

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. You should rely on your own evaluation to assess the merits and risks of the Proposed Settlement (as defined herein).

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only conducted limited review on the contents of Part C of this Circular in relation to the Proposed ESS (as defined herein) and Proposed Allocations (as defined herein) prior to its issuance pursuant to the paragraph 4.1(a) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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



TOYO VENTURES HOLDINGS BERHAD

(Registration No.: 202001001322 (1357641-P))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED SETTLEMENT (AS DEFINED HEREIN)

PART B

INDEPENDENT ADVICE LETTER BY THE INDEPENDENT ADVISER TO THE NON-INTERESTED SHAREHOLDERS OF TVHB IN RELATION TO THE PROPOSED SETTLEMENT (AS DEFINED HEREIN)

PART C

PROPOSED ESS (AS DEFINED HEREIN) AND PROPOSED ALLOCATIONS (AS DEFINED HEREIN)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser for Part A and Part C

Independent Adviser for Part B



INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)



ASIA EQUITY RESEARCH SDN BHD
Registration No. 201401027762 (1103848-M)
(Licensed to provide advisory in corporate finance and investment advice)

The Extraordinary General Meeting of TVHB (“**EGM**”) will be held on a virtual basis through live streaming and Remote Participation and Voting Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd on Wednesday, 13 December 2023 at 10:30 a.m. or at any adjournment thereof.

The Proxy Form should be lodged at the share registrar office of TVHB at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Proxy Form : Monday, 11 December 2023 at 10:30 a.m. or any adjournment thereof
Date and time for the EGM : Wednesday, 13 December 2023 at 10:30 a.m. or any adjournment thereof

This Circular is dated 28 November 2023

PART A

PROPOSED SETTLEMENT OF RM354,000,000 OUT OF THE TOTAL OUTSTANDING DEBTS AS AT 22 DECEMBER 2022 OF RM355,154,481 OWING TO NG LU SIONG @ NG SOON HUAT, ENG LIAN (L) INC. AND BUKIT ASA SDN BHD THROUGH THE ISSUANCE OF RM354,000,000 NOMINAL VALUE OF FIVE (5)-YEAR, ZERO COUPON IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS IN TOYO VENTURES HOLDINGS BERHAD (“TVHB”) AT 100% OF ITS NOMINAL VALUE (“PROPOSED SETTLEMENT”)

PART B

INDEPENDENT ADVICE LETTER BY THE INDEPENDENT ADVISER TO THE NON-INTERESTED SHAREHOLDERS OF TVHB IN RELATION TO THE PROPOSED SETTLEMENT

PART C

- (I) PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE SCHEME (“SCHEME”) OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARES OF TVHB (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF TVHB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) (“PROPOSED ESS”); AND**
- (II) PROPOSED ALLOCATIONS OF SHARE OPTIONS AND/OR AWARDS OF NEW ORDINARY SHARES IN TVHB TO THE DIRECTORS OF TVHB UNDER THE PROPOSED ESS**

[The rest of this page has been intentionally left blank]

CONTENTS

PART A**LETTER TO THE SHAREHOLDERS OF TVHB IN RELATION TO THE PROPOSED SETTLEMENT**

	PAGE
DEFINITIONS	A-i
EXECUTIVE SUMMARY	A-iv
1.0 INTRODUCTION.....	A-1
2.0 DETAILS OF THE PROPOSED SETTLEMENT.....	A-3
3.0 RATIONALE.....	A-13
4.0 RISK FACTOR.....	A-14
5.0 EFFECTS OF THE PROPOSED SETTLEMENT.....	A-14
6.0 APPROVALS REQUIRED	A-16
7.0 OUTSTANDING CORPORATE EXERCISES	A-17
8.0 HISTORICAL SHARE PRICES.....	A-17
9.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM.....	A-18
10.0 TRANSACTIONS WITH THE RELATED PARTY FOR THE PAST TWELVE (12) MONTHS	A-18
11.0 DIRECTORS' STATEMENT AND RECOMMENDATION	A-18
12.0 AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT	A-19
13.0 ADVISERS	A-19
14.0 ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSED SETTLEMENT.....	A-19
15.0 EGM.....	A-19
16.0 FURTHER INFORMATION.....	A-20

PART B

LETTER TO THE NON-INTERESTED SHAREHOLDERS OF TVHB IN RELATION TO THE PROPOSED SETTLEMENT	B-21
---	------

APPENDICES OF PART A

I SALIENT TERMS OF THE SETTLEMENT AGREEMENT	A-55
II SALIENT TERMS OF THE ICULS.....	A-60
III FINANCIAL INFORMATION OF TVHB GROUP	A-65
IV FURTHER INFORMATION.....	A-68

CONTENTS (CONT'D)

PART C**LETTER TO THE SHAREHOLDERS OF TVHB IN RELATION TO THE PROPOSED ESS AND PROPOSED ALLOCATIONS**

	PAGE
DEFINITIONS	C-i
EXECUTIVE SUMMARY	C-iv
1.0 INTRODUCTION.....	C-1
2.0 DETAILS OF THE PROPOSED ESS	C-2
3.0 RATIONALE FOR THE PROPOSED ESS	C-8
4.0 EFFECTS OF THE PROPOSED ESS	C-9
5.0 HISTORICAL SHARE PRICES	C-13
6.0 APPROVALS REQUIRED	C-13
7.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM.....	C-14
8.0 DIRECTORS' STATEMENT / RECOMMENDATION	C-15
9.0 OUTSTANDING CORPORATE EXERCISES	C-15
10.0 ESTIMATED TIME FRAME FOR COMPLETION.....	C-15
11.0 EGM	C-15
12.0 FURTHER INFORMATION	C-16
 APPENDICES OF PART C	
I DRAFT BY-LAWS OF THE PROPOSED ESS.....	C-17
II FURTHER INFORMATION.....	C-51
 NOTICE OF EGM	ENCLOSED
 ADMINISTRATIVE GUIDE FOR SHAREHOLDERS	ENCLOSED
 PROXY FORM	ENCLOSED

PART A

**LETTER TO THE SHAREHOLDERS OF TVHB IN RELATION
TO THE PROPOSED SETTLEMENT**

DEFINITION

In Parts A and B of this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Act”	: The Companies Act 2016
“Aborted Proposal”	: Initial proposed settlement of RM250,449,600 out of the total outstanding debts as at 30 June 2020 of RM276,163,600 owing to the Parties through the issuance of RM250,449,600 nominal value of ICULS at 100% of its nominal value, which was terminated on 22 February 2022
“BASB”	: Bukit Asa Sdn Bhd (198401013304 / 125864-U)
“Board”	: Board of directors of TVHB
“BOT Company”	: Song Hau 2 Power Company Limited (6300337421), a wholly-owned subsidiary of TIGB
“Breach of the Spread”	: The public shareholding spread of the Company falls below 25% of the issued share capital of the Company or any such percentage as may be required by the Listing Requirements from time to time
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“CEEIC”	: China Energy Engineering Investment Corporation Limited (91110000MA008P0A00)
“Circular”	: This circular dated 28 November 2023 to the shareholders of TVHB in relation to the Proposed Settlement, Proposed ESS and Proposed Allocations
“Constitution”	: Constitution of the Company
“Creditors”	: Collectively, NLS, ELLI and BASB
“EGM”	: Extraordinary general meeting
“ELESB”	: Eng Lian Enterprise Sdn Bhd (197101000166 / 10531-H)
“ELLI”	: Eng Lian (L) Inc. (LL06589)
“EPCC”	: Engineering, procurement, construction and commissioning
“EPS”	: Earnings per Share
“FPE”	: Financial period ended
“FYE”	: Financial year ended
“IAL”	: The independent advice letter by AER to the non-interested shareholders of TVHB in relation to the Proposed Settlement dated 28 November 2023 as contained in Part B of this Circular
“ICULS”	: Five (5)-year, zero coupon irredeemable convertible unsecured loan stocks to be issued by the Company pursuant to the Proposed Settlement
“Independent Adviser” or “AER”	: Asia Equity Research Sdn. Bhd. (201401027762 / 1103848-M)
“Interested Shareholders”	: Collectively, ELLI, BASB, Ng Ling Li, NLS and Yvonne Po Leng Lam
“Issue Price”	: The issue price of each ICULS at 100.0% of its nominal value of RM1.20
“KAF IB”	: KAF Investment Bank Berhad (197401003530 / 20657-W)

DEFINITION (CONT'D)

“km”	: kilometers
“Listing Requirements”	: The Main Market Listing Requirements issued by Bursa Securities, including any modification, amendment or re-enactment thereof for the time being in force
“LPD”	: 8 November 2023, being the latest practicable date prior to the printing of this Circular
“LTD”	: 23 December 2022, being the last full trading day immediately preceding the Company’s announcement dated 27 December 2022 in relation to the Proposed Settlement
“MOIT”	: Ministry of Industry and Trade of Vietnam
“NA”	: Net assets
“NLS”	: Ng Lu Siong @ Ng Soon Huat
“Outstanding Debts”	: The total outstanding debts as at 22 December 2022 of RM355,154,481 owing by the Group to the Creditors
“PAC”	: Persons acting-in-concert with the Creditors
“Parties”	: Collectively, NLS, ELLI, Biscayne Investments Pte. Ltd. and Nextgen Corporation
“PAT/(LAT)”	: Profit/(Loss) after tax
“PECC2”	: Power Engineering Consulting Joint Stock Company 2 (0300420157), a subsidiary with over 50.0% charter capital held by Vietnam Electricity
“Permitted Transferee”	: A person falling within any of the categories of persons specified in Part I of Schedule 6 of the Capital Markets and Services Act 2007 and where the consideration is not less than two hundred and fifty thousand ringgit (RM250,000) or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise
“Project”	: The power plant project to be implemented by the BOT Company on a build-operate-transfer basis at the Song Hau Power Complex at Hau Giang Province, Vietnam
“Proposed ESS”	: Proposed establishment of the employees’ share scheme of up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the scheme to the eligible persons (excluding dormant subsidiaries), which comprising the Proposed Share Grant (as defined in Part C of this Circular) and Proposed ESOS (as defined in Part C of this Circular)
“Proposed Allocations”	: Proposed allocations of employees’ shares options and/or awards of TVHB Shares to the directors of TVHB under the Proposed ESS
“Proposed Settlement”	: Proposed settlement of the Settlement Sum out of the Outstanding Debts owing to the Creditors through the issuance of RM354,000,000 nominal value of ICULS at 100% of its nominal value
“Related Party”	: A related party as defined in Paragraph 1.01 of the Listing Requirements
“Remaining Debts”	: Remaining debts as at 22 December 2022 after the Proposed Settlement
“RM” and “sen”	: Ringgit Malaysia and sen, respectively

