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By Law 25.5),

whichever shall be applicable.

Upon the termination of the ESS Awards pursuant to By-Laws 17.1(a), (b), (c), (d) or (e) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any ESS Award or right to exercise his/her ESOS Option(s) or his/her ESS Award ceasing to be valid.

17.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her and/or unvested RSG Award upon retirement on or after attaining normal retirement age for a period of two (2) years after the last day of his/her employment provided that the Options are exercised within the Option Period and/or the RSG Award is vested within the Duration of the Scheme. For the avoidance of doubt, By-Law 9.2 shall not be applicable in this event but By-Law 9.5 shall remain applicable.

17.3 Notwithstanding By-Law 17.1 above, the ESS Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or an RSG Award to remain unvested (as the case may be) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

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

(b) Retirement before attaining the normal retirement age with the consent of his/her employer; or

(c) Redundancy or voluntary separation scheme; or

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

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

17.4 Applications under By-Law 17.3 shall be made:

(a) in a case where By-Law 17.3(a) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the RSG within the said one (1) month period. In the event that no application is received by the ESS Committee within the said period, any unexercised Options held by the Grantee or unvested Shares under the RSG Award at the expiry of the said period shall be automatically terminated;

(b) in a case where By-Laws 17.3(b) or (c) is applicable, within six (6) months after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the RSG within the said six (6) months period. In the event that no application is received by the ESS Committee within the said period, any unexercised Options held by the Grantee and/or such number of unvested Shares under the RSG (as the case may be) at the expiry of the said period shall be automatically terminated;

(c) in a case where By-Law 17.3(d) is applicable, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the RSG (as the case may be) within one (1) month after he/she is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised Option held by the Grantee and/or such number of unvested Shares under the RSG at the expiry of the said period shall be automatically terminated.

17.5 In the event that a Grantee is notified that he 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, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the RSG (as the case may be) within one (1) month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee and/or such number of unvested Shares under the RSG at the expiry of the said period shall be automatically terminated.

17.6 The ESS Committee shall consider applications under By-Law 17.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Grantee may exercise the Options and/or be vested with the unvested Shares under the RSG which are the subject of the approval within the period so approved by the ESS Committee and subject to the provisions of By-Law 9. Any Options and/or Shares in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 17.4 or on the date of the ESS Committee's decision, whichever is the later.

17.7 In the event that the ESS Committee receives an application under By-Law 17.3 after the expiry of the relevant period under By-Law 17.4, the ESS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESS Committee's discretion and powers under By-Law 17.6. In the event that the ESS Committee approves the application in whole or in part, the Company shall make an ESOS Offer in respect of the unexercised Options and/or an RSG Award Letter in respect of the unvested Shares which are the subject of approval to the Grantee and such Options offered and/or Shares awarded, if accepted by the Grantee shall be exercisable:

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

(b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options and/or RSG Awards; and

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

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

(a) Such ESOS Options and/or unvested Shares may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased Grantee ("**Representative**") within twelve (12) months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESS Committee;

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

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

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

(ii) The ESS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Representative may exercise the Options and/or be vested with such number of unvested Shares under the RSG which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESS Award in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESS Committee's decision, whichever is the later.

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

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

(2) in accordance with the provisions of By-Law 9.4; and

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

17.9 The provisions of By-Law 17.7 and By-Law 17.8(c)(iii) constitute exceptions to the provisions of By-Law 5.1 and By-Law 10(a).

17.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole discretion, on the Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS** that:

(a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the right of such Grantee to their ESS Award;

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

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

(d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESS Awards of such Grantee shall immediately lapse on the Date of Expiry without notice,

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

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

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

19. SCHEME NOT A TERM OF EMPLOYMENT

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

20. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Share under the RSG Award, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee 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.

PART VI

21. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

21.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or any other alteration in the capital structure of the Company or otherwise howsoever, the ESS Committee may, in its discretion, determine whether the following shall be adjusted, and if so, the manner in which such adjustments should be made:

(a) In respect of the ESOS:

(i) the Exercise Price; and/or

(ii) the number of unexercised ESOS Options; and/or

(iii) the Exercise Price for the unexercised ESOS Options which is open for acceptance;

(b) In respect of the RSG:

(i) the number of Shares which are the subject of the RSG Award to the extent not yet vested; and/or

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

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

21.2 The provisions of this By-Law 21.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

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

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

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

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

(e) A restricted issue of securities; or

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

(g) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

21.3 Save as expressly provided for herein, the external auditors or Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments other than on a bonus issue, subdivision or consolidation of shares are in their opinion fair and reasonable. The opinion of the external auditors or Adviser shall be final, binding and conclusive.

21.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Act, By-Law 21.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is applicable, but By-Law 21.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is not applicable as described in By-Law 21.2.

21.5 An adjustment pursuant to By-Law 21.1 shall be made according to the following terms:

(a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or

(b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.

21.6 Upon any adjustment required to be made pursuant to this By-Law 21, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:

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

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

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

21.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 21 shall be made in accordance with the following formula below:

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

If and whenever Shares shall be consolidated, subdivided, converted or reduced, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined after consultation with the external auditors or Adviser (acting as expert and not arbitrator) in such a manner as to give the Grantee a fair and reasonable entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

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

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

$$\frac{A}{A+B} \times \text{Exercise Price} = \text{Adjusted Exercise Price}$$

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

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

Where:

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

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

T = Number of existing Options held

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

(c) If and whenever the Company shall make:

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

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

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

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

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

and in respect of the case referred to in By-Law 21.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:-

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

Where:

T = T as in By-Law 21.7(b) above;

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

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 21.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 21.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 21.7(c) hereof, the fair market value as determined by the external auditors or Adviser of that portion of the Capital Distribution attributable to one (1) existing Share.

