

THIS CIRCULAR IS IMPORTANT AND REQUIRES SHAREHOLDERS' IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular in relation to the Proposed Removal of Director as well as Proposed Constitution Amendments, prior to the issuance of this Circular. 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.



MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PART A

- (I) PROPOSED SHARE CAPITAL REDUCTION;**
- (II) PROPOSED PRIVATE PLACEMENT;**
- (III) PROPOSED RIGHTS ISSUE OF ICPS;**
- (IV) PROPOSED SIS;**
- (V) PROPOSED DIVERSIFICATION INTO RENEWABLE ENERGY;**
- (VI) PROPOSED DIVERSIFICATION INTO OIL AND GAS; AND**

PART B

- (I) PROPOSED REMOVAL OF DIRECTOR; AND**
- (II) PROPOSED CONSTITUTION AMENDMENTS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser for Part A and Placement Agent for (II) of Part A

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of Minetech Resources Berhad ("EGM") to be held at Ballroom 3, Level 2, New World Petaling Jaya Hotel, Paradigm, 1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Monday, 28 June 2021 at 10.00 a.m. together with the accompanying Form of Proxy, are enclosed in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy/proxies to attend and vote on his/her behalf. The Form of Proxy must be deposited at the Share Registrar of the Company at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 26 June 2021 at 10.00 a.m.
Date and time of the EGM : Monday, 28 June 2021 at 10.00 a.m.

This Circular is dated 4 June 2021

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PART A

- (I) PROPOSED REDUCTION OF THE ISSUED CAPITAL OF MINETECH RESOURCES BERHAD BY RM90.0 MILLION PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016;**
- (II) PROPOSED PRIVATE PLACEMENT OF 349,598,600 NEW ORDINARY SHARES IN MINETECH, REPRESENTING UP TO 30% OF THE COMPANY'S EXISTING NUMBER OF ISSUED SHARES (EXCLUDING ANY TREASURY SHARES);**
- (III) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 582,664,400 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN MINETECH ON THE BASIS OF 1 ICPS FOR EVERY 2 EXISTING MINETECH SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- (IV) PROPOSED SHARE ISSUANCE SCHEME OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED MINETECH SHARES (EXCLUDING ANY TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE SHARE ISSUANCE SCHEME;**
- (V) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESSES OF THE COMPANY AND ITS SUBSIDIARIES TO INCLUDE RENEWABLE ENERGY BUSINESS; AND**
- (VI) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESSES OF THE COMPANY AND ITS SUBSIDIARIES TO INCLUDE OIL AND GAS BUSINESS**

PART B

- (I) PROPOSED REMOVAL OF ABDUL FARID BIN ABDUL KADIR AS DIRECTOR OF THE COMPANY; AND**
- (II) PROPOSED AMENDMENTS TO THE CONSTITUTION OF MINETECH**

DEFINITIONS

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

COMPANIES:

“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Coral Power”	:	Coral Power Sdn Bhd, a 70%-owned subsidiary of Minetech
“Hadid”	:	Hadid Oil & Gas LLP
“Minetech Construction”	:	Minetech Construction Sdn Bhd, a wholly-owned subsidiary of Minetech
“Minetech Group” or the “Group”	:	Minetech and its subsidiaries, collectively
“Minetech” or the “Company”	:	Minetech Resources Berhad
“TA Securities”	:	TA Securities Holdings Berhad

GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“9M-FPE”	:	9-month financial period ended
“2020 Placement”	:	Private placement exercise of up to 10% of the total number of issued Minetech Shares pursuant to the general mandate obtained from our Company’s shareholders, completed on 12 August 2020
“Act”	:	Companies Act 2016
“Announcement”	:	Announcement in relation to the Proposals dated 15 March 2021
“Announcement LPD”	:	12 March 2021, being the latest practicable date prior to the Announcement
“Board”	:	Board of Directors of Minetech
“Cash Conversion”	:	Combination of 1 ICPS and cash payment of the difference between the Conversion Price and the issue price of 1 ICPS, for 1 new Minetech Share
“Cashless Conversion”	:	Surrender of 4 ICPS for conversion into 1 new Minetech Share
“Circular”	:	This circular to shareholders dated 4 June 2021
“Conversion Price”	:	Conversion price of the ICPS
“Conversion Ratio”	:	Conversion ratio of the ICPS
“Court”	:	High Court of Malaya
“EGM”	:	Extraordinary general meeting of Minetech
“Entitlement Date”	:	5.00 p.m. on a date to be determined and announced later by our Board on which our shareholders must appear on the Record of Depositors of our Company in order to be entitled for the Proposed Rights Issue of ICPS
“Entitled Shareholders”	:	Our shareholders whose names appear on the Record of Depositors of our Company on the Entitlement Date
“EPS”	:	Earnings per share
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ending

DEFINITIONS (*CONT'D*)

“ICPS”	:	Up to 582,664,400 new irredeemable convertible preference shares in Minetech to be allotted and issued to the Creditors pursuant to the Proposed Rights Issue of ICPS
“ICPS Undertaking”	:	Written undertakings dated 15 March 2021 entered into between our Company and the Undertaking Shareholders in respect of the Proposed Rights Issue of ICPS
“LAT”	:	Loss after tax attributable to the owners of our Company
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	21 May 2021, being the latest practicable date prior to the printing of this Circular
“LPS”	:	Loss per share
“Maximum Scenario”	:	Up to 582,664,400 ICPS to be issued, based on the following: <ul style="list-style-type: none"> (i) all Entitled Shareholders subscribe in full to their entitlements under the Proposed Rights Issue of ICPS; (ii) all ICPS are converted into new Minetech Shares based on the Conversion Price of RM0.20 and the Cash Conversion mode of 1 ICPS together with cash payment of RM0.15 for 1 new Minetech Share; and (iii) the Proposed Private Placement and the Proposed SIS are implemented after the completion of Proposed Rights Issue of ICPS.
“Minetech Shares” or “Shares”	:	Ordinary shares in our Company
“Minimum Scenario”	:	256,201,310 ICPS to be issued, based on the following: <ul style="list-style-type: none"> (i) Minimum Subscription Level for the Proposed Rights Issue of ICPS; (ii) all ICPS are converted into new Minetech Shares based on the Conversion Price of RM0.20 and the Cashless Conversion mode of 4 ICPS for 1 new Minetech Share; and (iii) the Proposed Private Placement and the Proposed SIS are implemented after the completion of Proposed Rights Issue of ICPS.
“Minimum Subscription Level”	:	Subscription by the Undertaking Shareholders to raise minimum gross proceeds of approximately RM12.8 million from the Proposed Rights Issue of ICPS (representing the entire issue size of the Proposed Rights Issue of ICPS under the Minimum Scenario)
“NA”	:	Net assets attributable to the owners of our Company
“O&G”	:	Oil and gas
“Placement Shares”	:	349,598,600 new Minetech Shares to be issued pursuant to the Proposed Private Placement
“Proposals”	:	Collectively, Proposed Diversification into Renewable Energy, Proposed Diversification into O&G, Proposed Private Placement, Proposed Rights Issue of ICPS, Proposed Share Capital Reduction and Proposed SIS
“Proposed Constitution Amendments”	:	Proposed amendments to our Constitution
“Proposed Diversification”	:	Proposed Diversification into Renewable Energy and Proposed Diversification into O&G
“Proposed Diversification into O&G”	:	Proposed diversification of the existing businesses of our Group to include O&G business
“Proposed Diversification into Renewable Energy”	:	Proposed diversification of the existing businesses of our Group to include renewable energy business

DEFINITIONS (*CONT'D*)

“Proposed Private Placement”	:	Proposed private placement of up to 349,598,600 Placement Shares, representing up to 30% of our Company’s existing number of issued Shares (excluding any treasury shares)
“Proposed Removal of Director”	:	Proposed removal of Abdul Farid Bin Abdul Kadir as Director of the Company
“Proposed Rights Issue of ICPS”	:	Proposed renounceable rights issue of up to 582,664,400 ICPS on the basis of 1 ICPS for every 2 existing Minetech Shares held on the Entitlement Date
“Proposed Share Capital Reduction”	:	Proposed reduction of the issued share capital of our Company by RM90.0 million pursuant to Section 116 of the Act
“Proposed SIS”	:	Proposed establishment of SIS of up to 15% of the total number of issued Minetech Shares (excluding any treasury shares) at any one time during the duration of the SIS
“Requisition Notice”	:	The written requisition dated 28 May 2021 received from a member of the Company holding more than 10% of the issued share capital of the Company carrying the right of voting at meetings of members of the Company, excluding treasury shares, as at the date of the Requisition Note, to convene an EGM pursuant to Section 311 of the Act in relation to the intention to remove Abdul Farid Bin Abdul Kadir as the director of the Company by Special Notice
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SIS”	:	Share Issuance Scheme
“TEAP”	:	Theoretical ex-all price
“Undertaking Shareholders”	:	Dato’ Awang Daud Bin Awang Putera, Choy Sen @ Chin Kim Sang and Chin Leong Choy, collectively
“VWAP”	:	Volume weighted average market price

SHARE ISSUANCE SCHEME:

“By-Laws”	:	By-Laws governing the Proposed SIS (a draft of which is set out in Appendix II of this Circular), as amended, modified and supplemented from time to time
“Date of Offer”	:	Date on which an Offer is made to the Eligible Persons by the SIS Committee to participate in the Proposed SIS in accordance with the By-Laws
“Effective Date”	:	Date of full compliance with all relevant requirements pursuant to the Listing Requirements in relation to the SIS
“Eligible Persons”	:	Directors or employees of the Company and its non-dormant subsidiaries who meet the criteria of eligibility for participation in the Proposed SIS as set out in the By-Laws
“Exercise Price”	:	Price payable for the new Minetech Shares upon exercise of SIS Options granted under the Proposed SIS
“Grantee”	:	An Eligible Person who has accepted the Offer, in accordance with the By-Laws
“Offer”	:	A written offer made by the SIS Committee from time to time to an Eligible Person to participate in the Proposed SIS in the manner provided in the By-Laws
“SIS Committee”	:	A committee duly authorised and appointed by the Board to administer the Proposed SIS, in accordance with the provisions of the By-Laws

DEFINITIONS (*CONT'D*)

“SIS Options” or “Options” : Right of a Grantee to subscribe for new Minetech Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in the By-Laws

All references to “our Company” in this Circular are to Minetech, references to “our Group” are to our Company and its subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references of the shareholder of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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NOTICE OF EGM **ENCLOSED**

FORM OF PROXY **ENCLOSED**

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT SALIENT INFORMATION ON THE PROPOSALS AS WELL AS THE PROPOSED REMOVAL OF DIRECTOR AND PROPOSED CONSTITUTION AMENDMENTS. PLEASE READ THIS CIRCULAR AND ITS APPENDICES CAREFULLY FOR FURTHER DETAILS BEFORE VOTING.

Our Board is recommending shareholders of Minetech to vote **in favour** of the resolutions in relation to the Proposals as well as the Proposed Removal of Director and Proposed Constitution Amendments to be tabled at the forthcoming EGM.

Proposed Share Capital Reduction	
Our Company is proposing to reduce RM90.0 million of its issued share capital pursuant to Section 116 of the Act, with the corresponding credit of RM90.0 million to be used to reduce/eliminate the accumulated losses of our Company. This may enhance the Company's credibility with its customers, suppliers and investors.	
Please refer to Section 2 of Part A of this Circular for further information.	

Proposed Private Placement	
Issue size and basis of allotment	349,598,600 Placement Shares, representing up to 30% of our existing number of issued Shares of 1,165,328,800 Minetech Shares (excluding any treasury shares). Please refer to Section 3 of this Circular for further information.
Issue price and conversion price	The issue price of the Placement Shares shall be fixed by our Board at a later date (" Price Fixing Date "), after our Company's shareholders have approved the Proposed Private Placement. The Placement Shares will be priced at not more than 20% discount to the 5D-VWAP of Minetech Shares immediately before the Price Fixing Date. Please refer to Section 3.3 of Part A of this Circular for further information.

Proposed Rights Issue of ICPS	
Issue size and basis of allotment	Up to 582,664,400 ICPS on the basis of 1 ICPS for every 2 Minetech Shares held by the Entitled Shareholders on the Entitlement Date. Please refer to Section 4 of Part A of this Circular for further information.
Issue price and conversion price	The issue price and conversion price of the ICPS shall be fixed and announced by our Board at a later date before the announcement of the Entitlement Date. The Conversion Price of the ICPS shall be fixed to be no lower than at a maximum discount of 20% to the TEAP of Minetech Shares based on the 5D-VWAP up to and including the last trading day prior to the price fixing date. An indicative Conversion Price of RM0.20 is at a premium of RM0.002 or 1.0% to the TEAP of RM0.1980 based on the 5D-VWAP of Minetech Shares up to and including the LPD of RM0.1977, and will give rise to an indicative issue price of RM0.05 for each ICPS based on the conversion modes of the ICPS. Please refer to Section 4.3 of Part A of this Circular for further information.
Minimum Subscription Level and ICPS Undertaking	Our Company intends to raise minimum gross proceeds of approximately RM12.8 million, at the Minimum Subscription Level of 256,201,310 ICPS at an indicative issue price of RM0.05 for each ICPS. As the Proposed Rights Issue of ICPS will be implemented based on the Minimum Subscription Level, no underwriting will be arranged for the ICPS. Our Company had obtained unconditional and irrevocable written ICPS Undertakings dated 15 March 2021 from the Undertaking Shareholders for the fulfilment of the Minimum Subscription Level of 256,201,310 ICPS. Please refer to Section 4.2 of Part A of this Circular for further information.

EXECUTIVE SUMMARY (CONT'D)

Proposed Private Placement and Proposed Rights Issue of ICPS			
Use of proceeds	Our Company expects to raise the following gross proceeds from the Proposed Private Placement and Proposed Rights Issue of ICPS:		
		Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
	Issuance of Placement Shares (at indicative RM0.16 each)	55,936	55,936
	Issuance of ICPS (at indicative RM0.05 each)	12,810	29,133
	Total gross proceeds	68,746	85,069
The proceeds are intended to be used by our Group as follows:			
	Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
	Expansion of quarry division	5,805	5,805
	Expenditure for construction projects	20,000	25,000
	Repayment of borrowings	14,000	14,000
	Development cost for Solar Power Plant	8,000	8,000
	Future business investments and/or acquisitions	6,000	12,000
	Funding for Proposed Diversification into O&G	5,000	5,000
	Expansion of bituminous products division	5,000	6,000
	Working capital	4,071	8,394
	Expenses for the Proposals	870	870
	Total proceeds	68,746	85,069
Please refer to Section 10 of Part A of this Circular for further information.			
Rationale	The Proposed Private Placement and Proposed Rights Issue of ICPS are intended to raise required funds without incurring interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimising any potential cash outflow arising from interest servicing costs. Please refer to Section 11.2 of Part A of this Circular for further information.		

Proposed SIS	
Proposed SIS	Our Company is proposing to grant SIS Options to the Eligible Persons to subscribe for new Minetech Shares of up to 15% of the total number of issued Minetech Shares, in accordance with the By-Laws. Section 5 of Part A of this Circular contains further information.
Rationale	The Proposed SIS has the following objectives: <ul style="list-style-type: none"> (i) to recognise and rewards the contributions and services of the Eligible Persons that are considered vital to the operations and growth of our Group; (ii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the long term development and growth of our Group; (iii) to reward the Eligible Persons by allowing them to participate in our Group's profitability by way of potentially realising capital gains that may arise from appreciation in the price of the Minetech Shares; and

EXECUTIVE SUMMARY (CONT'D)

	<p>(iv) the Proposed SIS is extended to the non-executive directors of our Group (excluding dormant subsidiaries) for their experience, knowledge and expertise in contributing to our Board's decision-making.</p> <p>Section 11.3 of Part A of this Circular contains further information.</p>
Exercise price of SIS Options	<p>The Exercise Price which is to be determined by our Board upon recommendation of the SIS Committee, shall be based on the 5-day VWAP immediately preceding the Date of Offer, with a discount of not more than 10% in accordance with prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time and subject to adjustments in accordance with the By-Laws and pursuant to the Listing Requirements, where applicable. Section 5.4 of Part A of this Circular contains further information.</p>

Proposed Diversification

Our Group is mainly involved in the production of quarry products and bituminous products, civil engineering works as well as providing goods and services to the property and infrastructure construction industry. Our Group had been registering declining earnings for the past years (further details as set out in **Section 11.4** of Part A of this Circular). Our Board anticipates that its existing business segments in the production of quarry products and civil engineering services will continue to face challenges in the current business environment due to competitive pricing for quarry products.

As a result, our Group has identified the renewable energy business as well as the O&G business, as viable businesses to venture into, after considering the overview and prospects of these industries (as set out in **Sections 13.2** and **13.3** of Part A of this Circular). Considering the growing demand within the renewable energy and O&G industries, the Proposed Diversification is expected to improve the financial performance of our Group and allow our Group to be in a better financial footing in the long run.

Our Board anticipates that the renewable energy business and the O&G business may each potentially contribute 25% or more of our Group's net profits and/or result in a diversion of 25% or more of our Group's net assets towards each of these businesses.

In accordance with Paragraph 10.13(1) of the Listing Requirements, Minetech is therefore required to obtain its shareholders' approval in an extraordinary general meeting for the Proposed Diversification into the renewable energy business as well as into the O&G business.

After it has embarked on the Proposed Diversification, our Group will remain committed to its existing businesses.

Please refer to **Sections 6, 7, and 8** of Part A of this Circular for further information.

Proposed Removal of Director

The Company had on 28 May 2021 received the Requisition Notice. Pursuant to the Requisition Notice, the shareholder requested the Board to convene for an EGM in accordance with Section 311(1) of the Act, and if thought fit, passing an ordinary resolution for removal of Abdul Farid Bin Abdul Kadir as Director of the Company.

Please refer to **Section 2** of Part B of this Circular for further information.

Proposed Constitution Amendments

Our Company proposes to amend its Constitution to facilitate the creation and issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS and to provide greater clarity, enhance administrative efficiency and ensure compliance with the relevant statutory and regulatory requirements so as to update in accordance with the latest development of governance affecting the Company.

Please refer to **Section 8** of Part B of this Circular for further information.

PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS



MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X))
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

4 June 2021

Board of Directors

Dato' Awang Daud Bin Awang Putera (*Executive Chairman*)
Choy Sen @ Chin Kim Sang (*Executive Director*)
Chin Leong Choy (*Executive Director*)
Awgku Mohd Reza Farzak Bin Awg Daud (*Executive Director*)
Azlan Shah Bin Zainal Arif (*Executive Director*)
Ahmad Rahizal bin Dato' Ahmad Rasidi (*Executive Director*)
Abdul Farid Bin Abdul Kadir (*Non-Independent Non-Executive Director*)
Ahmad Ruslan Zahari bin Zakaria (*Independent Non-Executive Director*)
Datin Feridah Binti Bujang Ismail (*Independent Non-Executive Director*)
Siti Aishah Binti Othman (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED SHARE CAPITAL REDUCTION;**
- (II) PROPOSED PRIVATE PLACEMENT;**
- (III) PROPOSED RIGHTS ISSUE OF ICPS;**
- (IV) PROPOSED SIS;**
- (V) PROPOSED DIVERSIFICATION INTO RENEWABLE ENERGY; AND**
- (VI) PROPOSED DIVERSIFICATION INTO O&G**

1. INTRODUCTION

On 15 March 2021, TA Securities announced on behalf of our Board that our Company had proposed to undertake the Proposals. On 22 April 2021, TA Securities announced, on behalf of our Board, additional information in relation to the Proposals.

On 20 May 2021, TA Securities announced on behalf of our Board that Bursa Securities, had through its letter dated 20 May 2021 ("**Approval Letter**"), approved the following:

- (i) admission to the Official List and the listing of and quotation for up to 582,664,400 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS on the Main Market of Bursa Securities;
- (ii) listing of and quotation for up to 349,598,600 Placement Shares on the Main Market of Bursa Securities;
- (iii) listing of and quotation for up to 582,664,400 new Minetech Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities; and

- (iv) listing of and quotation for the new Minetech Shares to be issued pursuant to the exercise of the SIS Options on the Main Market of Bursa Securities.

subject to the conditions as stated in **Section 17** of Part A of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS, TO SET OUT OUR BOARD'S RECOMMENDATION 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 TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED SHARE CAPITAL REDUCTION

Our Company is proposing to reduce RM90.0 million of its issued share capital pursuant to Section 116 of the Act. The corresponding credit of RM90.0 million arising from such cancellation will be used to reduce/eliminate the accumulated losses of our Company, with the following illustrative effects:

	(Audited)		(Unaudited)	
	As at 31 March 2020		As at 31 December 2020	
	Company	Group	Company	Group
	RM'000	RM'000	RM'000	RM'000
Accumulated losses	(84,497)	(67,785)	(89,021)	(71,841)
Add: Credit arising from the Proposed Share Capital Reduction	90,000	90,000	90,000	90,000
Less: Expenses for the Proposals	(870)	(870)	(870)	(870)
Resultant retained earnings	4,633	21,345	109	17,289

The Proposed Share Capital Reduction amount of RM90.0 million is based on the Company's issued share capital of RM166,812,692.90 as at the LPD, with the justification of being able to entirely eliminate the Company's unaudited accumulated losses of RM89,021,388 as at 31 December 2020.

An order by the Court will be sought to confirm the Proposed Share Capital Reduction pursuant to Section 116 of the Act after receipt of approval from the shareholders of our Company at the EGM to be convened. The effective date of the Proposed Share Capital Reduction will be the date of the lodgement of a sealed copy of the order of the Court with the Companies Commission of Malaysia confirming the cancellation of the share capital of our Company.

For the avoidance of doubt, the Proposed Share Capital Reduction will not result in any adjustment to the market price and the number of Shares held by our Company's shareholders.

3. PROPOSED PRIVATE PLACEMENT

3.1 Size of placement

As at the LPD, the issued share capital of Minetech is RM166,812,692.90 comprising 1,165,613,800 Shares. Excluding 285,000 treasury shares held as at the LPD, our Company has an issued share capital of RM166,764,703 comprising 1,165,328,800 Shares. Our Company is proposing to issue up to 349,598,600 Placement Shares representing not more than 30% of our Company's number of issued shares (excluding 285,000 treasury shares).

3.2 Placement arrangement

Our Company intends to allocate the Placement Shares to the following parties:

	No. of Placement Shares	%
Dato' Awang Daud Bin Awang Putera (“ Dato' Awang ”)	30,000,000	8.58
Choy Sen @ Chin Kim Sang (“ Choy Sen ”)	25,000,000	7.15
Awgku Mohd Reza Farzak Bin Awg Daud (“ Awgku ”)	12,500,000	3.58
Chin Leong Choy (“ Chin LC ”)	12,500,000	3.58
Azlan Shah Bin Zainal Arif (“ Azlan Shah ”)	12,500,000	3.58
Independent third party investors to be identified (“ Third Party Investors ”)	257,098,600	73.53
Total	349,598,600	100.00

Interested Directors

Our Board intends to place some of the Placement Shares to certain Directors of our Company who wish to support our Company's fund raising exercise for our Group's long term growth and has therefore proposed to make the above allocations to Dato' Awang, Choy Sen, Awgku, Chin LC and Azlan Shah (collectively referred to as “**Interested Directors**”). It is our Board's intention to place the Placement Shares to the Interested Directors due to their executive roles in our Company which would further align their interest and commitment to enhance the future financial performance of our Group, which would ultimately benefit all our shareholders.

The number of Placement Shares allocated to each particular Interested Director was arrived at after discussions with the respective Interested Directors. There are no placement undertakings obtained from the Interested Directors to subscribe to their respective allocated Placement Shares.

For the avoidance of doubt, the placement of 92,500,000 Placement Shares to the Interested Directors constitutes part of the Proposed Private Placement. In the event any or all of the 92,500,000 Placement Shares are not placed to the Interested Directors, they will be placed to Third Party Investors.

The pro forma effects of the Proposed Private Placement on the Interested Directors' shareholdings in Minetech are as follows:

	As at the LPD				Upon completion of the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Awang	311,582,800	26.74	642,000 ⁽²⁾	0.06	341,582,800	22.55	642,000 ⁽²⁾	0.04
Choy Sen	163,097,020	14.00	48,056,100 ⁽³⁾	4.12	188,097,020	12.42	60,556,100 ⁽³⁾	4.00
Awgku	1,150,000	0.10	-	-	13,650,000	0.90	-	-
Chin LC	47,456,100	4.07	-	-	59,956,100	3.96	-	-
Azlan Shah	4,170,000	0.36	-	-	16,670,000	1.10	-	-

Notes:

(1) Excluding 285,000 treasury shares.

(2) Deemed interested by virtue of his children's shareholdings in Minetech.

(3) Deemed interested by virtue of his spouse and his son's shareholdings in Minetech.

The profiles of the Interested Directors are as follows:

(i) Dato' Awang Daud Bin Awang Putera

Dato' Awang, Malaysian, age 60, was appointed as the Executive Chairman of our Company on 31 March 2020, and as the Chairman of the Investment Committee and Executive Committee of our Company on 12 June 2020. He obtained an intermediate certificate for Mechanical Fitter/General Mechanic in 1980 from Institut Kemahiran Majlis Amanah Rakyat and was certified by the National Industrial Trade Training Board in 1980. He obtained his Bachelor of Science in Mechanical Engineering degree from the University of the East, Philippines in 1994. He was conferred with a Master in Mechanical Engineering from Universitas Pancasila, Indonesia in 2007. In 2020, he was conferred the title of Honorary Doctorate by Geomatika University College for his contribution and lifelong service to technology. In 2020, he was appointed as the Honorary Consul of the Republic of Kazakhstan in Sarawak. He was featured by Majlis Amanah Rakyat as a technical and vocational education and training icon. He was made a chartered fellow of the Chartered Institute of Logistics and Transport Malaysia (“CILT M”) and is the Honorary Advisor to the International Business Forum of CILT M and CILT M Sarawak Chapter.

He began his career with Syarikat Jengka Pahang Sdn Bhd as an apprentice in 1978 where he was trained in overhauling and repairs of rotating equipment. In 1980, he joined Ballast Nedam International (Malaysia) Sdn Bhd as a mechanical workshop supervisor where he was in charge of productivity and service quality of machining jobs. He then joined Daelim (Malaysia) Sdn Bhd in 1981 as a heavy equipment millwright. In 1983, he joined Malaysia LNG as a technician and was eventually promoted to supervisor. He was part of the pioneer group which set up the mechanical workshop for the first product of liquified natural gas and maintenance of Malaysia LNG Sdn Bhd. In 1994, he joined Serba Dinamik Holdings Berhad as a director and was appointed as the Deputy Chief Executive Officer on 2016. Serba Dinamik Holdings Berhad is principally engaged in engineering solutions to the O&G and power generation industries, and is listed on the Main Market of Bursa Securities.

Dato' Awang has over 40 years of experience in the field of mechanical engineering.

(ii) Choy Sen @ Chin Kim Sang

Choy Sen, Malaysian, age 68, is the founder of our Company and was re-designated from Non-Independent Non-Executive Chairman to Executive Chairman on 4 July 2019. On 31 March 2020, he was re-designated as an Executive Director of our Company. He is also a member of the Executive Committee of our Company since 12 June 2020. He received a Master of Business Administration from Southern Pacific University, USA in 2004 and he is an Associate of the Institute of Quarrying Malaysia.

In 1984, he founded K.S. Chin Minerals Sdn Bhd and was involved in quarrying and civil engineering works (i.e. drilling and blasting works). In 1989, he incorporated Minetech Construction to provide specialised drilling and blasting, loading and haulage services focusing on rock excavation and infrastructure development projects. He had also established several other subsidiaries focusing on industrial machinery, sales and marketing of aggregates and asphalt premix.

Choy Sen has over 40 years of experience in the quarrying and civil engineering industries.

(iii) Awgku Mohd Reza Farzak Bin Awg Daud

Awgku, Malaysian, age 37, was appointed as a Non-Independent Non-Executive Director of our Company on 3 April 2020. He was re-designated as Executive Director and appointed as a member of the Investment Committee and Executive Committee of our Company since 12 June 2020. He received a Master in Industrial Engineering Technology from University Malaysia, Pahang. He is also a Chartered Member of the Chartered Institute of Logistics & Transport (CILT) International, United Kingdom.

He began his career with Serba Dinamik Sdn Bhd in 2004. In 2014, he founded Trillion Axis Sdn Bhd and was involved in the maintenance, repair and overhaul company focusing in the O&G industry. In 2019, he founded ADAP Kenyalang Holdings Sdn Bhd and was involved in investments in essential services sectors such as O&G, engineering and telecommunications.

Awgku has over 15 years of experience in the O&G industry.

(iv) Chin Leong Choy

Chin LC, Malaysian, age 38, was appointed as an Executive Director on 21 January 2010 and re-designated as a Group Executive Director on 6 March 2013. He was re-designated as Executive Director of our Company and appointed as a member of the Investment Committee and Executive Committee on 12 June 2020. He received a Master of Business Administration (General Management) from Stichting Euregio University College, Belgium and Master of Business Administration (Property Management) from Tbilisi Teaching University Gorgasali, Georgia.

He joined Minetech Construction in 2003 where he was responsible for control blasting and infrastructure work. He was then transferred to Minetech Quarries Sdn Bhd in a sales capacity in 2005. In 2006, he joined K.S. Chin Minerals Sdn Bhd with the responsibility of planning and development of our company. Subsequently, he become the personal assistant to a former Executive Chairman of Minetech from 2007 to 2009.

Chin LC has over 18 years of experience in the quarrying and civil engineering industries.

(v) Azlan Shah Bin Zainal Arif

Azlan Shah, Malaysian, age 39, was appointed as an Independent Non-Executive Director of our Company on 3 April 2020. On 21 April 2020, he was re-designated as a Non-Independent Non-Executive Director of our Company. On 12 June 2020, he was re-designated as the Executive Director of our Company. He is also a member of the Investment Committee and Executive Committee of our Company. He obtained his Bachelor of Mechanical Engineering (Honors) from University of Malaya in 2006.

In 2006, he began his career in Tanjong Offshore Group as an engineer, and was involved in maintenance, repair and operations in the O&G industry. In 2013, he founded Empada Sdn Bhd which provided maintenance, fabrication and construction work for the O&G industry. He was appointed as Managing Director of Special Projects and Business Development of ADAP Capital Sdn Bhd in 2019, and was mainly involved in corporate development.

He has over 15 years of experience in the maintenance, fabrication and construction work for the O&G industry.

Third Party Investors

Our Company intends to place up to 257,098,600 Placement Shares to independent third-party investors to be identified at future date(s) and who are not any of the following:

- (i) a director, major shareholder or chief executive of Minetech (“**Interested Person**”);
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In addition, the Third Party Investors shall be persons who qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007, which include inter-alia, the issuance of the Placement Shares to each of them for a consideration of not less than RM250,000 or the issuance of the Placement Shares is made to high-net worth individuals whose net personal assets exceed RM3,000,000 or to corporation with net assets exceeding RM10,000,000.