DEFINITION (CONT'D)

“Rules”	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
“SC”	: Securities Commission Malaysia
“Settlement Agreement”	: Collectively, the settlement agreement dated 27 December 2022 as amended by the supplemental settlement agreement dated 23 June 2023 and the second supplemental settlement agreement dated 9 October 2023, all entered into between TVHB and the Creditors pursuant to the Proposed Settlement and includes any amendments, variations or supplemental to the above agreements made and/or entered into from time to time
“Settlement Sum”	: The total settlement amount of RM354,000,000 to the Creditors pursuant to the Proposed Settlement
“Termination”	: Termination of the settlement agreement dated 8 December 2021 in relation to the Aborted Proposal via termination letters dated 22 February 2022
“TIGB”	: Toyo Ink Group Berhad (200201022858 / 590521-D), a wholly-owned subsidiary of TVHB
“Trust ICULS”	: 75,000,000 ICULS to be issued to ELLI representing 25.42% of the total ICULS which have been irrevocably authorised by ELLI to be held on trust by the Trustee for and on behalf of ELLI commencing on the issue date which are not convertible and not transferable save and except in accordance with the terms of the Settlement Agreement and the Trust Deed
“Trust Deed”	: The ICULS will be issued in registered form and constituted by a trust deed to be executed by the Company and the Trustee
“Trustee”	: MTrustee Berhad (198701004362 / 163032-V), being the trustee appointed by the Company, to act for the benefits of the ICULS holders in accordance with the provisions of the Trust Deed
“TVHB” or “Company”	: Toyo Ventures Holdings Berhad (202001001322 / 1357641-P)
“TVHB Group” or “Group”	: TVHB and its subsidiaries, collectively
“TVHB Share(s)” or “Share(s)”	: Ordinary share(s) in TVHB
“USD”	: United States Dollar
“VWAMP”	: Volume-weighted average market price

Words denoting the singular number only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended or re-enacted.

EXECUTIVE SUMMARY

This Executive Summary only highlights the key information of Part A of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular before making a decision on the Proposed Settlement.

<u>Key information</u>	<u>Description</u>	<u>Reference to Part A, of the Circular</u>
Summary of the Proposed Settlement	TVHB had on 27 December 2022 entered into the Settlement Agreement with the Creditors for the Proposed Settlement.	Section 2.1

In accordance to the Settlement Agreement, the Settlement Sum shall be fully settled through the issuance of 295,000,000 ICULS at RM1.20 per ICULS with an aggregate nominal value of RM354,000,000 to the Creditors in the following manner:-

Creditors	Outstanding Debts (RM)	Settlement Sum (RM)	No. of ICULS to be issued	Remaining Debts (RM)
ELLI	325,154,481	324,000,000	270,000,000	1,154,481
BASB	26,000,000	26,000,000	21,667,000	-
NLS	4,000,000	4,000,000	3,333,000	-
Total	355,154,481	354,000,000	295,000,000	1,154,481

Basis and justification of the Issue Price	The Issue Price of RM1.20 per ICULS and the conversion mode of one (1) ICULS for one (1) new TVHB Share were determined after taking into consideration, among others, the following:-	Section 2.4
--	--	-------------

- (i) the Issue Price represents a premium of RM0.05 or 4.35% to the latest audited consolidated NA per Share as at 30 September 2021 of RM1.15 and a premium of RM0.01 or 0.84% to the latest unaudited consolidated NA per Share as at 30 September 2022 of RM1.19, being the latest available audited and unaudited financial statements as at the LTD; and
- (ii) the Issue Price represents a premium of RM0.3474 or 40.75% to the five (5)-day VWAMP of TVHB Shares up to and including the LTD of RM0.8526.

In addition, the Board has taken into consideration that the Outstanding Debts were extended by the Creditors gradually since 2012 and hence, a longer period of assessment on the market prices of TVHB Shares is warranted. The Issue Price is generally higher than the historical market prices of the TVHB Shares traded since 2012 up to the LTD and represents a premium of RM0.490 or 69.01% to the median market price of RM0.710 per TVHB Share over the same period.

[The rest of this page has been intentionally left blank]

EXECUTIVE SUMMARY (CONT'D)

<u>Key information</u>	<u>Description</u>	<u>Reference to Part A, of the Circular</u>
Rationale for the Proposed Settlement	<p>The Proposed Settlement aims to address the long outstanding debts owing to the Creditors which have been gradually accrued since 2012. After due consideration of the various funding option available to the Company, the Board is of the opinion that the issuance of ICULS is the most appropriate avenue for the Proposed Settlement in view of the following:-</p> <ul style="list-style-type: none">(i) the issuance of ICULS enables the Company to substantially settle the long outstanding debts owing to the Creditors without incurring any interest costs as opposed to refinance through interest bearing borrowings;(ii) the issuance of ICULS will not have an immediate dilutive effect on the EPS as opposed to the issuance of new TVHB Shares;(iii) the issuance of new TVHB Shares upon the conversion of ICULS will enable TVHB to increase and strengthen its eventual capital base; and(iv) the issuance of ICULS pursuant to the Proposed Settlement provides greater certainty, in terms of implementation, in addressing the Settlement Sum as opposed to settling the same through other equity funding options, such as rights issue or private placement, which will be subject to the eventual acceptance/agreement by the Company's shareholders and/or potential investors to be identified/secured.	Section 3.0
Risk factor	<p>The Proposed Settlement is conditional upon fulfilment of the conditions precedent to the Settlement Agreement. In the event that the conditions precedent are not fulfilled within the stipulated time period, the completion of the Proposed Settlement may be affected. In this regard, the Board shall take reasonable steps to ensure that there is no delay in fulfilling all the conditions precedent to the Settlement Agreement by the parties concerned and should there be any delay beyond the agreed time period, the Board shall negotiate with the relevant parties to the Settlement Agreement to mutually extend the said period prior to its expiry.</p>	Section 4.0
Approvals required	<p>The Proposed Settlement is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none">(i) Bursa Securities for the listing of and quotation for the new TVHB Shares to be issued upon conversion of ICULS on the Main Market of Bursa Securities;(ii) shareholders of the Company at the EGM to be convened for the Proposed Settlement; and(iii) any relevant authorities and/or parties (if applicable).	Section 6.0

EXECUTIVE SUMMARY (CONT'D)

<u>Key information</u>	<u>Description</u>	<u>Reference to Part A, of the Circular</u>
Interest of directors, major shareholders, chief executive and/or persons connected with them	: The Interested Shareholders are deemed interested in the Proposed Settlement by virtue of their shareholdings in TVHB. Accordingly, they shall abstain from voting and undertake to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in TVHB on the resolution pertaining to the Proposed Settlement to be tabled at the EGM to be convened.	Section 9.0
Directors' statement and recommendation	: The Board, having considered all aspects of the Proposed Settlement, including but not limited to the rationale and effects of the Proposed Settlement, salient terms of the Settlement Agreement, the basis and justification of the Issue Price as well as the views of the Independent Adviser, is of the opinion that the Proposed Settlement is in the best interest of the Company and accordingly, recommends you to vote in favour of the resolution in relation to the Proposed Settlement to be tabled at the forthcoming EGM.	Section 11.0

[The rest of this page has been intentionally left blank]



TOYO VENTURES HOLDINGS BERHAD

(Registration No.: 202001001322 / 1357641-P)
(Incorporated in Malaysia)

Registered Office:
Lot 4.100, Tingkat 4
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

28 November 2023

BOARD OF DIRECTORS

Tuan Hj. Ir. Yusoff Bin Daud (Non-Independent Non-Executive Chairman)
Chew Cheong Loong (Group Managing Director)
Tham Kut Cheong (Executive Director)
Chan Kee Eng (Independent Non-Executive Director)
Low Mei Kheng (Independent Non-Executive Director)
Tan Poh Lee (Independent Non-Executive Director)
Lim Kee Min (Non-Independent Non-Executive Director)
Lim Guan Lee (Non-Independent Non-Executive Alternate Director to Lim Kee Min)

To: The Shareholders of TVHB

Dear Sir/Madam,

PROPOSED SETTLEMENT

1.0 INTRODUCTION

- 1.1 On 8 December 2021, KAF IB had, on behalf of the Board, announced the Aborted Proposal. AER was appointed earlier on 22 April 2021 as the Independent Adviser to advise the non-interested directors and non-interested shareholders of TVHB prior to the finalisation and execution of the settlement agreement in relation to the Aborted Proposal.
- 1.2 On 7 February 2022, KAF IB had, on behalf of the Board, announced that an application has been submitted to Bursa Securities for an extension of time of up to 15 April 2022 for TVHB to submit the draft circular and listing application in relation to the Aborted Proposal to Bursa Securities. Subsequently on 14 February 2022, Bursa Securities had vide its letter granted the aforesaid extension of time.
- 1.3 On 22 and 23 February 2022, KAF IB had, on behalf of the Board, announced that the Company and the Parties had mutually terminated the settlement agreement dated 8 December 2021 via termination letter dated 22 February 2022 on the premise that TVHB is required to revisit and propose a comprehensive plan to resolve the outstanding debts owing by the Group in a holistic manner in light of the total outstanding debts owing to the Parties had increased since then.
- 1.4 On 27 December 2022, KAF IB had, on behalf of the Board, announced that TVHB proposed to undertake the Proposed Settlement. For clarity, AER will continue its role as the Independent Adviser to advise the non-interested directors and non-interested shareholders of TVHB in relation to the Proposed Settlement.