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

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

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

Where:

C = C as in By-Law 21.7(c) above;

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

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

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

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

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

Where:

C = C as in By-Law 21.7(c) above;

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

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

For the purpose of By-Law 21.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 21.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

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

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

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

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:

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

Where:

B = B as in By-Law 21.7(b) above;

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

C = C as in By-Law 21.7(c) above;

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

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

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

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

T = T as in By-Law 21.7(b) above.

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

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

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 21.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

Where:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above;

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above;

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

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

T = T as in By-Law 21.7(b) above.

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

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

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 21.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

Where:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above

J = J as in By-Law 21.7(e) above;

T = T as in By-Law 21.7(b) above;

K = K as in By-Law 21.7(e) above; and

B = B as in By-Law 21.7(b) above.

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

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 21.7(c)(2), 21.7(c)(3), 21.7(d), 21.7(e) or 21.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

Where:

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

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

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

For the purpose of this By-Law 21.7(g), "**Total Effective Consideration**" shall be determined by the ESS Committee with the concurrence of the external auditors or Adviser and shall be:-

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

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

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

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

For the purpose of By-Law 21.7(g), "**Average Price**" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

(h) For the purpose of By-Laws 21.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

21.8 In respect of the RSG, any adjustment pursuant to By-Law 21.1 shall be made in such a manner as to give the Grantee a fair and reasonable RSG Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

21.9 If an event occurs that is not set out in By-Law 21.7 or if the application of any of the formula set out in By-Law 21.7 to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the ESS Committee may effect an adjustment in such manner deemed appropriate by the ESS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESS Committee.

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

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

21.12 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 21, the number of Shares comprised in an ESOS Offer or RSG Award shall automatically be rounded down to the nearest whole number.

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

22.1 In the event of:

(a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror), a ESOS Grantee shall be entitled within such period to be determined by the ESS Committee to exercise all or any part of his/her unexercised ESOS Options and the Directors of the Company shall use their best endeavours to procure that such offer be extended to the new Shares that may be issued pursuant to the exercise of the ESOS Options under this By-Law; or

(b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date ("**Specific Date**"), a ESOS Grantee shall be entitled to exercise all or any part of his/her unexercised ESOS Options until the expiry of the Specific Date.

22.2 In the event of the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act, a ESOS Grantee shall be entitled to exercise all or any part of his/her unexercised ESOS Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and up to but excluding the date upon which such compromise or arrangement becomes effective.

22.3 In the event that the ESOS Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the dates prescribed in By-Laws 22.1 and 22.2 and be null and void and of no further force and effect.

23. DIVESTMENT FROM THE GROUP, ETC

23.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:

(a) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her and shall cease to be capable of being vested with any unvested Shares under the RSG Award from the date of completion of such divestment, within a period of three (3) months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such Options and/or the unvested Shares, the unexercised Options and/or unvested Shares under the RSG Award shall be automatically terminated upon the expiry of the relevant period; and

(b) shall no longer be eligible to participate for further ESS Awards under the Scheme as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

23.2 For the purposes of By-Law 23.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESS Committee as its absolute discretion.

24. WINDING UP

All outstanding ESS Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise and/or vest the ESS Awards 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 and/or vest the ESS Awards shall accordingly be unsuspended.

PART VII

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

25.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:-

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

(b) receipt of the approval from Bursa Securities for the listing of and quotation for such number of new Shares, representing up to ten percent (10%) of the total number of issued Shares, to be issued pursuant to the Scheme;

(c) procurement of shareholders' approval for the Scheme in a general meeting;

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

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

The Scheme, when implemented, shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 25.3 below. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

25.2 The ESS Award can only be made during the Duration of the Scheme and before 5.00 p.m. on the Date of Expiry.

25.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESS Committee shall furnish a written notification to all Grantees and the Company shall make the necessary announcements to Bursa Securities within 30 days prior to the expiry of the first five (5) years or such other period as may be stipulated by Bursa Securities. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension.

25.4 Notwithstanding anything to the contrary, all ESS Awards hall lapse at 5.00 p.m. on the Date of Expiry.

25.5 The Scheme may be terminated by the ESS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:-

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

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

(c) the reasons and justification for termination.

25.6 The Company may implement more than one (1) executive/employee share scheme provided that the aggregate number of Shares available under all the executive/employee share schemes implemented by the Company is not more than fifteen percent (15%) of its total number of issued share capital (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

25.7 In the event of termination as stipulated in By-Law 25.5 above, the following provisions shall apply:-

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

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

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

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

25.8 Approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of Grantees who have yet to exercise their Options and/or vest the unvested Shares are not required to effect a termination of the Scheme.

26. NO COMPENSATION FOR TERMINATION

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

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

(b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the ESS Award themselves) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;

(c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESS Award or his/her rights/ESS Award ceasing to be valid pursuant to the provisions of these By-Laws; and

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

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

27.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/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:-

(a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or

(b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or

(c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee,

unless allowed otherwise by the provisions of the Listing Requirements.

27.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8, 9, 10, 12, 14, 15, 16, 21, 24 and 25 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.

27.3 Upon amending and modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VIII

28. ADMINISTRATION AND TRUST

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

28.2 In implementing the Scheme, the ESS Committee may in its discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the ESS Awards shall be satisfied by any of the following methods:

(a) Issuance of new Shares;

(b) Transfer of existing Shares held in treasury (if any);

(c) Acquisition of existing Shares from the market;

(d) Payment of the equivalent cash value of such new Shares and/or existing Shares;

(e) 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; or

(f) A combination of any of the above.

28.3 The Company shall have the discretion to approve the vesting of the ESS Awards, wholly or partly, in the form of cash rather than Shares, in which event the Eligible Persons shall receive the aggregate value of the relevant number of Shares in cash, subject to provisions in these By-Laws.