Subject to market conditions and the timing of identification of placees, the Proposed Private Placement may be implemented in 1 or more tranches within 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. The implementation of the placement arrangement in multiple tranches would provide flexibility to our Company to procure interested investors to subscribe for the Placement Shares within the approved period.

If issued in multiple tranches, the issue price for each tranche of the Placement Shares to the Third Party Investors may be determined separately, in accordance with market-based principles.

3.3 Basis and justification for issue price of Placement Shares

The issue price of the Placement Shares will be fixed by our Board at the Price Fixing Date, after our Company’s shareholders have approved the Proposed Private Placement. The Placement Shares will be priced at not more than 20% discount to the 5D-VWAP of Minetech Shares immediately before the Price Fixing Date, after taking into consideration the following:

- (i) the funding requirements of our Group as set out in **Section 10** of Part A of this Circular;
- (ii) the rationale for the Proposed Private Placement as set out in **Section 11.2** of Part A of this Circular; and
- (iii) the historical financial performance of our Group for the past 3 financial years and 9M-FPE 31 December 2020, where our Group has recorded LAT since FYE 31 March 2018 as set out in **Section 12.1** of Part A of this Circular.

An indicative issue price of RM0.16 for each Placement Share will be at a discount of RM0.0377 or approximately 19.07% to the 5D-VWAP of Minetech Shares up to and including the LPD of RM0.1977, with gross proceeds of up to approximately RM55.9 million to be raised.

3.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with existing Minetech Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment and issuance of the Placement Shares.

3.5 Take-over implications

The subscription of the Placement Shares by the Interested Directors will not give rise to any consequences of mandatory general offer obligations pursuant to the Malaysian Code on Take-overs and Mergers 2016 (“**Code**”) and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“**Rules**”). The Interested Directors have undertaken to observe and comply at all times with the provisions of the Code and the Rules and will seek from the Securities Commission Malaysia the necessary exemptions from undertaking such mandatory take-over offer, if required.

4. PROPOSED RIGHTS ISSUE OF ICPS

Our Company proposes to issue up to 582,664,400 ICPS on the basis of 1 ICPS for every 2 existing Shares held by the Entitled Shareholders.

4.1 Basis of ICPS to be issued

The basis of 1 ICPS for every 2 existing Shares was arrived at after considering the following:

- (i) the rationale for the Proposed Rights Issue of ICPS as set out in **Section 11.2** of Part A of this Circular; and
- (ii) the amount of proceeds to be raised as detailed in **Section 10** of Part A of this Circular, based on an indicative issue price of RM0.05 for each ICPS.

4.2 Minimum Subscription Level

For the Proposed Rights Issue of ICPS, our Company has obtained separate ICPS Undertakings dated 15 March 2021 from its Undertaking Shareholders that they:

- (i) will subscribe in full for their entitlement of the ICPS;
- (ii) have sufficient financial resources to fulfil their ICPS Undertakings; and
- (iii) will not sell, dispose or transfer their existing shareholding of Shares from the date of the ICPS Undertaking until the Entitlement Date of the Proposed Rights Issue.

TA Securities, as the Adviser for the Proposed Rights Issue of ICPS, has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their respective ICPS Undertakings.

Details of the ICPS Undertakings, based on the indicative issue price of RM0.05 for each ICPS, are as follows:

Undertaking Shareholders	Shareholding as at the LPD		Entitlement No. of ICPS ⁽²⁾	ICPS Undertakings No. of ICPS	Amount to be raised RM ⁽³⁾
	No. of Shares ⁽¹⁾	%			
Dato' Awang	311,582,800	26.74	155,791,400	148,924,750 ⁽⁴⁾	7,446,237.50
Choy Sen	163,097,020	14.00	81,548,510	83,548,510 ⁽⁴⁾	4,177,425.50
Chin LC	47,456,100	4.07	23,728,050	23,728,050	1,186,402.50
TOTAL	522,135,920	44.81	261,067,960	256,201,310	12,810,065.50

Notes:

- (1) Based on their shareholdings as at the LPD.
- (2) On the basis of 1 ICPS for every 2 existing Shares.
- (3) Based on an indicative issue price of RM0.05 for each ICPS.
- (4) Based on their respective shareholdings as at the date of their ICPS Undertakings dated 15 March 2021.

If the Proposed Rights Issue of ICPS is based on Minimum Subscription Level, our Company will raise gross proceeds of approximately RM12.8 million assuming an indicative issue price of RM0.05 for each ICPS. The Minimum Subscription Level has taken into consideration the amount of ICPS Undertakings that the Company is able to obtain and also the funding requirements of our Group as set out in **Section 10** of Part A of this Circular. As the Proposed Rights Issue of ICPS will be implemented based on the Minimum Subscription Level, no underwriting will be arranged for the ICPS.

The fulfilment of the ICPS Undertakings is not expected to result in any breach by our Company of the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders.

4.3 Basis and justification for the issue price and conversion price of the ICPS

The issue price and Conversion Price of the ICPS shall be fixed and announced by our Board on a later date before the announcement of the Entitlement Date, and shall be determined by our Board after taking into consideration the following:

- (i) the rationale for the Proposed Rights Issue of ICPS, as set out in **Section 11.2** of Part A of this Circular;
- (ii) the amount of proceeds that our Group wishes to raise for its funding requirements as set out in **Section 10** of Part A of this Circular; and
- (iii) the Conversion Price of the ICPS shall be fixed to be no lower than at a maximum discount of 20% to the TEAP of Minetech Shares based on the 5D-VWAP up to and including the last trading day prior to the price fixing date. An indicative Conversion Price of RM0.20 is at a premium of RM0.002 or 1.0% to the TEAP of RM0.1980 based on the 5D-VWAP of Minetech Shares up to and including the LPD of RM0.1977, and will give rise to an indicative issue price of RM0.05 for each ICPS based on the conversion modes of the ICPS.

Based on an indicative Conversion Price of RM0.20 and the indicative issue price of the ICPS of RM0.05 each, the ICPS can be converted into new Minetech Shares by way of the following conversion modes:

- (i) Cashless Conversion - by surrendering 4 ICPS for conversion into 1 new Minetech Share; or
- (ii) Cash Conversion - by surrendering 1 ICPS and cash payment of RM0.15 for conversion into 1 new Minetech Share.

The ICPS can be converted into new Minetech Shares at any time from the date of issuance of the ICPS up to the last market day immediately preceding the 5th anniversary from the date of issuance of the ICPS ("**Maturity Date**"). Any ICPS that are not converted would be mandatorily converted into new Minetech Shares on the Maturity Date. Any fractional new Minetech Shares arising from the mandatory conversion of the ICPS on the Maturity Date will be disregarded and will be dealt with by our Board as it may deem fit and expedient in the best interests of our Company.

4.4 Number of ICPS to be issued

The number of ICPS to be issued is based on the following scenarios:

“Minimum Scenario”	: 256,201,310 ICPS to be issued, based on the following:
	(i) Minimum Subscription Level for the Proposed Rights Issue of ICPS;
	(ii) all ICPS are converted into new Minetech Shares based on the Conversion Price of RM0.20 and the Cashless Conversion mode of 4 ICPS for 1 new Minetech Share; and
	(iii) the Proposed Private Placement and the Proposed SIS are implemented after the completion of the Proposed Rights Issue of ICPS.
“Maximum Scenario”	: Up to 582,664,400 ICPS to be issued, based on the following:
	(i) the Proposed Private Placement is implemented after the completion of the Proposed Rights Issue of ICPS;
	(ii) all Entitled Shareholders subscribe in full to their entitlements under the Proposed Rights Issue of ICPS;
	(iii) all ICPS are converted into new Minetech Shares based on the Conversion Price of RM0.20 and the Cash Conversion mode of 1 ICPS together with cash payment of RM0.15 for 1 new Minetech Share; and
	(iv) the Proposed Private Placement and the Proposed SIS are implemented after the completion of the Proposed Rights Issue of ICPS.

The actual number of ICPS to be offered to the Entitled Shareholders will depend on the number of issued Minetech Shares on the Entitlement Date. The Entitlement Date shall be determined by our Board after obtaining all the relevant approvals for the Proposed Rights Issue of ICPS.

The entitlements for the ICPS are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue of ICPS. In determining the shareholders’ entitlements to the ICPS, any fractional entitlements arising from the Proposed Rights Issue of ICPS, if any, will be dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Any ICPS which are not subscribed shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). Our Board intends to allocate any excess ICPS in a fair and equitable manner on a basis to be determined by our Board and announced thereupon by our Company.

The ICPS will be issued in registered form and its terms and provisions will be set out in our Company’s Constitution.

The issuance of up to 582,664,400 ICPS by our Company will be in compliance with Paragraph 6.50 of the Listing Requirements whereby the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities of our Company, does not exceed 50% of the total number of issued shares of our Company (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

4.5 Salient terms of the ICPS

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

4.6 Ranking of the ICPS and the new Minetech Shares arising therefrom

The ICPS shall rank equally amongst themselves and shall rank in priority to any other class of shares in the capital of Minetech.

The new Minetech Shares to be issued arising from the conversion of the ICPS shall, upon allotment and issuance, rank equally in all respects with the then existing Minetech Shares, save and except that the new Minetech Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Minetech Shares arising from the conversion of the ICPS.

4.7 Listing of and quotation for the ICPS and new Minetech Shares arising therefrom

The ICPS will be listed and quoted on the Main Market of Bursa Securities. The listing of and quotation for the new Minetech Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities had been approved by Bursa Securities through its letter dated 20 May 2021.

4.8 Take-over implications

The conversion of the ICPS into new Minetech Shares by the Undertaking Shareholders, if any, pursuant to the ICPS Undertakings will not give rise to any consequences of mandatory general offer obligations pursuant to the Code and the Rules. The Undertaking Shareholders have undertaken to observe and comply at all times with the provisions of the Code and the Rules and will seek from the Securities Commission Malaysia the necessary exemptions from undertaking such mandatory take-over offer, if required.

In the event the Minimum Scenario materialises, our Company is not expected to breach the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders.

5. PROPOSED SIS

The Proposed SIS will involve the granting of SIS Options to the Eligible Persons, to subscribe for new Minetech Shares in accordance with the By-Laws.

The Proposed SIS will be administered by the SIS Committee. The decision as to whether or not to stagger the allocation of the SIS Options over the duration of the Proposed SIS shall be determined by the SIS Committee at a future date.

The salient terms and conditions of the Proposed SIS, which are governed by the By-Laws are as follows:

5.1 Maximum number of new Minetech Shares available under the Proposed SIS

The maximum number of new Minetech Shares to be allotted and issued pursuant to the exercise of the SIS Options which may be granted under the Proposed SIS shall not in aggregate exceed 15% of the total number of issued shares in Minetech (excluding any treasury shares) at any point in time during the duration of the Proposed SIS as provided in the By-Laws.

5.2 Maximum allowable allotment and basis of allocation

The aggregate number of SIS Options that will be offered to an Eligible Person under the Proposed SIS shall be determined at the sole and absolute discretion of the SIS Committee after taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the SIS Committee deems relevant, and subject to the following conditions:

- (i) the directors and senior management of Minetech do not participate in the deliberation or discussion of their respective allocation;
- (ii) the number of new Minetech Shares allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds 20% or more of the number of issued shares (excluding any treasury shares) of our Company, does not exceed 10% of the total number of new Minetech Shares to be issued under the Proposed SIS;
- (iii) the total number of new Minetech Shares pursuant to the exercise of the SIS Options under the Proposed SIS shall not in aggregate exceed 15% of the total number of issued shares in Minetech (excluding any treasury shares) at any point in time during the duration of the Proposed SIS; and
- (iv) the number of new Minetech Shares allocated, in aggregate, to the directors and senior management of our Company and its subsidiaries (excluding Minetech's subsidiaries which are dormant) shall not exceed 80%* of the total number of new Minetech Shares to be issued under the Proposed SIS;

Note:

* *The basis of arriving at this threshold takes into account the number of directors and senior management of our Group (excluding dormant subsidiaries) who are eligible to participate in the Proposed SIS and was determined after considering that the directors and senior management are the key drivers to the growth of our Group's businesses.*

This is intended to incentivise the directors and senior management to contribute towards improving our Group's overall financial performance and enhancing Group's financial position, including the appreciation of Minetech's share price. The Proposed SIS also aims to reward and retain the directors and senior management of our Group (excluding dormant subsidiaries) in return for their high performance, commitment and loyalty.

provided always that it is in accordance with prevailing guidelines issued by Bursa Securities, Listing Requirements or any other requirements of relevant authorities as amended from time to time. The SIS Committee (subject to necessary approvals being obtained if required) have the discretion to make the necessary adjustments so that the number of new Minetech Shares comprised in a SIS Option that may be offered to any one of the Eligible Persons shall be in accordance with the provisions of the Listing Requirements prevailing during the period commencing from Date of Offer for each Eligible Person and expiring on a date which the SIS Committee may at its discretion decide, provided that no option period shall extend beyond the duration of the SIS.

The actual number of Shares consist in an offer which may be made to any Eligible Person shall be at the discretion of the SIS Committee provided that the number of Shares consist in an offer made shall not be less than 100 Minetech Shares or more than the maximum allowable allocation of such Eligible Person and shall be in multiples of 100 Minetech Shares.

5.3 Eligibility

Eligible Persons being the directors or employees of Minetech and/or its non-dormant subsidiaries shall be eligible to participate in the SIS if, as at the Date of Offer:

- (i) in respect of an employee, the employee must fulfil the following criteria: -
 - (a) is a Malaysian citizen of at least 18 years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) is an employee in a company within our Group, which is not dormant, whose service has been confirmed and has not served a notice of resignation or received a notice of termination by the relevant company within our Group; and
 - (d) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time.
- (ii) in respect of a Director, the Director must fulfil the following criteria: -
 - (a) is a Malaysian citizen of at least 18 years of age;
 - (b) is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (c) is a Director of our Company or any company in our Group, which is not dormant; and
 - (d) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time.

In the case of major shareholders, directors or the chief executive of Minetech or persons connected to any of them, their specific entitlements/ allotments under the Proposed SIS shall be approved by the shareholders of our Company in a general meeting.

Subject to the sole and absolute discretion of the SIS Committee as provided in the By-Laws, there are no performance targets to be achieved by the Grantee. However, the SIS Committee shall have the right to impose vesting conditions, not being performance targets, if any, at the time when an offer is made. Apart from the compliance or fulfilment of the vesting conditions, if any, the SIS Options are not subject to any vesting period.

The SIS Options offered to an Eligible Person may, subject to the compliance or fulfilment by the Eligible Person of the vesting conditions determined by the SIS Committee, be vested in the Eligible Person in such number of tranche or tranches and in such number of SIS Options in each tranche as shall be determined by the SIS Committee.

Eligibility does not confer on an Eligible Person a claim or right to participate in the Proposed SIS unless the SIS Committee has made an offer to the Eligible Person in the manner set out in the By-Laws and the Grantee has accepted the offer in accordance with the provisions of the By-Laws.

5.4 Exercise price

The Exercise Price which is to be determined by our Board upon recommendation of the SIS Committee, shall be based on the 5-day VWAP immediately preceding the Date of Offer, with a discount of not more than 10% in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time and subject to adjustments in accordance with the By-Laws and pursuant to the Listing Requirements, where applicable.

5.5 Ranking of the new Minetech Shares pursuant to the exercise of the SIS Options

The new Minetech Shares pursuant to the exercise of the SIS Options shall, upon allotment and issuance, rank equally in all respects with the existing Minetech Shares, save and except that the new Minetech Shares pursuant to the exercise of the SIS Options will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Minetech Shares pursuant to the exercise of the SIS Options. The new Minetech Shares pursuant to the exercise of the SIS Options will be subject to the provisions of the Constitution of our Company relating to transfer, transmission and otherwise.

5.6 Duration of the Proposed SIS

The Proposed SIS shall come into force on the Effective Date.

The Proposed SIS shall be in force for a period of 5 years from the Effective Date, subject however to any extension for a further period of up to 5 years at the sole and absolute discretion of our Board upon the recommendation of the SIS Committee, subject always that the duration of the Proposed SIS shall not in aggregate exceed a duration of 10 years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date.

The Proposed SIS may be terminated by the SIS Committee at any time before the date of expiry, provided that our Company makes an announcement immediately to Bursa Securities.

5.7 Rights of Grantee

The SIS Options shall not carry any right to vote at any general meeting of our Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlement on his/her unexercised SIS Options.

5.8 Retention period

The SIS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer as it deems fit. An Eligible Person should note that the new Minetech Shares pursuant to the exercise of the SIS Options are encouraged for him/her to hold as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.

Notwithstanding this, an eligible director who is a non-executive director in Minetech and its subsidiaries (excluding Minetech's subsidiaries which are dormant) shall not sell, transfer or assign the new Minetech Shares pursuant to the exercise of the SIS Options obtained through the exercise of SIS Options offered to him/her within 1 year from the Date of Offer.

5.9 Amendment and/or modification to the Proposed SIS

Subject to the compliance with the By-Laws and the Listing Requirements and any other relevant authorities, the SIS Committee may at any time and from time to time recommend to our Board any addition and amendment to or deletion of the By-Laws as it shall in its discretion think fit and our Board shall have the power by resolution to add, amend or delete all or any of the By-Laws upon such recommendation subject to our Company submitting a confirmation letter to Bursa Securities each time an amendment is made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining to the Proposed SIS and Rules of Bursa Malaysia Depository Sdn Bhd.

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

- (i) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee (as the case may be);

- (ii) increase the number of Minetech Shares available under the SIS beyond the maximum imposed by the By-Laws; or
- (iii) prejudice any rights of the shareholders of our Company without the prior approval of our Company's shareholders in a general meeting.

5.10 Alteration of share capital and adjustment

In the event of an alteration in the share capital of our Company during the duration of the Proposed SIS, 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, Minetech shall cause such adjustment to be made to the number of new Minetech Shares pursuant to the exercise of the SIS Options which shall be exercisable under a SIS Option and/or the Exercise Price.

Save as provided for in the By-Laws, the external auditors or the adviser (which must be a corporate finance adviser under the Principal Adviser Guidelines issued by the Securities Commission Malaysia) selected by the directors (acting as an expert and not as an arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable.

5.11 Use of proceeds

The proceeds arising from the exercise of the SIS Options, if any, will be used as general working capital of Minetech Group, as and when the proceeds are received throughout the duration of the Proposed SIS, as our Board may deem fit. The amount of such proceeds cannot be determined at this juncture as these will depend on the number of SIS Options granted and exercised at the relevant points of time and the Exercise Price. Pending the utilisation of proceeds from the exercise of the SIS Options, the proceeds would be placed in deposits with financial institutions and/or short-term money market financial instruments.

6. PROPOSED DIVERSIFICATION

Our Group is mainly involved in the production of quarry products and bituminous products, civil engineering works as well as providing goods and services to the property and infrastructure construction industry. Our Group had been registering declining earnings for the past years (further details as set out in **Section 11.4** of Part A of this Circular). Our Board anticipates that its existing business segments in the production of quarry products and civil engineering services will continue to face challenges in the current business environment due to competitive pricing for quarry products.

As a result, our Group has identified the renewable energy business as well as the O&G business, as viable businesses to venture into, after considering the overview and prospects of these industries (as set out in **Sections 13.2** and **13.3** of Part A of this Circular). Considering the growing demand within the renewable energy and O&G industries, the Proposed Diversification is expected to improve the financial performance of our Group and allow our Group to be in a better financial footing in the long run.

Our Board anticipates that the renewable energy business and the O&G business will each potentially contribute 25% or more of our Group's net profits and/or result in a diversion of 25% or more of our Group's net assets towards each of these businesses. In accordance with Paragraph 10.13(1) of the Listing Requirements, Minetech is therefore required to obtain its shareholders' approval in an extraordinary general meeting for each of the Proposed Diversification into the renewable energy business as well as into the O&G business.

After it has embarked on the Proposed Diversification, our Group will remain committed to its existing businesses.

7. PROPOSED DIVERSIFICATION INTO RENEWABLE ENERGY

Our Group had begun its initial foray into renewable energy business through Coral Power. The shareholders of Coral Power are Minetech (70% shareholding), Jot Seng Keong (20% shareholding) and Dato' Sri Md Zin Bin Baharom (10% shareholding). On 24 April 2018, Coral Power accepted a letter of award from the Energy Commission to develop a 9.99-megawatt AC solar power plant located on a 75-acre de-commissioned mining pond at Pantai Remis, Perak ("**Solar Power Plant**").

The development of the Solar Power Plant commenced in November 2020 and is expected to take up to 9 months. As at the LPD, the development is approximately 70% completed. The Solar Power Plant is expected to be commissioned in the 3rd quarter of 2021.

On 3 March 2021, our Company announced that Minetech Construction has registered itself as a Registered Solar PV Investor ("**RPVI**") with Sustainable Energy Development Authority Malaysia ("**SEDA**"). As a RPVI, Minetech Construction is now allowed by SEDA to sell electricity via the renewable power purchase agreement under the net-energy metering programme to government agencies, businesses and individuals.

When operational, the Solar Power Plant will be one of the first systems in Malaysia utilising flotation devices on a pond (i.e. floating solar power plant). This involves installing solar power plants on floating structures on a body of water and the solar power plants need to be affixed to a buoyant structure that keeps them above the surface. A big advantage of a floating solar power plant is that the installations do not require valuable land space. Furthermore, a floating solar power plant promotes higher solar panel performance as the bodies of water that host floating solar arrays help cool down the solar equipment, which means the panels produce electricity at higher efficiencies in hot climates than they might otherwise.

The operation of the Solar Power Plant is expected to be spearheaded by Jot Seng Keong, the Managing Director of Coral Power. Upon commissioning of the Solar Power Plant, our Group will also appoint external consultants with the relevant renewable energy experience as well as hire an experienced personnel to assist, manage and support our Group in terms of the technicality, operation and maintenance aspects pertaining to these businesses.

Jot Seng Keong, a Malaysian, age 62, was appointed as the Managing Director of Coral Power in June 2017 whereby he is responsible for overseeing the operations of the solar power plant. He is also a 20% shareholder of Coral Power. He obtained his Bachelor of Arts in Architecture from Leeds Metropolitan University in 1984. He was subsequently conferred with a Master Degree in Business Administration from University of Canterbury in 1997. He began his career in 1989 at the JSK Group of Companies as the founder and also the Managing Director where he was responsible for managing its business operations which include solar energy, construction as well as manufacturing of metal products. In 2010, he became the Managing Director of Permintex JSK Resources Sdn Bhd (a subsidiary of Permintex Group) whereby he was responsible for overseeing the construction, operation and maintenance of a 5-megawatt solar photovoltaic plant. He continued his responsibilities at Permintex Group until 2018. He has over 30 years of experience in the mechanical and electrical engineering field.

8. PROPOSED DIVERSIFICATION INTO O&G

On 26 June 2020, Minetech entered into a memorandum of understanding ("**MOU**") with Hadid to establish a joint strategic collaboration to engage in potential business opportunities particularly in the field of O&G, construction and other sectors ("**Collaboration**") in the Republic of Kazakhstan and/or other countries and regions. As at the LPD, there has been no subsequent change to the status of the MOU.

The salient terms of the MOU are as follows:

- (i) The MOU is a record of the parties' present understanding, principles and intentions to establish a Collaboration pending execution of formal agreements;
- (ii) The specific activities, detailed scope of work and areas of responsibility under the MOU will be identified through consultation between the parties and shall be outlined in ensuing agreements;

- (iii) The MOU is effective from the execution date and shall continue in force for a period of 1 year and may be extended subject to the mutual agreement in writing of the parties, with either party giving a 1-month written notice;
- (iv) Hadid agrees to work with Minetech on exclusive basis to source and identify potential business opportunities in the Republic of Kazakhstan, that Hadid sees fit and in line with Minetech's business and visions;
- (v) The MOU is exclusive in nature and shall preclude the parties from being involved in a similar project in the Republic of Kazakhstan, whether in competition or not, or entering into any such relationship or arrangement with other parties in establishing a similar project within the same jurisdiction as the Collaboration or in competition with the Collaboration; and
- (vi) The parties may invite other parties to be involved in the Collaboration subject to the mutual agreement of the parties.

Hadid was established in the Republic of Kazakhstan in 2011, and is involved in providing a comprehensive range of services in engineering, procurement, construction and commissioning, maintenance, repair and overhaul and underwater services for the energy industry in the Republic of Kazakhstan.

In addition to the MOU, our Group is currently in discussion with various parties and tendering for O&G-related projects. Announcement(s) will be made in due course if any of these discussions or tenders are successful, if required. Our Group will continue to identify other business opportunities in the O&G industry via joint ventures, collaborations and/or key partnerships.

Our Board believes that our Group has the capacity, capabilities and resources to diversify into the O&G business after considering the competencies and experiences of Dato' Awang and Azlan Shah (as stated in **Section 3.2** of Part A of this Circular) as well as Dato' Jeremy Kho Boon Seng as a key personnel deemed to be instrumental in our Group's venture into the O&G business.

Dato' Jeremy Kho Boon Seng, Malaysian, age 37, was appointed as a director of Konsep Khas Sdn Bhd (a 55%-owned subsidiary company of Minetech) on 8 January 2020. He obtained his Bachelor of Engineering in Electrical and Electronic from Swinburne University of Technology (Australia) in 2008. He began his career in 2010 when he joined KBS Realty Sdn Bhd as the Managing Director where he was responsible for finance and project management. KBS Realty Sdn Bhd is involved in construction, media and advertising as well as communication services. He continued his responsibilities at KBS Realty Sdn Bhd until 2018. In 2013, he joined Reach Ten Services Sdn Bhd Bhd (a telecommunication operator and service provider) as an Executive Director where he was responsible for regulatory and licensing as well as business development. In 2016, he joined Tenaga Bumisar Sdn Bhd (a service provider for the O&G industry) as the Director of Business Development where he was responsible for corporate development. He continued his responsibilities at Tenaga Bumisar Sdn Bhd until 2020. In 2019, he was appointed as Vice President of Regoms Engineering (M) Sdn Bhd where he was responsible for business development. Regoms Engineering (M) Sdn Bhd is involved in manufacturing, maintenance repair overhaul, training and consulting for the O&G industry. He has over 10 years of diverse experience in project management and business development across multiple industries including O&G. He was involved in the successful implementation of a rural estate housing development at the beginning of his career followed by the roll out of Telco and VSat for rural communication services in Sarawak. He has also recently been involved in the completion of process plant safety system modernisation for Petronas MLNG as well as refurbishment of the hydraulic workover unit of an oil rig. With his past experience in the O&G business, our Board believes that he is able to spearhead our Group's O&G business unit.

Our Company has no relationship nor any connection with KBS Realty Sdn Bhd, Reach Ten Services Sdn Bhd, Tenaga Bumisar Sdn Bhd and Regoms Engineering (M) Sdn Bhd.

9. PREVIOUS FUND RAISING EXERCISE IN THE PAST 12 MONTHS

On 12 May 2020, our Company announced its private placement exercise of up to 10% of the total number of issued Minetech Shares pursuant to the general mandate obtained from our Company's shareholders ("2020 Placement"). The 2020 Placement was completed on 12 August 2020, with the following details:

Listing date	Issue price RM	No. of Shares placed	Gross proceeds RM
25 June 2020	0.235	48,000,000	11,280,000
20 July 2020	0.275	30,000,000	8,250,000
12 August 2020	0.281	27,938,900	7,850,831
Total		105,938,900	27,380,831

As at the LPD, the status of usage of proceeds from the 2020 Placement are used as follow:

Purposes	Proposed usage (RM'000)	Amount used (RM'000)	Balance yet to be used as at the LPD (RM'000)	Estimated timeframe for usage from the date of listing of the Placement Shares (RM'000)
Construction projects' expenditure ⁽¹⁾	9,000	8,000	1,000	Within 24 months
Development of large scale solar photovoltaic plant ⁽²⁾	9,500	9,500	-	Within 24 months
Working capital ⁽³⁾	8,729	8,729	-	Within 24 months
Expenses in relation to the 2020 Placement	152	152	-	Within 1 month
Total	27,381	26,381	1,000	

Notes:

(1) The proceeds were to partially fund our Group's following on-going construction projects:

Project owner:	GLM Emerald Square (Cheras) Sdn Bhd	Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Able Return Sdn Bhd
Location of project:	Cheras-Kajang Expressway (CKE)	Kulai	Bukit Selingsing, Kg Sungai Koyan
Contract sum:	RM27.7 million	RM17.9 million	RM30.0 million
Description:	Execution and completion of upgrading works along Cheras-Kajang Expressway (CKE) for the proposed Emerald 9 Cheras development on Lot 809 and Lot 810, Mukim Cheras, Daerah Hulu Langat, Selangor Darul Ehsan	Design, construction, supply, installation, completion, testing, commissioning and maintenance of the electrified double track from Gemas to Johor Bahru	Open pit mining, waste removal, ore deliveries and associated works
Project status as at the LPD:	On-going and expected to be completed by October 2022	On-going and expected to be completed by September 2022	On-going and expected to be completed by June 2023

- (2) Coral Power, a 70%-owned subsidiary of Minetech, has entered into an engineering, procurement, construction and commissioning contract to kick-start the development of the Solar Power Plant.

Description	Proposed usage (RM'000)	Balance to be used (RM'000)
Initial working capital including advance payments for equipment and purchase of materials	8,500	-
Consultant fees and expenses	1,000	-
Total	9,500	-

- (3) Our Group had used approximately RM8.7 million for the following working capital purposes:

Purposes	Proposed usage (RM'000)	Balance to be used (RM'000)
Payroll, allowances and statutory contributions	6,994	-
Rental and administrative expenses	400	-
Legal, professional and consultant fees	1,000	-
Other operating expenses	335	-
Total	8,729	-

Further details on the usage of proceeds raised from the 2020 Placement are contained in our Company's announcement dated 12 May 2020.

10. USE OF PROCEEDS

Our Company expects to raise the following proceeds from the Proposed Private Placement and Proposed Rights Issue of ICPS:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Issuance of Placement Shares (at indicative RM0.16 each)	55,936	55,936
Issuance of ICPS (at indicative RM0.05 each)	12,810	29,133
Total gross proceeds	68,746	85,069

The proceeds are intended to be used by the Minetech Group as follows:

Purposes	Notes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for use of proceeds*
Expansion of quarry division	(1)	5,805	5,805	Within 24 months
Expenditure for construction projects	(2)	20,000	25,000	Within 24 months
Repayment of borrowings	(3)	14,000	14,000	Within 24 months
Development cost for Solar Power Plant	(4)	8,000	8,000	Within 6 months
Future business investments and/or acquisitions	(5)	6,000	12,000	Within 24 months
Funding for Proposed Diversification into O&G	(6)	5,000	5,000	Within 24 months
Expansion of bituminous products division	(7)	5,000	6,000	Within 24 months
Working capital	(8)	4,071	8,394	Within 24 months
Expenses for the Proposals	(9)	870	870	Within 1 month
Total proceeds		68,746	85,069	

Notes:

* From the dates of listing of the Placement Shares and ICPS.