1.5 On 23 June 2023, KAF IB had, on behalf of the Board, announced that TVHB had entered into a supplemental Settlement Agreement to vary certain terms of the Settlement Agreement including, amongst others:-

- (i) the Conditional Period (as defined in Appendix I, Part A of this Circular) for the fulfilment of the conditions precedent to the Settlement Agreement to be extended from six (6) months to twelve (12) months from the date of the Settlement Agreement or such later date as TVHB and the Creditors may mutually agree in writing; and
- (ii) the transferability of the ICULS where the ICULS are fully transferable to persons falling within any of the categories of persons specified in Part I of Schedule 6 of the Capital Markets and Services Act 2007 and where the consideration is not less than two hundred and fifty thousand ringgit (RM250,000) or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise through KAF IB as placement agent.

1.6 On 9 October 2023, KAF IB had, on behalf of the Board, announced that TVHB had entered into a second supplemental Settlement Agreement to vary certain terms of the Settlement Agreement including, amongst others, as follows:-

- (i) ELLI irrevocably authorises the Trustee to hold the Trust ICULS on trust for and on behalf of ELLI commencing on the Issue Date (as defined in Appendix I, Part A of this Circular) and ELLI agrees that the Trust ICULS are not convertible and not transferable save and except in accordance with the terms of the Settlement Agreement and the Trust Deed;
- (ii) the ICULS holders shall have the right at any time during the conversion period to convert such amount of ICULS held into new Shares based on the conversion mode provided that the conversion of such number of ICULS will not result in a Breach of the Spread at the time of conversion as confirmed by the Company in writing;
- (iii) the ICULS are fully transferable to the Permitted Transferees, through KAF IB as placement agent provided always that the ICULS holders shall notify the Company of such proposed transfer of the ICULS at least ten (10) days prior to the date of the proposed transfer and the Company has confirmed in writing that the conversion of such number of ICULS transferred will not result in a Breach of the Spread;
- (iv) inclusion of the conversion rights of the Trust ICULS as follows:-
 - (a) the Trust ICULS are not convertible throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be converted while there remain any ICULS (which are not Trust ICULS) which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, at any time during the conversion period, in the event that ELLI wishes to convert any of the Trust ICULS into new Shares, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the conversion upon obtaining written confirmation from the Company that the conversion of such Trust ICULS will not result in a Breach of the Spread at the time of conversion.

- (b) if, at any time during the tenure, it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on the maturity date, ELLI irrevocably authorises the Company to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure there is no Breach of the Spread on the maturity date.

For the avoidance of doubt, in the event that the conversion of all the remaining ICULS will not result in a Breach of the Spread, all Trust ICULS remaining on the maturity date shall be compulsorily converted to Shares; and

(v) inclusion of the transferability of the Trust ICULS as follows:-

- (a) the Trust ICULS are not transferable throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be sold and/or transferred to the Creditors and/or its Related Party while there remain any ICULS (which are not Trust ICULS) held by the Creditors and/or its Related Party and which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, in the event that ELLI wishes to transfer any of the Trust ICULS, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the transfer to any Permitted Transferee upon obtaining written confirmation from the Company that the conversion of such Trust ICULS to be transferred will not result in a Breach of the Spread at the time of conversion.

- 1.7 On 8 November 2023, KAF IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 8 November 2023 resolved to approve the listing of and quotation for the new TVHB Shares to be issued upon the conversion of the ICULS on the Main Market of Bursa Securities.

Further details of the conditions imposed by Bursa Securities as well as the status of compliance in respect thereof are set out in Section 6.0, Part A of this Circular.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF TVHB WITH THE DETAILS OF THE PROPOSED SETTLEMENT AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED SETTLEMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

SHAREHOLDERS OF TVHB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDICES AND IAL CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SETTLEMENT TO BE TABLED AT THE FORTHCOMING EGM.

2.0 DETAILS OF THE PROPOSED SETTLEMENT

2.1 Background information of the Proposed Settlement

Following the Termination, TVHB and the Parties have continued negotiations in an effort to resolve the outstanding debts owing by TVHB Group in a holistic manner. Pursuant thereto, TVHB had on 27 December 2022 entered into the Settlement Agreement with the Creditors for the Proposed Settlement. On 23 June 2023 and 9 October 2023, TVHB entered into a supplemental Settlement Agreement and second supplemental Settlement Agreement respectively, to vary certain terms of the Settlement Agreement. The salient terms of the Settlement Agreement are set out in Appendix I, Part A of this Circular.

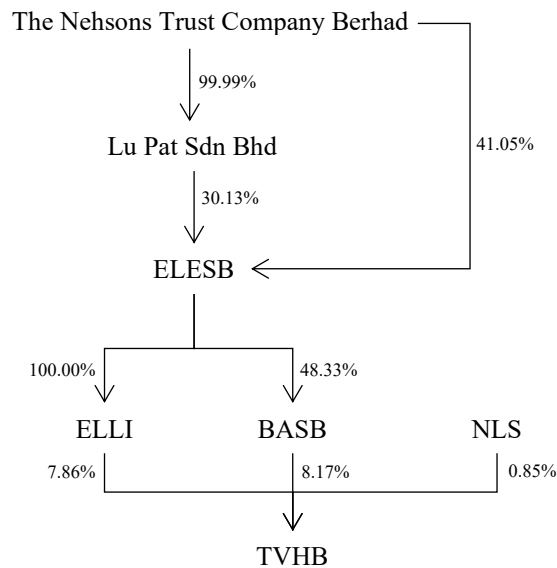
In accordance with the Settlement Agreement, the Settlement Sum shall be fully settled through the issuance of 295,000,000 ICULS at RM1.20 per ICULS with an aggregate nominal value of RM354,000,000 to the Creditors in the following manner:-

Creditors	Outstanding Debts (RM)	Settlement Sum (RM)	No. of ICULS to be issued	Remaining Debts (RM)
ELLI	325,154,481	324,000,000	270,000,000	1,154,481
BASB	26,000,000	26,000,000	21,667,000	-
NLS	4,000,000	4,000,000	3,333,000	-
Total	355,154,481	354,000,000	295,000,000	1,154,481

For the avoidance of doubt, the Creditors agree that should the Outstanding Debts be less than the sum of RM355,154,481 on the settlement date, the Settlement Sum and the number of ICULS to be issued may be reduced in proportion to the reduction of the Outstanding Debts, at the sole discretion of TVHB. The salient terms of the ICULS are set out in Appendix II, Part A of this Circular.

2.2 Information on the Creditors

The shareholdings of TVHB held by the Creditors as at the LPD are depicted below:-



2.2.1 Information on ELLI

ELLI was incorporated in Labuan, Malaysia on 30 June 2008 as a private limited company and is principally an investment holding company. As at the LPD, the issued share capital of ELLI is USD124,001,000 comprising 125,000 ordinary shares. ELLI is a wholly-owned subsidiary of ELESB and the directors of ELLI are NLS and David Edgar Lee, all of whom are Malaysians.

As at the LPD, ELLI is a substantial shareholder of TVHB, having a direct interest in TVHB of 7.85% whilst ELESB is a major shareholder of TVHB, having an indirect interest in TVHB of 16.03%.

2.2.2 Information on BASB

BASB was incorporated in Malaysia as a private limited company on 27 August 1984. It is principally a plantation and investment holding company. As at the LPD, the issued share capital of BASB is RM30,000,000 comprising 30,000,000 ordinary shares. As at the LPD, the major shareholders of BASB are ELESB, The Nehsons Trust Company Berhad, Ng Eng Hiam Plantations Sdn Bhd and Ng Leong Sing Sdn Bhd, while the directors of BASB are NLS, Ng Lu Pat, and Ng Ping Ho, all of whom are Malaysians.

As at the LPD, BASB is a substantial shareholder of TVHB, having a direct interest in TVHB of 8.17%.

2.2.3 Information on NLS

NLS is a Malaysian aged 76. As at the LPD, he is a major shareholder of TVHB, having direct interests in TVHB as at the LPD of 0.85%.

2.3 Nature of the Outstanding Debts

2.3.1 Power plant project

In 2007, TIGB submitted to the Government of Vietnam a proposal to undertake a power plant project at a suitable province in Vietnam. TIGB had since jointly worked with the local authorities and consultants in Vietnam to explore and locate the suitable site for the power plant project. In pursuance of the study and assessment on the availability and suitability of the existing infrastructure, it had since decided to construct the Project in 2011 upon obtaining the notification letter dated 30 November 2011 from the Vietnamese Government that the Deputy Prime Minister of Vietnam has agreed on the following:-

- (i) TIGB shall conduct research and development of the Project;
- (ii) MOIT will preside, co-operate with the People’s Committee of Hau Giang Province in providing guidance to TIGB in the setting up of the Project and implementation of next steps of the Project, organisation of assessment and submission for approval as required by laws;
- (iii) TIGB shall co-operate and work closely with the provincial authorities to develop and complete all legal procedures for submission to the relevant ministries, agencies and government authorities in the setting up of the Project;
- (iv) TIGB to negotiate with the authorities on all the Project’s agreements including the power purchase agreement and implementation agreement; and
- (v) TIGB shall negotiate with a few parties to incorporate a joint venture company in Vietnam to undertake the Project.

The Project is proposed to be implemented with a total capacity of 2 x 1,060 megawatt and to be powered by a coal-fired generating unit. In addition, the Project includes ancillary infrastructure, such as coal handling system, cooling and fresh water systems, pollutant and waste control, removal and treatment systems, coal yard and a dedicated 2 x 10,000 deadweight tonnage coal jetties.

Song Hau Power Complex, which covers an area of about 117.39 hectares, is located at Phu Huu A commune, Chau Thanh district, Hau Giang province. Away from Can Tho city along the Nam Song Hau Highway about 20km downstream and about 200km from Ho Chi Minh city. For clarity, the Project forms an integral part of the Song Hau Power Complex, which is segregated into Song Hau 1 thermal power plant and Song Hau 2 thermal power plant, i.e. the Project. The project site bordered by Hau river to the north, Nga Bat irrigation ditch to the east, Nam Song Hau Highway to the south and Cai Dau irrigation ditch to the west. It has low terrain with an average elevation of within 3 meters above sea level. The Project site is shown on the map below:-



Subject to the finalisation of the detailed specifications for the Project, the ancillary infrastructure of the Project and the associated project documents, the total investment of the Project, as approved by the Vietnamese Government, is estimated at USD3.24 billion (equivalent to approximately RM14.04 billion based on an exchange rate of USD1.00 : RM4.3345 as at the LPD), which is intended to be financed through a combination of equity funds and bank borrowings.