28.4 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to Grantees at such times as the ESS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and (if/where applicable) to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.

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

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

28.7 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

29. DISPUTES

29.1 In case any dispute or difference shall arise between the ESS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESS Committee during the Duration of the Scheme. The ESS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, **PROVIDED THAT** where the dispute is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.

29.2 Notwithstanding the foregoing provisions of By-Law 29.1 above, matters concerning adjustments made pursuant to By-Law 21 shall be referred to external auditors of the Company or Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

30. COSTS AND EXPENSES

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

31. CONSTITUTION

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

32. NOTICE

32.1 Subject to By-Law 34.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

(a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting;

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

(c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received 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 or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

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

32.2 Where any notice which the Company or the ESS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to the Scheme, the Company or the ESS Committee may give such notice through an announcement to all Eligible Persons and/or Grantees to be made in such manner deemed appropriate by the ESS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 32.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

33. SEVERABILITY

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

34. GOVERNING LAW AND JURISDICTION

34.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 29 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.

34.2 Any proceeding or action shall subject to the provisions of By-Law 29, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

34.3 Any notice/process required to be given to or served by the Board or the ESS Committee upon an Eligible Person and/or Grantee shall be given shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person and/or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to his last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

34.4 Any notice/process required to be given to or served upon the Board or the ESS Committee by an Eligible Person and/or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESS Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.

34.5 Any ESOS Offer to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the ESS Committee, Eligible Person and/or the Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board or the ESS Committee) or to such e-mail address of the Eligible Person and/or Grantee provided by the Company (if to be given to or served upon the Eligible Person and/or Grantee) or such communication by other digital means as may be prescribed by the Board and/or ESS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market Day immediately following the day on which the electronic mail is dispatched or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

34.6 Notwithstanding By-Law 34.5, where any Normal Correspondence is required to be given by the Company or the ESS Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons and/or Grantees, the Company or the ESS Committee may give the Normal Correspondence through an announcement to all Eligible Persons and/or Grantees to be made in such manner deemed appropriate by the ESS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 34.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons and/or Grantee.

34.7 In order to facilitate the offer of any ESS Award (and/or the benefit thereof) under this Scheme, the ESS Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any ESS Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.

34.8 No action has been or will be taken by the Company to make an ESS Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESS Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an ESS Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESS Award or will exercise the ESOS Option or be vested the Shares under the RSG Award.

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

1. Historical financial information

A summary of the key financial information of the Group for FYE 2021, FYE 2022, FYE 2023 and for FPE 31 October 2022 and FPE 31 October 2023 are set out in the table below:-

	Audited FYE[(1)]			Unaudited FPE 31 October 2022[(1)]	Unaudited FPE 31 October 2023
	2021 RM'000	2022 RM'000	2023 RM'000	RM'000	RM'000
Revenue	1,832	38,547	188,666	114,508	273,875
Gross profit	1,097	9,458	27,276	17,749	38,745
(Loss before tax) / Profit before tax	(4,473)	4,920	22,694	14,921	33,971
LAT / PAT	(4,473)	4,343	16,523	10,956	25,391
Shareholders' fund/NA	8,657	1,851	42,438	12,807	67,829
Total borrowings[(2)]	-	184	166	171	19,739
Share capital	95,745	95,745	23,461	95,745	23,461
No. of Comintel Shares ('000)[(3)]	140,000	140,000	180,417	140,000	382,500
Basic (loss) / earnings per share (sen)	(3.19)	3.10	9.16	7.83	6.64
NA per share (sen)	6.18	1.32	23.52	9.15	17.73
Current ratio (times)	0.85	0.96	1.44	1.06	1.34
Gearing ratio (times)	-[(4)]	0.10	-[(4)]	0.01	0.29

Notes:-

(1) Represents the results from the Group's continuing operations only.

(2) Represents the total hire purchase or bank borrowings of the Group.

(3) Represents the weighted average number of Comintel Shares for the respective financial years/financial periods, as extracted from Comintel's respective Annual Report and financial quarterly results.

(4) Negligible.

Financial commentaries

Commentaries for FYE 2021 and FYE 2022

During FYE 2022, the Group had undertaken various steps to realign its business interest which includes, the disposal of loss-making entities, i.e. green waste management and waste-to-energy segment. In the same year, the Group had also diversified its business operations to include construction related activities and being awarded three (3) construction projects, namely the Sasar Piling Project, Sasar MBW Project and D'Erica Project with total contract sum of RM117.69 million.

Resultant from the above, the Group's revenue for FYE 2022 had increased by RM36.72 million or 2,004.09% in comparison to FYE 2021, primarily due to the revenue contribution from the Group's construction business of approximately RM34.40 million. The Group's continuing operations have also recorded PAT of 4.34 million in FYE 2022 as compared to LAT of RM4.47 million in FYE 2021.

Notwithstanding the above, the Group's shareholders funds has decreased by RM6.81 million or approximately 78.62% in FYE 2022 mainly due to the losses from discontinued operations (including loss on disposal as well as losses arising from operations in aggregate) amounting to RM13.01 million which resulted in the Group recording a LAT of RM8.67 million. For information purposes, the discontinued operations relate to the Company's subsidiaries, namely, Comintel Sdn Bhd, Green Waste Management Sdn Bhd, Comintel (HK) Limited, Comintel Mobility Sdn Bhd, PT. Intelcom Indonesia, Comintel Green Technologies Sdn Bhd and Comintel Tech Services Sdn Bhd, which were disposed by the Group in December 2021.