- (1) Our Group's revenue from the quarry segment decreased from RM55.0 million in FYE 31 March 2018 to RM23.2 million in FYE 31 March 2020 mainly due to the disposal of Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd as well as increased competition and competitive operation margins. Despite the disposal of these subsidiaries, our Group remains committed to our existing quarry operations and intends to enhance the efficiency and capacity of our quarry's operation to improve our operation margins. Currently, our Group conducts its existing quarry operations at Bidor, Perak namely the extraction, production and sale of granite quarry products of various sizes (referred to as aggregates). Our Group intends to allocate RM5.8 million to expand its quarry operations, as follows:

Purposes	RM'000
Capital expenditure to construct manufacturing plant for industrial explosives products ^(a)	4,805
Building costs (i.e. building materials, consultation fees for engineering and architectural services, earthwork and labour costs) for the upgrade of secondary and tertiary crushing plant to improve crushing capacity from 35,000 metric tonnes per month to 70,000 metric tonnes per month	1,000
Total	5,805

Sub-notes:

- (a) Currently, our Group purchases explosives for their quarry activities. Our Group intends to construct its own explosives manufacturing plant to mitigate reliance on third-party suppliers as well as to diversify its income stream to include the sale of industrial explosives products to quarries, metal/coal mines and infrastructure works as there exists favourable demand for industrial explosives throughout West Malaysia. The manufacturing plant is expected to be constructed on a piece of vacant land located in our Company's existing quarry site in Bidor, Perak with the following breakdown of costs:

Purposes	RM'000
Building costs for the new manufacturing plant (i.e. building materials, consultation fees for engineering and architectural services as well as labour costs) to build facilities (i.e. bulk emulsion plant, depot, gassing station, weighbridge and washing facilities) as well as purchase of equipment and machineries (i.e. magazines, trucks and forklifts) with the breakdown to be determined in the future	2,805
Associated costs for site preparation and earthwork (i.e. land clearing costs, land infrastructure and utilities' infrastructure works)	2,000
Total	4,805

The new production line of industrial explosives is expected to enhance and complement our Group's existing quarry division with an estimated production capacity of 40,000 metric tonnes per month. The construction of the manufacturing plant is expected to commence by July 2021 and be completed within a year.

- (2) Up to RM25.0 million will be allocated to partially fund our Group's existing and future construction projects, with the breakdown only to be determined nearer to their commencement dates. As at the LPD, our Group is in the process of tendering for construction projects (which include land reclamation, infrastructure and drilling and blasting works) in West Malaysia with an aggregate contract sum of RM80.0 million. In the event that no construction projects are successfully tendered by our Group within the 24 months, the proceeds will be re-allocated towards the repayment of bank borrowings as well as borrowings in relation to the construction of the Solar Power Plant, future business investments and / or acquisitions.

- (3) As at the LPD, the total borrowings of our Group are approximately RM28.0 million. Up to RM14.0 million will be allocated for the following:

Purposes	RM'000
Repayment of borrowings secured to partially fund the construction of the Solar Power Plant (expected to result in annual interest savings of approximately RM0.7 million at an average effective interest rate of 12.0% p.a. as governed under the Moneylenders Act 1951)	10,000
Repayment of bank borrowings inclusive of term loans secured to purchase office building in Kelana Jaya as well as bankers' acceptance and trust receipts for our Group's operation (expected to result in annual interest savings of approximately RM0.7 million at an average effective interest rate of 5.9% p.a. based on the respective base lending/financing rates of the banks)	4,000
Total	14,000

- (4) As at the LPD, the development of the Solar Power Plant is approximately 70% completed and our Group intends to allocate RM8.0 million for the following:

Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Purchase and installation cost for part of the 36,000 units of photovoltaics modules, mounting structure and floaters	6,000	6,000
Interconnection works (i.e. installation of concrete poles and cabling)	2,000	2,000
Total	8,000	8,000

The outstanding cost for the development of the Solar Power Plant is approximately RM16.5 million.

- (5) Our Group intends to allocate up to RM12.0 million for its future potential business development, investments and/or acquisitions involving the technology industry (e.g. financial technology (“**Fintech**”), cyber security and 5G related services). Such investments and/or acquisitions may be carried out via merger or acquisition of business, joint venture or formation of key partnership with companies involved in the Fintech, cyber security and 5G related services. As at the LPD, Techmile Resources Sdn Bhd (“**Techmile**”) (a wholly-owned subsidiary of Minetech) had entered into a shares sales agreement to acquire 300,000 ordinary shares of Uniqua (M) Sdn Bhd (“**Uniqua**”) (further details as set out in **Section 12.4(iii)** of Part A of this Circular). Uniqua is involved in the business of information technology, software and application development as well as e-commerce. If and when our Group enters into any agreement, announcements will be made and approvals will be sought from shareholders, if required. If such opportunities do not materialise within the expected timeframe, our Group intends to use the allocated proceeds for its working capital.
- (6) Our Group intends to allocate RM5.0 million to fund activities related to the Collaboration with Hadid as part of its Proposed Diversification into O&G. This may include capital expenditure for the set-up of facilities and equipment (i.e. maintenance repair and overhaul workshop) as well as working capital requirements (i.e. salaries and statutory contributions, technical fees and profession fees) to fund daily operations in the field of O&G. The exact breakdown of these expenditure cannot be determined at this juncture. In the event these expenditures do not materialise, our Group intends to use the proceeds for other future O&G related projects to be identified.

- (7) Our Group's existing manufacturing plant for its bituminous products division is located in Ulu Yam, Selangor for production of bituminous products for pipe coating, water proofing and sealing mainly for concrete structures and building works as well as bituminous pre-mix for road construction. Our Group intends to expand its bituminous products division by improving its current manufacturing plant to enhance quality as well as increase efficiency and yield. The expansion of our Group's manufacturing plant is expected to commence in early 2022 and be completed within a year. A total outlay of up to RM6.0 million is required for these following purposes:

Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Building costs (i.e. building materials, consultation fees for engineering and architectural services, additional bitumen storage tanks, hoisting structure, piping and valves, hot oil heating system and labour costs) to expand and build new manufacturing facilities for its bitumen production process ^(a) (i.e. upgrade of emulsion plant and bitumen storage tanks capacity as well as addition of decanting facility)	1,800	2,000
Upgrade of warehouse storage facility features (i.e. expansion of roof and structure, racking system to improve security as well as addition of end-product storage capacity)	400	500
Purchase of equipment for R&D facilities to develop new liquid-based products, chemical / synthetic-based waterproofing products as well as testing equipment for emulsion and cold mix quality testing	800	1,000
Capital expenditure to construct new production plant to manufacture liquid and synthetic-based products (e.g. waterproofing membrane and liquid road crack sealants) ^(b)	2,000	2,500
Total	5,000	6,000

Sub-notes:

- (a) Our Group intends to expand the production capacity of the emulsion plant from 300 metric tonnes per month to 1,000 metric tonnes per month to increase its monthly bitumen production capacity from 1,800 drums to 6,000 drums.

In order to manage its production costs, our Group targets to purchase material through bulk purchase of semi-solid bitumen. This would require expansion of its bitumen storage tanks to a total capacity of 600 metric tonnes, in order to facilitate the production expansion and to provide additional storage for the bulk purchase of materials. In addition, our Group intends to build a decanting facility, mainly to melt solid bitumen from jumbo bags via thermal oil circulating and transferring heat.

- (b) A total cost outlay of up to RM2.5 million is required to construct a new production plant to manufacture liquid and synthetic-based products, as follows:

Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Building costs for new manufacturing plant (e.g. building materials, consultation fees for engineering and architectural services as well as labour costs) to build facilities (e.g. chemical mixing tanks, piping / valves and control software) as well as purchase of equipment and machineries (e.g. forklift)	2,000	2,000
Associated costs for site preparation including plant extension on wall and roofing structures	-	500
Total	2,000	2,500

- (8) *As at the LPD, our Group has approximately RM10.6 million in cash and bank balances which after excluding operation-related overdraft amount of approximately RM4.2 million would result in a net cash and cash equivalent balance of approximately only RM6.4 million. Furthermore, our Group had fully used approximately RM8.7 million allocated from the 2020 Placement (as set out in **Section 9** of Part A of this Circular). In view of the above, our Group intends to allocate up to approximately RM8.4 million for the following working capital:*

Purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
<i>Payroll, allowances and statutory contributions</i>	3,171	7,494
<i>Rental and administrative expenses</i>	550	550
<i>Legal, professional and consultant fees</i>	350	350
Total	4,071	8,394

Our Group had allocated up to RM7.5 million for payroll, allowances and statutory contributions in anticipation of the additional staff required to oversee the Solar Power Plant (which is expected to be commissioned in the 3rd quarter of 2021) as well as for the development of e-wallet and remittance application under Techmile (a wholly-owned subsidiary of Minetech) (which is expected to begin in the 3rd quarter of 2021).

- (9) *Consisting of mainly professional fees, placement fees, fees payable to Bursa Securities and other ancillary expenses. Any surplus or shortfall to the amount allocated for the expenses for the Proposals, will be adjusted against the amount allocated for our Group's working capital.*

The actual proceeds to be raised from the Proposed Private Placement and Proposed Rights Issue of ICPS are dependent on the actual number of Placement Shares and ICPS to be issued. Any variation in the actual proceeds raised will be adjusted against the proceeds allocated for Minetech Group's working capital requirements.

If the actual expenses incurred for the Proposed Private Placement and Proposed Rights Issue of ICPS are higher than allocated, the deficit will be funded from the proceeds allocated for working capital requirements. Conversely, any surplus of funds following payment of expenses will be utilised for working capital requirements.

Pending usage of the proceeds, the money will be placed in deposits with financial institutions or short-term money market instruments as our Board may deem fit. The interests derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will be used for Minetech Group's working capital requirements.

The amount of proceeds that may be raised from the conversion of the ICPS will depend upon the actual number of ICPS converted during the conversion period and the Conversion Ratio. The proceeds to be raised from the conversion of the ICPS will be used for our Group's working capital, with the exact timeframe and breakdown to be determined in the future. If all ICPS are converted by way of Cashless Conversion, no proceeds will be raised.

Pursuant to Paragraph 8.22 of the Listing Requirements, our Company will seek its shareholders' approval if our Company proposes to make a material change (i.e. 25% or more of the total proceeds raised) to the use of proceeds raised from the Proposed Private Placement and Proposed Rights Issue of ICPS.

11. RATIONALE FOR THE PROPOSALS

11.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable our Company to reduce/eliminate its accumulated losses via cancellation of the issued share capital which is lost or unrepresented by available assets of our Company. The reduction/elimination of accumulated losses in the statements of financial position of our Company may enhance its credibility with customers, suppliers and investors.

11.2 Proposed Private Placement and Proposed Rights Issue of ICPS

On 12 August 2020, our Group had completed the 2020 Placement of 105,938,900 Minetech Shares and as at the LPD, our Group has used approximately 96% of the proceeds raised (as set out in **Section 9** of Part A of this Circular). Although our Group had undertaken the 2020 Placement within the last 12 months, our Board is of the view that the Proposed Private Placement is necessary to provide additional flexibility to our Group to raise funds when required for the purposes set out in **Section 10** of Part A of this Circular.

After consideration of various methods of fund raising, our Board is of the opinion that the Proposed Private Placement and Proposed Rights Issue of ICPS are appropriate avenues to raise required funds without incurring interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimising any potential cash outflow arising from interest servicing costs. As the recent COVID-19 pandemic and resulting business interruptions are expected to have an adverse effect on a global economic scale in the immediate and long term, our Group is of the view that the ability to raise funds expeditiously is crucial as the additional working capital will help to finance our Group's operations by providing more flexibility and financial buffer in terms of cash flow management. In addition, the funds will also be raised for the purposes related to the Proposed Diversification to be undertaken by our Group.

The ICPS Undertakings from the Undertaking Shareholders provides certainty in respect of the sources of funding. The Proposed Private Placement and Proposed Rights Issue of ICPS are expected to strengthen our Company's capital base as well as improve our Group's financial position and future earnings when the economic and financial benefits from the use of proceeds are realised.

Our Board also considered the following:

- (i) the issuance of ICPS will not have an immediate dilutive effect on our Company's EPS as the ICPS can be converted over the 5-year tenure of the ICPS, compared to a rights issue of ordinary shares which will have an immediate dilutive effect on the EPS;
- (ii) subscription to the ICPS also provides an opportunity for the existing shareholders of Minetech to increase their equity participation in our Company when converting their ICPS into new Minetech Shares; and
- (iii) Minetech's capital base would be strengthened upon conversion of the ICPS.

Notwithstanding the above, the Proposed Private Placement and Proposed Rights Issue of ICPS will dilute our existing shareholders' shareholdings in our Company as a result of the issuance of new Shares pursuant to the Proposed Private Placement and the conversion of ICPS pursuant to the Proposed Rights Issue of ICPS. However, our Company has the flexibility to implement the Proposed Private Placement in multiple tranches to raise funds only when required while the ICPS are expected to be converted over a period of time during the conversion period and as such, avoid immediate dilution of our existing shareholders' shareholdings in our Company.

11.3 Proposed SIS

The Proposed SIS is intended to achieve the following objectives:

- (i) to recognise and rewards the contributions and services of the Eligible Persons that are considered vital to the operations and continued growth of the Minetech Group;
- (ii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the long term development and growth of Minetech Group;
- (iv) to attract and retain high-calibre Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and
- (v) to reward the Eligible Persons by allowing them to participate in Minetech Group's profitability by way of potentially realising capital gains that may arise from appreciation in the price of the Minetech Shares.

The Proposed SIS is extended to the non-executive directors of our Group (excluding dormant subsidiaries) for the following reasons:

- (i) the non-executive directors come from different professions and backgrounds and bring to our Group a degree of experience in corporate governance, risk management, business management and finance-related experience. They work closely with the executive directors and contribute to the decision-making process of our Board. They are consulted on matters affecting our Company including strategic issues and planning, risk management policies, governance and regulatory compliance; and
- (ii) the award of SIS Options will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as non-executive directors and to motivate existing non-executive directors to further promote the interests of our Group.

As at the LPD, our Company has an existing SIS which became effective on 3 August 2016 and will expire on 2 August 2021. Nevertheless, our Board intends to undertake the Proposed SIS after considering that there are no outstanding options granted under the existing SIS but yet to be exercised as at the LPD and our Board has decided not to grant any further options under the existing SIS.

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11.4 Proposed Diversification

Our Group is mainly involved in the production of quarry products and bituminous products, civil engineering works as well as providing goods and services to the property and infrastructure construction industry. Our Group operates mainly in the construction industry in Malaysia which continues to be competitive and challenging. The summary of the revenue and loss before tax of our Group for the past 3 audited FYE 31 March 2018 to 31 March 2020 is as follows:

	FYE 31 March 2018 RM	FYE 31 March 2019 RM	FYE 31 March 2020 RM
Revenue			
Quarry products and contract	54,982,526	68,912,905	23,187,402
Civil engineering	27,056,612	49,310,612	43,711,449
Asphalt premix products	24,391,624	395,499	39,912
Bituminous products	14,634,051	14,152,660	15,199,244
Property development	-	2,151,798	-
Others	62,740	83,800	98,100
Total	121,127,553	135,007,274	82,236,107
LAT	(2,924,600)	(15,072,844)	(11,158,557)

Presently, our Group derives a majority of its revenue from its quarry products and contract business while the revenue contribution from its civil engineering business is on the increasing trend. Nevertheless, our Group has experienced increasing competition which exerts downward pressure on the selling prices of quarry products and had caused losses for the past few years. As a result, this has pushed our Group's profit margin lower as our Group needed to remain competitive in the quarry products industry. Furthermore, considering the increasingly competitive market in the construction industry in which our Group operates, our Group is constantly looking for business opportunities to diversify its income streams to prevent over-reliance on any particular industry as well as to expand its earnings base in the long term.

In view of the above, our Group has identified the renewable energy business and the O&G business as viable businesses to venture into, after considering the prospects of the renewable energy and O&G industries (as set out in **Sections 13.2 and 13.3** of Part A of this Circular). Considering the growing demand within these sectors, the Proposed Diversification is expected to improve the financial performance of our Group and allow our Group to be in a better financial footing in the long run.

Premised on the above, our Group is of the view that the Proposed Diversification will provide our Group with additional streams of revenue and cash flow. The Proposed Diversification is expected to fit into the overall structure of our Group's existing businesses moving forward and at the same time reduce its reliance on our Group's existing businesses.

Barring any unforeseen circumstances, our Board believes that the Proposed Diversification will potentially contribute positively to our Group's future earnings.

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12. ADDITIONAL INFORMATION

12.1 Financial commentaries

The summary of the financial information of our Group for the audited FYE 31 March 2018 to 31 March 2020 and unaudited financial statements of our Group for the 9M-FPE 31 December 2019 and 2020 is as follows:

	Audited			Unaudited	
	FYE 31 March 2018 (RM)	FYE 31 March 2019 (RM)	FYE 31 March 2020 (RM)	9M-FPE 31 December 2019 (RM)	9M-FPE 31 December 2020 (RM)
Revenue	121,127,553	135,007,274	82,236,107	65,908,092	54,151,786
Profit before tax / (Loss before tax)	1,129,003	(12,352,414)	(10,178,663)	893,107	(2,535,173)
LAT	(2,924,600)	(15,072,844)	(11,158,557)	(451,321)	(4,056,080)
Share capital	110,526,862	132,526,862	132,526,862	132,527,236	166,813,170
Shareholders' funds / NA attributable to the owners of the Company	69,516,541	75,923,602	64,694,308	76,383,467	94,927,117
No. of Shares in issue	731,574,900	921,574,900	921,574,900	921,574,900	1,165,613,800
Weighted average number of Shares in issue	730,721,712	881,495,379	921,574,900	921,574,900	1,165,613,800
NA per Share (sen)	9.51	8.61	7.02	8.29	8.14
Basic earnings/ (loss) per Share (sen)*	(0.40)	(1.71)	(1.21)	(0.05)	(0.35)
Current assets	75,249,932	93,277,339	73,232,802	76,764,237	110,068,257
Current liabilities	51,416,741	73,416,322	49,841,289	44,877,802	44,735,803
Current ratio (times)	1.46	1.27	1.47	1.71	2.46
Borrowings	30,420,354	35,032,908	22,431,788	25,173,248	20,807,231
Gearing (times)	0.44	0.46	0.35	0.33	0.22

Note:

* Based on the weighted average number of Minetech Shares in issue.

Commentaries:

(a) 9M-FPE 31 December 2020 vs 9M-FPE 31 December 2019

Our Group recorded a lower revenue of RM54.2 million in 9M-FPE 31 December 2020 (9M-FPE 31 December 2019: RM65.9 million), representing a decrease of RM11.7 million or 17.8%, mainly due to:

- (i) lower revenue in the quarry segment of RM2.8 million (9M-FPE 31 December 2019: RM22.5 million) as a result of the absence of revenue from Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd as these subsidiaries were disposed in FYE 31 March 2020 as well as the impact arising from the Movement Control Order ("MCO") implemented by the Government in March 2020; and
- (ii) lower revenue in the bituminous products segment of RM7.2 million (9M-FPE 31 December 2019: RM12.3 million) due to lower demand for bituminous products as a result of the economic impact arising from the MCO as well as the COVID-19 pandemic.

Our Group recorded a higher LAT of RM4.1 million in 9M-FPE 31 December 2020 (9M-FPE 31 December 2019: LAT of RM0.5 million), representing a wider loss of RM3.6 million. The higher LAT recorded in 9M-FPE 31 December 2020 was mainly due to higher administrative cost of RM11.5 million (9M-FPE 31 December 2019: RM10.7 million) arising from the corporate image rebranding exercise as well as lower other income of RM2.2 million (9M-FPE 31 December 2019: RM7.0 million) due to lower bad debts recovered of RM1.0 million (9M-FPE 31 December 2019: RM2.8 million).

(b) FYE 31 March 2020 vs FYE 31 March 2019

Our Group recorded a lower revenue of RM82.2 million in FYE 31 March 2020 (FYE 31 March 2019: RM135.0 million), representing a decrease of RM52.8 million or 39.1%. The decrease in revenue for the FYE 31 March 2020 was mainly due to:

- (i) lower revenue in the quarry segment of RM23.2 million (FYE 31 March 2019: RM68.9 million) as a result of the disposal of Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd due to competitive operation margins; and
- (ii) lower revenue in the civil engineering segment of RM43.7 million (FYE 31 March 2019: RM49.3 million) due to lesser projects undertaken as well as the completion of the MRT 2 project located at Jalan Chan Sow Lin.

The lower revenue was partially offset by the higher revenue contribution from the bituminous products segment of RM15.2 million (FYE 31 March 2019: RM14.2 million) due to improvement in export sales.

Our Group recorded a lower LAT of RM11.2 million in FYE 31 March 2020 (FYE 31 March 2019: LAT of RM15.1 million), representing an improvement of RM3.9 million or 25.8%. The lower LAT recorded in FYE 31 March 2020 was mainly due to the disposal of Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd.

(c) FYE 31 March 2019 vs FYE 31 March 2018

Our Group recorded a higher revenue of RM135.0 million in FYE 31 March 2019 (FYE 31 March 2018: RM121.1 million), representing an increase of RM13.9 million or 11.5%. The increase in revenue for the FYE 31 March 2019 was mainly due to:

- (i) higher revenue in the quarry segment of RM68.9 million (FYE 31 March 2018: RM55.0 million) due to the inclusion of revenue amounting to RM20.1 million contributed by a newly acquired subsidiary (i.e. Bertam Capital Sdn Bhd) which owns a quarry located in Nilai, Negeri Sembilan. The acquisition was completed in 30 April 2018; and
- (ii) higher revenue in the civil engineering segment of RM49.3 million (FYE 31 March 2018: RM27.1 million) due to the contribution from the newly secured contract for a package of the LRT 3 project located in Klang, Selangor and a contract for bridge works at the MEX Expressway in Dengkil, Selangor.

The higher revenue was partially offset by the lower revenue contribution from the asphalt premix products segment of RM0.4 million (FYE 31 March 2018: RM24.4 million) as our Group has decided to match the selling price to maintain its market share due to the competitive nature of the business.

Our Group recorded a higher LAT of RM15.1 million in FYE 31 March 2019 (FYE 31 March 2018: LAT of RM2.9 million), representing a wider loss of RM12.2 million or 420.7%. The higher LAT recorded in FYE 31 March 2019 was mainly due to:

- (i) decrease in profit margins from exports arising from one of our Group's quarries in Perak due to the competitive price in the market amid weak market sentiments; and

- (ii) provisions for impairment on property, plant and equipment, inventories and receivables amounting to RM5.3 million (FYE 31 March 2018: RM0.6 million) as well as write-off of property, plant and equipment and quarry development expenditure of RM1.1 million (FYE 31 March 2018: RM0.1 million).

(d) FYE 31 March 2018 vs FYE 31 March 2017

Our Group recorded a higher revenue of RM121.1 million in FYE 31 March 2018 (FYE 31 March 2017: RM95.0 million), representing an increase of RM26.1 million or 27.5%. The increase in revenue for the FYE 31 March 2018 was mainly due to:

- (i) higher revenue in the quarry segment of RM55.0 million (FYE 31 March 2017: RM33.1 million) attributable to the new quarry operation in Bidor, Perak as well as higher revenue from the quarry located in Kuantan, Pahang after the installation and commissioning of a new and bigger capacity crushing plant; and
- (ii) higher revenue in the asphalt premix products segment of RM24.4 million (FYE 31 March 2017: RM17.0 million) due to higher demand from the local markets as well as better raw material costing.

Our Group recorded a lower LAT of RM2.9 million in FYE 31 March 2018 (FYE 31 March 2017: LAT of RM25.7 million), representing an improvement of RM22.8 million or 88.7%. The lower LAT recorded in FYE 31 March 2018 was mainly due to:

- (i) improved earnings as a result of our Group's business restructuring exercise undertaken by in May 2017 to restructure the quarrying sub-contracting business (i.e. outsourcing of the quarrying operations to the previous management and staff who are now engaged as independent operators and who also acquired the relevant plants and machineries from our Group) which led to a reduction of overhead expenses and improvement in profitability in the quarry segment; and
- (ii) higher other income of RM20.1 million (FYE 31 March 2017: RM7.2 million) mainly due to the gain on disposal of property, plant and equipment of RM7.3 million (FYE 31 March 2017: RM0.4 million).

12.2 Impact of the Proposals and value creation to our Group and its shareholders

(i) Proposed Share Capital Reduction

The Proposed Share Capital Reduction will not have any material impact on our Group's earnings and our Company's EPS. The Proposed Share Capital Reduction will enable our Company to reduce/eliminate its accumulated losses and this may enhance Minetech's credibility with its customers, suppliers and investors.

(ii) Proposed Private Placement and Proposed Rights Issue of ICPS

The Proposed Private Placement and the Proposed Rights Issue of ICPS will enable our Group to tap into the equity market to raise funds without incurring interest cost from bank borrowings. The dilutive effect on our Company's EPS as a result of the increased number of issued Shares due to the Placement Shares and new Shares from the conversion of the ICPS is expected to be offset by the benefits from the use of the proceeds from the Proposed Private Placement and the Proposed Rights Issue of ICPS.

Furthermore, the issuance of ICPS will not have an immediate dilutive effect on our Company's EPS because the conversion of the ICPS will take place over the tenure of 5 years, compared to a rights issue of ordinary shares which will have an immediate dilutive effect on our Company's EPS.

The Proposed Private Placement and Proposed Rights Issue of ICPS are expected to have a positive impact on our Group's earnings when the benefits of the proceeds' usage are realised, which will then directly enhance our Company's shareholders' value.

(iii) Proposed SIS

The Proposed SIS is intended to reward the Eligible Persons by allowing them to participate in our Group's profitability (if any) by way of potentially realising capital gains that may arise from appreciation in the price of Minetech Shares. The EPS of our Group will be diluted as a result of the increase in the number of issued Minetech Shares upon the exercise of SIS Options into new Minetech Shares pursuant to the exercise of the SIS Options.

(iv) Proposed Diversification

The Proposed Diversification into the renewable energy and O&G industries is expected to contribute positively to the future earnings of our Group after considering the rationale (as set out in **Section 11.4** of Part A of this Circular) and the industries' outlook (as set out in **Sections 13.2 and 13.3** of Part A of this Circular).

12.3 Adequacy of the Proposals in addressing our Group's financial concerns

(i) Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable our Company to reduce/eliminate its accumulated losses in its statements of financial position, and this may enhance its credibility with customers, suppliers and investors.

(ii) Proposed Private Placement and Proposed Rights Issue of ICPS

The proceeds from the Proposed Private Placement and Proposed Rights Issue of ICPS are expected to provide our Group with funding for the purposes stated in **Section 10** of Part A of this Circular, which in turn is expected to enhance our Group's financial performance and shareholders' value. The ICPS Undertakings provide certainty in respect of the minimum amount of proceeds to be raised. Our Board is therefore of the view that the Proposed Private Placement and Proposed Rights Issue of ICPS are adequate in addressing Minetech Group's immediate cash requirements. This should improve our Group's financial performance moving forward.

(iii) Proposed SIS

The Proposed SIS will provide opportunities for Minetech Group to recognise and reward the contributions and services of the Eligible Persons that are considered vital to the operations and growth of our Group. The Proposed SIS will increase our Group's NA upon the exercise of SIS Options into new Minetech Shares pursuant to the exercise of the SIS Options.

(iv) Proposed Diversification

The Proposed Diversification into the renewable energy and O&G industries will enable our Group to further grow its income stream as our Board anticipates these segments to contribute to our Group's earnings in the future. Our Group will work towards identifying opportunities and securing projects in these industries, not only for the medium term but also towards the longer term.

Our Board has a positive view on the industries' outlook and our Group's prospects (as set out in **Section 13** of Part A of this Circular) to contribute positively to our Group's financial performance and is cautiously optimistic that they would be adequate in addressing our Group's financial concerns.

12.4 Steps undertaken or to be undertaken by our Group to improve its financial position

In light of current economic sentiments, our Group has been facing challenges in its existing businesses especially in the quarry segment and civil engineering segment which have negatively affected the financial performance of our Group. Taking cognisance of these, our Group has undertaken and/or plans to undertake the following steps to improve its financial performance and strengthen its financial position:

- (i) Our Group has been continuously monitoring its cost and cash flow management for each segment, maintaining its presence in the market and improving on its product delivery and customer satisfaction. Our Group had made efforts to reduce its costs and expenses through optimising the allocation of current human resources, recruitment of additional staff when required and enhancement of management expertise.
- (ii) As part of our Group's long-term strategy to grow its earnings through recurring income, our Group has identified the renewable energy segment as a potentially stable source of recurring income. As such, on 24 April 2018, Coral Power, a 70%-owned subsidiary of Minetech, accepted a letter of award from the Energy Commission to develop a 9.99-megawatt AC solar power plant in Perak. The Solar Power Plant is expected to be commissioned in the 3rd quarter of 2021, as set out in **Section 6** of Part A of this Circular. Furthermore, as a RPVI, Minetech Construction is now allowed by SEDA to sell electricity via the renewable power purchase agreement under the net-energy metering programme to government agencies, businesses and individuals which is expected to contribute positively to our Group's income.
- (iii) Our Group has also identified Fintech as one of the potential business to expand our Group's revenue and earnings to avoid over dependency on its current operation. In view of such, Techmile (a wholly-owned subsidiary of Minetech) had, on 1 March 2021, entered into a memorandum of understanding with Ahmad Razizal Bin Dato' Ahmad Rasidi, Jamaluddin Bin Mann and Lui Soik Teng ("**Vendors**") to negotiate on the proposed acquisition of 300,000 ordinary shares of Uniqua from the Vendors. Uniqua is involved in the business of information technology, software and application development as well as e-commerce. Currently, Uniqua's system which focuses mainly on cross-border remittance payments are being used by 2 local Malaysian banks.

On 12 March 2021, Techmile entered into a shares sales agreement with the Vendors for the proposed acquisition of 300,000 ordinary shares of Uniqua for a purchase consideration of RM2,829,472 ("**Proposed Acquisition**"). The Proposed Acquisition represents a strategic opportunity for the Group to expand into the Fintech industry and is expected to transform Techmile into a Fintech solutions provider as well as create additional opportunities for Techmile to provide additional Fintech-related products.

- (iv) Our Group had also undertaken the 2020 Placement in its efforts to improve our Group's financial and operational performance. The 2020 Placement was completed on 12 August 2020 and raised approximately RM27.4 million for our Group (as set out in **Section 9** of Part A of this Circular).

In view of the steps above, our Board is of the opinion that our Group's efforts are expected to improve the financial position of our Group.

13. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

13.1 Overview and outlook of Malaysian Economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for E&E products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order (MCO 2.0) and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. Governor Datuk Nor Shamsiah said “The better overall performance reflects the improvement in domestic demand and the strength in our exports.” All economic sectors registered an improvement, particularly in the manufacturing sector.