On 26 October 2020, following the completion of an internal reorganisation which has resulted in the transfer of listing status of TIGB to TVHB, TIGB ceased to be a public listed company and became a wholly-owned subsidiary of TVHB. Thereafter, on 22 January 2021, TVHB entered into an investment and development agreement (“**IDA**”) with TIGB and CEEIC to record the mutual agreed principals, terms and conditions for the joint development of the Project and the conditions precedent to CEEIC’s investment in the Project. Pursuant to the IDA, amongst others, TVHB and TIGB shall use their best endeavour to negotiate with MOIT to revise the agreement entered into between TIGB and MOIT for the purpose of the Project (“**BOT Contract**”) to allow TVHB to transfer its holding of ordinary shares in TIGB to other investors or for other investors to subscribe for new ordinary shares in TIGB. Nonetheless, the IDA has lapsed pursuant to the announcement made by the President of the People’s Republic of China in September 2021 that the People’s Republic of China will not build any new coal-fired power projects abroad.

On 25 October 2022, TIGB and the BOT Company had entered into a term sheet for key commercial terms with PECC2 in relation to the EPCC and start-up of the Project (“**Term Sheet**”).

On 28 December 2022, TIGB and the BOT Company had entered into an interim EPCC agreement with Sunway-PECC2 consortium, an unincorporated consortium comprising Sunway Construction Sdn Bhd, a wholly-owned subsidiary of Sunway Construction Group Berhad and PECC2 (“**Sunway-PECC2 Consortium**”). The agreement sets out the framework for negotiations and discussions for the parties to establish the detailed terms and conditions for the design, engineering, procurement, manufacture, supply, construction, erection, testing and commissioning of the Project (“**EPCC Works**”). Pursuant thereto, the Term Sheet was aborted and replaced with the abovementioned interim EPCC agreement.

On 1 March 2023, the BOT Company entered into an EPCC agreement with the Sunway-PECC2 Consortium in relation to the EPCC Works (“**EPCC Agreement**”), at a contract price of USD2.42 billion, derived from an independent review of forecast and projections for the Project by FHMH Corporate Advisory in January 2022, on the financial model originally prepared by KPMG China in July 2017. The contract price consists mainly of the estimated cost for preparatory works, civil part, boiler and auxiliaries, mechanical plant and electrical. Pursuant to the EPCC Agreement:-

- (a) the scope of the EPCC Works shall include all design, engineering, procurement, supply, manufacturing, construction, installation, erection, testing, commissioning, completion, labour, services, facilities, equipment, supplies and materials to be furnished, supplied or performed by the Sunway-PECC2 Consortium and/or any of its subcontractors or suppliers of any tier in accordance with the EPCC Agreement in relation to the Project, the infrastructure facilities, the housing facilities and any other permanent structures including infrastructure to be erected at site as provided under the EPCC Agreement.
- (b) Sunway-PECC2 Consortium’s commencement of the EPCC Works shall be subjected to the receipt of the Notice to Proceed (“**NTP**”) issued by the BOT Company. The date of receipt of the NTP by Sunway-PECC2 Consortium shall be the “commencement date” (“**Commencement Date**”).
- (c) the BOT Company shall notify Sunway-PECC2 Consortium of the proposed date for the issuance of the NTP at least 30 days prior thereto, in which the BOT Company can only issue the NTP after the following conditions have been satisfied to the Sunway-PECC2 Consortium:-
 - the BOT Company has achieved the financial closing date;
 - the BOT Company has the right to grant possession of the site, free of all encumbrances, to Sunway-PECC2 Consortium for the purposes of the EPCC Works; and
 - the BOT Company has reviewed and approved Sunway-PECC2 Consortium’s proposal.

Sunway-PECC2 Consortium shall commence the execution of the EPCC Works on, or as soon as practicable, after the date of receipt of the NTP.

- (d) the time for completion of the EPCC Works is 54 months from the Commencement Date.

On 9 March 2023, the BOT Company entered into an agreement with PECC2 in relation to the operation and maintenance of the Project and the responsibility of the BOT Company to procure, obtain and maintain all consents for the Project (“**O&M Agreement**”) at a contract price of USD86.0 million annually which comprises site works, technical services and advisory services. The salient terms of O&M Agreement are, among others, as follows:-

- (aa) Operation and maintenance work (“**O&M Works**”) scope:-
- boiler turbine and generator (“**BTG**”) operation (including auxiliary systems such as boiler feed water pump, closed cycle cooling water, ash handling, slag handling, desuphurisation, electrostatic precipitators, selective catalytic reduction, boiler start-up etc);
 - balance of plant (“**BOP**”) systems operation and maintenance (including those systems such as coal handling, ash handling, chemical and water, waste water treatment, residue handling, start-up boiler, chemical, hydrogen production, fire protection, air compressing, ventilation, air conditioning, fuel operation and jetty, etc.);
 - the structures and auxiliary facilities within the BTG system area and BOP system area; and
 - control room power plant operation (including despatch power into the grid and overall controls of the generating system).
- (bb) The O&M Agreement shall continue to be in force and effect from the date of the O&M Agreement until the termination date of the BOT Contract or the O&M Agreement, whichever is earlier. PECC2 shall commence the operation and maintenance services from the date of receipt of the notice issued by the BOT Company.

On 5 October 2023, the BOT Company entered into an Addendum No.1 to the EPCC Agreement with Sunway Construction Sdn Bhd and PECC2 to vary the following terms of the EPCC Agreement:-

- (aaa) to extend the proposed date for issuance of the NTP to a date on or before 30 June 2024, or such other date as the BOT Company, Sunway Construction Sdn Bhd and PECC2 may mutually agree upon in writing; and
- (bbb) to amend the definition and provisions relating to the Limited NTP whereby the BOT Company shall provide Sunway Construction Sdn Bhd and PECC2 with limited access to the site for Sunway Construction Sdn Bhd and PECC2 to carry out phase 1 and 2 of the Limited NTP works to a total value not exceeding USD9.5 million which form part of the EPCC Works before obtaining the NTP from the BOT Company;

Barring any unforeseen circumstances and on the premise that the requisite financings for the Project can be successfully procured, the Board anticipates that the construction of the Project would be completed and commenced operations in year 2028.

2.3.2 Outstanding Debts

As at 22 December 2022 (a day prior to LTD), the Group had incurred a total initial development costs of RM445,658,644 in relation to the Project (“**Initial Development Costs**”), with the breakdown as follows:-

Descriptions	RM'000
Project consultancy fees ⁽¹⁾	407,271
Legal fees ⁽²⁾	22,492
Finance cost ⁽³⁾	8,574
Operations costs in Vietnam office ⁽⁴⁾	3,943
Other costs in relation to the Project ⁽⁵⁾	2,203
Advance payment for leasing of the land where the Project is located (“ Land Lease ”)	813
Payment to MOIT	363
Total	445,659

Notes:-

- (1) *Comprising Project consultancy fees incurred between 7 May 2007 and 22 December 2022 for the purposes amongst others:-*
- *preparation of the Project's policy to be in line with the Vietnamese Government's energy development policy between May 2007 and December 2022. For clarity, the preparation of Project's policy is an on-going process as it needs to be updated in the event there are any changes to the Vietnamese Government's energy development policy prior to the operations of the Project;*
 - *identify, survey and finalisation of the location of the Project's site between May 2007 and December 2015;*
 - *preparation of the Project's feasibility study report between May 2007 and February 2014;*
 - *submission of the Project's preliminary reports to MOIT and Vietnamese Government such as, amongst others, the Project's location, the Project's feasibility study report, the applications for Vietnamese licences and permits between May 2007 and December 2015;*
 - *preparation, submission and negotiation of draft BOT Contract, agreement in relation to the Land Lease ("LLA") and power purchase agreement ("PPA") together with the legal advisers between September 2015 and December 2020;*
 - *coordinate with the Vietnamese Government and the relevant authorities in resolving the issues faced in relation to the Project as well as the BOT Contract, PPA, shared facilities and services agreement, government guarantee and undertaking agreement and LLA (collectively known as "Key Agreements") between January 2020 and December 2020;*
 - *advising on the power price and profit rate under the Key Agreements between January 2020 and December 2020;*
 - *obtaining approval from MOIT on the extension of time in relation to the operative provisions and waiver of strict compliance of timeline in the BOT Contract between November 2021 and December 2021;*
 - *advising on the EPCC Works and O&M Works for the preparation and finalisation of EPCC Agreement and O&M Agreement from September 2022 up to December 2022. For clarity, the advisory services are on-going until the signing of the aforesaid agreements; and*
 - *assisting in securing the Project's financing facilities from October 2022 up to December 2022. For clarity, the assistance provided is on-going until the required Project's financing facilities are secured.*
- (2) *In relation to the preparation of the Key Agreements, EPCC Agreement and O&M Agreement (collectively known as "Agreements") between June 2013 and December 2022, which include, amongst others, providing legal advices in relation to the Agreements, negotiating and finalising the Agreements as well as attending meetings and discussions leading to the execution of the Agreements. For clarity, the preparation works for EPCC Agreement and O&M Agreement are on-going until the signing of the agreements.*
- (3) *Finance cost in relation to the bank guarantee procured as initial security deposit of USD32.4 million in favour of MOIT, which includes, amongst others, the facility fee, professional fee, processing fees and the commission fees.*
- (4) *This includes, amongst others, staff costs, rental as well as operation and administrative expenses of the Vietnam's office.*
- (5) *This includes, amongst others, travelling expenses, accommodation expenses, meal allowances, forex exchange gain/loss and other miscellaneous expenses.*

For clarity, out of the total Outstanding Debts,-

- (i) RM283,044,481 had been utilised to finance the Initial Development Costs. Such debts have been recorded as other payables under non-current liabilities with the corresponding entry being reflected as power plant development project account under non-current assets in the audited consolidated financial statements of TVHB as at 30 September 2022, whilst
- (ii) the remaining RM72,110,000 had been earmarked for payment to the People's Committee of Hau Giang Province to settle all the outstanding cost for the Land Lease and such payment has yet to be made as at the LPD. Such debts have been recorded as other payables under non-current liabilities with the corresponding entry being captured as cash and bank balances under current assets in the unaudited consolidated financial statements of TVHB as at 31 December 2022. The Board anticipates the settlement of such payment by the 1st quarter of 2024.