Commentaries for FYE 2022 vs FYE 2023

The Group's revenue in FYE 2023 had increased by RM150.12 million or 389.44% in comparison to FYE 2022, mainly due to the increase in revenue contribution from the Group's construction business as a result of commencement of new projects as well as improvement in the progress of construction activities during the year. The Group's construction revenue were mainly attributable to progress billing from D'Erica Project, D'Tessera MBW Project, D'Terra MBW Project, Sasar Piling Project and Sasar MBW Project.

The Group's PAT for FYE 2023 has also increased by RM12.18 million or 280.45% to RM16.52 million which is in line with the increase in the Group's revenue contribution.

The Group's NA for FYE 2023 has increased to RM42.44 million as a result of the PAT recorded during the year as well as the completion of the PN17 Regularisation which includes the issuance of 242,500,000 placement shares which raised gross proceeds of RM19.40 million and the issuance of 70,000,000 redeemable convertible preference shares which raised gross proceeds of RM5.60 million.

As part of the PN17 Regularisation, the Group had also undertaken share capital reduction pursuant to Section 116 of the Act to reduce its share capital amounting to RM90.96 million of the Act to offset against the accumulated losses of the Group which resulted in the Group's share capital to decrease in FYE 2023.

Commentaries for FPE 31 October 2022 vs FPE 31 October 2023

The Group's revenue had increased by RM159.37 million or 139.18% for FPE 31 October 2023 in comparison to FPE 31 October 2022 mainly due to the revenue contribution from the Group's construction segment, which is primarily attributable to progress billings from the Sasar MBW Project, D'Erica Project, D'Terra MBW Project, Butirjaya Project and D'Tessera MBW Project.

Correspondingly, the Group's PAT from continuing operations had increased by RM14.44 million or 131.75% for FPE 31 October 2023 in comparison to FPE 31 October 2022.

The Group's NA for FPE 31 October 2023 increased by RM55.02 million or 429.62% in comparison to FPE 31 October 2022 as a result of the PAT recorded during the financial period as well as the corporate exercises undertaken by the Group in relation to the PN17 Regularisation.

As at 31 October 2023, the Group had drawdown banker acceptance of RM19.74 million to fund the construction costs of its on-going projects which resulted in the Group's borrowings to increase by RM19.57 million as at 31 October 2023. Nonetheless, the Group's gearing ratio for the FPE 31 October 2023 is still minimal at 0.29 times.

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

Information relating to BCSB have been extracted from publicly available documents (where available) as well as other information and/or documents that have been provided by BCSB. The sole responsibility of the Board is limited to ensure that the information in relation to BCSB has been accurately reproduced in this Circular.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST

2.1 AmInvestment Bank

AmInvestment Bank has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

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

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

As at the LPD, the AmBank Group has extended certain credit facilities amounting to approximately RM35.00 million to Comintel Group which represents approximately 0.03% compared to the audited consolidated loans, advances and financing of AMMB Holdings Berhad as at 31 March 2023.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposals and the Proposed Private Placement does not give rise to a conflict of interest situation in view that:-

(i) the AmBank Group form a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser in respect of the Proposals and the Proposed Private Placement is in the ordinary course of business; and

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

2.2 Knight Frank

Knight Frank has, before the issuance of this Circular, given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name, the extraction from the Valuation Report (where applicable) and all references thereto in the form and context in which it appears in this Circular.

Knight Frank confirms that there is no conflict of interests that exists or is likely to exist in relation to its role as the Independent Valuer to the Company for the Construction Equipment.

2.3 BDOCC

BDOCC, being the Independent Adviser to the non-interested directors and non-interested shareholders of Comintel for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the IAL of its name and all references in the form and context in which they appear in this Circular.

BDOCC has given its confirmation that no conflict of interest exists or is likely to exist in relation to its role as the Independent Adviser for the Proposed Acquisition in the Circular.

3. MATERIAL COMMITMENTS

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

4. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the Group's financial position.

5. MATERIAL LITIGATION

As at the LPD, the Board is not aware of any material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of the Group, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group.

6. MATERIAL CONTRACTS

Save as disclosed below, neither Comintel nor its subsidiary has entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of Comintel or its subsidiary) during the two (2) years preceding the date of this Circular:-

(i) Subscription agreement dated 7 January 2022 and supplemental agreement dated 1 June 2022 entered into between the Company and JCSB, whereby JCSB will subscribe for 145,000,000 new Comintel Shares at an issue price of RM0.08 per Comintel Share and 70,000,000 RCPS at an issue price of RM0.08 per RCPS, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(ii) Subscription agreement dated 7 January 2022 and supplemental agreement dated 1 June 2022 entered into between the Company and Dato' Sri Godwin Tan Pei Poh, whereby Dato' Sri Godwin Tan Pei Poh will subscribe for 18,187,500 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(iii) Subscription agreement dated 7 January 2022 and supplemental agreement dated 1 June 2022 entered into between the Company and Ta Wee Dher, whereby Ta Wee Dher will subscribe for 18,187,500 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(iv) Subscription agreement dated 1 June 2022 entered into between the Company and Yankong Stainless Sdn Bhd whereby Yankong Stainless Sdn Bhd will subscribe for 18,742,500 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(v) Subscription agreement dated 1 June 2022 entered into between the Company and Tan Chyi Boon whereby Tan Chyi Boon will subscribe for 15,300,000 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(vi) Subscription agreement dated 1 June 2022 entered into between the Company and Chow Hing Yaung whereby Chow Hing Yaung will subscribe for 13,541,250 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(vii) Subscription agreement dated 1 June 2022 entered into between the Company and Fong Yik Hon whereby Fong Yik Hon will subscribe for 13,541,250 new Comintel Shares at an issue price of RM0.08 per Comintel Share, to be satisfied in full via cash in accordance with the terms and conditions of the subscription agreement, which has been completed on 5 December 2022;