Despite the recent re-imposition of containment measures, the impact on growth is expected to be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related sub-sectors, as well as oil and gas facilities will provide a further impetus to growth.

The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors. Datuk Nor Shamsiah cited “Going forward, Malaysia is well positioned to continue benefitting from stronger global economic and trade activities. While the growth outlook continues to be shaped by developments surrounding the pandemic, the implementation of containment measures which are mainly aimed at curbing social activities and allow almost all economic sectors to operate, would minimise the impact on economic activity.”

(Source: Economic and Financial Developments in the Malaysian Economy in the 1st quarter of 2021, Bank Negara Malaysia)

Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half. Thus, Malaysia’s gross domestic product is expected to contract by 4.5% in 2020, before rebounding between 6.5% and 7.5% in 2021.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

13.2 Overview and outlook of the renewable energy sector in Malaysia

There are currently 20 gas-fired power plants in Malaysia, accounting for about half the power needs of the country, and making gas the main source of energy. Population growth and environmental considerations are likely to have a positive impact on gas demand for power generation in the future. Malaysia’s population, at 32 million in 2017 is forecast to grow to 45 million in 2050, with almost 90% expected to live in cities. Rapid urbanisation will trigger increased demand for energy to sustain city dwellers and satisfy urban lifestyle needs. While cost remains a key consideration with regards to fuel choices – the removal of gas subsidies may make it a relatively costly option - countries are also mindful of their international commitments to reduce carbon emissions. Malaysia is a signatory to the 2016 Paris Agreement that commits countries to reducing their carbon emissions. With this, renewable energy has gained traction as the fuel of the future. In Malaysia, the target is for renewable energy to make up 20% of the capacity mix by 2025.

Energy efficiency and renewable energy are the main pillars of the energy transition, and together they can provide over 90% of the energy-related carbon emissions reduction that is required, by using technologies that are safe, reliable, affordable and widely available. As one of the fastest developing regions in the world, the countries of South East Asia could see a 40% rise in regional primary energy demand up to 2040, according to the International Energy Agency. To meet this sizeable increase in demand, The Association of South East Asian Nations (ASEAN) countries are rapidly scaling up their generation capacity with large renewable projects making it well positioned to become a renewable energy hub.

In 2018, Malaysia received 16GWh of power from Lao PDR via the Laos-Thailand-Malaysia (“LTM”) interconnection. The LTM interconnection showed the feasibility of multilateral power trading under the ASEAN Power Grid. This is the outcome of an Energy Purchase and Wheeling Agreement signed in 2017 between the public utility companies of Malaysia, Lao PDR and Thailand.

The agreement covered technical operating procedures and commercial terms of power transfer. The deal sees Malaysia purchasing up to 100MW of hydro power from Lao PDR, to be transported via Thailand’s existing transmission grid. The purchase benefits Malaysia because of its competitive pricing while boosting its renewable energy target. Phase 2 of the agreement is scheduled to commence after 2020.

A 2019 report published by the global auditing firm, KPMG entitled “The Renewable Energy Transition” states that there are still about 70 million people in ASEAN without access to reliable electricity supply, which has presented opportunities for these governments to tap into the region's vast renewable energy resources. In the past, the high cost of producing renewable energy discouraged governments from tapping this resource. However, with increasing public awareness of sustainable energy and a newfound openness to pay higher rates for clean energy, ASEAN governments are being motivated to invest more state funds into renewable energy projects. ASEAN member states are now focused on increasing their share of renewable energy in their energy mix as part of their sustainable energy growth and climate change commitments. As a region, ASEAN has also set a target for member countries to increase the component of renewable energy in the ASEAN energy mix to 23% by 2025, up from 9% in 2014. These targets are becoming more achievable with declining production costs and technological innovations such as better solar power efficiency and floating solar panels.

Malaysia harbours a wealth of resources capable of generating renewable energy. In 2019, the country taps into about 2%, which the Government targets to increase to 20% by the year 2025. The key objective is to transform our current energy mix into one that comprises more renewable energy sources, not only for the continuity of supply but for the pressing environmental concerns that come with a dependency on fossil fuels. With the threat of climate change and fossil fuels being a finite resource, new ways of generating and supplying energy are needed to secure a sustainable future for the global energy ecosystem. For Malaysia, the energy transition is already underway, and it is focused on expanding the renewable energy capacity in the national energy mix and improving energy efficiency.

Technology advancements in recent years have led to the steady decline in the overall cost of wind and solar energy production, making renewable energy an increasingly viable option for public and private sector decision makers. In line with the government’s target to achieve 20% renewable energy in the capacity mix, the Energy Commission is implementing renewable energy related programmes such as LSS, Net Energy Metering and Self Consumption for solar installations. The current opportunities are in the solar industry. Malaysia wants to develop a skilled workforce in solar photovoltaic (PV) installation and services. In Malaysia, the new solar average capacity factor is at 17%, compared to 14% previously because of more efficient and cost-effective technologies.

The Energy Commission, being Malaysia’s energy regulatory authority works closely with Sustainable Energy Development Authority to develop a renewable energy transformation roadmap up to 2035, where it intends to explore other types of renewable energy and the potential capacity Malaysia can achieve. Besides, solar energy, the Energy Commission also licenses biogas, biomass and mini hydro projects in the country. In 2019, Malaysia have generated 393G watt-hour (Wh) of energy from LSS out of the national capacity of 24,132 megawatt (MW).

To commit to the adoption of renewable energy on a global scale, Malaysia has aligned its targets with the United Nations Framework Convention on Climate Change (UNFCCC) 21st Conference of Parties (COP21). This aims at cutting down emission intensity by 35 percent to 45 percent based on 2005 GDP, by the year 2030.

(Source: Energy Commission Malaysia, Suruhanjaya Tenaga, Volume 18, 19 and 20)

The COVID-19 pandemic and the collapse in oil prices have hastened the transition towards a low-carbon economy, spurring policy intervention and global collaboration across industries. Investments in clean energy is estimated to have increased by 5% in the first half of 2020 as opposed to 2019. This is further supported by the rapidly falling costs of renewable energy, which is now half of the cost of coal-fired generation, making it a favourable source of cleaner power. The Malaysian government has aggressive climate change targets in place. By 2025, 20% of the country's electricity is to be generated by renewable sources, which currently is only at 2%.

Oil and gas will continue to account for around 50% of global energy demand over the next 10 years. However, renewable energy, led by wind and solar power, will be the fastest growing source of energy. Oil and gas companies, including traditional Oil and Gas Services and Equipment (OGSE) players are now venturing into providing solutions in the renewable sector, in an effort to future-proof their portfolios to remain resilient in the low-carbon world.

(Source: PETRONAS Activity Outlook 2021 – 2023, PETRONAS)

13.3 Overview and outlook of the oil and gas sector in Malaysia

The mining sector is defined as activities involved in locating, excavating, and processing metals, minerals, and other geological resources that are needed in the economy. The industry contains five main segments, which are oil and gas extraction, coal mining, metal ore mining, non-metallic mineral mining as well as mining support activities (e.g. quarrying or wide-range mineral extraction).

(Source: Extract from article entitled “Mining, Minerals, Metals: Background”, <https://globaleledge.msu.edu/industries/mining--minerals--metals/background>)

The mining sector continued to register a contraction in 2019 (-1.5%; 2018: -2.6%), as crude oil output was weighed down mainly by maintenance works and voluntary supply adjustments by Petroliaam Nasional Berhad (“PETRONAS”). Nevertheless, the pace of the contraction in the sector eased, following the recovery in natural gas production from the pipeline disruptions in 2018.

Apart from the health crisis, the Malaysian economy is expected to be affected by the sharp decline and volatile shifts in crude oil prices. While this is partially a consequence of significantly softer global demand, crude oil prices are also weighed by the Organisation of Petroleum Exporting Countries and its allies (“OPEC+”) decision of not pursuing additional voluntary output adjustments. Prolonged low global oil prices will impact the income, employment and investment prospects in the mining-related sectors directly. Nonetheless, lower oil prices may alleviate cost pressures on consumers and businesses. Prices of other major commodities are projected to be lower. The price of Liquefied Natural Gas (“LNG”) is forecasted to moderate, weighed mainly by slower demand from Japan and People's Republic of China following further progress in the restart of nuclear plants and production disruptions due to COVID-19, respectively. The price of crude palm oil is projected to be relatively sustained, as weaker external demand is offset by the decline in crude palm oil production.

(Source: Economic and Monetary Review 2019, Bank Negara Malaysia)

Contraction in the mining sector eased considerably ((6.8%); 2Q 2020: (20.0%)) as oil and natural gas production improved amid gradual recovery in external demand. The improvement is also supported by a smaller decline in the other mining segment as production resumed after the MCO period.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020, Bank Negara Malaysia)

The mining sector recorded a double-digit contraction of 11% in the first half of 2020, affected by the slump in global demand due to business closures as well as the reduction in travel and transport activities. The sector was further weighed down by the temporary shutdowns of several oil and gas facilities for maintenance purposes. With the COVID-19 pandemic crushing demand, storage facilities filled rapidly, and Brent crude oil price fell to its lowest level at USD17.32 per barrel (“pb”) on 21 April 2020 before stabilising at about USD40 pb. Nonetheless, the sector is expected to rebound by 4.1% in 2021, supported by the recovery in global demand for crude oil and condensate as well as LNG) Brent crude oil price is expected to improve in 2021 to an average of USD42 pb and recover to pre-pandemic level in the medium-term.

(Source: Chapter 3, Macroeconomic Outlook, Economic Outlook 2021, Ministry of Finance Malaysia)

The oil market has always been exposed to market volatilities and uncertainties. This is driven not only by geopolitical events but also structural shifts in the oil market, such as the surge in unconventional oil supply from the United States (US) which impacted the market in 2016 and the recent unprecedented demand destruction from COVID-19. The impact from COVID-19 was further exacerbated by the fallout between Russia and Saudi Arabia that triggered the oil producers’ move to maximise production to capture a bigger market share. The unrestrained production amid weak demand resulted in US West Texas Intermediate (WTI) prices falling into negative territory for the first time in history. Brent prices fell to a two-decade low of USD13 per barrel on 21 April 2020.

The outlook for the industry remains challenging due to emerging fresh waves in the number of COVID-19 cases and prevailing uncertainties over OPEC+ production cuts in 2021. The effects of the pandemic are difficult to estimate, while the impact cannot be overstated as the industry continues to face the dual impact of demand destruction combined with an oil price rout due to the supply glut.

(Source: PETRONAS Activity Outlook 2021 – 2023, PETRONAS)

13.4 Overview and outlook of the construction and property development sectors in Malaysia

Activity in the construction sector improved, contracting by a smaller rate of 12.4% in the third quarter of 2020 (2Q 2020: -44.5%). Activity resumed across all sub-sectors supported by on-going large transportation projects in the civil engineering sub-sector and affordable housing projects in the residential sub-sector.

(Source: Economic and Financial Developments in the Malaysian Economy in the 3rd quarter of, BNM)

The construction sector is expected to shrink by 11.8% in the second half with all segments declining significantly. At the same time, prolonged property overhangs continue to weigh down the performance of the sector. However, civil engineering and specialised construction activities subsectors are expected to improve gradually, cushioned by various measures under the economic stimulus packages. Overall, the sector is projected to contract by 18.7% in 2020.

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector.

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign, exemption of Real Property Gains Tax, the introduction of rent-to-own scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Chapter 3, Macroeconomic Outlook, Economic Outlook 2021, Ministry of Finance)

The property market performance recorded a sharp decline in the first half of 2020 compared to the same period last year. The property sector recorded 115,476 transactions worth RM46.94 billion in the first half of 2020, a decrease by 27.9% in volume and 31.5% in value compared to the first half of 2019, which recorded 160,165 transactions worth RM68.53 billion.

For residential properties, there were 75,318 transactions worth RM25.61 billion recorded in the first half of 2020, decreased by 24.6% in volume and 26.1% in value compared to the first half of 2019. The slow market absorption of the primary market led to the increase in residential overhang. There were 31,661 overhang units worth RM20.03 billion, increased by 3.3% in volume (H2 2019: 30,664 units) and 6.4% in value against the preceding half (H2 2019: RM18.82 billion). As at second quarter of 2020, the Malaysian House Price Index stood at 198.3 points (at base year 2010), up by 0.4% on annual basis, the lowest annual growth recorded since year 2010.

The commercial properties recorded 8,118 transactions worth RM8.51 billion in the first half of 2020, declined by 37.4% in volume and 33.2% in value (H1 2019: 12,962 transactions worth RM12.75 billion). Market performance of shop sub-sector recorded a significant decrease of 39.4% in volume and 38.8% in value (H1 2019: 6,937 transactions worth RM5.80 billion). Shop sub-sector overhang continued to increase but at slower pace, recording a total of 6,187 units worth RM5.03 billion, up by 2.7% in volume and 3.3% in value against the preceding half (H2 2019: 6,024 units worth RM4.87 billion).

The sharp decline of the property market performance was in consonant with the Malaysian economic performance, which contracted by 17.1% in the second quarter of 2020 (Q1 2020: 0.7%). Notwithstanding the upturn of market activity and the proposed measures under the National Economic Recovery Plan (“PENJANA”), the property market is more than likely to remain soft for the rest of the second half of 2020. The pace of improvement will depend on both domestic and external factors such as political stability, global oil and commodity prices as well as the COVID-19 pandemic development.

(Source: Overview of the Property Market Report First Half of 2020, Valuation and Property Services Department, Ministry of Finance)

The manufacturing sector contracted by 8.7% during the first half of 2020, as almost all industry operations were temporarily halted, following supply chain disruptions amid the MCO. Domestic-oriented industries also recorded sluggish growth, with transport equipment; and non-metallic mineral products, basic metal and fabricated metal products segments registering a double-digit contraction.

(Source: Chapter 3, Macroeconomic Outlook, Economic Outlook 2021, Ministry of Finance)

Malaysia’s manufacturing sales in December 2020 stood at RM124.6 billion, grew at 4.5% as compared to previous year. The rise in sales value in December 2020 was driven by the increase in transport, equipment and other manufactures products (20.5%), food, beverage and tobacco products (7.9%), and electrical and electronic products (4.2%). Meanwhile, sales value of non-metallic mineral products, basic metal and fabricated metal products (-2.7%), wood, furniture, paper products and printing (-1.1%) declined in December 2020.

(Source: Monthly Manufacturing Statistics, December 2020, Department of Statistics Malaysia)

13.5 Overview and outlook of the mining and quarry sectors in Malaysia

Mining and quarrying sector improved to a negative 5.0 per cent as compared to a 10.4 per cent decline in the fourth quarter of 2020. The performance of this sector was largely supported by the rebounded in Natural gas at 0.3 per cent (Q4 2020: -9.9%) and Crude oil & condensate at negative 11.5 per cent (Q4 2020: -12.9%).

(Source: Malaysia Economic Performance First Quarter 2021, Department of Statistics Malaysia)

Malaysia is set to become an important hub for the development of the mineral industry in the future for having a variety of mineral resources that have the potential to be produced optimally, said Energy and Natural Resources Minister Datuk Seri Dr Shamsul Anuar Nasarah.

He said the initial study conducted by the Minerals and Geoscience Department (JMG) estimated the value of the country's mineral resources at RM4.11 trillion, comprising metallic minerals worth RM1.03 trillion, non-metallic minerals (RM2.96 trillion) and energy minerals (RM120 billion).

According to Shamsul Anuar, the ministry was allocated RM87.2 million to carry out works related to the development of the country's mineral industry under the 12th Malaysia Plan's (12MP) development expenditure for JMG.

They comprise activities such as the assessment of the country's mineral resources, the development of an integrated mining and quarry monitoring system, the sustainability rating of the mining and quarrying industry using the sustainable development indicator (SDI) method, and the innovation and commercialisation of the country's mineral products, he said.

(Source: <https://www.theedgemarkets.com/article/malaysia-become-important-hub-mineral-industry-development-says-minister>)

13.6 Overview and outlook of the bituminous related sectors in Asia Pacific (including Malaysia)

Global bitumen market is expected to grow at a compound annual growth rate of 3.57% over the forecast period of 2020 to 2027. Bitumen is a mixture obtained from distillation of crude, a significant component to build roads and other infrastructure. It is also known as asphalt, as its production through distillation clear all the crude oil components very light in nature, leaving the heavy bitumen beyond. Asia Pacific played a dominant role in bitumen market due to the volume growth of constructions in regions like India, China, Thailand and Vietnam.

(Source: <https://www.databridgemarketresearch.com/reports/global-bitumen-market#>)

Asia Pacific accounted for a major market share in 2019 in the global asphalt additives market, owing to growth of the real estate sector in China and India. This is a key factor driving the Asia Pacific asphalt additives market. Road construction, road paving, and roofing are the main segments dominating the other segments due to unrelenting growth of urban demographic and better infrastructure. The growing construction industry along with government initiatives for improvement of roads in various economies such as India and China in the region drives the demand for asphalt additives in Asia Pacific. In addition, huge investments from multinational companies in the high growth potential economies of the region is also a major factor posing bright opportunities for the Asia Pacific asphalt additives market. Increasing ownership of automobiles coupled with increasing government investment in the infrastructural development drives the growth of the market.

(Source: <https://www.alliedmarketresearch.com/asphalt-additives-market>)

To achieve their economic goals, governments of emerging economies in the Asia Pacific are focusing on strengthening their infrastructure and road network by building new roads and refurbishing existing ones. With an ever increasing sum of vehicles over the globe, especially in the emerging economies of Asia Pacific and Latin America, the requirement for road expansion will witness a notable rise in the coming years. It will mainly include countries such as China, Malaysia, India, Indonesia and Thailand, where the number of vehicles is increasing on account of rising urbanization and growing middle-class spending. As per Asia Development Bank, in the Asia Pacific, China has the highest number of vehicles on the road, while Malaysia has higher quality roads. Additionally, China, India, Japan and South Korea have the highest density of roads per 1,000 square kilometer area, thereby projecting the substantial growth of the bitumen market over the forecast period to maintain this density at an optimum scale.

(Source: <https://www.prnewswire.com/news-releases/bitumen-market-value-to-hit-116-billion-by-2026-global-market-insights-inc-300967401.html>)

13.7 Prospects of our Group

Our Group is mainly involved in the production of quarry products and bituminous products, civil engineering works as well as providing goods and services to the property and infrastructure construction industry sector (as highlighted in **Section 11.4** of Part A of this Circular).

Our Group had recorded losses for the past few years from its existing operations due to high operating costs and downward pressure on pricing and profit margin as a result of increased competition for its quarry and bituminous products. Furthermore, the overall stagnation of the property development and construction industry in Malaysia had affected the progress on our Group's ongoing construction projects. In view thereof, our Group has undertaken business efficiency exercise and cost cutting measures (as highlighted in **Section 12.4** of Part A of this Circular) as well as enhancement on its quarry products and bituminous products operations utilising the proceeds from the Proposed Private Placement and Proposed Rights Issue of ICPS (as highlighted in **Section 10** of Part A of this Circular). Our Group will also closely monitor the progress of its ongoing construction projects to minimise the risk of any delays in the completion of the projects.

Our Group foresees that while it will continue with the existing business, it would be challenging going forward given the industries' dynamic and fluctuating landscape. It is therefore imperative that the Proposed Diversification be undertaken to mitigate the risk of overdependence on its current businesses. The renewable energy sector in Malaysia has been steadily growing and considering the Government's support in providing an economically viable platform for investments in the power and energy sector (as highlighted in **Section 13.2** of Part A of this Circular), our Board expects the renewable energy industry to continue its robust, resilient and sustainable growth. Approval by our Company's shareholders for its Proposed Diversification into Renewable Energy would enable our Group to expand its renewable energy business portfolio and pursue interests in the renewable energy industry. The Proposed Diversification into Renewable Energy is expected to expand our Group's earnings base by providing additional stable stream of revenue and cash flow upon the implementation of the renewable energy project, given that currently the main revenue contributor to our Group is the quarry products and contract business.

The solar power plant in Perak, when operational, is expected to expand our Group's earnings base by providing a stable stream of revenue of approximately RM8.0 million per annum (based on the generation rate multiplied by tariff of RM0.375 per kWh) and cash flow, given that currently the main revenue contributor to our Group is the quarry products and contract as well as civil engineering business.

Despite the volatility in the O&G industry, Minetech believes that the maintenance services carried out by its operations and maintenance ("O&M") division are still required by industry participants in the O&G industry as well as the power generation and water utility industries to ensure the seamless operations of their plants.

Premised on the above as well as the outlook of the renewable energy and O&G industries (as highlighted in **Sections 13.2 and 13.3** of Part A of this Circular), our Board believes that the Proposed Diversification may enhance our Group's future prospects as it represents an opportunity for our Group to obtain additional stream of revenue and income in the future financial years.

14. RISK FACTORS

14.1 No prior market for the ICPS

The ICPS are new instruments to be issued by our Company, for which there is currently no public market. There is no assurance that an active market for our Company's ICPS will develop when they are listed on the Main Market of Bursa Securities or whether the market for our Company's ICPS will be sustainable or adequately liquid during the tenure of the ICPS.

The market price of the ICPS, like other securities traded on Bursa Securities, is subject to fluctuations and will be influenced by factors including prevailing market sentiments, share market volatility, economic and political conditions in Malaysia and globally, the price of our Company's Shares, interest rate movements, corporate developments as well as the future prospects of the industries in which our Group operates or will operate in.

For factors which are within our Group's control, our Group will endeavour to improve its operational performance and profitability, leading to a higher likelihood of positive reflection in the prices and trading liquidity of our Company's securities.

14.2 Investment and capital market risk

The market prices of the Placement Shares and ICPS are influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of our Company's Shares, the outlook of the industries in which Group operates, changes in regulatory requirements or market conditions, as well as the financial performance and fluctuations in our Group's operating results. In addition, the performance of the Malaysian share market (where our Company's Shares are listed) is dependent on the economic and political conditions in Malaysia and overseas as well as external factors such as, amongst others, the performance of the world bourses and flows of foreign funds. In view of this, there can be no assurance that the Placement Shares and the ICPS will trade above their respective issue prices or TEAP upon or subsequent to their listing on the Main Market of Bursa Securities.

Our Group will endeavour to improve its revenue and earnings thereby increasing the likelihood of a positive reflection in the market prices of our Company's securities.

14.3 Delay or failure to implement the Proposals

The Proposals are exposed to the risk that they may be delayed or not implemented due to the occurrence of force majeure events or circumstances which are beyond the control of our Company and Adviser arising prior to the implementation of the Proposals. Such events or circumstances include, epidemics or pandemics, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership.

In accordance with Paragraph 6.51 of the Listing Requirements, our Company is required to have at least 100 ICPS holders holding not less than 100 ICPS each. If these requirements are not met, the Proposed Rights Issue of ICPS will not be implemented. If not implemented, all monies received from the Proposed Rights Issue of ICPS will be refunded without interest to the Entitled Shareholders/subscribers and/or their renounee(s)/transferee(s) (if applicable). If such monies are not repaid within 14 days after our Company becomes liable, our Company will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the Securities Commission Malaysia in accordance with Section 243(2) of the Capital Markets and Services Act 2007.

In order to mitigate the risk of delay or failure to implement the Proposals, our Company will endeavour to obtain the requisite approvals and take all reasonable and necessary steps to ensure completion of the Proposals.

14.4 Potential dilution of existing shareholders' shareholdings

Our Company's existing shareholders' shareholding percentages in our Company's enlarged share capital and voting interests in our Company will be reduced as a result of the issuance of the Placement Shares. Entitled Shareholders who do not subscribe for their entitlements under the Proposed Rights Issue of ICPS may experience further such reductions as the result of any conversion of ICPS into new Shares. Consequently, their proportionate entitlements to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after completion of the Proposed Rights Issue of ICPS will correspondingly be diluted.

In order to attract the Entitled Shareholders to subscribe for the Proposed Rights Issue of ICPS and mitigate the risk of potential dilution of their shareholdings, our Board intends to fix the Conversion Price of the ICPS as set out in **Section 4.3** of Part A of this Circular.

14.5 Diversification risk

Presently, our Group is mainly involved in the production of quarry products and bituminous products, civil engineering works as well as providing goods and services to the property and infrastructure construction industry. Our Group will be subjected to new challenges and new exposure of risks arising from the Proposed Diversification into renewable energy and O&G in which our Group does not have a prior track record. As these will be new businesses to our Group, our Group has no certainty in being able to manage them efficiently or effectively. Our Group's relative lack of experience in the renewable energy and O&G businesses may materially and adversely affect the financial performance of our Group at least in the initial stage.

Our Group however has in place certain key management personnel such as Jot Seng Keong, who possesses relevant experience in the renewable energy as well as Dato' Awang and Jeremy Kho Boon Seng who possess relevant experience in the O&G industries. Our Group may also employ experts and experienced personnel to complement our Group's existing management, as and when the need arises.

14.6 Compliance with laws and regulations for the renewable energy and O&G industries

The renewable energy and O&G industries are subject to various laws and regulations administered by local, national and overseas governmental authorities. These laws and regulations also address occupational safety and health of employees and other aspects of the operations of these businesses. Our Group must obtain various licences, permits and approvals to operate its renewable energy or O&G businesses before they commence. Failure to comply with the laws and regulations, as well as injuries or other harm caused by such failure, may result in financial penalties, administrative or legal action against our Group, including the termination or suspension of its renewable energy or O&G businesses.

14.7 Competition risks

As a new entrant into the renewable energy and O&G industries, our Group faces competition from new and existing industry participants, some of which are established and experienced service providers. There is no assurance that our Group will be able to compete against these competitors or that competitive pressure will not materially and adversely affect the business, operations or financial condition of our Group. Our Group may also be at a disadvantage as it lacks the relevant track record as compared to existing industry participants that may enjoy better reputation, longer operating histories, larger customer bases, larger teams of professional staff, greater economies of scale, or greater financial, technical and other resources.

If our Group is unable to compete, its financial performance could be adversely affected. Nevertheless, our Group seeks to be competitive in the renewable energy and O&G industries by being cost efficient through effective project management and cost control policies, providing quality services and competitive pricing as well as actively seeking new business opportunities in the renewable energy and O&G industries. However, there can be no assurance that these efforts will enable our Group to compete successfully and effectively with the existing and new industry participants in the renewable energy and O&G industries.

14.8 Fluctuation in oil prices

The performance of our Group's future O&G business will be dependent on the level of capital spending, exploration, development and production activities in the O&G industry which are influenced by the fluctuation of oil prices. Prolonged periods of lower oil prices may reduce the level of activities in the O&G industry as spending on exploration, development and production activities is scaled back, which may significantly affect the performance of our Group's future O&G business operations and financial position.

Conversely, during periods of upward movement in oil prices, it is expected that there may be an increase in exploration, development and production activities as the potential return from the O&G activities increases. As such, the level of maintenance activities in the O&G industry may increase, resulting in a higher demand for our Company's O&G maintenance services.

Our Group will continuously monitor oil prices and proactively undertake measures such as maintaining low cost operations, where possible to prepare for any adverse fluctuations in oil prices as well as deferment of maintenance activities by the O&G exploration companies. However, there can be no assurance that any fluctuations in oil prices will not materially affect our Company's O&G business performance, revenue and profits.

14.9 Dependency on key management personnel

Our Group's involvement in the renewable energy and O&G industries is highly dependent on the abilities, skills and experience of its key personnel (as set out in **Sections 7 and 8** of Part A of this Circular). The departure of the key personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's operations and consequently, our Group's revenue and profitability. Our Group will endeavour to adopt appropriate human resources initiatives that include competitive compensation packages, career advancement as well as training and development programmes to attract and retain key personnel. In order to reduce dependency on key personnel, succession planning will be undertaken by grooming employees to complement the management team.

14.10 Operational, health and safety risks

The O&G and petrochemical industries are subject to disruption by a variety of risks and hazards, which are beyond our Company's control, including fires, explosions, leakages, energy crisis and other accidents. If these risks materialise, they can result in personal injury, business interruptions and potential legal liabilities. Our Group believes that these risks are mitigated through periodic audit of its health and safety procedures and practices, scheduled and/or unscheduled maintenance, drills, health and safety meetings and reviews, training and other measures. Whilst our Group places emphasis on health and safety throughout all levels of its operations and undertakes continuous health and safety training for employees, there is no assurance that incidents and damages will not occur.

15. EFFECTS ON THE PROPOSALS

15.1 Share capital

The Proposed SIS is not expected to have an immediate effect on our Company's share capital until such time when the SIS Options are granted and exercised. Our Company's share capital will increase progressively depending on the number of new Shares which are issued pursuant to the exercise of the SIS Options and the Exercise Price. The Proposed Diversification will not have any effect on the share capital of our Company.

The proforma effects of the Proposed Share Capital Reduction, Proposed Private Placement and Proposed Rights Issue of ICPS on the share capital of Minetech are as follows:

	Minimum Scenario			Maximum Scenario		
	No. of Shares	RM	No. of ICPS	RM	No. of ICPS	RM
Issued share capital as at the LPD (excluding treasury shares)	1,165,328,800	166,764,703	-	-	-	-
Proposed Rights Issue of ICPS	-	-	256,201,310	12,810,066 ⁽²⁾	582,664,400	29,133,220 ⁽²⁾
Proposed Private Placement	1,165,328,800	166,764,703	256,201,310	12,810,066	582,664,400	29,133,220
	349,598,600	55,935,776 ⁽¹⁾	-	-	-	-
Proposed Share Capital Reduction	1,514,927,400	222,700,479	256,201,310	12,810,066	582,664,400	29,133,220
	-	(90,000,000)	-	-	-	-
Full exercise of ICPS	1,514,927,400	132,700,479	256,201,310	12,810,066	582,664,400	29,133,220
	64,050,327	12,810,066 ⁽³⁾	(256,201,310)	(12,810,066)	(582,664,400)	(29,133,220)
Issuance of new Shares pursuant to full exercise of SIS Options	1,578,977,727	145,510,545	-	-	-	-
	236,846,600	42,158,695 ⁽⁵⁾	-	-	-	-
Enlarged share capital	1,815,824,327	187,669,240	-	-	2,412,230,500	305,239,048

Notes:

- (1) Based on the indicative issue price of RM0.16 per Placement Share.
- (2) Based on the indicative issue price of RM0.05 per ICPS.
- (3) Assuming conversion of 256,201,310 ICPS by way of 4 ICPS for 1 new Minetech Share.
- (4) Assuming conversion of 582,664,400 ICPS by way of 1 ICPS and RM0.15 in cash for 1 new Minetech Share.
- (5) Based on the indicative exercise price of RM0.178 per SIS Option (calculated based on 10% discount to the 5D-VWAP of Minetech Shares up to and including the LPD of RM0.1977).