The Board, after taking into consideration various methods of raising funds for the Project at the material time, was of the opinion that the advances provided by the Creditors were the most appropriate option to raise the required funds as the said advances:-

- (a) were provided by the Creditors without any interest or fixed schedule of repayment as opposed to bank borrowings, thereby enabling the Group to have better control and flexibility over its cash flows;
- (b) were not collateralised as opposed to bank borrowings, which would generally require collaterals from the borrower; and
- (c) were provided on a timely manner which had enable the Group to fund the initial development costs incidental to the Project accordingly.

The breakdown of the Outstanding Debts is set out in the table below:-

Creditors	Periods	Purpose	Amount (RM)
ELLI	FYE 31 March 2012	Project's consultancy fee and legal fee	6,340,000
	FYE 31 March 2014		198,000
	FYE 31 March 2015		16,886,000
	FYE 31 March 2016		70,055,000
	FYE 31 March 2017		65,048,500
	FYE 31 March 2018		30,412,000
	FYE 31 March 2019		12,120,000
	15-months FPE 30 June 2020		25,104,000
	15-months FPE 30 September 2021		27,538,481
	FYE 30 September 2022		Project's consultancy fee and legal fee
	Up to 22 December 2022	Payment for Land Lease	57,110,000
		<u>325,154,481</u>	
BASB	FYE 30 September 2022	Project's consultancy fee and finance cost	11,000,000
	Up to 22 December 2022	Payment for Land Lease	15,000,000
		<u>26,000,000</u>	
NLS	FYE 31 March 2017	Project's consultancy fee and legal fee	4,000,000
		<u>4,000,000</u>	
Outstanding Debts			<u>355,154,481</u>

Over the above, from 22 December 2022 up to the LPD, the Company had procured an additional funding as follows:-

- (aa) RM3.0 million from NLS for the payment of Project's consultancy fee such as, amongst others, assisting in securing the Project's financing facilities as well as advising on the EPCC Works and O&M Works for the preparation and finalisation of EPCC Agreement and O&M Agreement; and

(bb) RM3.43 million from ELLI for the payment of Project's legal fee and finance cost.

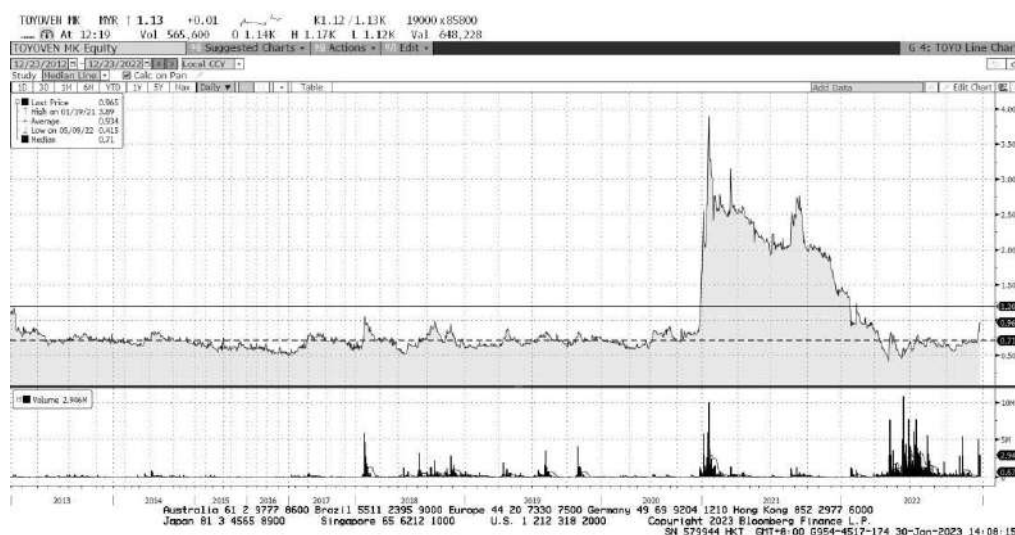
In the event further funds are required to be procured from the Creditors in the future, such funds shall be procured on the same term as described in Section 2.3.2 (i) above.

2.4 Basis and justification for the Issue Price

The Issue Price of RM1.20 per ICULS and the conversion mode of one (1) ICULS for one (1) new TVHB Share, were determined and fixed by the Board, after taking into consideration, among others, the following:-

- (i) the Issue Price represents a premium of RM0.05 or 4.35% to the latest audited consolidated NA per Share as at 30 September 2021 of RM1.15 and a premium of RM0.01 or 0.84% to the latest unaudited consolidated NA per Share as at 30 September 2022 of RM1.19, being the latest available audited and unaudited financial statements as at the LTD; and
- (ii) the Issue Price represents a premium of RM0.3474 or 40.75% to the five (5)-day VWAMP of TVHB Shares up to and including LTD of RM0.8526.

In addition, the Board has taken into consideration that the Outstanding Debts were extended by the Creditors gradually since 2012 and hence, a longer period of assessment on the market prices of TVHB Shares is warranted. Premised on the chart illustrated below, the Issue Price is generally higher than the historical market prices of the TVHB Shares traded since 2012 up to the LTD and represents a premium of RM0.490 or 69.01% to the median market price of RM0.710 per TVHB Share over the same period.



(Source: Bloomberg)

[The rest of this page has been intentionally left blank]

2.5 Ranking of the ICULS and the new TVHB Shares to be issued upon the conversion of the ICULS

The ICULS shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and subject to the provisions contained in the trust deed, at all-time rank equally, without discrimination, preference or priority among themselves and rank at least equally with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of the Company from time to time, except for those which are preferred by law.

The new TVHB Shares to be issued upon the conversion of the ICULS shall, upon issue and allotment, rank equally in all respects with the then existing TVHB Shares, save and except that such new TVHB Shares to be issued arising from the conversion of the ICULS shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement of which is prior to the date of allotment of such new TVHB Shares to be issued arising from the conversion of the ICULS.

2.6 Listing on Main Market of Bursa Securities

The ICULS will not be listed on the Main Market of Bursa Securities.

However, the new TVHB Shares to be issued upon the conversion of the ICULS will be listed on Main Market of Bursa Securities. Bursa Securities had vide its letter dated 8 November 2023 approved the listing of and quotation for the new TVHB Shares to be issued upon conversion of the ICULS on the Main Market of Bursa Securities subject to the conditions as set out in Section 6.0, Part A of this Circular.

2.7 Pre-emptive rights to ICULS and new TVHB Shares

Section 85(1) of the Act and clause 16(d) of the Constitution are extracted as follows:-

Section 85(1) of the Act

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

Clause 16(d) of the Constitution

“Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the number of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

In order for the Board to issue the ICULS and new TVHB Shares (arising from the conversion of the ICULS) free of pre-emptive rights, such pre-emptive rights must be waived. As such, the Company will seek for the shareholders' approval for a waiver of such pre-emptive rights at the forthcoming EGM. The resolution in relation to the Proposed Settlement if passed, will exclude the shareholders' statutory pre-emptive rights pursuant to Section 85(1) of the Act and clause 16(d) of the Constitution to be first offered the ICULS and new TVHB Shares to be issued upon conversion of the ICULS pursuant to the Proposed Settlement.

2.8 Implications on the Rules

The Proposed Settlement is not expected to trigger any mandatory general offer obligations under the Rules by the Creditors and PAC immediately upon the completion of the Proposed Settlement. Should the Creditors and PAC convert their holdings of ICULS into new TVHB Shares during the tenure of the ICULS such that their shareholdings in TVHB exceed 33%, whether individually or collectively, they will be required to extend a mandatory take-over offer for all the remaining TVHB Shares and convertible securities not already owned by them pursuant to the Rules.

For the avoidance of doubt, it is not the intention of the Creditors and PAC to undertake a mandatory take-over offer. In such an event, the Creditors and PAC will make an application to the SC to seek an exemption under the Rules from the obligation to undertake a mandatory take-over offer prior to the conversion of such portion of their holdings of ICULS that will trigger such obligation under the Rules. The Creditors and PAC will at all times observe and ensure compliance with the provisions of the Rules.

2.9 Fund raising exercise undertaken by the Company for the past five (5) years

Save as disclosed below, there is no other fund raising exercise undertaken by the Company for the past five (5) years prior to the date of this Circular:-

- (i) On 5 February 2021, the Company announced a private placement of up to ten percent (10%) of the total number of issued Shares. The aforesaid private placement was completed on 16 April 2021 following the listing of and quotation for 10,700,000 new Shares on the Main Market of Bursa Securities and raised a total gross proceeds of RM25.15 million. The status of the utilisation of the said gross proceeds as at the LPD are as follows:-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
Investment in the Project	24,500	24,605
Estimated expenses in relation to the private placement*	650	545
	25,150	25,150

Note *:- The actual expenses incurred for the private placement was RM545,000. Thus, the outstanding balance of RM105,000 were utilised for investment in the Project.

2.10 Proceeds from the conversion of ICULS

No proceeds will be raised from the conversion of the ICULS as the ICULS are convertible into new TVHB Shares by surrendering one (1) ICULS for one (1) new TVHB Share without payment of any cash consideration.