(viii) Share sale agreement dated 20 November 2023 entered into between Huang Chai Sheng as purchaser and the Company as vendor for the disposal of 100.00% equity interest in Comintel System Technologies Sdn Bhd for cash consideration of RM135,000, which has been completed on 20 November 2023; and

(ix) Conditional sale and purchase agreement dated 6 December 2023 entered into between BBSB and BCSB for the proposed acquisition of construction related equipment by BBSB from BCSB for RM35,000,000 to be satisfied in full via cash.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. HISTORICAL SHARE PRICES

The monthly high and low prices of Comintel Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:-

	High RM	Low RM
2023		
February	0.9150	0.8250
March	0.8600	0.8100
April	0.9350	0.8400
May	0.9100	0.8550
June	0.8950	0.8400
July	0.8950	0.8150
August	0.9800	0.8700
September	1.5000	0.9700
October	1.4400	1.3000
November	1.5000	1.2900
December	1.5000	1.3700
2024		
January	1.4400	1.2500
Last transacted market price on 5 December 2023 (being the last Market Day prior to the announcement of the Proposals)		1.4500
Last transacted market price as at the LPD		1.4000

(Source: Bloomberg)

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Comintel at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) following the date of this Circular up to and including the date of the EGM:-

(i) the SPA;

(ii) the Constitution;

(iii) the audited consolidated financial statements of Comintel for the past two (2) financial years ended 31 January 2022 and 31 January 2023 and the latest unaudited quarterly results of Comintel for the 9 months FPE 31 October 2023;

(iv) the letters of consent referred to in Section 2 of Appendix IV of this Circular;

(v) the material contracts as referred to in Section 6 of Appendix IV of this Circular;

(vi) the draft By-Laws as set out in Appendix II of this Circular; and

(vii) the Valuation Report.

COMINTEL CORPORATION BHD
[Registration No. 200301027648 (630068-T)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of Comintel Corporation Bhd ("**Comintel**" or "**Company**") will be held fully virtual through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia at https://tiih.online (Domain registration number with MYNIC: DIA282781) on Thursday, 7 March 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION

"**THAT** subject to the passing of Ordinary Resolution 2, the approval of all relevant authorities or parties being obtained (if required), and the conditions precedent stipulated under the conditional sale and purchase agreement dated 6 December 2023 entered into between Binastra Builders Sdn. Bhd. (*formerly known as Total Package Work Sdn Bhd*) ("**BBSB**") and Binastra Construction (M) Sdn. Bhd. ("**BCSB**") (including any amendment and/or extension thereof as mutually agreed) in respect of the proposed acquisition of construction related equipment ("**Construction Equipment**") by BBSB from BCSB ("**SPA**") ("**Proposed Acquisition**") being obtained, fulfilled or waived, approval be and is hereby given to BBSB to acquire the Construction Equipment from BCSB for a total purchase consideration of RM35,000,000.00 upon such terms and conditions as set out in the SPA;

THAT the execution by the Board of Directors of the Company ("**Board**") and the performance of its obligations under the SPA be and is hereby approved and ratified;

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 agreements as may be necessary to give effect and complete the Proposed Acquisition with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities and/or parties and/or as the Board may deem necessary or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED RIGHTS ISSUE

"**THAT** subject to the approval of all relevant authorities or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the new ordinary shares in Comintel Corporation Bhd ("**Comintel**") ("**Comintel Share(s)**" or "**Share(s)**") ("**Rights Share(s)**") to be issued pursuant to the Proposed Rights Issue (as defined herein), authority be and is hereby given to the Board of Directors of the Company ("**Board**") to provisionally allot and issue by way of a renounceable rights issue of 45,250,000 Rights Shares to the shareholders of the Company ("**Shareholders**") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced by the Board ("**Rights Issue Entitlement Date**") ("**Entitled Shareholders for Rights Issue**") at an issue price of RM0.80 per Rights Share on the basis of 1 Rights Share for every 10 existing Shares held on the Rights Issue Entitlement Date and on such terms and conditions and in such manner as the Board may determine ("**Proposed Rights Issue**");

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders for Rights Issue shall be made available for excess Rights Shares applications to other Entitled Shareholders for Rights Issue and/or their renouncees and to such other persons as the Board shall determine at its absolute discretion;

THAT the Rights Shares shall be listed on the Main Market of Bursa Securities;

THAT the proceeds to be raised from the Proposed Rights Issue shall be utilised for the purposes as set out in Section 3.6 of Part A of the Circular to Shareholders dated 8 February 2024 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the existing Comintel Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares;

THAT the Board be and is hereby authorised to deal with all or any of the fractional entitlements of the Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit, expedient and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue in order to implement and give full effect to the Proposed Rights Issue;

AND THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue."

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF A NEW EXECUTIVES' SHARE SCHEME

"**THAT**, subject to the approvals of all relevant authorities or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new ordinary shares in Comintel Corporation Bhd ("**Comintel**") ("**Comintel Share(s)**" or "**Share(s)**") to be issued pursuant to the proposed executives' share scheme of up to 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Scheme (as defined herein), comprising a share option scheme ("**Proposed ESOS**") and a restricted share grant plan ("**Proposed RSG**"), for the eligible directors and executives of the Company and its subsidiary(ies) ("**Comintel Group**" or "**Group**") which are not dormant ("**Proposed ESS**" or "**Scheme**") having been obtained, and to the extent permitted by law, Companies Act 2016 ("**Act**") and the Company's Constitution, authority be and is hereby given to the Board of Directors of the Company ("**Board**") to:

(i) establish, implement and administer the Proposed ESS from time to time for the eligible directors and executives of the Group (excluding dormant subsidiaries, if any), who fulfil the criteria of eligibility for participation in the Proposed ESS ("**Eligible Person(s)**") as set out in the By-Laws governing the Scheme ("**By-Laws**"), a draft of which is set out in Appendix II of the Circular to Shareholders dated 8 February 2024 ("**Circular**"), and to give full effect to the Scheme with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities and/or parties or deemed necessary by the Board in the best interest of the Company;

(ii) make the necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new Comintel Shares which may hereafter from time to time be allotted and issued pursuant to the Scheme;

(iii) issue and allot from time to time such number of new Comintel Shares as may be required to be allotted and issued pursuant to the exercise of the share options pursuant to the Proposed ESOS ("**Share Options**") and/or vesting of the Shares pursuant to the Proposed RSG under the Proposed ESS (collectively, the "**ESS Awards**"), including any additional new Shares as may be required to be issued as a consequence of any adjustments in accordance with the provisions of the By-Laws, provided that the aggregate number of new Shares to be issued under the Proposed ESS shall not exceed in aggregate 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Scheme. Such new Comintel Shares shall, upon allotment and issuance, rank equally in all respects with the existing Comintel Shares, save and except that such new Comintel Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company ("**Shareholders**"), the entitlement date of which is prior to the date of allotment and issuance of such new Comintel Shares;

(iv) amend and/or modify all or any part of the terms and conditions as set out in the By-Laws governing the Proposed ESS from time to time as may be required or permitted by the relevant authorities or deemed necessary by the Board or any committee of the Proposed ESS established or appointed by it, provided that such amendments and/or modifications are effected and permitted in accordance with the provisions of the By-Laws relating to amendments and/or modifications, and to do all such acts, deeds and things, and to execute all such documents and to enter into all such transactions, arrangements, agreements, deeds and undertakings with any party or parties as the Board may deem fit, necessary or expedient or appropriate and to impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS and the provisions of the By-Laws; and

(v) extend the duration of the Scheme, provided always that the initial period and such extension of the Scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the effective date of the Scheme as determined in accordance with the Main Market Listing Requirements of Bursa Securities and the provisions of the By-Laws (or such other period as may be permitted by Bursa Securities or any other relevant authorities from time to time) without having to obtain any further sanction, approval, consent or authorisation of the shareholders in a general meeting;

THAT the By-Laws of the Scheme, a draft of which is set out in **Appendix II** of the Circular, be and is hereby approved and adopted;

THAT the new Comintel Shares to be issued pursuant to the Proposed ESS shall be listed on the Main Market of Bursa Securities;

THAT the Board be and is hereby authorised to give effect to the Proposed ESS with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities and to take all such steps and do all acts and things as the Board may deem fit or necessary at its absolute discretion;

THAT pursuant to Article 55 of the Company's Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Act be and is hereby given to the Board, to offer and issue new Comintel Shares pursuant to the Proposed ESS which rank equally to the existing Comintel Shares to such Eligible Persons **AND THAT** the Board is exempted from the obligation to offer such new Comintel Shares first to the existing Shareholders in respect of the allotment and issuance of new Comintel Shares to the Eligible Persons pursuant to the Proposed ESS."

ORDINARY RESOLUTION 4

PROPOSED GRANT OF SHARE OPTIONS AND SHARES TO DATUK TAN KAK SENG (MANAGING DIRECTOR)

"THAT, subject to the passing of Ordinary Resolution 3 and the approvals of the relevant authorities and/or parties for the Proposed ESS (as defined in Ordinary Resolution 3) having been obtained, authority be and is hereby given to the Board of Directors of the Company ("**Board**") to authorise the committee appointed by the Board to administer the Proposed ESS ("**ESS Committee**"), at any time and from time to time throughout the duration of the Proposed ESS, to offer and grant to Datuk Tan Kak Seng, the Managing Director of the Company, share options pursuant to the Proposed ESOS (as defined in Ordinary Resolution 3) and such number of ordinary shares in Comintel ("**Comintel Share(s)**" or "**Shares**") which will be vested in him pursuant to the Proposed RSG (as defined in Ordinary Resolution 3) at a specified future date and to allot and issue and/or deliver such number of Shares and/or the equivalent cash value or combinations thereof comprised in the Proposed ESS, **PROVIDED THAT** –

(i) the aggregate number of new Shares which may be made available under the Proposed ESS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESS;

(ii) the allocation to him, who either singly or collectively, through person(s) connected to him, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any), must not exceed 10% of the total number of Shares to be made available under the Proposed ESS;

(iii) he must not participate in the deliberation or discussion of his own allocation or allocations to person(s) connected to him; and

(iv) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws (as defined in Ordinary Resolution 3), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time."

ORDINARY RESOLUTION 5

PROPOSED GRANT OF SHARE OPTIONS AND SHARES TO LEE SENG YONG (EXECUTIVE DIRECTOR)

"THAT, subject to the passing of Ordinary Resolution 3 and the approvals of the relevant authorities and/or parties for the Proposed ESS (as defined in Ordinary Resolution 3) having been obtained, authority be and is hereby given to the Board of Directors of the Company ("**Board**") to authorise the ESS Committee (as defined in Ordinary Resolution 4), at any time and from time to time throughout the duration of the Proposed ESS, to offer and grant to Lee Seng Yong, the Executive Director of the Company, share options pursuant to the Proposed ESOS (as defined in Ordinary Resolution 3) and such number of ordinary shares in Comintel ("**Comintel Share(s)**" or "**Shares**") which will be vested in him pursuant to the Proposed RSG (as defined in Ordinary Resolution 3) at a specified future date and to allot and issue and/or deliver such number of Shares and/or the equivalent cash value or combinations thereof comprised in the Proposed ESS, **PROVIDED THAT** –

(i) the aggregate number of new Shares which may be made available under the Proposed ESS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESS;

(ii) the allocation to him, who either singly or collectively, through person(s) connected to him, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any), must not exceed 10% of the total number of Shares to be made available under the Proposed ESS;

(iii) he must not participate in the deliberation or discussion of his own allocation or allocations to person(s) connected to him; and

(iv) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws (as defined in Ordinary Resolution 3), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time."