15.2 NA and gearing

The Proposed Diversification is not expected to have any material effect on the NA and gearing of our Group. However, the future contribution from the renewable energy and O&G businesses may have a positive impact on our Group's NA once the potential benefits from the renewable energy and O&G businesses materialise. The proforma effects of the Proposed Share Capital Reduction, Proposed Rights Issue of ICPS and Proposed Private Placement on the NA and gearing of our Group, based on its audited FYE 31 March 2020, are as follows:

Minimum Scenario

	(Audited) As at 31 March 2020 RM	(I) After subsequent events up to the LPD RM	(II) After (I) and Proposed Rights Issue of ICPS RM	(III) After (II) and Proposed Private Placement RM	(IV) After (III) and Proposed Share Capital Reduction RM	(V) After (IV) and assuming full conversion of ICPS RM
Share capital	132,526,862	166,812,693 ⁽¹⁾	166,812,693	222,748,469 ⁽²⁾	132,748,469	145,558,535 ⁽⁴⁾
Treasury shares	(47,990)	(47,990)	(47,990)	(47,990)	(47,990)	(47,990)
Equity component of ICPS	-	-	12,810,066 ⁽³⁾	12,810,066	12,810,066	-
(Accumulated losses) / Retained earnings	(67,784,564)	(67,784,564)	(68,654,564) ⁽⁵⁾	(68,654,564)	21,345,436	21,345,436
Shareholders' funds / NA	64,694,308	98,980,139	110,920,205	166,855,981	166,855,981	166,855,981
No. of Shares in issue (excluding treasury shares) NA per Share (sen)	921,289,900 7.02	1,165,328,800 ⁽¹⁾ 8.49	1,165,328,800 9.52	1,514,927,400 11.01	1,514,927,400 11.01	1,578,977,727 10.57
Total borrowings (RM) Gearing (times)	22,431,788 0.35	22,431,788 0.23	22,431,788 0.20	8,431,788 ⁽⁶⁾ 0.05	8,431,788 0.05	8,431,788 0.05

Notes:

(1) After including:

(a) the exercise of the following Share Issuance Scheme ("SIS") Options at RM0.05 each into 138,100,000 new Minetech Shares:

SIS Options	New Minetech Shares	Listing date
38,200,000	38,200,000	17 April 2020
40,000,000	40,000,000	29 April 2020
59,900,000	59,900,000	16 June 2020
138,100,000	138,100,000	

(b) issuance of 105,938,900 Minetech Shares pursuant to the 2020 Placement as follows:

Listing date	Issue price RM	No. of Shares placed
25 June 2020	0.235	48,000,000
20 July 2020	0.275	30,000,000
12 August 2020	0.281	27,938,900
Total		105,938,900

- (2) Based on the indicative issue price of RM0.16 per Placement Share.
(3) Based on the indicative issue price of RM0.05 per ICPS.
(4) Assuming conversion of 256,201,310 ICPS by way of 4 ICPS for 1 new Minetech Share.
(5) After deducting estimated expenses of RM870,000 for the Proposals.
(6) After accounting for the use of proceeds to repay borrowings (as set out in **Section 10** of Part A of this Circular).

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Maximum Scenario

	(Audited) As at 31 March 2020 RM	(I) After subsequent events up to the LPD RM	(II) After (I) and Proposed Rights Issue of ICPS RM	(III) After (II) and Proposed Private Placement RM	(IV) After (III) and Proposed Share Capital Reduction RM	(V) After (IV) and assuming full conversion of ICPS RM
Share capital	132,526,862	166,812,693 ⁽¹⁾	166,812,693	222,748,469 ⁽²⁾	132,748,469	249,281,349 ⁽⁴⁾
Treasury shares	(47,990)	(47,990)	(47,990)	(47,990)	(47,990)	(47,990)
Equity component of ICPS	-	-	29,133,220 ⁽³⁾	29,133,220	29,133,220	-
(Accumulated losses) / Retained earnings	(67,784,564)	(67,784,564)	(68,654,564) ⁽⁵⁾	(68,654,564)	21,345,436	21,345,436
Shareholders' funds / NA	64,694,308	98,980,139	127,243,359	183,179,135	183,179,135	270,578,795
No. of Shares in issue (excluding treasury shares)	921,289,900	1,165,328,800 ⁽¹⁾	1,165,328,800	1,514,927,400	1,514,927,400	2,097,591,800
NA per Shares (sen)	7.02	8.49	10.92	12.09	12.09	12.90
Total borrowings (RM)	22,431,788	22,431,788	22,431,788	8,431,788 ⁽⁶⁾	8,431,788	8,431,788
Gearing (times)	0.35	0.23	0.18	0.05	0.05	0.03

Notes:

(1) After including:

(a) the exercise of the following Share Issuance Scheme ("SIS") Options at RM0.05 each into 138,100,000 new Minetech Shares:

SIS Options	New Minetech Shares	Listing date
38,200,000	38,200,000	17 April 2020
40,000,000	40,000,000	29 April 2020
59,900,000	59,900,000	16 June 2020
138,100,000	138,100,000	

(b) issuance of 105,938,900 Minetech Shares pursuant to the 2020 Placement as follows:

<i>Listing date</i>	<i>Issue price RM</i>	<i>No. of Shares placed</i>
25 June 2020	0.235	48,000,000
20 July 2020	0.275	30,000,000
12 August 2020	0.281	27,938,900
Total		105,938,900

- (2) Based on the indicative issue price of RM0.16 per Placement Share.
- (3) Based on the indicative issue price of RM0.05 per ICPS.
- (4) Assuming conversion of 582,664,400 ICPS by way of 1 ICPS and RM0.15 in cash for 1 new Minetech Share.
- (5) After deducting estimated expenses of RM870,000 for the Proposals.
- (6) After accounting for the use of proceeds to repay borrowings (as set out in **Section 10 of Part A of this Circular**).

The effects of the Proposed SIS on our Group's NA would depend on factors such as the number of SIS Options granted and the fair value of the SIS Options after taking into account, inter alia, the Exercise Price as well as any vesting conditions. Whilst the granting of the SIS Options under the Proposed SIS is expected to result in recognition of a charge in the statement of comprehensive income of our Group pursuant to the *Malaysian Financial Reporting Standard 2 – Share-based Payment*, as issued by the Malaysian Accounting Standards Board (“**MFRS 2**”), the recognition of such MFRS 2 charge would not affect the NA of our Group as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

If none of the granted SIS Options are exercised within the duration of the Proposed SIS, the amount outstanding in the said equity reserve would be transferred into our Company's retained earnings. On the other hand, if the granted SIS Options are exercised, the amount outstanding in the said equity reserve would be transferred into the share capital account of our Company.

The Proposed SIS will not have any immediate effect on the consolidated NA per Share until such time when the SIS Options granted under the Proposed SIS are exercised. The consolidated NA per Share following the exercise of the SIS Options will increase if the Exercise Price exceeds the consolidated NA per Share at the point of exercise of the SIS Options and conversely will decrease if the Exercise Price is below the consolidated NA per Share at the point of the exercise of the SIS Options.

The Proposed SIS is not expected to have an immediate effect on our Group's gearing level until such time when the SIS Options granted are exercised. The effect on the gearing will depend on the change in the NA, which in turn will depend on the actual number of new Minetech Shares pursuant to the exercise of the SIS Options to be issued as well as the Exercise Price payable upon the exercise of the SIS Options.

15.3 Substantial shareholders' shareholding

The Proposed Share Capital Reduction and Proposed Diversification will not have any effect on the substantial shareholders' shareholdings in our Company. The Proposed SIS is not expected to have any immediate effect on the substantial Shareholders' shareholdings in our Company until and unless new Shares are issued pursuant to the exercise of the SIS Options. Any potential effect on the substantial shareholders' shareholdings in our Company would depend on the number of new Shares to be issued upon the exercise of the SIS Options at the relevant point in time.

The proforma effects of the Proposed Rights Issue of ICPS and Proposed Private Placement on the substantial shareholders' shareholdings in our Company are as follows:

Minimum Scenario

Name	As at the LPD			(I) After Proposed Rights Issue of ICPS		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	% ⁽¹⁾	No. of Shares
Dato' Awang Choy Sen	311,582,800	26.74	642,000 ⁽²⁾	311,582,800	26.74	642,000
	163,097,020	14.00	48,056,100 ⁽³⁾	163,097,020	14.00	48,056,100
Name	(II) After (I) and Proposed Private Placement			(III) After (II) and assuming full conversion of ICPS		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	% ⁽¹⁾	No. of Shares
Dato' Awang Choy Sen	341,582,800 ⁽⁴⁾	22.55	642,000	378,813,988 ⁽⁶⁾	23.99	642,000
	188,097,020 ⁽⁵⁾	12.42	60,556,100	208,984,148 ⁽⁷⁾	13.24	66,488,113

Notes:

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of his children's shareholding in Minetech.
- (3) Deemed interested by virtue of his spouse and his son's shareholding in Minetech.
- (4) After the issuance of 30,000,000 Placement Shares to him pursuant to the Proposed Private Placement.
- (5) After the issuance of 25,000,000 Placement Shares to him pursuant to the Proposed Private Placement.
- (6) After Cashless Conversion of 148,924,750 ICPS (based on his shareholding of 297,849,500 Shares as at the date of his ICPS Undertaking dated 15 March 2021) by way of 4 ICPS for 1 new Share, pursuant to his ICPS Undertaking.
- (7) After Cashless Conversion of 83,548,510 ICPS (based on his shareholding of 167,097,020 Shares as at the date of his ICPS Undertaking dated 15 March 2021) by way of 4 ICPS for 1 new Share, pursuant to his ICPS Undertaking.

Maximum Scenario

Name	As at the LPD			(I) After Proposed Rights Issue of ICPS		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	% ⁽¹⁾	No. of Shares
Dato' Awang Choy Sen	311,582,800	26.74	642,000 ⁽²⁾	311,582,800	26.74	642,000
	163,097,020	14.00	48,056,100 ⁽³⁾	163,097,020	14.00	48,056,100
						4.12

Name	(II) After (I) and Proposed Private Placement			(III) After (II) and assuming full conversion of ICPS		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	No. of Shares	% ⁽¹⁾	No. of Shares
Dato' Awang Choy Sen	341,582,800 ⁽⁴⁾	22.55	642,000	497,374,200 ⁽⁶⁾	23.71	963,000
	188,097,020 ⁽⁵⁾	12.42	60,556,100	269,645,530 ⁽⁷⁾	12.86	84,584,150
						4.03

Notes:

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of his children's shareholding in Minetech.
- (3) Deemed interested by virtue of his spouse and his son's shareholdings in Minetech.
- (4) After the issuance of 30,000,000 Placement Shares to him pursuant to the Proposed Private Placement.
- (5) After the issuance of 25,000,000 Placement Shares to him pursuant to the Proposed Private Placement.
- (6) After Cash Conversion of 155,791,400 ICPS by way of 1 ICPS and cash payment of RM0.15 for 1 new Share, pursuant to his ICPS entitlement.
- (7) After Cash Conversion of 81,548,510 ICPS by way of 1 ICPS and cash payment of RM0.15 for 1 new Share, pursuant to his ICPS entitlement.

15.4 Earnings and EPS

The Proposed Share Capital Reduction will not have any effect on the earnings and EPS of our Group for the FYE 31 March 2021.

The Proposed Private Placement and Proposed Rights Issue of ICPS are not expected to have any material effect on our Group's earnings and our Company's EPS for the FYE 31 March 2021 as the proceeds to be raised are expected to be used over a period of up to 24 months from the dates of listing of the Placement Shares and ICPS.

Our Company's EPS will be diluted as a result of the increased number of issued Minetech Shares arising from the issuance of the Placement Shares and conversion of the ICPS in the future. The effects of any conversion of the ICPS on the consolidated EPS of our Group would depend on the Conversion Ratio and conversion mode of the ICPS and the returns generated by our Group from the use of proceeds arising from the Proposed Rights Issue of ICPS or conversion of the ICPS with cash option. However, the Proposed Private Placement and Proposed Rights Issue of ICPS are expected to contribute positively to the future earnings and EPS of Minetech when the economic and financial benefits from the use of proceeds are realised.

The Proposed SIS is not expected to have any immediate material effect on the earnings and EPS of our Group until such time when the SIS Options are granted and exercised. Any potential effect on the EPS of our Group in the future will depend on the number of SIS Options granted and exercised, the Exercise Price and the non-cash expenses arising from the granting of the SIS Options under MFRS 2.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the SIS Options based on, amongst others, the share price volatility, risk-free interest rate and pricing model. The fair value of the SIS Options will be recognised as an expense over the vesting period of such SIS Options. However, it should be noted that the estimated cost does not represent a cash outflow by our Group as it is merely an accounting treatment. Our Board takes note of the potential impact of MFRS 2 on our Group's future earnings and shall take into consideration such impact in the allocation and granting of SIS Options to the Eligible Persons.

The Proposed Diversification is not expected to have any immediate material effect on the earnings of our Group for the FYE 31 March 2021 but are expected to contribute positively to our Group's future earnings.

15.5 Convertible securities

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

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16. HISTORICAL PRICES OF OUR SHARES

The monthly highest and lowest transacted market prices of our Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<u>2020</u>		
May	0.280	0.200
June	0.350	0.220
July	0.355	0.255
August	0.350	0.255
September	0.270	0.185
October	0.225	0.185
November	0.220	0.180
December	0.250	0.185
<u>2021</u>		
January	0.195	0.150
February	0.235	0.160
March	0.240	0.170
April	0.235	0.175

(Source: Bloomberg Finance L.P.)

The last transacted market price of Minetech Shares on 12 March 2021 (being the last trading date prior to the Announcement) was RM0.22.

The last transacted market price of Minetech Shares on 21 May 2021 (being the LPD) was RM0.195.

17. APPROVALS REQUIRED

The Proposals are subject to approvals being obtained from the following parties:

- (i) Bursa Securities, for the following:
 - (a) admission to the Official List and the listing of and quotation for up to 582,664,400 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS, on the Main Market of Bursa Securities;
 - (b) listing of and quotation for up to 349,598,600 Placement Shares on the Main Market of Bursa Securities;
 - (c) listing of and quotation for up to 582,664,400 new Minetech Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities; and
 - (d) listing of and quotation for the new Minetech Shares to be issued pursuant to the exercise of the SIS Options on the Main Market of Bursa Securities.

The approval of Bursa Securities, which was obtained on 20 May 2021, is subject to the following conditions:

	Conditions	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied.
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Proposals respectively;	To be complied.

	Conditions	Status of compliance
(c)	Our Company and TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed respectively;	To be complied.
(d)	Our Company to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals;	To be complied.
(e)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS and issuance of new Shares under the Proposed SIS as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied.
(f)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed SIS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation.	To be complied.

- (ii) our shareholders, at the forthcoming EGM; and
- (iii) Securities Commission Malaysia, for the registration of the abridged prospectus in relation to the Proposed Rights Issue of ICPS.

18. CONDITIONALITY OF THE PROPOSALS

The Proposals are not inter-conditional except for the Proposed Constitution Amendments and the Proposed Rights Issue of ICPS which are inter-conditional.

Our Board confirms that there is no other corporate exercise which our Company has announced but not yet completed prior to the date of this Circular except for the SIS which was approved by our shareholders on 16 March 2016 and became effective on 3 August 2016 for a period of 5 years. On 8 August 2019, our Company granted 138,100,000 SIS options, with an exercise price of RM0.05 each. As at the LPD, there are no outstanding SIS options granted but not yet exercised.

19. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

Save for the Interested Directors who are deemed interested in the Proposed Private Placement in respect of the Placement Shares proposed to be allocated and issued to them, none of our Company's Directors, major shareholders, chief executive and/or persons connected with them has any direct or indirect interest in the Proposed Share Capital Reduction, Proposed Private Placement and Proposed Diversification.

In addition, none of Minetech's Directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Rights Issue of ICPS, save for their respective entitlements as the shareholders of our Company, for which all the existing shareholders of our Company are entitled to, including the rights to apply for additional ICPS under the excess applications.

The Interested Directors have abstained and will continue to abstain from deliberating and voting on their respective allocations under the Proposed Private Placement at our Board meetings of our Company. In addition, the Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to their respective allocations under the Proposed Private Placement at the forthcoming EGM. The Interested Directors have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Private Placement at the forthcoming EGM.

All Directors of our Company are entitled to participate as Eligible Persons for the Proposed SIS and are therefore deemed interested in the Proposed SIS insofar as it relates to their respective allocations under the Proposed SIS. The Directors of our Company have therefore deliberated and voted on the Proposed SIS as a whole at the relevant Board meeting and recommended to put forth the resolution pertaining to the Proposed SIS to be tabled at an EGM to be convened.

The following persons who are connected to a Director of our Company and are also employees of our Group (“**Interested Employees**”), are entitled to participate as Eligible Persons in the Proposed SIS and are therefore deemed interested in the Proposed SIS to the extent of their respective potential allocations of SIS Options under the Proposed SIS:

Name of person connected	Designation and relationship
Chin Sheong Choy	Executive director of Minetech Construction and son of Choy Sen
Chin Jet Choy	Chief Business Development Officer of Minetech and son of Choy Sen

Accordingly, the Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meeting on the specific allocations of the respective SIS Options to themselves as well as to persons connected with them (if any).

The Directors and Interested Employees will also abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolutions pertaining to the specific allocations of the respective SIS Options to them and/or persons connected with them (if any). Further, the Directors and Interested Employees have also undertaken that they shall ensure that persons connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolutions pertaining to the specific allocations of the SIS Options to themselves as well as persons connected with them (if any) to be tabled at our Company’s forthcoming EGM.

The direct and indirect shareholdings of the Directors and Interested Employees as at the LPD are set out below:

	Direct		Indirect	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
<u>Directors</u>				
Dato’ Awang	311,582,800	26.74	642,000 ⁽²⁾	0.06
Choy Sen	163,097,020	14.00	48,056,100 ⁽³⁾	4.12
Awgku	1,150,000	0.10	-	-
Chin LC	47,456,100	4.07	-	-
Azlan Shah	4,170,000	0.36	-	-
Abdul Farid Bin Abdul Kadir	-	-	-	-
Ahmad Rahizal Bin Dato’ Ahmad Rasidi	-	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-
Datin Feridah Binti Bujang Ismail	150,000	0.01	-	-
Siti Aishah Binti Othman	-	-	-	-
<u>Interested Employees</u>				
Chin Sheong Choy	-	-	-	-
Chin Jet Choy	-	-	-	-

Notes:

- (1) *Excluding 285,000 treasury shares.*
- (2) *Deemed interested by virtue of his children's shareholdings in Minetech.*
- (3) *Deemed interested by virtue of his spouse and his son's shareholdings in Minetech.*

20. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Share Capital Reduction, Proposed Private Placement, Proposed Rights Issue of ICPS and Proposed Diversification including the rationale, risk factors and effects, our Board (save for the Interested Directors who abstain from forming any opinion on the Proposed Private Placement) is of the opinion that the Proposed Share Capital Reduction, Proposed Private Placement, Proposed Rights Issue of ICPS and Proposed Diversification are in the best interest of our Company. Accordingly, our Board recommends that shareholders to vote **in favour** of the resolutions in respect of the Proposed Share Capital Reduction, Proposed Private Placement, Proposed Rights Issue of ICPS and Proposed Diversification to be tabled at the forthcoming EGM.

Furthermore, after having considered all aspects of the Proposed SIS, our Board is of the opinion that the Proposed SIS is in the best interests of our Company. Accordingly, our Board recommends that shareholders to vote **in favour** of the resolutions in respect of the Proposed SIS to be tabled at the forthcoming EGM.

In view that individual Directors on our Board are deemed interested in the Proposed SIS to the extent of their respective allocations (if any), as well as allocations to persons connected with them (if any) under the Proposed SIS, they abstain from forming an opinion and making any recommendation on the resolutions to be tabled at the forthcoming EGM on their respective allocations (if any) as well as allocations to persons connected to them (if any) under the Proposed SIS.

21. TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposals to be completed in the 4th quarter of 2021.

Date	Event
28 June 2021	● EGM for the Proposals
July 2021	● Announcement of the price-fixing for the Proposed Rights Issue of ICPS ● Announcement of the Entitlement Date for the Proposed Rights Issue of ICPS ● Issuance of Abridged Prospectus, Rights Subscription Form and Notice of Provisional Allotment for the Proposed Rights Issue of ICPS
August 2021	● Closing date for the acceptance and application for the ICPS ● Listing of and quotation for the ICPS on the Main Market of Bursa Securities
September 2021	● Announcement of the Price Fixing Date for the Placement Shares ● Listing of and quotation for the Placement Shares
October 2021	● Implementation of the Proposed SIS

22. EGM

The EGM, the notice of which is set out in this Circular, will be held at Ballroom 3, Level 2, New World Petaling Jaya Hotel, Paradigm, 1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor on Monday, 28 June 2021 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon so as to arrive at our Company's Share Registrar at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

23. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
MINETECH RESOURCES BERHAD

DATO' AWANG DAUD BIN AWANG PUTERA
Executive Chairman

PART B

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED REMOVAL OF
DIRECTOR AND PROPOSED CONSTITUTION AMENDMENTS**



MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X))
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

4 June 2021

Board of Directors

Dato' Awang Daud Bin Awang Putera (*Executive Chairman*)
Choy Sen @ Chin Kim Sang (*Executive Director*)
Chin Leong Choy (*Executive Director*)
Awgku Mohd Reza Farzak Bin Awg Daud (*Executive Director*)
Azlan Shah Bin Zainal Arif (*Executive Director*)
Ahmad Rahizal bin Dato' Ahmad Rasidi (*Executive Director*)
Abdul Farid Bin Abdul Kadir (*Non-Independent Non-Executive Director*)
Ahmad Ruslan Zahari bin Zakaria (*Independent Non-Executive Director*)
Datin Feridah Binti Bujang Ismail (*Independent Non-Executive Director*)
Siti Aishah Binti Othman (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

(I) PROPOSED REMOVAL OF DIRECTOR; AND

(II) PROPOSED CONSTITUTION AMENDMENTS

1. INTRODUCTION

On 15 March 2021, TA Securities announced on behalf of our Board that our Company had proposed to undertake the Proposed Constitution Amendments to facilitate the creation and issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS.

On 3 June 2021, our Board has announced to the Bursa Securities that our Company proposes to seek our shareholders' approval for the additional amendments to the Constitution of our Company.

The purpose of Part B of this Circular is to provide you with details of the Proposed Constitution Amendments and to seek shareholders' approval for the special resolution pertaining to the Proposed Constitution Amendments to be tabled at the forthcoming EGM of our Company.

2. PROPOSED REMOVAL OF DIRECTOR

Our Company had on 28 May 2021 received the Requisition Notice. Pursuant to the Requisition Notice, our shareholder requested our Board to convene for an EGM in accordance with Section 311(1) of the Act, and if thought fit, passing an ordinary resolution for removal of Abdul Farid Bin Abdul Kadir as Director of our Company.

Pursuant to Clause 65 of the Constitution of our Company, an EGM shall be convened on the requisition as referred to in Section 311 of the Act. Our Board shall call for an EGM within 14 days from the date of Requisition Notice and hold the EGM on a date not more than 28 days after the date of the notice to convene EGM.

The ordinary resolution for removal of Abdul Farid Bin Abdul Kadir as Director of our Company will be proposed and the notice of the EGM is set out in this Circular.

3. **RATIONALE FOR THE PROPOSED CONSTITUTION AMENDMENTS**

The purpose of the Proposed Constitution Amendments is to facilitate the creation and issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS as well as to provide greater clarity, enhance administrative efficiency and ensure compliance with the relevant statutory and regulatory requirements so as to update in accordance with the latest development of governance affecting our Company.

4. **APPROVAL REQUIRED**

The Proposed Removal of Director and Proposed Constitution Amendments are conditional upon our shareholders' approval at the forthcoming EGM.

5. **FINANCIAL EFFECTS OF THE PROPOSED CONSTITUTION AMENDMENTS**

The Proposed Constitution Amendments is not expected to have any effect on the total issued share capital, NA, gearing, earnings, EPS and substantial shareholders' shareholdings of Minetech.

6. **INTEREST OF THE DIRECTORS AND MAJOR SHAREHOLDERS**

None of the Directors and/or Major Shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Constitution Amendments.

7. **DIRECTORS' RECOMMENDATION**

Our Board, having considered all aspects of the Proposed Constitution Amendments, is of the opinion that the Proposed Constitution Amendments are in the best interest of Minetech and accordingly, our Board recommends that you vote in favour of the special resolution pertaining to the Proposed Constitution Amendments to be tabled at the forthcoming EGM of our Company.

8. **DETAILS OF THE PROPOSED CONSTITUTION AMENDMENTS**

The details of the Proposed Constitution Amendments are set out as follows:

- (1) By amending Clause 1 and Clause 4 of the Constitution as follows:

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
1	The name of the company is Minetech Resources Berhad.	1	The name of the company is Minetech Resources Berhad including such names as may be changed from time to time.
4	The liability of the members is limited.	4	The liability of the Members is limited to any amount unpaid on the shares held by the Members.

- (2) The following terms in relation to ICPS shall be inserted under Clause 8 after the definition of "special resolution":-

In relation to Clauses 9A, 9B and 9C, the following meanings shall apply to the respective defined terms unless the subject or context requires otherwise:

Words	Meaning
Conversion Period	The ICPS may be converted into new Shares on any market day during the tenure at the option of the ICPS Holders provided in Clause 9B(5).
Conversion Price	Conversion price of the ICPS and shall have the meaning given in Clause 9B(10).
Conversion Ratio	Conversion ratio of the ICPS and shall have the meaning given in Clause 9B(10).
ICPS	new irredeemable convertible preference shares in the Company to be allotted and issued, which are subject to the terms set out in Clause 9B of this Constitution.
ICPS Holder	A person duly registered as a holder of issued and outstanding ICPS in the ICPS Register.
ICPS Register	: Company's register of ICPS and/or the Record of Depositors (as applicable).

(3) By amending Clause 9 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
9.	Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, Applicable Laws, any other requirements of the Securities Commission, and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, by Ordinary Resolution, but the Board in making any issue of shares shall comply with the following conditions:- (1) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same; (2) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any	9.	Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, Applicable Laws, any other requirements of the Securities Commission, and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, by Ordinary Resolution, but the Board in making any issue of shares shall comply with the following conditions:- (a) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same; (b) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meeting;

person or corporation without the prior approval of the Members in general meeting;

- (3) except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

- (c) **every issue of shares or options to employees shall be approved by members in general meeting and in respect of issuance of shares or options to Directors, such approval shall specifically detail the amount of shares or options to be issued to such Directors;**

- (d) except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

Subject to the Act and the Listing Requirements and without limiting the generality of Section 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue.

In working out the number of shares or securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

- (4) The following new Clauses 9A, 9B, 9C and 9D shall be adopted and be inserted after the Clause 9:-

- | | |
|--|---------------------------|
| 9A. The share capital of the Company shall be divided into:- | Class of
share capital |
| (a) Ordinary Shares; and | |
| (b) ICPS | |

each to constitute separate classes of shares.

- | | |
|--|------------------|
| 9B. The ICPS shall be issued on the following terms and confer on their holders the rights specified below:- | Terms of
ICPS |
|--|------------------|

2. Issue price

The indicative issue price of ICPS is RM0.05.

The issue price of the ICPS will be determined by the Board prior to the price-fixing date.

3. Form and denomination

The ICPS will be issued in registered form and will be constituted by the Company's Constitution.

The ICPS is a "preference share" for purposes of the Act. All features, terms and entitlements relating to the ICPS are applicable only to the fullest extent that such features, terms and/or entitlements are applicable or can be applied to preference shares under the Act.

4. Board Lot

For the purpose of trading on Bursa Securities, 1 board lot of ICPS shall comprise 100 ICPS, or such other denomination as determined by Bursa Securities from time to time.

5. Tenure

5 years commencing from and inclusive of the date of issuance of the ICPS ("**Tenure**").

6. Ranking of the ICPS and liquidation preference

The ICPS shall rank equally amongst themselves and shall rank in priority to any other class of shares in the capital of the Company. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) the ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in the Company, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears (if any). After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of the Company.
- (ii) in the event that the Company has insufficient assets to permit payment of the full issue price to the ICPS Holders, the assets of the Company shall be distributed pro rata on an equal priority to the ICPS Holders in proportion to the amount that each ICPS Holder would otherwise be entitled to receive.

7. Rights of the ICPS Holders

ICPS Holders are not entitled to any voting right or participation in any rights, allotments and/or other distributions in the Company until and unless such holders convert their ICPS into new Shares, except in the following circumstances:

- (i) when the dividend or part of the dividend as declared on the ICPS is in arrears for more than 6 months;
- (ii) on a proposal to reduce the Company's share capital;
- (iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;
- (iv) on a proposal that directly affects their rights and privileges attached to the ICPS;
- (v) on a proposal to wind-up the Company; and
- (vi) during the winding-up of the Company.

8. Dividend Rate

The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company during the Tenure.

9. Conversion Rights

- (i) Each ICPS carries the entitlement to be converted into new Shares at the Conversion Ratio through the surrender of the ICPS.
- (ii) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.
- (iii) If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

10. Conversion Ratio and Conversion Price

The Conversion Ratio and Conversion Price have been fixed at either surrendering 4 ICPS for conversion into 1 new Share OR surrendering a combination of 1 ICPS and cash payment of the difference between the Conversion Price and the issue price of 1 ICPS, for 1 new Share.

11. Conversion Period

- (i) The ICPS can be converted at any time within 5 years commencing on and including the date of issue of the ICPS up to and including the Maturity Date, as determined by the Conversion Ratio and Conversion Price.
- (ii) Any remaining ICPS that is not converted by the Maturity Date shall be automatically converted into new Shares at the conversion ratio of 4 ICPS for 1 new Share.

12. Adjustment to the Conversion Price and Conversion Ratio

The Conversion Price and/or Conversion Ratio will be adjusted at the determination of the Company in all or any of the following events:

- (a) an alteration to the number of Shares by reason of consolidation or subdivision; or
- (b) a bonus issue of fully paid-up ordinary shares by the Company or any other capitalisation issue for accounting purposes; or
- (c) a capital distribution to shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or
- (d) a rights issue of ordinary shares by the Company; or

any other circumstances that the Board deems necessary,

provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by the external auditors of the Company.

13. Redemption

Not redeemable for cash.

14. Maturity Date

The day immediately preceding the 5th anniversary from the date of issuance of the ICPS. If such day falls on a non-market day, then the maturity date would be the preceding market day (“**Maturity Date**”).

15. Listing

The ICPS will be listed and traded on the Main Market of Bursa Securities. An application will be made for the admission of the ICPS to the official list of the Main Market of Exchange and the listing of and quotation for the new Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Exchange.

16. Transfer

The ICPS will be transferable in the manner provided under the Central Depositories Act and the Rules of Bursa Depository. As the ICPS will be listed and traded on the Main Market of Exchange, they will be deposited in a central depository system and will be subject to the rules of such system.

17. Ranking of new Shares to be issued pursuant to the conversion of the ICPS

All new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank equally in all respects with the existing Shares except that such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Shares arising from the conversion of the ICPS.

18. Modification of Rights

The Company may from time to time with the consent or sanction of all the ICPS Holders make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.

19. Governing law

The ICPS shall be governed by the laws of Malaysia.