2.11 Public shareholdings spread of the Company

Pursuant to Paragraph 8.02(1) of the Listing Requirements, at least 25% of TVHB's total listed Shares (excluding treasury shares) are required to be held by public shareholders. Assuming that:-

- (i) all the Creditors convert all their ICULS (save for all the Trust ICULS) into new TVHB Shares; and
- (ii) the Trustee, in accordance with the terms of the Settlement Agreement:-
- (a) sells all the Trust ICULS to Permitted Transferee (and assuming such sold Trust ICULS are being converted into new TVHB Shares); and/or
- (b) converts all the Trust ICULS into new TVHB Shares and sells such number of Shares,

the public shareholding spread of TVHB is expected to decrease from 42.63% to approximately 30.32% (computed based on the shareholding information as at the LPD), which is in compliance with the requisite threshold of at least 25% of its total listed Shares to be held by public shareholders.

For clarity, the obligation of the Trustee to sell all the Trust ICULS and/or convert all the Trust ICULS into new TVHB Shares and sells such number of Shares is set out in item (xiii)(c) of Appendix II, Part A of this Circular, which states that, if, at any time during the tenure of the ICULS, it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on the maturity date, the Company is irrevocably authorised by ELLI to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure that there is no Breach of the Spread on the maturity date.

Further, pursuant to item (xxiii) of Appendix II, Part A of this Circular, the ICULS are only transferable to the Permitted Transferee provided that the Company has confirmed in writing that the conversion of such number of ICULS transferred will not result in a Breach of the Spread. The Trust ICULS are also not transferable to the Creditors and/or its Related Party while there remain any ICULS (which are not Trust ICULS) held by the Creditors and/or its Related Party and which have not been converted or sold and/or transferred at the relevant point in time. In the event that ELLI wishes to transfer any of the Trust ICULS, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the transfer to any Permitted Transferee upon obtaining written confirmation from the Company that the conversion of such Trust ICULS to be transferred will not result in a Breach of the Spread at the time of conversion.

In short, the Company will ensure that there will not be a Breach of the Spread arising from the conversion of the ICULS pursuant to the Proposed Settlement.

3.0 RATIONALE

The Proposed Settlement aims to address the long outstanding debts owing to the Creditors which have been gradually accrued since 2012. After due consideration of the various funding option available to the Company, the Board is of the opinion that the issuance of ICULS is the most appropriate avenue for the Proposed Settlement in view of the following:-

- (i) the issuance of ICULS enables the Company to substantially settle the long outstanding debts owing to the Creditors without incurring any interest costs as opposed to refinance through interest bearing borrowings;
- (ii) the issuance of ICULS will not have an immediate dilutive effect on the EPS as opposed to the issuance of new TVHB Shares;
- (iii) the issuance of new TVHB Shares upon the conversion of ICULS will enable TVHB to increase and strengthen its eventual capital base; and
- (iv) the issuance of ICULS pursuant to the Proposed Settlement provides greater certainty, in terms of implementation, in addressing the Settlement Sum as opposed to settling the same through other equity funding options, such as rights issue or private placement, which will be subject to the eventual acceptance/agreement by the Company's shareholders and/or potential investors to be identified/secured.

In addition, the Board has also considered the following aspects in relation to the Proposed Settlement:-

(a) Impact of the Proposed Settlement and value creation to the Group and its shareholders

For the purpose of illustration only, based on the latest audited consolidated financial statements of TVHB for the FYE 30 September 2022, the Group will be able to reduce its total liabilities of approximately RM361.31 million by RM354.00 million to approximately RM7.31 million upon the completion of the Proposed Settlement, which will in effect enhance the Group's NA position and at the same time, reduce its gearing ratio. Further, the Proposed Settlement would enable the Group to preserve its cash flow for the working capital requirement for its existing businesses and/or the Project.

Nonetheless, upon the issuance of new TVHB Shares pursuant to the conversion of ICULS, the existing shareholders' shareholdings will be diluted. It may also dilute the Group's EPS if the earning of the Group does not increase in tandem with the increase in the number of TVHB Shares.

(b) Adequacy of the Proposed Settlement in addressing the Group's financial concern

As highlighted in Section 3.0 (i) to (iii) above, the Proposed Settlement is the most appropriate avenue at this juncture, as it aids the Group to settle the long outstanding Settlement Sum, which will in turn improve the Group's overall gearing position without incurring any cash outflows. In the future, in the event if the Group requires additional fund for its business operation and/or the Project, the Group may consider bank borrowings and/or equity/debt fund raising exercises.

In the latest Annual Report of TVHB for 2022 ("**Annual Report**"), the auditors had, amongst others, highlighted a key audit matter relating to the impairment assessment on the Project. As stated in the Annual Report, "*..... there is no impairment loss recognised on the [Project] as the Directors are confident to secure further extension period from [MOIT]*", however in the event "*MOIT does not grant further extension period to the Group for completion of the preconditions of the Project, the whole development expenditure would potentially be impaired.*".

In relation to the foregoing, the Directors of TVHB wishes to highlight that TIGB and the BOT Company had received a letter from MOIT on 9 November 2023 for an extension of the financial recovery period of the Project from 24 June 2022 to 30 June 2024. Further progress on the Project includes the following:-

- the BOT Company's lawyer had issued a letter on 17 October 2023 to the BOT Company's auditors in relation to the audit verification for the BOT Company; and
- TIGB had in June 2023 appointed Northeast Electric Power Design Institute Co. Ltd. as an independent consultant to update the entire feasibility study for the subsequent implementation of the Project.

In the meantime, the BOT Company is in the midst of procuring a letter of offer from a local financial institution for the financing of the Project.

4.0 RISK FACTOR

The Proposed Settlement is conditional upon fulfilment of the conditions precedent to the Settlement Agreement. In the event that the conditions precedent are not fulfilled within the stipulated time period, the completion of the Proposed Settlement may be affected. In this regard, the Board shall take reasonable steps to ensure that there is no delay in fulfilling all the conditions precedent to the Settlement Agreement by the parties concerned and should there be any delay beyond the agreed time period, the Board shall negotiate with the relevant parties to the Settlement Agreement to mutually extend the said period prior to its expiry.

5.0 EFFECTS OF THE PROPOSED SETTLEMENT

5.1 Convertible securities

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

5.2 Share capital

The pro forma effects of the Proposed Settlement on the share capital of TVHB are as follows:-

	No. of Shares	RM
As at the LPD	123,864,702	140,848,512
To be issued upon full conversion of ICULS	295,000,000	*351,400,000
Enlarged issued share capital	418,864,702	492,248,512

*Note *:- Pursuant to the Proposed Settlement, RM354.00 million will be capitalised as equity pertaining to the issuance of 295.00 million ICULS, whilst the estimated expenses of RM2.60 million will be deducted against equity.*

5.3 Earnings and EPS

The Proposed Settlement will result in a dilution of the EPS of TVHB arising from the increase in the number of TVHB Shares in issue upon the conversion of the ICULS.

5.4 NA per Share and gearing

The pro forma effects of the Proposed Settlement on the NA per TVHB Share and gearing of TVHB based on the audited consolidated financial statements of TVHB as at 30 September 2022 are as follows:-

	Audited as at 30 September 2022 RM'000	(I) (1) After the subsequent events RM'000	(II) After the Proposed Settlement RM'000	(III) After (II) and full conversion of ICULS RM'000
Share capital	131,605	140,849	140,849	492,249
ICULS – Equity portion	-	-	(2) 351,400	-
Other reserves	6,830	6,830	6,830	6,830
Retained profits	2,559	2,559	2,559	2,559
Shareholders' equity / NA	140,994	150,238	501,638	501,638
No. of Shares ('000)	117,703	123,865	123,865	418,865
NA per Share (RM)	1.20	1.21	4.05	1.20
Total borrowings (RM'000)	8,470	8,470	8,470	8,470
Gearing (times)	0.06	0.06	0.02	0.02

Notes:-

- (1) *After adjusted for the issuance of 6,162,200 Shares pursuant to the exercise of 6,162,200 warrants (which expired on 6 November 2023) at an exercise price of RM1.50 per warrant.*
- (2) *The estimated equity component of the ICULS arising from the Proposed Settlement of RM354.00 million is equivalent to the Settlement Sum after netting-off the estimated expenses of RM2.60 million.*

5.5 Substantial shareholders' shareholdings

The Proposed Settlement is not expected to have any immediate effect on the shareholdings of the Company's substantial shareholders until such time the ICULS are converted into new TVHB Shares. The pro forma effects of the Proposed Settlement on the substantial shareholders' shareholdings of the Company are set out as below:-

	As at the LPD				Upon the conversion of the ICULS (1)			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	9.82	-	-	12,158,740	2.90	-	-
Lim Guan Lee	11,425,204	9.22	-	-	11,425,204	2.73	-	-
BASB	10,125,000	8.17	-	-	31,792,000	7.59	-	-
ELLI	9,728,525	7.85	-	-	204,728,525	48.88	-	-
Tham Weng Seng	7,469,132	6.03	-	-	7,469,132	1.78	-	-
Ng Tze Woei	7,229,843	5.84	-	-	7,229,843	1.73	-	-
Ng Ling Li	250,000	0.20	(2)19,853,525	16.03	250,000	0.06	(2)236,520,525	56.47
Lam Peng Kee	185,500	0.15	(3)12,158,740	9.82	185,500	0.04	(3)12,158,740	2.90
Yvonne Po Leng Lam	150,000	0.12	(2)19,853,525	16.03	150,000	0.04	(2)236,520,525	56.47
ELESB	-	-	(4)19,853,525	16.03	-	-	(4)236,520,525	56.47
Lu Pat Sdn. Bhd.	-	-	(5)19,853,525	16.03	-	-	(5)236,520,525	56.47
The Nehsons Trust Company Berhad	-	-	(6)19,853,525	16.03	-	-	(6)236,520,525	56.47
Ng Tee Chuan	-	-	(2)19,853,525	16.03	-	-	(2)236,520,525	56.47
Geraldine Marie Tse Chian Ng	-	-	(2)19,853,525	16.03	-	-	(2)236,520,525	56.47
Ng Eam Chin	-	-	(2)19,853,525	16.03	-	-	(2)236,520,525	56.47
Fong Siew Ching	-	-	(7)12,344,240	9.97	-	-	(7)12,344,240	2.95
Tham Kut Cheong	-	-	(8)15,734,330	12.70	-	-	(8)15,734,330	3.76
Other existing shareholders (9)	65,142,758	52.59	-	-	143,475,758	34.25	-	-