ORDINARY RESOLUTION 6

PROPOSED BONUS ISSUE

"**THAT** subject to the approval of all relevant authorities or parties having been obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the new ordinary shares in Comintel Corporation Bhd ("**Comintel**") ("**Comintel Share(s)**" or "**Share(s)**") to be issued pursuant to the Proposed Bonus Issue (as defined herein), authority be and is hereby given to the Board of Directors of the Company ("**Board**") to issue and allot up to 543,000,000 new Comintel Shares ("**Bonus Shares**") to the entitled shareholders of the Company ("**Shareholders**") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("**Bonus Issue Entitlement Date**"), on the basis of 1 Bonus Share for every 1 existing Comintel Shares held on the Bonus Issue Entitlement Date ("**Proposed Bonus Issue**");

THAT the Bonus Shares shall be listed on the Main Market of Bursa Securities;

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Comintel Shares, save and except that the holders of such Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Bonus Shares;

THAT the Board be and is hereby authorised to deal with all or any of the fractional entitlements for the Bonus Shares that may arise from the Proposed Bonus Issue, if any, in such manner as the Board may in its absolute discretion deem fit, expedient and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Bonus Issue, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Bonus Issue as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Bonus Issue in order to implement and give full effect to the Proposed Bonus Issue;

AND THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Bonus Shares have been duly allotted and issued in accordance with the terms of the Proposed Bonus Issue."

ORDINARY RESOLUTION 7

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

"**THAT**, subject to the Companies Act 2016 ("**Act**"), the Constitution of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries ("**Comcorp Group**") to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("**Related Parties**") as specified in Section 2.3 of Part C of the Circular to Shareholders dated 8 February 2024 in relation to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Recurrent RPTs**") provided that such transactions are:-

(a) recurrent transactions of a revenue or trading nature;
(b) necessary for the day-to-day operations;
(c) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(d) are not to the detriment of the minority shareholders,

("**RRPT Mandate**").

AND THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) the authority is revoked or varied by ordinary resolution passed by the shareholders in general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."

SPECIAL RESOLUTION

PROPOSED CHANGE OF NAME

"**THAT** subject to the approvals of the relevant authorities being obtained, the name of the Company be and is hereby changed from "Comintel Corporation Bhd" to "Binastra Corporation Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia ("**Proposed Change of Name**");

THAT the Constitution of the Company be and is hereby amended accordingly, wherever the name of the Company appears;

AND THAT the Board of Directors be and is hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required) as they may consider necessary and/or expedient to give effect to the Proposed Change of Name."

BY ORDER OF THE BOARD

Seow Fei San (SSM Practicing Certificate No. 201908002299)
Mok Mee Kee (SSM Practicing Certificate No. 201908002288)
Company Secretaries
Petaling Jaya
8 February 2024

Notes:

1. For the purpose of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. for the Record of Depositors as at 1 March 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend, participate, speak and vote in this meeting.

2. A member who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company. Members who are unable to attend, participate, speak and vote in this meeting may appoint the Chairman of the meeting as his/her proxy to vote in accordance with the voting instructions stated in the Form of Proxy.

3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting must request his/her proxy to register himself/herself as a registered user of Tricor's TIIH Online at their website at https://tiih.online, to enable the proxy to attend this meeting.

6. The Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney shall be deposited or submitted in the following manners not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned thereof at which the person(s) named in the appointment proposes to vote:

   In Hardcopy Form

   a. By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or

   b. By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

   By Electronic Form
   To submit the Form of Proxy electronically via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

7. Please ensure ALL the particulars as required in the Form of Proxy are completed. For hardcopy submission, kindly also ensure that the form is signed and dated accordingly.

8. Last date and time for lodging the Form of Proxy is **Tuesday, 5 March 2024 at 11.00 a.m.**

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

COMINTEL CORPORATION BHD
[Registration No. 200301027648 (630068-T)]
(Incorporated in Malaysia)

FORM OF PROXY

Number of ordinary shares held	
CDS Account No.	
Shareholder's Contact No.	

I/We……………………………………………………………………………NRIC/Passport No.: ……………………………
(Full name in block letters and as per NRIC/Passport)

of ………
(Full address)

being member(s) of Comintel Corporation Bhd, hereby appoint:

Particulars of Proxy/(ies)		**Shareholdings to be represented by the proxy/(ies)**	
		No. of Shares	**%**
1. Full Name (in block letters as per NRIC/Passport):	NRIC/Passport No.:		
Address in Full:			
2. Full Name (in block letters as per NRIC/Passport):	NRIC/Passport No.:		
Address in Full:			

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 a fully virtual basis through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via online meeting platform at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on Thursday, 7 March 2024 at 11.00 a.m. or at any adjournment thereof and to vote as indicated below:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Proposed Acquisition		
2.	Proposed Rights Issue		
3.	Proposed Establishment of a New Executives' Share Scheme		
4.	Proposed Grant of Share Options and Shares to Datuk Tan Kak Seng (Managing Director)		
5.	Proposed Grant of Share Options and Shares to Lee Seng Yong (Executive Director)		
6.	Proposed Bonus Issue		
7.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature		
NO.	SPECIAL RESOLUTION		
	Proposed Change of Name		

Please indicate with an “X” in the space provided on how you wish your votes to be cast. If no specific instruction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

Signed on this _______day of _______________, 2024.