- 9C. (i) The conversion of the ICPS into new Shares shall be exercised by the ICPS Holders by delivering a duly completed and signed conversion notice (**“Conversion Notice”**) to the company secretary of the Company at the Office of the Company during its business hours on any market day during the Conversion Period. The Conversion Notice is irrevocable upon receipt by the Company at its Office. A ICPS Holder who has issued a Conversion Notice (**“Converting ICPS Holder”**) shall further furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under any applicable laws or regulations from time to time. The conversion shall be carried out in accordance with such procedures as may be prescribed by any applicable laws and regulations.
- (ii) Subject to all applicable laws, rules and regulations, within eight (8) market days from the date of receipt by the Company of a Conversion Notice or such other period as may be prescribed or allowed by Bursa Securities or under any applicable laws and regulations, the Company shall:-
- (a) issue and/or allot to the relevant Converting ICPS Holders, such number of new conversion Shares to which such holders are entitled to receive by virtue of the exercise of the Conversion Rights, and shall cause the securities account of the said holders to be credited with such number of conversion Shares; and
 - (b) despatch a notice of allotment to the relevant Converting ICPS Holders in respect of the conversion Shares.
- (iii) Once converted, the ICPS shall not be capable of reissuance.
- Conversion mechanism

(5) By replacing Clause 61 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
61.	The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with all Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Applicable Laws. The provisions of Clause 59 and 60 hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause.	61.	Subject to the provisions of the Act, the Listing Requirements and other requirements of the Exchange and/or any other relevant laws, regulations, guidelines and/or authorities, the Company may from time to time by resolution of a general meeting, acquire by purchase in good faith and in the best interests of the Company, the Company's own shares through the Exchange on which the shares are quoted provided always that the Company is solvent at the date of purchase of the Company's shares and will not become insolvent by incurring the debt arising from the obligation to pay for the shares so purchased. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

(6) By amending Clause 72 and inserting Clause 72(b) into the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
72.	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided, two (2) members present in person or represented by proxy shall be a quorum. For the purposes of constituting a quorum:- (i) one or more representatives appointed by a corporation shall be counted as one member; or (ii) one or more proxies appointed by a person shall be counted as one member.	72(a).	No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided, two (2) Members present in person or by proxy, or, in the case of corporations, by a representative duly appointed in that behalf shall be a quorum. For the purposes of constituting a quorum:- (1) one or more representatives appointed by a corporation shall be counted as one member; or (2) one or more proxies appointed by a person shall be counted as one member.
		72(b).	Where a meeting is conducted using technology approved by the Directors under this Constitution, and where permitted by law, the two (2) Members referred to in Clause 72(a) need not be physically present at the same place (or at any place) or as the case may be outside Malaysia.

Participation by a member by using any technology or method that allows member to participate and exercise his rights to speak and vote at the meeting shall be deemed as present at the meeting and shall be counted towards the quorum notwithstanding the fact that he is not physically present at the main venue where the meeting is to be held or as the case may be, the member being out of Malaysia.

(9) the following new Clause 73A shall be adopted and be inserted after the Clause 73:-

73A. (a) Subject to the Act, where a general meeting is convened by the Board, the Chairman may, in its absolute discretion, cancel the general meeting or postpone the holding of the general meeting or adjourn the meeting, before or after it has started, and whether or not quorum is present, if he consider that: Cancellation or postponement of general meeting

- (i) there is not enough room for the number of shareholders who wish to attend the meeting;
- (ii) the behaviour of the people presents prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way; or
- (iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out.

The Chairman does not need the consent of the meeting to adjourn it for any of these reasons to a date and time or place which he decides. He may also adjourn the meeting to a later time on the same day or indefinitely. If the meeting is adjourned indefinitely, the directors will fix the date, time and place of the adjourned meeting. The cancellation or postponement of a general meeting is subject to the Listing Requirements and other requirements by the Exchange.

This Clause shall not apply to a general meeting convened in accordance with Sections 310(b) and 311 of the Act by a member or members without prior written consent of the person who called or requisitioned the meeting.

- (b) Notice of cancellation or postponement or change of place of a general meeting must state the reason for cancellation or postponement and such a notice shall be:
 - (i) published in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper; and/or
 - (ii) given to the Exchange and given in other manner required by the Listing Requirements or other requirements by the Exchange; and/or
 - (iii) subject to the Act and the Listing Requirements, given in any other manner determined by the Board.
- (c) A notice of postponement of a general meeting must specify:
 - (i) the postponed date and time for the holding of the general meeting;

- (ii) a place for the holding of the general meeting which may be either the same as or different from the place specified in the notice convening the meeting; and
- (iii) if the general meeting is to be held in two (2) or more places, the technology that will be used to facilitate the holding of the meeting in that manner.

The new time and place specified in the notice of postponement will be taken to be the time and place for the meeting as if specified in the notice which called the meeting originally.

Notice of the business to be transacted at such moved and/or postponed meeting is not required. The Board must take reasonable steps to ensure that Members trying to attend the general meeting at the original time, date/or place are informed of the new arrangements for the general meeting.

- (d) The only business that may be transacted at a postponed general meeting is the business specified in the original notice convening the meeting.
- (e) Where by the terms of an instrument appointing a proxy or attorney or an appointment of a representative:
 - (i) the appointed person is authorised to attend and vote at a general meeting to be held on or before a specified date; and
 - (ii) the date for holding the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of representative, then, by force of this Clause, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of representative. However, this does not apply if the member appointing the proxy, attorney or representative gives notice in writing to the Company at the Office or another address (including electronic address) specified in the notice of meeting to the contrary not less than twenty-four (24) hours before the time to which the holding of the meeting has been postponed.
- (f) The non-receipt of notice of cancellation or postponement of a general meeting by, or the accidental omission to give notice of cancellation or postponement of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at a postponed general meeting or the cancellation or postponement of a general meeting.
- (g) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.
- (h) If the Directors are required to convene and arrange to hold a general meeting as a result of a request by members in accordance with Section 311 of the Act, the general meeting may be cancelled by the Directors if the members who requisitioned the meeting withdraw their requests prior to the date of the meeting.

(10) By replacing Clause 77 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
77.	<p>A resolution put to vote at any meeting of Members shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer for the purposes of a poll in accordance with the Applicable Laws, and may, in addition to the powers of adjourning meetings contained in Clause 80, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.</p> <p>The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer(s), as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll.</p>	77.	<p>(1) A poll demanded on any resolution shall be taken either immediately or at such subsequent time (not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded) and place as the Chairman may direct but poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. If a poll is demanded before the declaration of the results of show of hand and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.</p> <p>(2) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourning meetings contained in Clause 75, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.</p> <p>(3) If:-</p> <p>(a) Any objection shall be raised as to the qualification of any voter; or</p> <p>(b) Any votes have been counted which ought not to have been counted or which might have been rejected; or</p> <p>(c) Any votes are not counted which ought to have been counted;</p> <p>the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error</p>

shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the meeting made by Chairman of the meeting on such matters shall be final and conclusive.

- (4) A poll shall be taken in such manner as the Chairman of the meeting may direct and at least one (1) scrutineer must be appointed to validate the votes cast at the general meeting. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. If such scrutineer is interested in a resolution to be passed at the general meeting, the scrutineer must refrain from acting as the scrutineer for that resolution. The Chairman of the meeting may fix a place and time for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices or if the meeting to be held virtual, the poll may be conducted virtually using any electronic means via any online platform, website or mobile application by any features available of that online platform, website or mobile application. Such votes shall be counted by the poll administrator, and verified by the scrutineers, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided by poll.

- (11) the following new Clause 77A and Clause 77B shall be adopted and be inserted after the Clause 77:-

- 77A. The Chairman may appoint scrutineers for the purposes of a poll, and may either: Declaration of Result of the Poll
- (a) adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll and for this purpose, the Chairman may delegate any other Director or the Company Secretary to be the Chairman of such adjourned meeting at which the result of the poll of the poll will be declared; or
- (b) determine that the results of the poll, if certified by any Director or the Company Secretary, shall be published on the Company's website without the requirement for the results being declared at any meeting or adjourned meeting,
- and any such declaration at an adjourned meeting or publication on the Company's website of the results of the relevant poll which shows that a resolution has been carried or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall, in the absence of manifest error, be conclusive evidence of such fact.
- 77B. After the Chairman of general meeting shall have declared the meeting to be over and shall have left the chair no business and question shall under any pretext whatsoever be brought forward or discussed. No business and question after meeting is over

- (12) By replacing Clause 79 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
79.	Without prejudice to any other power which the Chairman of the meeting may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure proper and orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the shareholders or so that the meeting reflects the wishes of the majority. The Chairman of the meeting may also at his discretion and in accordance with Applicable laws, decides whether to admit new business at a meeting of Members.	79A.	Without prejudice to any other power which the chairman may: (a) have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure proper and orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. The chairman may also at his discretion and in accordance with the Applicable Laws, decide whether to admit new business at a general meeting;

(b) if there is insufficient room at a venue used for the meeting, the Chairman may arrange another or a second or other venue (without giving notice or putting the matter to a vote).

(13) the following new Clause 79B, Clause 79C, Clause 79D, Clause 79E, Clause 79F, Clause 79G and Clause 79H shall be adopted and be inserted after the new Clause 79A:-

- | | | |
|------|---|--|
| 79B. | <p>(a) The Chairman can propose amendments to an ordinary or special resolution if there are amendments to correct typographical errors in the resolution.</p> <p>(b) Save as stated in Clause 77B (a), no other amendments can be proposed to a special resolution.</p> <p>(c) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if written notice of the proposed amendment is received at the Registered Office addressed to the Secretary at least three (3) clear business days before the day fixed for the meeting or adjourned meeting.</p> <p>(d) If the chairman, acting in good faith, rules an amendment out of order, an error in that ruling will not affect the validity of a vote on the original resolution.</p> | <p>Chairman proposes amendments to resolution</p> |
| 79C. | <p>The chairman of a meeting can take any action he considers appropriate for proper and orderly conduct at a general meeting. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the Members or so that the meeting reflects the wishes of the majority.</p> | <p>Chairman to demand debate or discussion on resolution</p> |
| 79D. | <p>(a) If authorised by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, the Members not physically present at a general meeting where the chairman of the general meeting is physically present, may, be means of remote communication:</p> <p style="margin-left: 40px;">(i) participate in such general meeting; and</p> <p style="margin-left: 40px;">(ii) be deemed present in person at such general meeting, be counted in the quorum and be entitled to vote at such general meeting.</p> <p>(b) That the general meeting shall be duly constituted and its proceedings shall be valid if the Chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Members participating in the general meeting through remote communication are able:</p> <p style="margin-left: 40px;">(i) to participate in the matters for which such general meeting has been convened;</p> <p style="margin-left: 40px;">(ii) to speak (whether by use of microphones, loudspeakers, audio-visual communication equipment, type text or any form of electronic means which allows the Members to raise any questions and/or express their views on the matters); and</p> <p style="margin-left: 40px;">(iii) to vote on matters submitted to the Members.</p> | <p>Remote participation in general meeting</p> |

- 79E. If, before or during a general meeting, it appears to the Chairman of the general meeting that:-
- (a) the facilities at the main venue or venue other than main venue for the conduct of general meeting; or
- (b) the means used for the remote communication,
- have become inadequate for the purposes referred to in Clause 79C, any technical difficulty occurs, such that the Members do not have a reasonable opportunity to participate, then the Chairman of the general meeting shall:
- (i) without the consent of the Members at the general meeting, interrupt or adjourn the general meeting until the difficulty is remedied; or
- (ii) where a quorum remains present (either at the place at which the Chairman is present or by technology as contemplated by Clause 79C) and able to participate, subject to the Constitution, continue the meeting.
- All businesses as conducted at that general meeting up to the adjournment shall be valid. The provisions of Clause 73 shall apply to that adjournment. No interruption or termination of any remote communication or the ability of a Member to participate in a general meeting by way of remote communication shall invalidate any general meeting held using such remote communications or any such resolution decided upon at such general meeting.
- 79F. The Board may request the Members, proxies or representatives wanting to attend a general meeting to comply with security procedures which the Board deemed appropriate. The Board may, at their discretion, refuse entry to, or remove from, a general meeting, a Member, proxy or representative who does not comply with the security procedures. Security procedures may include Member, proxy or representative not being allowed into a general meeting with recording or broadcasting devices without consent, or who refuses to comply with a request to turn off a mobile telephone, or other communication, recording or similar device, or who possesses an article which the Chairman of the general meeting considers as to be dangerous, offensive, or liable to cause disruption.
- 79G. A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 79H. A person requested by the Directors or the chairman to attend a general meeting, is entitled to be present (and if invited by the Chairman, to speak) at the meeting, irrespective of whether the person is a Member.

Interruption or adjournment where facilities inadequate

Security arrangements

Directors' entitlement

Invited attendee

(14) By amending Clause 82 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
82.	Subject to any special rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, on a show of hands, each Member who:	82.	Subject to any special rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, on a show of hands, each Member who:
	(a) being an individual, is present in person or by proxy or by attorney; or		(a) being an individual, is present in person or by proxy; or

(b) being a corporation, is present by a duly authorised representative or by proxy or by attorney.

shall have one (1) vote and on a poll every Member shall have one (1) vote for each share he holds.

(b) being a corporation, is present by a duly authorised representative or by proxy or by attorney.

shall have one (1) vote and on a poll every Member shall have one (1) vote for each share he holds.

A proxy shall be entitled to vote on a show of hands or on a poll, on any questions, at any general meeting. In a voting by poll, each proxy shall be entitled to such number of votes equal to the proportion of the member's shareholdings represented by such proxy. A proxy may only vote as directed in the proxy form. However, a member is not precluded from attending the meeting in person after lodging the instrument of proxy. Such attendance shall automatically revoke the authority granted to the proxy.

(15) The following new Clause 82A shall be adopted and be inserted after the new Clause 82:-

82A. Subject to the provisions of the Act and the Listing Requirements, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail, facsimile. Vote in absentia

(16) By amending Clause 88, Clause 89 and Clause 91 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
88.	The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. There is no restriction on the qualification of the proxy or proxies. A proxy may but need not be a member of the Company. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.	88.	The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Members is a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised in writing and shall be in any form (including electronic) that the Directors prescribe or accept. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or office. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

89. Where it is desired to afford members an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or in such other form as the Directors may approve or in any particular case, may accept:

MINETECH RESOURCES BERHAD

No. of shares held	CUS account no. of holder

I/We, _____ (name of shareholder as per NRIC/Passport, in capital letters) NRIC No./ Passport No./ Company No. _____ of _____ (full address) being a *member/members of MINETECH RESOURCES BERHAD (575343-X) hereby appoint * THE CHAIRMAN OF THE MEETING or failing him/her

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*And/or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy(ies) to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at _____ (place of meeting) on _____ at _____ (time of meeting) or at any adjournment thereof.

* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

My/our proxy/proxies is/are to vote as indicated below.

Resolutions	For	Against

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Signature _____ Common Seal of Shareholder _____

Number of shares held: _____

Date: _____

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member may appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a gazetted/notarised copy thereof, shall be deposited at the Office, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. The Company may specify a fax number and may specify an electronic address in the notice of meeting, for the purpose of receipt of proxy appointments subject to the rules, regulations and laws at that time specified therein.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors _____ (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

91. (1) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Constitution.
- (2) For the purpose of this Clause, the Directors may require such reasonable evidence they consider necessary to determine:-
- (a) the identity of the member

89. The instrument appointing a proxy shall be in such form as the Directors may from time to time prescribe or approve subject to such variations or circumstances as the Act or Listing Requirements may require.

91. (1) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication **or electronic means using any technology or method that enables the appointment of proxy** on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication **or electronic means** shall be in accordance with this Constitution.
- (2) For the purpose of this Clause, the Directors may require such

and the proxy; and

- (b) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.
- (3) Without prejudice to this Clause, the appointment of proxy by electronic communication must be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:-
 - (a) Notice calling the meeting;
 - (b) Instrument of proxy sent out by the Company in relation to the meeting; or
 - (c) Website maintained by or on behalf of the Company.
- (4) The communication between the Company and its Members relating to meetings and resolutions, supply of information or documents or otherwise for purpose of complying with the Act, may be:-
 - (a) In hard copy;
 - (b) In electronic form; or
 - (c) By other methods agreed between the Company and Members
- (5) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (6) An appointment of proxy by electronic communication which is not made in accordance with this

reasonable evidence they consider necessary to determine:-

- (a) the identity of the Member and the proxy; and
- (b) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
- (3) Without prejudice to this Clause, the appointment of proxy by electronic communication **or by any electronic means** must be received at the electronic address **or any online portal, website, mobile application, or any other platform** specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:-
 - (a) Notice calling the meeting;
 - (b) Instrument of proxy sent out by the Company in relation to the meeting; or
 - (c) Website maintained by or on behalf of the Company.
- (4) An appointment of proxy by electronic communication **or electronic means** must be received at the electronic address **or any online portal, website, mobile application, or any other platform** specified by the Company pursuant to this Clause not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (5) **If the instrument or form is otherwise unclear or incomplete, the Company may:**
 - (i) **by oral or written communication, clarify with**

Clause shall be invalid.

the member any instruction on the appointment; and

- (7) The Company may determine the manner and procedures for the use of electronic communication received or sent by the Company which is authorised to be used in this Constitution or under the Act.

(ii) complete or amend the contents of any instrument or form to reflect the clarification in the instructions received from the member (which may occur later than the time specified in the notice of meeting for the receipt of direct votes or proxy appointments) and the member appoints the Company as its attorney for this purpose.

- (6) An appointment of proxy by electronic communication **or electronic means** which is not made in accordance with this Clause shall be invalid.

(17) The following new Clause 91A shall be adopted and be inserted after the new Clause 91:-

- | | |
|---|------------------------------------|
| 91A. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the Office or any other designated office or by electronic communication, be send to the electronic address which specified by the Company as indicated in the form of proxy. | Notice of revocation of Proxy Form |
|---|------------------------------------|

(18) The following new Clause 148A shall be adopted and be inserted after the existing Clause 148:-

- | | |
|--|--|
| 148A. For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and / or electronic or digital signature, including but not limited to signing with a platform such as DocuSign, of any of the following persons: | Validity of electronic digital signature |
| <p>(a) a holder of shares;</p> <p>(b) a Director;</p> <p>(c) an alternate Director;</p> <p>(d) in the case of a corporation, which is a holder of shares, its Director or Secretary or a duly appointed attorney or duly authorised representative;</p> | |

shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.

(19) The following new Clause 153A shall be adopted and be inserted after the existing Clause 153:-

- 153A. Any register, index, minute book, accounting record or other book pursuant to the Act or the provisions of this Constitution to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept either in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and for facilitating discovery.
- Electronic registers

(20) By amending Clause 161 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
161.	The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act.	161.	The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act. The Auditors shall attend every Annual General Meeting where the financial statements of the Company for a financial year are to be laid, so as to respond according to his knowledge and ability to any question relevant to the audit of the financial statements in accordance with Section 285 of the Act.

(21) By replacing Clause 175 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
175.	The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the income statement or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the	175.	The Director may, with the sanction of an ordinary resolution of the Company:- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Record of Depositors at the close of business on: (i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or (ii) such other date as may be determined by the Directors, in the proportion to their holdings of shares; and/or

proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. The amount standing to the credit of the share premium account may, for the purposes of this Constitution, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares and to provide the consideration for the purchase of the shares of the Company or any other manner as provided in the Act.

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register or (as the case may be) in the Record of Depositors at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) such other date as may be determined by the Directors,

in proportion to their holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Clause, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

In addition and without prejudice to the power to capitalise profits and other

moneys provided for by this Clause, the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undistributable profits or other monies of the Company not required for the payment or provision of any dividends on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share option scheme or plan implemented by the Company and approved by Members in general meeting and on such terms as the Directors shall think fit.

- (22) By amending Clause 179, Clause 180 and Clause 186 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
179.	Any notice or document required to be sent to Members may be given by the Company or the Secretary to any Member:- (a) in hard copy, either personally or sent by post to him in a prepaid letter addressed to him at his last known address; (b) in electronic form, and sent by the following electronic means:- (i) transmitting to his last known electronic mail address; or (ii) publishing the notice or document on the Company's website provided that a notification of the publication of the notice or document on the website via hard copy or electronic mail or short messaging service has been given in accordance with Section 320 of the Act and the Listing Requirements; or (iii) using any other electronic	179.	Unless expressly provided otherwise in this Constitution, any notice to be given to or by any person pursuant to this Constitution, the Act and/or the Exchange, statements, reports or documents (including proxy forms) required to be sent to or completed by Members, shall be in writing either in hardcopy, in electronic form or partly in hardcopy and partly in electronic form. Any notice or document required to be sent to Members shall state the place, date and time of the general meeting , may be given by the Company or the Secretary to any Member:- (a) in hard copy or in electronic form as recorded or stored in a physical mode of storage , either personally or sent by post to him in a prepaid letter addressed to him at his last known address supplied by the Member to the Company ; (b) in electronic form, and sent by the following electronic communication(s) :- (i) transmitting to his last known electronic mail address; or

platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy or electronic mail or short messaging service has been given to them accordingly.

(ii) publishing the notice of **general meeting, annual report** or document on the Company's website **for download** provided that a notification of the **said** publication **on the website** via hard copy or **electronic communication(s)** or short messaging service has been given **to them accordingly**; or

(iii) using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy or **electronic communication(s)** or short messaging service has been given to them accordingly; **or**

(c) **partly in hardcopy and partly in electronic form.**

180. Any notice or document shall be deemed to have been served by the Company to a Member:-

(a) Where the notice or document is sent in hard copy by post, on the day the prepaid letter, envelope or wrapper containing such notice or document is posted.

In providing service by post, a letter from the Secretary certifying that the letter, envelope or wrapper containing the notice or document was addressed and posted to the Member shall be sufficient to prove that the letter, envelope or wrapper was so addressed and posted.

(b) Where the notice or document is sent by electronic means:-

(i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to Clause 179(b)(i), provided that the Company has record of the

180. Any notice or document shall be deemed to have been served by the Company to a Member:-

(a) Where the notice or Document is sent in hard copy, **or in electronic form as recorded or stored in a physical mode of storage**, by post, on the day the prepaid letter, envelope or wrapper containing such notice or document is posted.

In proving service by post, **it shall be sufficient to prove that** the letter, envelope or wrapper was **properly** addressed and **put into a post office letter box or post box or by a letter from the Secretary certifying that the letter, envelope or wrapper was so addressed and** posted.

(b) **where the notice or Document is left by the Company at a registered address of a Member, it shall be deemed to have been served on the day it was left there.**

(c) Where the notice or Document is

electronic mail being sent and that no written notification of delivery failure is received by the Company;

- (ii) via publication on the Company's website, on the date the notice or document is first made available on the Company's website provided that the notification on the publication of notice or document on website has been given pursuant to Clause 179(b)(ii); or
- (iii) via electronic platform maintained by the Company or third parties, on the date of notice or document is first made available thereon provided that the notification on the publication or availability of the notice or document on the relevant electronic platform has been given pursuant to Clause 179(b)(iii).

In the event that service of a notice or document pursuant to Clause 180(b) is unsuccessful, the Company must, within two (2) Market Days from discovery of delivery failure, make alternative arrangements for service by serving the notice or document in hard copy in accordance with Clause 179(a) hereof.

sent by electronic communication(s):-

- (i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to Clause 179(b)(i), provided that the Company has record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;
- (ii) via publication on the Company's website, on the date the notice or document is first made available on the Company's website provided that the notification on the publication of notice or document on website has been given pursuant to Clause 179(b)(ii); or
- (iii) via electronic platform maintained by the Company or third parties, on the date of notice or document is first made available thereon provided that the notification on the publication or availability of the notice or document on the relevant electronic platform has been given pursuant to Clause 179(b)(iii).

- (d) **where the notice or Document is published by way of advertisement, it shall be deemed to have been served or delivered on the day it was published.**

In the event that service of a notice or document pursuant to **this** Clause is unsuccessful, the Company must, within two (2) market days from discovery of delivery failure, make alternative arrangements for service **of** notice or document in hard copy in accordance with **this Constitution**.

186. (a) Notice of every meeting of Members shall be given in any manner hereinbefore specified to:-

- (i) every Director with a registered address in Malaysia or an address for service of notices in Malaysia;
- (ii) every member with a registered address in Malaysia or an address for service of notices in Malaysia;
- (iii) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
- (iv) the auditors for the time being of the Company; and
- (v) every Stock Exchange upon which the Company's shares may be listed.

(b) Except as aforesaid no other person shall be entitled to receive notices of general meeting.

(c) Whenever any notice is required to be given under the provisions of the law of Malaysia or of this Constitution, waiver or the shortening of the period of such notice, may be effectively given by complying with Section 316(4) of the Act.

(d) Any notice on behalf of the Company or of the Board of Directors shall be deemed if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

186. (a) Notice of every **general** meeting shall be given in any manner hereinbefore specified to:-

- (i) **every Member at his last known address;**
- (ii) **every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;**
- (iii) **the Auditors;**
- (iv) **the Directors; and**
- (v) the Exchange.

(b) **Save as otherwise provided in this Constitution or in the Act,** no other person shall be entitled to receive notices of general meeting.

(c) Whenever any notice is required to be given under the provisions of the law of Malaysia or of this Constitution, waiver or the shortening of the period of such notice, may be effectively given by complying with Section 316(4) of the Act.

All notices served for and on behalf of the Company or of the Board of Directors shall only be effectual if it bears the name of a Director or the Secretary or a duly authorised officer of the Company and which are issued by order of the Board pursuant to a resolution duly passed by the Directors.

- (23) The following new Clause 187A, 187B and 187C shall be adopted and be inserted after the existing Clause 187:-

- 187A. Subject to the Applicable Laws and Listing Requirements, the Company does not have to send notices, documents or information to a shareholder whose address on the Register of Member or Record or Register of Depositors is outside Malaysia. This Clause applies to joint shareholders with an address outside Malaysia. Notice and/or documents to Members outside Malaysia

For a shareholder registered on a branch register, notices, documents or information can be posted or despatched in Malaysia or in the country where the branch register is kept.

- 187B. This Clause applies where, on two consecutive occasions, notices, documents or information sent or supplied by post have been returned undelivered. If the shareholder registers a new address with the Company and the Bursa Depository (if they hold Depository Shares) where notices, documents or information can be sent or supplied, the shareholder is entitled to have notices, documents or information sent or supplied to them at that address. Otherwise, the shareholder is not entitled to receive any notices, documents or information from the Company. Undelivered notices and/or documents to members

- 187C. If a notice, proxy form, other document or information relating to a meeting or other proceeding is accidentally not sent or is not received, the meeting or other proceeding will not be invalid as a result. Notice deemed received

A member present in person (including, by a representative) or by proxy at any meeting of the Company or of the holders of any class of shares in the Company is treated as having received proper notice of that meeting and, where necessary, of the purpose of that meeting.

- (24) By amending Clause 193 of the Constitution of the Company as follows:-

Clause No.	Existing Provision	Clause No.	Proposed Amendment(s)
193.	(1) Every Director, auditors, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if required, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with customers and the state of accounts with individuals in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors, or by any meeting, or by a Court of Law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the	193.	(1) Director, Auditors, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if required, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with customers and the state of accounts with individuals in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors, or by any meeting, or by a Court of Law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of this Constitution contained.

provisions of this Constitution contained.

- (2) No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public save as may be authorised by law.