Notes:-

- (1) Based on the assumptions in Sections 2.11 (i) and (ii), Part A of this Circular.
- (2) Deemed interested by virtue of his/her interests in The Nehsons Trust Company Berhad pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his interest in Pembinaan Maju Wangi Sdn. Bhd. pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in ELLI and BASB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its interest in ELESB pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of its interest in ELESB and Lu Pat Sdn. Bhd. pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of her interest in Pembinaan Maju Wangi Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of her spouse, Lam Peng Kee's interest in the Company.
- (8) Deemed interested by virtue of the shareholdings of his children, namely Tham Yin Ming, Tham Yik Seng and Tham Weng Seng in the Company.
- (9) Including shareholding of NLS as follows:-

	As at the LPD				Upon the conversion of the ICULS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
NLS	1,055,555	0.85	-	-	4,388,555	1.05	-	-

6.0 APPROVALS REQUIRED

The Proposed Settlement is subject to the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for the new TVHB Shares to be issued upon conversion of ICULS on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 8 November 2023 and is subject to the following conditions:-

Conditions	Status of compliance
TVHB and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Settlement, including compliance with the public shareholdings spread requirements pursuant to Paragraph 8.02(i) of the Listing Requirements upon conversion of the ICULS	To be complied
TVHB to make quarterly updates via Bursa Link (simultaneous with the submission of quarterly report) on the number of ICULS converted and the status of the public shareholdings spread after the conversion of the ICULS during the quarter	To be complied
KAF IB to inform Bursa Securities upon the completion of the Proposed Settlement	To be complied
KAF IB to inform Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Settlement is completed	To be complied

Conditions	Status of compliance
TVHB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Settlement	To be complied
TVHB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICULS as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

- (ii) shareholders of the Company at the EGM for the Proposed Settlement; and
- (iii) approvals of any relevant authorities and/or parties.

The Proposed Settlement is not conditional upon any other proposal undertaken or to be undertaken by the Company.

7.0 OUTSTANDING CORPORATE EXERCISES

Save for the Proposed Settlement, Proposed ESS and Proposed Allocations, there are no other intended corporate exercises/scheme which have been announced by the Company but yet to be completed by the Group prior to the printing of this Circular.

Please refer to Part C of this Circular for the further details of the Proposed ESS and Proposed Allocations.

8.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the TVHB Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

	Highest (RM)	Lowest (RM)
<u>2022</u>		
November	0.735	0.620
December	1.270	0.670
<u>2023</u>		
January	1.170	0.925
February	1.670	1.040
March	1.650	1.200
April	1.500	1.250
May	1.420	1.200
June	1.350	1.200
July	1.380	1.160
August	1.450	1.240
September	1.490	1.220
October	1.570	1.330
Last transacted market price as at the LTD		0.965
Last transacted market price as at the LPD		1.380

(Source: Bloomberg)

9.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

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

Name / Company Name	As at the LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
BASB	10,125,000	8.17	-	-
ELLI	9,728,525	7.85	-	-
NLS	1,055,555	0.85	-	-
Ng Ling Li	250,000	0.20	⁽¹⁾ 19,853,525	16.03
Yvonne Po Leng Lam	150,000	0.12	⁽¹⁾ 19,853,525	16.03
ELESB	-	-	⁽²⁾ 19,853,525	16.03
Lu Pat Sdn. Bhd.	-	-	⁽³⁾ 19,853,525	16.03
The Nehsons Trust Company Berhad	-	-	⁽⁴⁾ 19,853,525	16.03
Ng Tee Chuan	-	-	⁽¹⁾ 19,853,525	16.03
Geraldine Marie Tse Chian Ng	-	-	⁽¹⁾ 19,853,525	16.03
Ng Earn Chin	-	-	⁽¹⁾ 19,853,525	16.03

Notes:-

- (1) Deemed interested by virtue of his/her interests in The Nehsons Trust Company Berhad pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in ELLI and BASB pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its interest in ELESB pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in ELESB and Lu Pat Sdn. Bhd. pursuant to Section 8 of the Act.

Premised on the foregoing, the Interested Shareholders are deemed interested in the Proposed Settlement by virtue of their shareholdings in TVHB. Accordingly, they shall abstain from voting and undertake to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in TVHB on the resolution pertaining to the Proposed Settlement to be tabled at the EGM to be convened.

10.0 TRANSACTIONS WITH THE RELATED PARTY FOR THE PAST TWELVE (12) MONTHS

Save for the Outstanding Debts and the Proposed Settlement, there have been no transactions entered into between the Group and the Interested Shareholders and/or persons connected to them for the preceding 12 months prior to the LPD.

11.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Settlement, including but not limited to the rationale and effects of the Proposed Settlement, salient terms of the Settlement Agreement and the basis and justification of the Issue Price as well as the views of the Independent Adviser, is of the opinion that the Proposed Settlement is in the best interest of the Company. Accordingly, the Board recommends you to vote in favour of the resolution in relation to the Proposed Settlement to be tabled at the forthcoming EGM.

12.0 AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The audit and risk management committee of TVHB, after having considered all relevant aspects of the Proposed Settlement, including but not limited to the rationale of the Proposed Settlement, the salient terms of the Settlement Agreement, the basis and justification of the Issue Price and the pro forma effects of the Proposed Settlement as well as the views of the Independent Adviser, is of the opinion that the Proposed Settlement is:-

- (i) in the best interest of TVHB;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of non-interested shareholders of TVHB.

13.0 ADVISERS

The Board has appointed KAF IB as the Adviser for the Proposed Settlement.

The Company has appointed AER as the Independent Adviser in relation to the Proposed Settlement for the following:-

- (i) to comment as to whether the Proposed Settlement is fair and reasonable in so far as the shareholders of TVHB are concerned, including the reasons for the key assumptions made and the factors taken into consideration in forming such opinion;
- (ii) to advise the non-interested shareholders of TVHB whether they should vote in favour of the Proposed Settlement; and
- (iii) to take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (i) and (ii) above.

14.0 ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSED SETTLEMENT

Subject to the approvals as stated in Section 6.0 above and barring any unforeseen circumstances, the Proposed Settlement is expected to be completed by the the 1st quarter of 2024. The tentative timetable in relation to the Proposed Settlement is set out below:-

Date	Events
13 December 2023	EGM for the Proposed Settlement
Early January 2024	Lodgement of ICULS with the SC
Mid-January 2024	Issuance and allotment of the ICULS / Completion of the Proposed Settlement

15.0 EGM

The EGM, the notice of which is enclosed in this Circular, will be held on a virtual basis through live streaming and Remote Participation and Voting Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd on Wednesday, 13 December 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the relevant resolution pertaining to the Proposed Settlement.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed therein as soon as possible so as to arrive at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Shareholders are advised to refer to the Administrative Guide for Shareholders on the registration and voting process for the EGM.

16.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendices, Part A of this Circular for further information.

Yours faithfully,

For and on behalf of the Board

TOYO VENTURES HOLDINGS BERHAD

TUAN HJ. IR. YUSOFF BIN DAUD

Non-Independent Non-Executive Chairman

PART B

**IAL TO THE NON-INTERESTED SHAREHOLDERS OF TVHB
IN RELATION TO THE PROPOSED SETTLEMENT**

EXECUTIVE SUMMARY

All definitions used in this IAL shall have the same meaning as the words and expressions provided in the “**Definitions**” section of this Circular and as defined in the IAL herein, except where the context herein requires otherwise. All references to “you” are references made to the non-interested shareholders of TVHB (“**non-interested shareholders**”), whilst references to “we”, “us” or “our” are references to Asia Equity Research Sdn Bhd (“**AER**”), being the Independent Adviser for the Proposed Settlement.

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from AER’s independent evaluation of the Proposed Settlement. The non-interested shareholders are advised to read and understand the contents of the IAL and the entire Part A of this Circular, including the appendices thereof, for more comprehensive information, evaluation, and recommendation on the Proposed Settlement, before voting on the resolution pertaining to the Proposed Settlement at the forthcoming EGM.

1. INTRODUCTION

On 8 December 2021, KAF IB had on behalf of the Board, announced that TVHB had proposed to undertake the Aborted Proposal via the settlement agreement dated 8 December 2021.

On 22 February 2022 and 23 February 2022, KAF IB had, on behalf of the Board, announced that the Company and the Parties had mutually terminated the settlement agreement dated 8 December 2021 via termination letters dated 22 February 2022.

On 27 December 2022, KAF IB had, on behalf of the Board, announced that TVHB proposed to undertake the Proposed Settlement. Each ICULS is converted into one (1) new TVHB Share without payment of any cash consideration on any market day during the duration of the five (5)-year or mandatorily converted on the maturity date. The Remaining Debts after the Proposed Settlement is RM 1,154,481.

The Creditors agree that should the Outstanding Debts be less than RM 355,154,481 on the settlement date, the Settlement Sum and the number of ICULS to be issued may be reduced in proportion to the reduction of the Outstanding Debts, at the sole discretion of TVHB.

Tabulated below is a summary table that depicts the amount owing by the Company to each Creditor, amount to be settled via ICULS and number of ICULS to be issued to each Creditor and the Remaining Debts after the Proposed Settlement for each Creditor.

Creditors	A	B	No. of ICULS to be issued	A-B
	Outstanding Debts, RM	Settlement Sum, RM		Remaining Debts, RM
ELLI	325,154,481	324,000,000	270,000,000	1,154,481
BASB	26,000,000	26,000,000	21,667,000	-
NLS	4,000,000	4,000,000	3,333,000	-
Total	355,154,481	354,000,000	295,000,000	1,154,481

The Interested Shareholders are deemed interested in the Proposed Settlement by virtue of their shareholdings in TVHB. Accordingly, they shall abstain from voting and undertake to ensure that persons connected with them will abstain from voting in respect of their respective direct and / or indirect shareholdings in TVHB on the resolution pertaining to the Proposed Settlement to be tabled at the EGM.

The Proposed Settlement is a related party transaction pursuant to Paragraph 10.08(2) of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), in view of the interest of the Interested Shareholders as set out in **Section 9.0 of Part A** of this Circular.