____
Signature of Member(s)/Common Seal*
** Delete if not applicable*
Notes:-

1. *For the purpose of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. for the **Record of Depositors as at 1 March 2024**. Only a member whose name appears on this Record of Depositors shall be entitled to attend, participate, speak and vote in this meeting.*

2. *A member who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company. Members who are unable to attend, participate, speak and vote in this meeting may appoint the Chairman of the meeting as his/her proxy to vote in accordance with the voting instructions stated in the Form of Proxy.*

3. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

4. *Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act*.

5. *A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting **must request his/her proxy to register himself/herself as a registered user of Tricor’s TIIH Online at their website at https://tiih.online**, to enable the proxy to attend this meeting.*

6. *The Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney shall be deposited or submitted in the following manners not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned thereof at which the person(s) named in the appointment proposes to vote:*

   In Hardcopy Form
   a) *By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;*

   b) *By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com*

   By Electronic Form
   *To submit the Form of Proxy electronically via **TIIH Online** at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.*

7. *Please ensure ALL the particulars as required in the Form of Proxy are completed. For hardcopy submission, kindly also ensure that the form is signed and dated accordingly.*

8. *Last date and time for lodging the Form of Proxy is **Tuesday, 5 March 2024 at 11.00 a.m.***

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF
COMINTEL CORPORATION BHD
(Registration no. 200301027648 (630068-T))

TRICOR INVESTOR AND ISSUING HOUSE SERVICES SDN BHD
UNIT 32-01, LEVEL 32
TOWER A, VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO. 8, JALAN KERINCHI
59200 KUALA LUMPUR

1st fold here

COMINTEL CORPORATION BHD
[Registration No. 200301027648 (630068-T)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE

VIRTUAL EXTRAORDINARY GENERAL MEETING ("EGM") OF COMINTEL CORPORATION BHD ("COMINTEL" OR "COMPANY")

Day, Date and Time	:	**Thursday, 7 March 2024 at 11.00 a.m.**
Meeting Venue	:	**Online Meeting Platform provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia**
Meeting Platform	:	**TIIH Online website at https://tiih.online**

MEETING PLATFORM

The meeting platform of the EGM is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was further revised on 7 April 2022. Shareholders/Proxy(ies) will not be allowed to attend the EGM in person on the day of the EGM of the Company. With the Remote Participation and Voting ("**RPV**") facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the EGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the EGM.

REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- The RPV facilities are available on Tricor's **TIIH Online** website at https://tiih.online.
- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES FOR REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the EGM using the RPV facilities:

Before the EGM Day

No.	Procedure	Action
1.	Register as a user with TIIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
2.	Submit your request to attend EGM remotely	• Registration is open from 11.00 a.m. Thursday, 8 February 2024 until the day of EGM on Thursday, 7 March 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate the EGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: (**Registration**) COMINTEL CORPORATION BHD EGM. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at 1 March 2024, the system will send you an **e-mail after 5 March 2024 to approve or reject** your registration for remote participation. *Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV.*

On the EGM Day

No.	Procedure	Action
1.	Login to TIIH Online	• Login with your user ID and password for remote participation at the EGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of meeting at 11.00 a.m. on Thursday, 7 March 2024.
2.	Participate through Live Streaming	• Select the corporate event: (**Live Stream Meeting**) **COMINTEL CORPORATION BHD EGM** to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

3.	Online remote voting	• Voting session commences from 11.00 a.m. on Thursday, 7 March 2024 until a time when the Chairman announces the end of the session. • Select the corporate event: (**Remote Voting**) **COMINTEL CORPORATION BHD EGM** or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
4.	End of remote participation	• Upon announcement by the Chairman on the conclusion of the EGM, the Live Streaming will end.

Note to users of the RPV facilities:

- Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 1 March 2024 shall be eligible to attend, speak and vote at the EGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the EGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the EGM yourself, please do not submit any Form of Proxy for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.

- Accordingly, Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 5 March 2024 at 11.00 a.m.**

  (i) In Hard copy:

    a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or

    b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

(ii) By Electronic Form

All shareholders can have the option to submit Form of Proxy electronically via TIIH Online and the steps to submit are summarised below:

Steps for Individual Shareholders

No.	Procedure	Action
1.	Register as a user with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
2.	Proceed with submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **COMINTEL CORPORATION BHD EGM - "Submission of Form of Proxy"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the Form of Proxy for your record.

Steps for Individual Shareholders

No.	Procedure	Action
1.	Register as a user with TIIH Online	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects **"Create Account by Representative of Corporate Holder"**. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.*
2.	Proceed with submission of Form of Proxy	• Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: **COMINTEL CORPORATION BHD EGM - "Submission of Form of Proxy"**. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Form of Proxy" in accordance with the Guidance Note set therein.

		• Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

POLL VOTING

- The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

- Members/Proxies/Corporate representatives/Attorneys can proceed to vote on the resolutions at any time from 11.00 a.m. on Thursday, 7 March 2024 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.

- Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS

- The Board recognises that the EGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the EGM, shareholders may in advance, before the EGM, submit questions to the Board of Directors via Tricor’s TIIH Online website at https://tiih.online, by selecting “e-Services” to login, post your questions and submit it electronically no later than Tuesday, 5 March 2024. The Board of Directors will endeavor to address the questions received at the EGM.

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the EGM as the meeting will be conducted on a fully virtual basis.

- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

- If you need any assistance, kindly contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

  Tricor Investor & Issuing House Services Sdn. Bhd.
  General Line : +603-2783 9299
  Fax Number : +603-2783 9222
  Email : is.enquiry@my.tricorglobal.com
  Contact persons :
  Mohamad Khairudin Bin. Tajudin : +603-2783 7973 / email : Mohamad.Khairudin@my.tricorglobal.com