- (2) Save as may be provided by the Act, no Member shall be entitled to enter into or inspect any premises or property of the Company or to require disclosure of any information in respect of any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members to communicate to the public.**

- (3) Directors or officers of the Company shall be entitled, if he thinks fit, to decline to answer any questions concerning the business of the Company which may be put to him on any occasion (including during any meeting of the Company) on the ground that the answer to such question would disclose or tend to disclose the trade secrets of the Company.**

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SALIENT TERMS OF THE ICPS

Terms	Details
Issue size	: Up to 582,664,400 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS.
Issue price	: Indicative issue price of ICPS is RM0.05. The issue price of the ICPS shall be fixed by the Board at a later date after the receipt of all relevant approvals for the Proposed Rights Issue of ICPS. The issue price of the ICPS will be determined by the Board prior to the price-fixing date.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the ICPS (“ Tenure ”).
Maturity date	: The day immediately preceding the 5 th anniversary from the date of issuance of the ICPS. If such day falls on a non-market day, then the Maturity Date would be the preceding market day.
Dividend rate	: The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company during the Tenure. Note: The declaration of dividends will depend on the availability of profits. With respect to the dividend rate (if declared), the Board may consider factors including the prevailing average deposit rates of financial institutions.
Redemption	: Not redeemable for cash.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of ICPS shall comprise 100 ICPS, or such other denomination as determined by Bursa Securities from time to time.
Form and denomination	: The ICPS will be issued in registered form and will be constituted by the Company’s Constitution.
Conversion rights	: (a) Each ICPS carries the entitlement to be converted into new Minetech Shares at the Conversion Ratio through the surrender of the ICPS. (b) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. (c) If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

SALIENT TERMS OF THE ICPS (*CONT'D*)

Terms	Details
Conversion period	<p>: (a) The ICPS can be converted at any time within 5 years commencing on and including the date of issue of the ICPS up to and including the Maturity Date, as determined by the Conversion Ratio and Conversion Price.</p> <p>(b) Any remaining ICPS that is not converted by the Maturity Date shall be automatically converted into new Minetech Shares at the conversion ratio of 4 ICPS for 1 new Minetech Share.</p>
Conversion Ratio and Conversion Price	: The Conversion Ratio and Conversion Price have been fixed at either surrendering 4 ICPS for conversion into 1 new Minetech Share OR surrendering a combination of 1 ICPS and cash payment of the difference between the Conversion Price and the issue price of 1 ICPS, for 1 new Minetech Share.
Ranking of the ICPS and liquidation preference	<p>: The ICPS shall rank equally amongst themselves and shall rank in priority to any other class of shares in the capital of the Company. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:</p> <p>(a) The ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in the Company, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears (if any). After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of the Company.</p> <p>(b) In the event that the Company has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of Minetech shall be distributed pro rata on an equal priority to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.</p>
Ranking of new Minetech Shares to be issued pursuant to the conversion of the ICPS	: All new Minetech Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank equally in all respects with the existing Minetech Shares except that such new Minetech Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Minetech Shares arising from the conversion of the ICPS.
Adjustment to the Conversion Price and Conversion Ratio	<p>: The Conversion Price and/or Conversion Ratio will be adjusted at the determination of Minetech in all or any of the following events:</p> <p>(a) an alteration to the number of Minetech Shares by reason of consolidation or subdivision; or</p> <p>(b) a bonus issue of fully paid-up ordinary shares by Minetech or any other capitalisation issue for accounting purposes; or</p>

SALIENT TERMS OF THE ICPS (CONT'D)

Terms	Details
	<p>(c) a capital distribution to shareholders made by Minetech whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or</p> <p>(d) a rights issue of ordinary shares by Minetech; or</p> <p>(e) any other circumstances that the Board deems necessary,</p> <p>provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by the external auditors of Minetech.</p>
Rights of the ICPS holders	<p>: ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distributions in the Company until and unless such holders convert their ICPS into new Shares, except in the following circumstances:</p> <p>(a) when the dividend or part of the dividend as declared on the ICPS is in arrears for more than 6 months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;</p> <p>(d) on a proposal that directly affects their rights and privileges attached to the ICPS;</p> <p>(e) on a proposal to wind-up the Company; and</p> <p>(f) during the winding-up of the Company.</p>
Listing	<p>: The ICPS will be listed and traded on the Main Market of Bursa Securities. An application will be made for the admission of the ICPS to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the new Minetech Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities.</p>
Transfer	<p>: The ICPS will be transferable in the manner provided under the Central Depositories Act and the Rules of Bursa Depository. As the ICPS will be listed and traded on the Main Market of Bursa Securities, they will be deposited in a central depository system and will be subject to the rules of such system.</p>
Modification of rights	<p>: The Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p>
Governing law	<p>: The laws of Malaysia.</p>

DRAFT BY-LAWS

DRAFT BYLAWS OF THE PROPOSED SIS**1. DEFINITIONS AND INTERPRETATION**

- 1.1. In these Bylaws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

"Act"	means Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof and any written law for the time being in force concerning companies and affecting the Company
"Adviser"	means a corporate finance adviser that may act as a principal adviser under the Securities Commission's Principal Adviser Guidelines
"Authorised Nominee"	means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository.
"Board"	means the board of directors of the Company.
"Bursa Depository"	means Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)) including any further change of name and its successors-in-title.
"Bursa Securities"	means Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) including any further change of name and its successors-in-title.
"Bylaws"	means, collectively the terms and conditions governing the SIS as set forth in these Bylaws as amended, modified and/or supplemented from time to time
"CDS"	means the Central Depository System established, administered and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
"CDS Account"	means the account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Code"	means the Malaysian Code on Take-Overs and Mergers 2016
"Constitution"	means the Constitution of the Company as amended from time to time.
"Date of Offer"	means the date of the letter containing an Offer made to an Eligible Employee to participate in the SIS by the SIS Committee, irrespective of the date the Offer is actually received by the Eligible Person

DRAFT BY-LAWS (CONT'D)

"Disciplinary Proceedings"	means proceedings instituted by a Group Company against a Grantee employed by that Group Company for any alleged misbehavior, misconduct and/or any other act of the Grantee's deemed to be unacceptable by that Group Company in the course of that Grantee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Grantee
"Effective Date"	means the date on which the Scheme takes effect which shall be upon full compliance with the relevant requirements of the Listing Requirements, more particularly set out in Bylaw 17
"Eligible Person"	means any Employee or Director who is eligible to be selected to participate in the Scheme as set forth in Bylaw 2, and "Eligible Persons" means any two or more of them
"Employee"	means any person who is employed by any corporation within the Minetech Group
"Director"	means a director (who can either be an executive director or non-executive director) of Minetech Group, save for companies which are dormant on the Date of Offer, who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 2
"Ex-Group Company"	means "Ex-Group Company" as defined in Bylaw 2.2
"Grantee"	means an Eligible Person who has accepted the Offer or any part thereof in accordance with the terms of the Bylaws hereof
"Group Company"	means any one of the Company and the Subsidiaries, and "Group Companies" means any two or more of them
"Listing Requirements"	means the Main Market Listing Requirements of Bursa Securities including any modifications or amendments to the Listing Requirements that may be made from time to time and such practice notes or circulars as may be issued by the Bursa Securities from time to time
"Market Day"	means a day on which the stock market of Bursa Securities is open for the trading in securities

DRAFT BY-LAWS (CONT'D)

"Maximum Allowable Allocation"	shall have the meaning ascribed to it in Bylaw 4
"Maximum Shares Available"	shall have the meaning ascribed to it in Bylaw 3.1
"Minetech" or the "Company"	means Minetech Resources Berhad (Registration No. 200201007880 (575543-X)) a public company limited by shares and incorporated in Malaysia and shall, where the context admits, include its successors in title
"Minetech Group"	means, collectively, Minetech and its subsidiaries
"Non-Executive Director"	means a director who does not form part of the executive management team and who is not an employee of the Company but who is responsible to monitor the executive activity and contribute to the development of strategy of Minetech or any company in the Group Company
"Notice / Process"	shall have the meaning ascribed to it in Bylaw 29.1
"Offer"	means a written offer made by the SIS Committee to any Eligible Person in the manner indicated in Bylaw 5 hereof
"Option(s)"	means the right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance in the manner indicated in Bylaw 6 hereunder of any Offer made in accordance with these Bylaws, and where the context so requires, means any part of the Option as shall remain unexercised
"Option Period"	means the period commencing on the Date of Offer and expiring as referred to in Bylaw 17 or its termination in accordance with Bylaw 9 hereof, whichever is earlier, unless duly extended in accordance with Bylaw 17.2
"Option Price"	Means the price at which the Grantee shall be entitled to subscribe for each new Share as set out in Bylaw 8 hereof
"Persons Connected"	shall have the meaning ascribed to it in Paragraph 1.01 of the Listing Requirements
"Previous Company"	shall have the meaning ascribed to it in Bylaw 2.2
"RM" and "sens"	means Ringgit Malaysia and sen respectively, the lawful currency of Malaysia

DRAFT BY-LAWS (CONT'D)

"Record of Depositors"	means a record of Depositors provided by the Bursa Depository to the Company pursuant to an application under Chapter 24.0 of the Rules of Bursa Depository
"Rules of Bursa Depository"	The rules of Bursa Depository, as issued pursuant to SICDA
"SIS"/"Scheme"	means the share issuance scheme for the grant of Options to the Eligible Person of the Minetech Group to subscribe for new Shares in the Company according to the terms set out herein
"SIS Committee"	means the committee duly appointed by the Board to administer the SIS comprising Directors of Minetech who are not participating in the SIS
"SICDA"	Securities Industries (Central Depository) Act, 1991 and any statutory modification, amendment or reenactment thereof and every other legislation made thereunder for the time being in force.
"Shares" or "Minetech Shares"	means the fully paid ordinary shares in the Company (unless otherwise adjusted) and "Share" means any one of them
"Subsidiary"	means a subsidiary as defined in Section 4 of the Act which is not dormant, and include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Option Period unless determined by the SIS Committee to fall outside the expression of "Subsidiary"

1.2. In these Bylaws, unless the context otherwise requires

- (a) any reference to a statutory provision or an applicable law shall include a reference to:
 - (i) any and all subsidiary legislation made from time to time under that provision or law;
 - (ii) that provision as from time to time modified or re-enacted, whether before or after the date of these Bylaws, so far as such modification or re-enactment applies or is capable of applying to any Offer made and/or accepted within the Option Period; and;
 - (iii) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (b) any reference to a Bylaw is a reference to a Bylaw of these Bylaws;
- (c) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these Bylaws;
- (d) any word importing:
 - (i) the singular meaning includes the plural meaning and vice versa; and
 - (ii) the masculine gender includes the feminine gender and vice versa;

DRAFT BY-LAWS (CONT'D)

- (e) any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these Bylaws:
 - (i) by the Board may be exercised in the Board's discretion and the Board shall not be under any obligation to give any reasons therefor;
 - (ii) by the SIS Committee may be exercised in the SIS Committee's discretion and the SIS Committee shall not be under any obligation to give any reasons therefor, but subject always to the Board's power to overrule any decision of the SIS Committee;
- (f) if any event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall 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 expiry of the Option Period then the stipulated day shall be taken to be the last Market Day of the Scheme Period; and
- (g) in the event of any change in the name of the Company from its present name, all references to "Minetech Resources Berhad" in these Bylaws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

1.3. This SIS shall be known as the "Minetech Resources Berhad Share Issuance Scheme"

2. ELIGIBILITY

2.1. Only employees, executive Directors and non-executive Directors of Minetech and its subsidiaries, which are not dormant, who meet the following conditions as at the Date of Offer are eligible to participate in the Proposed SIS:

- (a) Employees
 - (i) is a Malaysian citizen of at least 18 years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is an employee in a company within Minetech Group, which is not dormant, whose service has been confirmed and has not served a notice of resignation or received a notice of termination by the relevant company within Minetech Group; and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time.
- (b) Executive/non-executive Director
 - (i) is a Malaysian citizen of at least 18 years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is a Director of the Company or any company within Minetech Group, which is not dormant;
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time; and

DRAFT BY-LAWS (*CONT'D*)

- (v) must have their entitlements under the SIS approved by the shareholders of the Company in a general meeting.
- 2.2 The SIS Committee shall have the discretion to extend (or not) the benefit of this Scheme to any employee in any of the following circumstances:
 - (a) an employee who is in the employment of a corporation which is not a Group Company but which subsequently becomes a Group Company as a result of a restructuring, an acquisition, a merger, a disposal, a divestment from that corporation which is not a Group Company or other exercise involving the Company and/or any Group Company ("**Previous Company**");
 - (b) an employee who was employed in a Previous Company and is subsequently transferred from that Previous Company to a Group Company; or
 - (c) where:
 - (i) a corporation that was a Group Company ceases to be a Group Company ("**Ex-Group Company**"); and
 - (ii) an employee of that Ex-Group Company is re-employed by another Group Company.
- 2.3. Eligibility under this Scheme does not confer on any Eligible Person any claim, right to participate in, or any other right whatsoever under this Scheme, and an Eligible Person does not acquire or have any right over, or in connection with the Options or the new Shares comprised herein unless an Offer has been made by the SIS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme. The Options further does not confer any voting rights in the general meeting of Minetech.
- 2.4. No Eligible Person shall participate at any time in more than one (1) SIS implemented by any company within the Minetech Group, unless the SIS Committee otherwise determines in its discretion.
- 2.5. Without prejudice to the generality of the foregoing and subject to the SIS Committee's discretion otherwise, any Option granted by the SIS Committee shall become void, of no effect and cease to be capable of acceptance upon any of the following events occurring:
 - (a) the Grantee's death;
 - (b) the Grantee having received a letter of termination or ceasing to be an employee of any Group Company, for any reason whatsoever;
 - (c) the Grantee giving notice of his resignation from service or employment;
 - (d) the corporation which employs the Grantee ceasing to be a Group Company;
 - (e) the Grantee is subject to Disciplinary Proceedings; or
 - (f) the Grantee is adjudicated a bankrupt.

DRAFT BY-LAWS (*CONT'D*)

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THIS SCHEME

3.1. Subject to Bylaw 12, the maximum number of Shares which may be made available under the Scheme and/or allotted and issued and/or acquired and/or transferred upon the vesting of Option Shares, shall not be more than in aggregate fifteen percent (15%) of the issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the existence of the Scheme.

3.2. In the event the total number of Shares made available under the Scheme exceeds the fifteen percent (15%) limit referred to in Bylaw 3.1 ("**Maximum Shares Available**") as a result of the Company purchasing or cancelling or reducing its own Shares in accordance with the provisions of the Act and/or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up ordinary share capital, such Options granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and may vest in accordance with the provisions of this Scheme as if that purchase or cancellation or reduction had not occurred.

However, no further Offer shall be made until such time that the number of Shares under the subsisting Options (including Shares that have been issued under the Scheme) falls below 15% of the issued and paid-up share of the Company.

3.3. The Company shall at all times during the Option Period ensure that the authorised and unissued share capital of the Company shall be sufficient to satisfy all outstanding Options, which may be exercised, in whole or in part during the Option Period.

4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

4.1. Subject to any adjustment which may be made under Bylaw 12 hereof, the aggregate maximum number of Shares that may be offered and allotted to an Eligible Person under the Scheme shall be at the discretion of the SIS Committee, after taking into consideration, amongst other factors, the Eligible Person's employment grade, length of service, performance appraisal and past and future contributions of the Eligible Person and/or such other factors that the SIS Committee may deem relevant, subject always to the following:

- (a) The Directors and senior management do not participate in the deliberation or discussion of their respective allocation;
- (b) The number of new Shares allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds 20% or more of the number of issued shares (excluding treasury shares) of the Company, does not exceed 10% of the total number of new Shares to be issued under the Scheme;
- (c) The total number of new Shares pursuant to the exercise of the Options under the Scheme shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares) of the Company at any point in time during the duration of the Scheme ("**Minetech Shares**"); and
- (d) The number of new Shares allocated, in aggregate, to the directors and senior management of the Company and Minetech Group (excluding dormant subsidiaries) shall not exceed 80% of the total number of new Shares to be issued under the Scheme.
- (e) In these Bylaws:

"senior management" shall be subject to criteria to be determined by the SIS Committee that may change from time to time;

DRAFT BY-LAWS (CONT'D)

"persons connected" has the same meaning as that in paragraph 1.01 of the Listing Requirements.

A set of criteria on Eligible Person's eligibility and maximum share allocation shall be clearly specified and all Eligible Person shall be made aware of it through notification in writing or such other appropriate medium.

- 4.2. In circumstances where the maximum share allocation as provided in the Listing Requirements is amended by Bursa Securities from time to time, the SIS Committee shall have the right to make the necessary adjustments in the Options that may be offered to any Eligible Person so as to comply with such amended Listing Requirements.
- 4.3. The number of Options offered to Eligible Persons and the new Minetech Shares to be issued pursuant to the exercise of the Options shall be verified by the Company's auditors as part of its annual audit exercise, which shall be disclosed in the Company's annual report.
- 4.4. The SIS Committee has the discretion to determine whether the Options are subject to any vesting period and if so, the vesting conditions and whether such vesting conditions are subject to performance target. The SIS Committee has the discretion to determine whether the Eligible Person is required to achieve any specific performance target(s) before he/ she may exercise the Options granted to him/ her. Any such performance target(s) if set, shall be stated in the offer letter to the Eligible Person.

5. OFFER

- 5.1. The SIS Committee may at its absolute discretion as it shall deem fit at any time and from time to time within the duration of the Scheme make an Offer to any Eligible Person in accordance with the terms of the Scheme, PROVIDED ALWAYS THAT an Offer shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation and shall be in multiples of one hundred (100) Shares.
- 5.2. Unless otherwise stated, nothing herein shall prevent the SIS Committee from making more than one Offer during the duration of the Scheme to any Eligible Person provided always that, the total aggregate number of new Minetech Shares in respect of the Options granted shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 5.3. Each Offer shall state the number of new Minetech Shares which the Eligible Person shall be entitled to subscribe, the Option Price, the Option Period and the closing date for acceptance of the Offer.
- 5.4. Each Offer shall be made in writing and is personal to the Eligible Employee and shall not be assigned transferred or otherwise disposed of in any manner whatsoever by the Eligible Person, save and except for as provided in Bylaw 9.4.
- 5.5. No Options shall be granted to any Director of the Company unless the specific grant of Options and the related allotment of new Shares to that Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.6. The Offer or any part thereof which has not been accepted shall automatically lapse and shall be null and void in the event of the Eligible Person shall cease to be a Director (in the case where an entitlement is made to an Eligible Director) or cease to be employed by the Minetech Group (in the case may be), or in the event he shall have passed away prior to the acceptance of such Offer.

DRAFT BY-LAWS (CONT'D)

6. ACCEPTANCE OF OFFER

- 6.1. The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the SIS Committee on a case-to-case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the SIS Committee in such form as may be prescribed by the SIS Committee within the prescribed period. In the event that the Eligible Person fails to accept the Offer within the prescribed period, the Offer shall automatically lapse, and be null and void and of no further legal effect PROVIDED THAT the SIS Committee shall not be precluded from making a new Offer to the Eligible Person subsequently.
- 6.2. Acceptance of the Offer by an Eligible Person shall be accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) for the acceptance of the Option.
- 6.3. If the Offer is not accepted in the manner aforesaid, such Offer shall upon the expiry of the aforesaid thirty (30) days or such other period as the SIS Committee may prescribe, automatically lapse and shall be null and void and of no effect, and the Shares may, at the absolute discretion of the SIS Committee, be re-offered to other Eligible Person.
- 6.4. Within thirty (30) days after the due acceptance of the Offer in accordance with the provision of these Bylaws, the SIS Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the SIS Committee.

7. EXERCISE OF OPTIONS

- 7.1. Subject to Bylaw 7.2 below, the Option can be exercised by the Grantee during normal business hours of the Company on any working day during the Option Period by notice in writing to the Company in such manner prescribed by the SIS Committee or by the Bylaws, if any.
- 7.2. Subject to Bylaw 12 the SIS Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of Shares and/or such percentage of the total Shares during the Option Period and impose any other terms and/conditions deemed appropriate by the SIS Committee in its discretion including amending/varying any terms and conditions imposed earlier or any policies in force subject always that no modification which would adversely affect a Grantee's rights (as determined in the discretion of the SIS Committee).

The partial exercise of an Option shall not preclude the Grantee from exercising the Option for the remaining duration of the Option Period in respect of the balance of the new Minetech Shares comprised in the Option.

- 7.3. The Option may be exercised in respect of such lesser number of new Shares as the Grantee may decide to exercise provided that the number shall be in multiples of and not less than one hundred (100) Shares. Such partial exercise of the Option shall not preclude the Grantee from exercising the Option as to the balance thereof at any time in the future but within the Option Period.

DRAFT BY-LAWS (CONT'D)

- 7.4. Every Written Notice of Exercise must be in the form prescribed by the SIS Committee from time to time and shall be accompanied by a remittance for the full amount of the subscription monies for the new Shares in respect of which the notice is given. Upon full remittance from the Grantee, the Company shall allot and issue the relevant number of new Shares, dispatch notices of allotment to the Grantee accordingly, and make an application for the quotation of such new Shares on Bursa Securities, subject to the provisions in the Constitution of the Company.
- 7.5. Any new Minetech Shares comprised in an Option not subscribed for in any year following the Date of Offer, may be subscribed for in any subsequent year until and including the last year of the Option Period.
- 7.6. A Grantee who exercises his Option shall provide the SIS Committee with his CDS account number or the CDS account number of his Authorised Nominee, as the case may be, in the notice referred to in Bylaw 7.1. The new Minetech Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Grantee or his Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and dispatched to the Grantee or the Grantee's Authorised Nominee with a copy to the Grantee, as the case may be, within eight (8) Market Days or such other period as may be prescribed by Bursa Securities, from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance of subscription monies. No physical share certificate(s) will be issued.
- 7.7. An Option shall become null and void upon the expiry of the Option Period applicable thereto.
- 7.8. All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the SIS Committee PROVIDED THAT the extended Option Period shall not in any event exceed maximum period prescribed by law.
- 7.9. Notwithstanding anything to the contrary herein contained in these Bylaws, the SIS Committee shall have the right at its discretion by notice in writing to that effect, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings to exercise his Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the SIS Committee may impose such terms and conditions as the SIS Committee shall deem appropriate in its discretion, on the right of exercise of his Option 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 SIS Committee shall reinstate the right of such Grantee to exercise his Option;
 - (b) In the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; and

DRAFT BY-LAWS (CONT'D)

- (c) In the event such Grantee is found guilty but not dismissal or termination of service is recommended, the SIS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such terms and conditions as it deems appropriate, on such exercise.
- 7.10. Notwithstanding the provisions of Bylaws 7.4 and 7.6, the SIS Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new Minetech Shares within the stipulated deadline or in procuring Bursa Securities to list and quote the Minetech Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options of for any errors in any Offers.
- 7.11. Subject to the discretion of the SIS Committee, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in Bylaws 7.1 to 7.9 herein will invalidate the purported exercise of such Option by a Grantee.
- 7.12. Every Options shall be subject to the condition that no new Minetech Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 8. OPTION PRICE**
- 8.1. The Option Price at which a Grantee is entitled to subscribe for each new Minetech Shares shall be the weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with an allowance for a discount at the SIS Committee's discretion, of not more than ten per centum (10%) therefrom or such other percentage discount as may be permitted from time to time by Bursa Securities and any other relevant authorities;
- 8.2. The Option Price shall be stipulated on each certificate of Option.
- 8.3. The Option Price shall be subjected to adjustments in accordance with Bylaw 12 herein.
- 9. TERMINATION OF THE OPTIONS**
- 9.1. All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:
 - (a) subject to Bylaws 9.2 to 9.4, the Grantee ceasing to be in employment or appointment with a member of the Minetech Group; or
 - (b) the liquidation of the Company; or
 - (c) the bankruptcy of the Grantee.

DRAFT BY-LAWS (CONT'D)

- 9.2. Notwithstanding the provisions of Bylaw 9.1(a), the SIS Committee may at its discretion allow a Grantee to exercise his unexercised Options within the relevant Option Period or such other shorter period as the SIS Committee may at its discretion determine when the Grantee ceases his employment or appointment with the Minetech Group by reason of:
- (a) retirement on attaining the retirement age under the Minetech Group's retirement policy;
 - (b) retirement before attaining the normal retirement age but with the consent of the Company;
 - (c) ill-health, injury, physical or mental disability;
 - (d) redundancy or retrenchment, or pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Company; or
 - (e) resignation under circumstances which are acceptable to the SIS Committee; or
 - (f) any other circumstances which are acceptable to the SIS Committee.
- 9.3. Upon the Grantee giving notice of his resignation from employment with the Minetech Group, an Option shall lapse on the last day of the Grantee's service with the Company within the Minetech Group and the Shares comprised in such Option or the balance thereof not subscribed for may, at the discretion of the SIS Committee, be re-offered to other Eligible Person.
- 9.4. In the event of the demise of a Grantee before the expiration of the Option Period and on the date of his demise, the Grantee held Options which are unexercised, the whole or any part of the unexercised Options shall lapse forthwith and be null and void and of no further force and effect provided however the SIS Committee may at its discretion allow the next of kin or beneficiary or legal representatives of the deceased Grantee in question to exercise the deceased's unexercised Options, in whole or in part, within the relevant Option Period or such other shorter period as the SIS Committee may at its discretion determine.
- 9.5. Upon the bankruptcy of a Grantee, any and all unexercised portion of the Options shall immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 10. TAKEOVER**
- 10.1. Notwithstanding Bylaw 7 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:
- (a) a takeover offer being made for the Company through a general offer under the Code to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer) ("**Offeror**") or any persons acting in concert with the Offeror) a Grantee will be entitled, within such period to be determined by the SIS Committee, to exercise all or any part of his Options as yet unexercised; and

DRAFT BY-LAWS (CONT'D)

- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Minetech Shares under the provisions of any applicable statutes, rules, and/or regulations and gives notices to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option as yet unexercised from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised

11. RETENTION PERIOD

- 11.1. The SIS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the Minetech Shares as it deems fit. The Grantees are encouraged to hold the Minetech Shares as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.
- 11.2. Notwithstanding the above, a non-executive director must not sell, transfer or assign Minetech Shares obtained through the exercise of SIS Options within one (1) year from the Date of Offer.

12. ALTERATION IN SHARE CAPITAL AND ADJUSTMENT

- 12.1. In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of a capitalization of profits or reserves, rights issues, bonus issues, capital reduction, capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made in:
 - (a) the Option Price; and/or
 - (b) the number of new Minetech Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option.
- 12.2. The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 12.1:
 - (a) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
 - (b) in determining a Grantee's entitlement to subscribe for Minetech Shares, any fractional entitlements will be disregarded.
- 12.3. Bylaw 12.1 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 Options under the Scheme;
 - (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 or restricted issue; or
 - (d) An issue of securities as a special issue approved by the relevant governmental authorities; or

DRAFT BY-LAWS (CONT'D)

- (e) An issue of securities convertible to Shares arising from the exercise of any conversion rights attached to securities convertible to Shares or upon exercise of any other rights including warrants (if any) issued by Minetech;
 - (f) A purchase by the Company of its own Shares pursuant to Section 127 of the Act. In this event, the following provisions shall apply:
 - (i) If the number of Shares comprised in the Options granted by the Company as at the date of cancellation of Shares so purchased is greater than 15% of the issued capital of the Company after such cancellation, the SIS Committee shall not make any further Offers; and
 - (ii) If the number of Shares comprised in the Options granted by the Company as at the date of cancellation of Shares so purchased is less than 15% of the issued capital of the Company after such cancellation, the SIS Committee may make further Offers only until the total number of Shares comprised in the Options granted by the Company is equivalent to 15% of the issued capital of the Company after such cancellation;
- 12.4. An adjustment pursuant to Bylaw 12.1 shall be made at the following times in accordance with the formulas as set out in the First Schedule attached to these Bylaws and on the day immediately following the books closure date for the event giving rise to the adjustment:
- (a) In the case of a rights issue, bonus issue or other capitalization issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the Market Day immediately following the date of allotment of new Shares of the Company in respect of such consolidation, subdivision or reduction.
- 12.5. All adjustments other than adjustments made pursuant to a bonus issue must be confirmed in writing by the approved Company auditors or an Adviser identified by the SIS Committee to be in their opinion (acting as experts and not as arbitrators) fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from the auditors or Adviser (as the case may be) to the effect that in the opinion of such auditors or Adviser (as the case may be), acting as an expert and not as an arbitrator, the adjustment is fair and reasonable either generally or as regards such Grantee, and such certification shall be final and binding on all parties. For the purpose of the Bylaw, the auditors of the Company shall have the meaning given in Section 263 of the Act.
- 12.6. The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in Bylaw 12.7.
- 12.7. In addition to Bylaw 12.1 and not in derogation thereof, the Option Price and the number of new Shares relating to the Options so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the Adviser and/or the auditors:

DRAFT BY-LAWS (CONT'D)

- (a) If and whenever the Company shall make any issue of new Minetech Shares to ordinary shareholders credited as fully paid-up, by way of capitalization of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of New Shares relating to the Options to be issued shall be calculated as follows:

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

Where

- A = The aggregate number of issued and paid-up Minetech Shares immediately before such capitalization issue
- B = The aggregate number of Minetech Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid-up by way of capitalization of profit or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund)
- T = existing number of Shares relating to the SIS Option

Such adjustment will be effective from the commencement of Market Day immediately following the books closure date for such issue.

DRAFT BY-LAWS (CONT'D)

- (b) If and whenever the Company shall make:
- (i) A Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) Any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Minetech Shares by way of rights; or
 - (iii) Any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Minetech Shares or securities with rights to acquire or subscribe for Minetech Shares,

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

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

And in respect of each such case referred to in Bylaw 12.7(b)(ii) hereof, the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

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

T = As T above

C = The current market price of each Minetech 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

D = (i) In the case of an offer or invitation to acquire or subscribe for Minetech Shares under Bylaw 12.7(b)(ii) above or for securities convertible into or with rights to acquire or subscribe for Minetech Shares under Bylaw 12.7(b)(iii) above, the value of rights attributable to 1 Minetech Share (as defined below); or

(ii) In the case of any other transaction falling within Bylaw 12.7 hereof, the fair market value as determined (with the concurrence of the auditor) by the Adviser of that portion of the capital distribution attributable to 1 Minetech Share.

D* = The "value of rights attributable to 1 existing Minetech Share" (as defined below):

DRAFT BY-LAWS (CONT'D)

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

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

C = As C above

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

F = The number of Minetech Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Minetech Shares or security convertible into Minetech Shares or rights to acquire or subscribe for one (1) Minetech Shares

For the purpose of Bylaw 12.7(b) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distribution in cash or specie or by way of issue of Minetech Shares (not falling under Bylaw 12.7(a) hereof) or other securities credited as fully or partly paid-up by way of capitalization of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

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

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

- (c) If and whenever the Company makes any allotment to its ordinary shareholders as provided in Bylaw 12.7(a) above and also makes any offer or invitation to its ordinary shareholders as provided in Bylaws 12.7(b)(ii) or 12.7(b)(iii) above and the record date for the purpose of the allotment is also the books closure date for the purpose of the offer of invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

DRAFT BY-LAWS (CONT'D)

and where the Company makes any allotment to its ordinary shareholders as provided in Bylaw 12.7(a) above and also makes any offer or invitation to its ordinary shareholders as provided in Bylaw 12.7(b)(ii) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

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

Where

- B = As B above
- C = As C above
- G = The aggregate number of issued and fully paid-up Minetech shares on the books closure date
- H = The aggregate number of new Minetech Shares under an offer or invitation to acquire or subscribe for Minetech Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Minetech Shares as the case may be
- H* = The aggregate number of new Minetech Shares under an offer or invitation to acquire or subscribe for Minetech Shares by way of rights
- I = The subscription price of 1 additional Minetech Share under the offer or invitation to acquire or subscribe for Minetech Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Minetech Shares, as the case may be
- I* = The subscription price of 1 additional Minetech Share under the offer or invitation to acquire or subscribe for Minetech Shares
- T = As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

DRAFT BY-LAWS (CONT'D)

- (d) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Minetech Shares as provided in Bylaw 12.7(b)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Bylaw 12.7(b)(iii) above, the Option 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 new Shares relating to the Options to be issued shall be calculated as follows:

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

C = As C above

G = As G above

H = As H above

H* = As H*above

I = As I above

I* = As I* above

J = The aggregate number of Minetech Shares to be issued to its ordinary shareholder upon conversion of such securities or exercise of such rights to subscribe for Minetech 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 Minetech Share; and

T = As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

DRAFT BY-LAWS (CONT'D)

- (e) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaws 12.7(a) above and also makes an offer or invitation to acquire or subscribe for Minetech Shares to its ordinary shareholders as provided in Bylaws 12.7(b)(ii) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Minetech Shares as provided in Bylaws 12.7(b)(iii) above, and the books closure date for the purpose of the allotment is also the books closure date for the purpose of the offer or invitation, the Option 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 new Shares relating to the Options to be issued shall be calculated as follows:

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

B = As B above

C = As C above

G = As G above

H = As H above

H* = As H* above

I = As I above

I* = As I* above

J = As J above

T = As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

DRAFT BY-LAWS (CONT'D)

- (f) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under Bylaws 12.7(b)(ii), 12.7(b)(iii), 12.7(c), 12.7(d) and 12.7(e) above, the Company shall issue either any Minetech Shares or any securities convertible into Minetech Shares or any rights to acquire or subscribe for Minetech Shares, and in any such case, the Total Effective Consideration per Minetech Share (as defined below) is less than 90% of the Average Price for 1 Minetech Share (as defined below) or, as the case may be, the price at which the Minetech Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

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

Where

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

For the purpose of Bylaw 12.7(f), the "Total Effective Consideration" shall be determined by the Board with the concurrence of the Adviser and shall be:

- (i) In the case of the issue of Minetech Shares, the aggregate consideration receivable by the Company on payment in full for such Minetech Shares; or
- (ii) In the case of the issue by the Company of securities wholly or partly convertible into Minetech 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 Minetech 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;

DRAFT BY-LAWS (CONT'D)

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 Considerations per Minetech Share" shall be the Total Effective Consideration divided by the number of Minetech Shares issued as aforesaid or, in the case of securities convertible into Minetech Shares or securities with rights to acquire or subscribe for Minetech Shares, by the maximum number of Minetech Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of Bylaw 12.7(f), the "Average Price" of an Minetech Share shall be the average price of one (1) Minetech Share as derived from the last dealt prices for one or more board lots of Minetech 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 Minetech Shares is determined.

Such adjustment will be calculated from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or on the Market Day immediately following the date on which the Company determines the offer price of such Minetech Shares. Such adjustment will be effective from the commencement of the Market Day immediately following the completion of such issue.

- 12.8. The provisions of this Bylaw shall not apply where the alteration in the capital structure of the Company arises from:
- (a) The issue of securities as consideration for an acquisition;
 - (b) A special issue of new Minetech Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
 - (c) A private placement or restricted issue of new Minetech Shares by the Company;
 - (d) A share buy-back arrangement by the Company pursuant to Section 127 of the Act;
 - (e) An issue of new Minetech Shares arising from the exercise of any conversion rights attached to securities convertible to new Minetech Shares or upon exercise of any other rights including warrants (if any) issued by the Company; and
 - (f) An issue of new Minetech Shares upon the exercise of Options pursuant to the Scheme.
- 12.9. Upon any adjustment being made, the SIS Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

DRAFT BY-LAWS (CONT'D)

13. QUOTATION OF NEW SHARES

- 13.1. The new Minetech Shares arising from the exercise of Options will not be listed or quoted on the Bursa Securities, and/or any other relevant stock exchanges until the Option is exercised in accordance with Bylaw 7 hereof whereupon the Company shall within eight (8) Market Days or such other period as may be prescribed by Bursa Securities from the date of receipt of notice referred to in Bylaw 7.1 and the remittance for the full amount of the subscription monies for the new Minetech Shares referred to in Bylaw 7.4, make the necessary application the Bursa Securities for the listing and quotation for such new Minetech Shares and use its best endeavors to obtain such approval unless a blanket approval for the listing of and quotation for the new Minetech Shares arising from the Scheme has been obtained.
- 13.2. The SIS Committee, the Company and the officers and agents of the Company, shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new Minetech Shares or in procuring Bursa Securities to list and quote the new Minetech Shares.

14. RANKING OF NEW MINETECH SHARES

- 14.1. The Minetech Shares to be issued and/or transferred via treasury shares upon the exercise of the SIS Options, shall upon allotment and issuance, rank equally in all respects with the existing Minetech Shares, save and except that such Minetech Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such Minetech Shares."

15. ADMINISTRATION

- 15.1. This Scheme shall, subject to these Bylaws, be implemented and administered by the SIS Committee in such manner as it shall, in its discretion, think fit, in the best interest of the Company. The SIS Committee shall comprise such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the SIS Committee, including its duties, powers and limitations.
- 15.2. Without limiting the generality of Bylaw 15, the SIS Committee may for the purpose of administering this Scheme, do all acts and things and enter into any transaction, agreement, deed, document, arrangement or undertaking, and make such rules and regulations, or impose terms and conditions or delegate part of its power relating to the administration of the Scheme as the SIS Committee in its discretion deems fit necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 15.3. The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the SIS Committee and appoint replacement members to the SIS Committee;

DRAFT BY-LAWS (CONT'D)

- (b) assume and/or exercise or execute any of the powers and authorities conferred upon the SIS Committee pursuant to these Bylaws; and
- (c) amend, modify or vary the terms of reference of the SIS Committee.

16. MODIFICATION AND/OR AMENDMENT OF THESE BYLAWS

- 16.1. Subject to the compliance with the requirements of Bursa Securities and any other relevant regulatory authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the SIS Committee may at any time and from to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its discretion think fit and the Board shall have the power by resolution to amend and/or modify all or any part of these Bylaws PROVIDED ALWAYS THAT no additions or amendments to or deletions of these Bylaws shall be made which will:-
- (a) Prejudice any rights then accrued to any Grantee who has accepted an Option without prior consent and sanction of that Grantee;
 - (b) Prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
 - (c) Alter to the advantage of any Eligible Person(s) the provision of the Scheme, without the prior approval of the shareholders of the Company in a general meeting unless otherwise allowed by the provisions of the Listing Requirements.
- 16.2. Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to the Bursa Securities a letter confirming that the said amendment and/or modification does not contravene any of the provisions of the Listing Requirement on SIS no later than five (5) Market Days from the effective date of the said amendments and/or modifications.
- 16.3. The Grantees shall be given written notices in the term prescribed by the SIS Committee from time to time if any amendments to and/or modification of these Bylaws within five (5) Market Days if any of the foregoing taking effect.

17. DURATION OF THE SCHEME

- 17.1. This Scheme shall take effect on the Effective Date from the implementation of the Scheme and shall be in force for a period of five (5) years provided that the following conditions have been fulfilled:
- (a) Submission of the final copy of these Bylaws to Bursa Securities;
 - (b) Receipt of approval-in-principle for the listing of the new Minetech Shares to be issued under the Scheme from Bursa Securities;
 - (c) Procurement of shareholder's approval for the scheme;
 - (d) has obtained other relevant approvals for the SIS and has fulfilled any conditions therein;

DRAFT BY-LAWS (CONT'D)

(e) fulfillment of any conditions attached to the above approvals, if any.

- 17.2. Upon the expiry of the Scheme, The SIS Committee shall have the absolute discretion, without approval of the Company's shareholders, to extend the duration of the Scheme for up to another five (5) years immediately from the expiry of the first five (5) years PROVIDED THAT any extension of the Scheme shall be for a maximum duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the SIS Committee shall furnish a written notification to all Grantees who have yet to exercise their Options, either in part or in whole and the Company shall make the necessary announcements prior to the proposed extension of the Scheme.

18. TERMINATION OF THE SCHEME

- 18.1. Notwithstanding the provisions of Bylaw 16.2, the Company may at any time during the duration of the Scheme through a resolution by the Board terminate the Scheme without further sanctions, approvals and/or authorisations (unless otherwise required by the relevant authorities or the Listing Requirements) and shall immediately announce to Bursa Securities all of the following:

- (a) the effective date of termination;
- (b) the number of options exercised or shares vested; and
- (c) the reasons for termination.

19. COSTS AND EXPENSES OF THE PLAN

- 19.1. All administrative costs and expenses incurred by the Company in relation to this Scheme shall be borne by the Company.

20. NO COMPENSATION

- 20.1. All Employees (including but not limited to Eligible Person or Grantee) who cease to hold office or employment or their executors or administrators, shall not be entitled to any compensation for the loss of any right or benefit, or prospective right or benefit, under this Scheme which they might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful dismissal, other breach of contract or by way of compensation for loss of office.
- 20.2. All Employees (including but not limited to Eligible Person or Grantee) or their executors or administrators, shall not be entitled to bring any claim, action or proceeding against the Company, the Board, the SIS Committee or any other party for any compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provision of the Clauses herein, as may be amended from time to time.

21. TAXES

- 21.1. Any taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

DRAFT BY-LAWS (CONT'D)

22. DISPUTE

- 22.1. In the event of a dispute between the Board and/or the SIS Committee, and an employee of any Group Company as to any matter or thing of any nature arising hereunder, the Board or the SIS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason for the same) given to the employee of any Group Company. The said decision of the Board or the SIS Committee (as the case may be) shall be final and binding on the parties.

23. INSPECTION OF AUDITED ACCOUNTS

- 23.1. All Grantees shall be entitled to inspect a copy of the latest audited accounts of the Company during normal office hours on any working day at the registered office of the Company.

24. DIVESTMENT OF SUBSIDIARIES

- 24.1. If a Grantee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Minetech Group, such Grantee:
- (a) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a particular time frame determined within the Option Period at the discretion of the SIS Committee, failing which such Options together with all other Options, the exercise of which is not due, shall automatically lapse and be null and void and of no further effect; and
 - (b) shall not be eligible to participate for further Options under the Scheme.

25. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 25.1. In the event of any application being made to the court for sanction of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or arrangement and reconstruction of the Company under section 366 of the Act, or its amalgamation with any other company or companies under section 370 of the Act, the SIS Committee may at its discretion determine that a Grantee may be entitled to exercise all or any part of his Option at any time commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme of arrangement and/or arrangement and reconstruction of the Company or amalgamation is approved (or on any other date specified by the SIS Committee in its discretion) PROVIDED ALWAYS THAT any part of an Option which remains unexercised after the expiry of the period stipulated above shall be automatically terminated thereafter.

26. THE CONSTITUTION OF THE COMPANY

- 26.1 Notwithstanding the terms and conditions contained in these Bylaws, if a situation of conflict should arise between these Bylaws and the Constitution, the provisions of the Constitution shall prevail at all times.

DRAFT BY-LAWS (CONT'D)

27. SCHEME NOT A TERM OF EMPLOYMENT

- 27.1. This Scheme shall not form part of, constitute or in any way be construed as any term or condition of employment of any employee within the Minetech Group. This Scheme shall not confer or be construed to confer on any employee within the Minetech Group any special right or privilege over and above the employee's terms and conditions of employment under which the employee is employed nor any rights in addition to compensation or damages that the employee may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

28. DISCLAIMER OF LIABILITY

- 28.1. Notwithstanding anything to the contrary, the Board, the SIS Committee and/or the Company including any Group Company and its directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising or incurred or suffered in any event in respect of this Scheme, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Bursa Securities.

29. NOTICE

- 29.1 Any legal notice/process under the Scheme ("**Notice/Process**") required to be given to or served upon an Eligible Person or Grantee 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 or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to this 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.
- 29.2 Any Notice/Process required to be given to or served upon the Board or the SIS Committee by an Eligible Person 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 SIS Committee may have stipulated for this purpose). Any Notice/Process served by hand, post or electronically via email prior to 5:30 p.m. (Malaysia time) on a Market Day as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received, duly acknowledged (if by post) five (5) Market Days after postage and at the time of transmission (if by email).

30. SEVERABILITY

- 30.1. Any term, condition, stipulation, and/or provision in these Bylaws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and/or provision contained in these Bylaws.

DRAFT BY-LAWS (CONT'D)

31. GOVERNING LAW

- 31.1. The Scheme and these Bylaws shall be governed by and construed in accordance with Malaysian law and the Grantee, by accepting the Option in accordance with these Bylaws and terms of the Scheme and the Constitution of the Company, irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

32. DECISION OF THE BOARD AND/OR THE SIS COMMITTEE

- 32.1. Any decision and/or determination made by the Board and/or the SIS Committee under these Bylaws shall be final and binding on all parties.

33. DELAY IN PERFORMANCE

- 33.1. The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond reasonable control of the Company or the SIS Committee.

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

TA Securities, being the Adviser for the Proposals and Placement Agent for the Proposed Private Placement has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposals and Placement Agent for the Proposed Private Placement.

4. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular, except for the following:

- (i) Share Sale Agreement dated 5 August 2019 between K.S. Chin Minerals Sdn Bhd and East Rock Sdn Bhd for the disposal of 51% of the total issued share capital of Gebeng Quarry Sdn Bhd (representing 4,340,100 shares in Gebeng Quarry) for a total cash consideration of RM7,000,000. The disposal was completed on 9 October 2020.

5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, there are no material litigation, claims and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group:

(i) Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013 ("Suit 288")

The Trial for Suit 288 and the below stated Suit 433 had proceeded at the Kuala Lumpur High Court before Y.A. Datin Hajah Azizah on 23, 24, 25 and 26 October 2017, 13 and 23 November 2017.

On 20 April 2018, the Judge found the termination by Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") to be unlawful and had ordered SMGQ to pay damages to Optimis Dinamik Sdn Bhd ("ODSB") (the quantum of damages is to be assessed by the Court Registrar) together with interest thereon at the rate of 5% per annum from the date of the Writ of Summons dated 1 April 2013 until full payment and costs of RM80,000.

As regards to SMGQ's counterclaim, the High Court allowed SMGQ's counterclaim for the outstanding tribute payment of RM256,300.24 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB.

ADDITIONAL INFORMATION (CONT'D)

On 15 May 2018, SMGQ filed their appeal against the High Court's decision in Suit 288 ("SMGQ's Appeal").

ODSB had filed a Notice of Direction to the High Court for the assessment of damages, and on 5 July 2018, the Judge, by consent, ordered that the assessment of damages proceedings be stayed pending the disposal of SMGQ's Appeal.

The Deputy Registrar of the Court of Appeal had fixed both ODSB's Appeal and SMGQ's Appeal to be heard together on 31 March 2021. Hearing of the appeals was completed on 31 March 2021. The Court of Appeal has rejected ODSB's appeals as well as SMGQ's appeal. The Court of Appeal upheld the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and that the damages should only be awarded to ODSB.

Hearing for assessment of damages will be resumed at the High Court wherein the date of hearing will be notified by the High Court at a later date. Meanwhile, SMGQ has subsequently filed their appeal to the Federal Court whereby the hearing for the leave to appeal application has been fixed on 15 September 2021 via Zoom and ODSB is required to file its Affidavit in Reply on or before 28 June 2021.

(ii) Kuala Lumpur High Court Suit No. 22NCVC-433-09/2014 ("Suit 433")

Suit 433 and Suit 288 were tried together. The Judge had on 20 April 2018 dismissed ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Minerals Sdn Bhd's claim against SMGQ and its 3 Directors, namely Mr. Moo Khean Choong @ Mu Kan Chong, Ms. Low Sow Fong and Mr. Atma Singh @ Atma Singh Lahre s/o Keer Singh, with costs of RM50,000.

ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Mineral Sdn Bhd had on 18 May 2018 filed an appeal to the Court of Appeal against the High Court's decision in Suit 433 ("ODSB's Appeal").

The Deputy Registrar of the Court of Appeal had fixed both ODSB's Appeal and SMGQ's Appeal to be heard together on 31 March 2021. Hearing of the appeals was completed on 31 March 2021. The Court of Appeal has rejected ODSB's appeals as well as SMGQ's appeal whereby the decisions of the High Court as set out above were affirmed.

6. MATERIAL COMMITMENT

As at the LPD, our Board confirms that there is no material commitment incurred or known to be incurred by our Group, which upon becoming enforceable, may have material impact on the financial position of our Group.

7. CONTINGENT LIABILITIES

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

	Company level As at the LPD (RM)
Corporate guarantee given to financial institution for credit facilities granted to subsidiary companies	16,157,140
Corporate guarantee given to suppliers of subsidiary companies for credit terms granted to subsidiary companies	181,730
Total	16,338,870

ADDITIONAL INFORMATION (CONT'D)

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our Company's forthcoming EGM:

- (i) the Constitution of Minetech;
- (ii) our Group's audited financial statements for the FYE 31 March 2019 and 31 March 2020 as well as our latest Group's unaudited results for the 9M-FPE 31 December 2020;
- (iii) the letters of consent and declaration of conflict of interest as referred to in **Sections 2 and 3** of this Appendix III, respectively;
- (iv) the material contracts as referred to in **Section 4** of this Appendix III;
- (v) the relevant cause papers in respect of the material litigation as referred to in **Section 5** of this Appendix III; and
- (vi) the draft By-Laws.

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MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Minetech Resources Berhad (“**Minetech**” or “**Company**”) will be held at Ballroom 3, Level 2, New World Petaling Jaya Hotel, Paradigm, 1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Monday, 28 June 2021 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF 349,598,600 NEW ORDINARY SHARES IN MINETECH RESOURCES BERHAD (“MINETECH” OR “COMPANY”) (“MINETECH SHARES” OR “SHARES”) (“PLACEMENT SHARES”), REPRESENTING UP TO 30% OF THE COMPANY’S EXISTING NUMBER OF ISSUED SHARES (EXCLUDING ANY TREASURY SHARES) (“PROPOSED PRIVATE PLACEMENT”)

“THAT subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue 349,598,600 Placement Shares. The Placement Shares will be priced at not more than 20% discount to the 5-day volume weighted average market price (“**5D-VWAP**”) immediately preceding the date on which the price of the Placement Shares will be fixed, for such purpose and use of proceeds as disclosed in the circular to shareholders dated 4 June 2021 (“**Circular**”).”

THAT the Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing Minetech Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement.”

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF 30,000,000 PLACEMENT SHARES TO DATO’ AWANG DAUD BIN AWANG PUTERA (“PROPOSED ALLOCATION TO DATO’ AWANG”)

“THAT subject to the passing of Ordinary Resolution 1 and conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 30,000,000 Placement Shares to Dato’ Awang Daud Bin Awang Putera, being the Executive Chairman of the Company, pursuant to the Proposed Private Placement, at an issue price of not more than 20% discount to the 5D-VWAP immediately preceding the date on which the price of the Placement Shares will be fixed.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Allocation to Dato’ Awang with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Allocation to Dato’ Awang.”

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF 25,000,000 PLACEMENT SHARES TO CHOY SEN @ CHIN KIM SANG ("PROPOSED ALLOCATION TO CHOY SEN")

"THAT subject to the passing of Ordinary Resolution 1 and conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 25,000,000 Placement Shares to Choy Sen @ Chin Kim Sang, being the Executive Director of the Company, pursuant to the Proposed Private Placement, at an issue price of not more than 20% discount to the 5D-VWAP immediately preceding the date on which the price of the Placement Shares will be fixed.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Allocation to Choy Sen with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Allocation to Choy Sen."

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF 12,500,000 PLACEMENT SHARES TO AWGKU MOHD REZA FARZAK BIN AWG DAUD ("PROPOSED ALLOCATION TO AWGKU")

"THAT subject to the passing of Ordinary Resolution 1 and conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 12,500,000 Placement Shares to Awgku Mohd Reza Farzak Bin Awg Daud, being the Executive Director of the Company, pursuant to the Proposed Private Placement, at an issue price of not more than 20% discount to the 5D-VWAP immediately preceding the date on which the price of the Placement Shares will be fixed.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Allocation to Awgku with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Allocation to Awgku."

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF 12,500,000 PLACEMENT SHARES TO CHIN LEONG CHOY ("PROPOSED ALLOCATION TO CHIN LC")

"THAT subject to the passing of Ordinary Resolution 1 and conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 12,500,000 Placement Shares to Chin Leong Choy, being the Executive Director of the Company, pursuant to the Proposed Private Placement, at an issue price of not more than 20% discount to the 5D-VWAP immediately preceding the date on which the price of the Placement Shares will be fixed.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Allocation to Chin LC with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Allocation to Chin LC."

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF 12,500,000 PLACEMENT SHARES TO AZLAN SHAH BIN ZAINAL ARIF (“PROPOSED ALLOCATION TO AZLAN SHAH”)

“THAT subject to the passing of Ordinary Resolution 1 and conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 12,500,000 Placement Shares to Azlan Shah Bin Zainal Arif, being the Executive Director of the Company, pursuant to the Proposed Private Placement, at an issue price of not more than 20% discount to the 5D-VWAP immediately preceding the date on which the price of the Placement Shares will be fixed.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Allocation to Azlan Shah with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Allocation to Azlan Shah.”

ORDINARY RESOLUTION 7

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 582,664,400 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN MINETECH (“ICPS”) ON THE BASIS OF 1 ICPS FOR EVERY 2 EXISTING MINETECH SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHT ISSUE OF ICPS”)

“THAT subject to the passing of the Special Resolution 2 as well as the approvals of the relevant authorities and/or parties having been obtained (if required), approval be and is hereby granted to the Board to:

- (i) provisionally allot and issue by way of a renounceable rights issue of up to 582,664,400 ICPS on the basis of 1 ICPS for every 2 existing Minetech Shares, to the shareholders of Minetech whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date (“**Entitled Shareholders**”) with a minimum subscription level of 256,201,310 ICPS;
- (ii) determine and fix the issue price of the ICPS which shall be announced later by the Board on the price-fixing date;
- (iii) disregard and deal with any fractional entitlements, if any, that may arise from the Proposed Rights Issue of ICPS in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;
- (iv) make available for excess applications by the other Entitled Shareholders and/or their renouncee(s)/transferee(s), and to allocate the excess ICPS in a fair and equitable manner on a basis to be determined by the Board; and
- (v) use the proceeds to be derived from the Proposed Rights Issue of ICPS in the manner as set out in the Circular and vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company, subject to the approval of the relevant authorities (where required).

THAT the new Minetech Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment, issuance and/or full payment of the ICPS, rank equally in all respects with the then existing Minetech Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Rights Issue of ICPS.”

ORDINARY RESOLUTION 8

PROPOSED SHARE ISSUANCE SCHEME OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED MINETECH SHARES (EXCLUDING ANY TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE SHARE ISSUANCE SCHEME (“PROPOSED SIS”)

“THAT, approval be and is hereby given to the Board to:

- (i) establish and administer the Proposed SIS which involves the granting of options (“**SIS Options**”) to all eligible employees of the Minetech Group including Directors of the Group (excluding Minetech’s subsidiaries which are dormant) who meet the criteria of eligibility for participation of the Proposed SIS (“**Eligible Persons**”) as set out in the By-Laws, a draft of which is set out in Appendix II of the Circular (“**By-Laws**”);
- (ii) allot and issue such number of new Minetech Shares to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed SIS while this approval is in force provided that the aggregate number of Minetech Shares to be allotted and issued shall not exceed 15% of the total number of issued Minetech Shares (excluding any treasury shares) at any one time throughout the duration of the Proposed SIS;
- (iii) such new Minetech Shares to be issued upon exercise of the SIS Options shall, upon allotment and issuance, rank equally in all respects with the then existing Minetech Shares, save and except that the new Minetech Shares to be issued pursuant to the exercise of SIS Options will not be entitled to any dividends, rights, allotments or any other distributions, the entitlement date of which is prior to the date of allotment of such new Minetech Shares and will be subject to all the provisions of the Constitution of the Company (including those relating to transfer and transmission);
- (iv) modify and/or amend the Proposed SIS from time to time provided that such modifications and/or amendments are effected in accordance with the By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed SIS; and
- (v) extend the duration of the Proposed SIS for a maximum period of an additional 5 years (the duration of the Proposed SIS would then be for a total period of 10 years from the effective date of the Proposed SIS), if the Board deems fit;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement and give full effect to and complete the Proposed SIS with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit and/or as may be imposed or permitted by any other relevant authorities in connection with the Proposed SIS.”

ORDINARY RESOLUTION 9

PROPOSED GRANTING OF SIS OPTIONS TO DATO’ AWANG DAUD BIN AWANG PUTERA

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Dato’ Awang Daud Bin Awang Putera, being the Executive Chairman of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Dato’ Awang Daud Bin Awang Putera pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 10

PROPOSED GRANTING OF SIS OPTIONS TO CHOY SEN @ CHIN KIM SANG

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Choy Sen @ Chin Kim Sang, being the Executive Director of the Company and son of Choy Sen @ Chin Kim Sang, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Choy Sen @ Chin Kim Sang pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 11

PROPOSED GRANTING OF SIS OPTIONS TO CHIN LEONG CHOY

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Chin Leong Choy, being the Executive Director of the Company and son of Choy Sen @ Chin Kim Sang, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Chin Leong Choy pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 12

PROPOSED GRANTING OF SIS OPTIONS TO AWGKU MOHD REZA FARZAK BIN AWG DAUD

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Awgku Mohd Reza Farzak Bin Awg Daud, being the Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Awgku Mohd Reza Farzak Bin Awg Daud pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 13

PROPOSED GRANTING OF SIS OPTIONS TO AZLAN SHAH BIN ZAINAL ARIF

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Azlan Shah Bin Zainal Arif, being the Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Azlan Shah Bin Zainal Arif pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 14

PROPOSED GRANTING OF SIS OPTIONS TO ABDUL FARID BIN ABDUL KADIR

“THAT subject to the passing of Ordinary Resolution 8 above, Ordinary Resolution 23 and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Abdul Farid Bin Abdul Kadir, being the Non-Independent Non-Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Abdul Farid Bin Abdul Kadir pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 15

PROPOSED GRANTING OF SIS OPTIONS TO AHMAD RAHIZAL BIN DATO' AHMAD RASIDI

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Ahmad Rahizal bin Dato' Ahmad Rasidi, being the Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Ahmad Rahizal bin Dato' Ahmad Rasidi pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 16

PROPOSED GRANTING OF SIS OPTIONS TO AHMAD RUSLAN ZAHARI BIN ZAKARIA

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Ahmad Ruslan Zahari bin Zakaria, being the Independent Non-Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Ahmad Ruslan Zahari bin Zakaria pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 17

PROPOSED GRANTING OF SIS OPTIONS TO DATIN FERIDAH BINTI BUJANG ISMAIL

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Datin Feridah Binti Bujang Ismail, being the Independent Non-Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with her, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Datin Feridah Binti Bujang Ismail pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 18

PROPOSED GRANTING OF SIS OPTIONS TO SITI AISHAH BINTI OTHMAN

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Siti Aishah Binti Othman, being the Independent Non-Executive Director of the Company, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with her, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Siti Aishah Binti Othman pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 19

PROPOSED GRANTING OF SIS OPTIONS TO CHIN SHEONG CHOY

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Chin Sheong Choy, being the executive director of Minetech Construction Sdn Bhd (a wholly-owned subsidiary of the Company) and son of Choy Sen @ Chin Kim Sang, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Chin Sheong Choy pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 20

PROPOSED GRANTING OF SIS OPTIONS TO CHIN JET CHOY

“THAT subject to the passing of Ordinary Resolution 8 above and the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Chin Jet Choy, being the Chief Business Development Officer of the Company and son of Choy Sen @ Chin Kim Sang, options to subscribe for such number of new Minetech Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the Proposed SIS, provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued Minetech Shares (excluding any treasury shares), does not exceed 10% of the SIS Options granted, and subject always to such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

AND THAT approval be and is hereby given to the Board to allot and issue such number of new Minetech Shares to be issued pursuant to the exercise of SIS Options to Chin Jet Choy pursuant to the exercise of such options under the Proposed SIS.”

ORDINARY RESOLUTION 21

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESSES OF THE COMPANY AND ITS SUBSIDIARIES (“MINETECH GROUP” OR “GROUP”) TO INCLUDE RENEWABLE ENERGY BUSINESS (“PROPOSED DIVERSIFICATION INTO RENEWABLE ENERGY”)

“THAT approval be and is hereby granted to the Board to diversify Minetech Group’s principal activities to include renewable energy business.

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Diversification into Renewable Energy.”

ORDINARY RESOLUTION 22

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESSES OF MINETECH GROUP TO INCLUDE OIL AND GAS BUSINESS (“O&G”) (“PROPOSED DIVERSIFICATION INTO O&G”)

“THAT approval be and is hereby granted to the Board to diversify Minetech Group’s principal activities to include O&G business.

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Diversification into O&G.”

ORDINARY RESOLUTION 23

PROPOSED REMOVAL OF ABDUL FARID BIN ABDUL KADIR AS DIRECTOR OF THE COMPANY (“PROPOSED REMOVAL OF DIRECTOR”)

“THAT Abdul Farid Bin Abdul Kadir be and is hereby removed as Director of the Company with immediate effect.”

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED CAPITAL OF MINETECH BY RM90.0 MILLION PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED SHARE CAPITAL REDUCTION”)

“THAT subject to and conditional upon the confirmation by the High Court of Malaya pursuant to Section 116 of the Act, the Board be and is hereby given the authority and approval to reduce the share capital of the Company via the cancellation of the issued share capital of RM90,000,000 and that the credit arising from such share capital reduction to be utilised to reduce/eliminate the accumulated losses of Minetech; and

AND THAT the Board be and is hereby authorised to approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE CONSTITUTION OF MINETECH (“PROPOSED CONSTITUTION AMENDMENTS”)

“THAT the proposed amendment to the Company’s Constitution be and are hereby approved and adopted, with immediate effect;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Constitution Amendments with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Constitution Amendments.”

By Order of the Board

TAI YIT CHAN (MAICSA 7009143) SSM PRACTISING CERTIFICATE NO. 202008001023

TAN AI NING (MAICSA 7015852) SSM PRACTISING CERTIFICATE NO. 202008000067

Company Secretary

Selangor Darul Ehsan

Date: 4 June 2021

Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
- 2. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- 3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- 4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
- 5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.*
- 6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 June 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*



MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
Total number of ordinary shares held	

I/We _____ NRIC/Passport/Company No./Registration No. _____
(Full name in block letters)

of _____
(Full address)

being a member/members of **Minetech Resources Berhad**, do hereby appoint _____

(Full name in block letters and NRIC/Passport No.)

of _____
(Full address)

and/or (delete as appropriate) _____
(Full name in block letters and NRIC/Passport No.)

of _____
(Full address)

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Ballroom 3, Level 2, New World Petaling Jaya Hotel, Paradigm, 1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Monday, 28 June 2021 at 10.00 a.m., or at any adjournment thereof on the following resolutions referred to in the Notice of Extraordinary General Meeting.

The proportion of *my/our holdings to be represented by *my/our proxy(ies) are as follows:

First Proxy: _____ %	Second Proxy: _____ %
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My/our proxy(ies) is to vote as indicated below:

Resolutions	Agenda	FOR	AGAINST
Ordinary Resolution 1	Proposed Private Placement		
Ordinary Resolution 2	Proposed Allocation to Dato' Awang		
Ordinary Resolution 3	Proposed Allocation to Choy Sen		
Ordinary Resolution 4	Proposed Allocation to Awgku		
Ordinary Resolution 5	Proposed Allocation to Chin LC		
Ordinary Resolution 6	Proposed Allocation to Azlan Shah		
Ordinary Resolution 7	Proposed Rights Issue of ICPS		
Ordinary Resolution 8	Proposed SIS		
Ordinary Resolution 9	Proposed Granting of SIS Options to Dato' Awang Daud Bin Awang Putera		
Ordinary Resolution 10	Proposed Granting of SIS Options to Choy Sen @ Chin Kim Sang		
Ordinary Resolution 11	Proposed Granting of SIS Options to Chin Leong Choy		
Ordinary Resolution 12	Proposed Granting of SIS Options to Awgku Mohd Reza Farzak Bin Awg Daud		
Ordinary Resolution 13	Proposed Granting of SIS Options to Azlan Shah Bin Zainal Arif		
Ordinary Resolution 14	Proposed Granting of SIS Options to Abdul Farid Bin Abdul Kadir		
Ordinary Resolution 15	Proposed Granting of SIS Options to Ahmad Rahizal Bin Dato' Ahmad Rasidi		
Ordinary Resolution 16	Proposed Granting of SIS Options to Ahmad Ruslan Zahari Bin Zakaria		
Ordinary Resolution 17	Proposed Granting of SIS Options to Datin Feridah Binti Bujang Ismail		
Ordinary Resolution 18	Proposed Granting of SIS Options to Siti Aishah Binti Othman		
Ordinary Resolution 19	Proposed Granting of SIS Options to Chin Sheong Choy		
Ordinary Resolution 20	Proposed Granting of SIS Options to Chin Jet Choy		



Resolutions	Agenda	FOR	AGAINST
Ordinary Resolution 21	Proposed Diversification into Renewable Energy		
Ordinary Resolution 22	Proposed Diversification into O&G		
Ordinary Resolution 23	Proposed Removal of Director		
Special Resolution 1	Proposed Share Capital Reduction		
Special Resolution 2	Proposed Constitution Amendments		

Please indicate with an "X" in the space provided how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.

Signature/Common Seal of Shareholder

Number of shares held: _____

Date: _____

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 June 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
MINETECH RESOURCES BERHAD
c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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