The Board had appointed AER on 22 April 2021, as the Independent Adviser to advise the non-interested shareholders of the Company in relation to the Proposed Settlement, that involves the interest of the Interested Shareholders of TVHB, to provide the non-interested shareholders with:

EXECUTIVE SUMMARY

- (i) comments as to:-
 - (a) whether the Proposed Settlement, that involves the Interested Shareholders, are fair and reasonable as far as the non-interested shareholders are concerned; and
 - (b) whether the Proposed Settlement is detrimental to the interest of the minority shareholders; andsuch opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (ii) advise minority shareholders on whether they should vote in favour of the Proposed Settlement; and
- (iii) take all reasonable steps to satisfy ourselves that it has a reasonable basis to make the comments and advise in (i) and (ii) above.

2. EVALUATION OF THE PROPOSED SETTLEMENT

In evaluating the Proposed Settlement, we have taken into consideration the following:

The remainder of this page is left blank intentionally.

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.1	Rationale for the Proposed Settlement	<p>We noted the total liabilities of the Company as at 30 September 2022 was RM 361.31 million. Upon completion of the Proposed Settlement, the total liabilities of the Company shall be reduced by RM 354.00 million and hence on a proforma basis, the total liabilities of the Company shall be reduced to RM 7.31 million. The Proposed Settlement has the effect of increasing the NA and reducing the gearing ratio of the Company.</p> <p>We also noted that out of the total liabilities of the Company as at 30 September 2022 of RM 361.31 million, the proportion of current and non-current liabilities were RM 27.67 million and RM 333.64 million respectively. It is noted that 92.3% of the owing to the Creditors are non-current. The Proposed Settlement shall enable the Company to settle long outstanding liabilities owing to the Creditors.</p> <p>We noted the manner of the Proposed Settlement by issuance of ICULS has a number of advantages as listed below:-</p> <ul style="list-style-type: none"> (i) The ICULS do not carry any coupon as opposed to settlement by debt funding which requires payment of interest. (ii) Certainty of implementation as compared to raising cash funds through equity funding options such as rights issue or private placement. <p>Though, conversion of ICULS into ordinary Shares has a potential dilutive effect on the EPS and existing shareholders shareholding (other than NLS and ELLI), we concur with the Board that the dilutive effect shall be gradual over time rather than immediate.</p> <p>Further, we also noted that for FYE 30 September 2022 (audited) and FYE 30 September 2021 (audited), the Company had been reporting annual LAT of RM 0.84 million and RM 9.71 million respectively. This situation may present a difficulty for the Company to borrow from financial institutions to repay the Creditors.</p> <p>We concur with the Board's view that the rationale for Proposed Settlement and the issuance of ICULS to repay the Creditors are reasonable.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.2	Salient terms of the Settlement Agreement	<p>The Proposed Settlement represents a full and final Settlement Sum that discharges the Company from any obligations, claims and damages or liabilities on the Settlement Sum, once settled.</p> <p>We also reviewed the salient terms of the Settlement Agreement and concluded that the salient terms of the Settlement Agreement are normal commercial terms and are reasonable and not detrimental to the Company.</p>

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.3	The Issue Price of the ICULS	<p>(i) Comparison between Issue Price of each ICULS and its NA per Share</p> <p>The Issue Price of RM 1.20 for each ICULS is a <u>premium</u> of RM 0.05 (or approximately 4.35%) of the audited consolidated NA per Share as at 30 September 2021 of RM 1.15 per Share.</p> <p>The Issue Price of RM 1.20 for each ICULS is <u>equal</u> to the audited consolidated NA per Share as at 30 September 2022 of RM 1.20 per Share.</p> <p>(ii) Comparison between Issue Price of each ICULS and its 5 days, 30 days, 60 days, 90 days, 180 days and 360 days VWAMP up to LTD.</p> <p>The Issue Price of RM 1.20 for each ICULS is a <u>premium</u> of 40.75%, 54.68%, 66.07%, 68.56%, 77.80% and 56.60% over 5 days VWAMP, 30 days VWAMP, 60 days VWAMP, 90 days VWAMP, 180 days VWAMP and 360 days VWAMP respectively up to and including LTD.</p> <p>(iii) Comparison between Issue Price of each ICULS and the average traded price between 31 March 2021 to 23 December 2022</p> <p>The Issue Price is a <u>premium</u> of RM 0.2270 (or approximately 23.33%) to the average traded price of RM 0.973 between 31 March 2012 to LTD.</p> <p>(iv) Comparison between Issue Price of each ICULS and the fair value of each ICULS</p> <p>An ICULS is an instrument that has two component features. It has the feature of a straight bond and a call option, a valuation that could be performed separately and then aggregated.</p> <p>ICULS = Straight bond + Call option on an underlying stock</p> <p>Based on the feature of the TVHB's ICULS, the straight bond has nil value as it is not redeemable and does not carry any annual coupon. The value of the ICULS is derived from the call option feature. For any options that are "deep in the money" as in the present case, whereby the conversion of each ICULS to one TVHB Share that do not require any exercise price, the fair value of ICULS is solely attributable to the fair value of TVHB Share.</p> <p>As the audited NA of TVHB as at 30 September 2022 is RM 1.20 per Share, using the NA approach, the fair value of ICULS is RM 1.20 per Share. As the Issue Price for each ICULS equals to its fair value, we conclude that the Issue Price is fair and reasonable.</p> <p>For all the above reasons, we concluded that the Issue Price is fair and reasonable.</p>

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.4	The conversion mode of each ICULS	<p>One (1) ICULS is converted into one (1) new TVHB Share by surrendering one (1) ICULS for one (1) new TVHB Share without payment of any cash consideration.</p> <p>As explained under Section 6.3 of the IAL, the feature of the conversion mode has the effect of equating the fair value of each ICULS as the fair value of each TVHB Share, as each ICULS is similar to an option with no exercise price, also known as “deep in the money call option”.</p> <p>As we have concluded that the Issue Price of each ICULS equals to its audited consolidated NA of TVHB as at 30 September 2022, we conclude that the Issue Price and conversion mode of each ICULS is fair and reasonable.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.5	The other terms of the ICULS <ul style="list-style-type: none"> - Coupon - Voting rights - Listing status 	<p>Zero Coupon The ICULS do not carry any contractual coupon entitlements. We conclude that this is reasonable and not detrimental to the Company, as it conserves the Company's future cash resources within the Company.</p> <p>No voting rights The ICULS holders are not entitled to any voting rights and shall not have any participating rights in any distribution and / or offer of securities.</p> <p>We conclude that this is reasonable and not detrimental to the Company, as ICULS holders are treated as “debt providers” prior to converting the ICULS to TVHB Shares.</p> <p>Listing status The ICULS are not listed, quoted or traded on Bursa Securities.</p> <p>Similar to any financial instruments which are not listed, the value of an unlisted ICULS is lower than its fair value due to illiquidity. This matter has no direct impact on you as shareholders. We conclude that this is reasonable and not detrimental to you.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.6(a)	Effects of the Proposed Settlement on ELLI's direct shareholdings	The Proposed Settlement between TVHB and ELLI, has the effect of increasing the direct shareholding of ELLI from 7.85% as at LPD to 48.88% assuming full conversion of ICULS.

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.6(b)	Effects of the Proposed Settlement on BASB's direct shareholdings	The Proposed Settlement between TVHB and BASB, has the effect of decreasing the direct shareholding of BASB from 8.17% as at LPD to 7.59% assuming full conversion of ICULS.

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.6(c)	Effects of the Proposed Settlement on NLS's direct shareholdings	The Proposed Settlement between TVHB and NLS, has the effect of increasing the direct shareholding of NLS from 0.85% as at LPD to 1.05% assuming full conversion of ICULS.

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.7	Effects of the Proposed Settlement on NA and gearing	<p>Effects on NA</p> <p>The NA of TVHB was RM 140,994,000 as at 30 September 2022.</p> <p>The Proposed Settlement has the effect of increasing the NA by RM 354,000,000 being the aggregate Settlement Sum with ELLI, BASB and NLS.</p> <p>The estimated expense for the Proposed Settlement has the effect of decreasing the NA by approximately RM 2,600,000.</p> <p>The aggregate net effects of the Proposed Settlement has the effect of increasing the NA by RM 351,400,000.</p> <p>Effects on gearing</p> <p>The Proposed Settlement has the effects on reducing the gearing of the Company due to the increase in share capital base over time as a result of the conversion of ICULS to new TVHB Shares.</p>

The remainder of this page is left blank intentionally.

EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.7	Effects of the Proposed Settlement on Earnings and EPS	<p>Effects on Earnings The Proposed Settlement will result in a dilution of the EPS of TVHB arising from the increase in the number of TVHB Shares in issue upon the conversion of the ICULS.</p> <p>Conversely, it shall result in savings in interest cost as the Company is able to avoid borrowing from financial institutions to pay for the Settlement Sum owing to Creditors.</p> <p>Effects on EPS The Proposed Settlement is expected to reduce the EPS as a result of increasing the number of TVHB Shares.</p> <p>We conclude the overall effects of the potential savings in interest cost (if the Ourstanding Debts is paid by borrowings) and the dilutive effect (as a result of increasing the number of Shares arising from the future conversion of the ICULS) which has the potential compensatory effect of increasing and reducing the future EPS respectively. We also considered that the dilutive effect is gradual over time and hence, we conclude that the Proposed Settlement is reasonable and not detrimental to the interest of the non-interested shareholders.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.8	Risk factors associated with the Proposed Settlement	<p>Non-completion of the Proposed Settlement due to non-fulfilment of the conditions precedent to the Settlement Agreement.</p> <p>We noted the Board shall take reasonable steps to ensure that there is no delay and if such delay occurs the Company has mitigation plans to negotiate with the parties to extend the Conditional Period.</p>

The remainder of this page is left blank intentionally.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Settlement and our evaluation is set out in Section 6 of the IAL. The non-interested shareholders should consider all the merits and demerits of the Proposed Settlement and based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

After having considered all the various factors included in our evaluation for the Proposed Settlement and based on the information made available to us, we are of the opinion that the Proposed Settlement is **fair** and **reasonable** insofar as the non-interested shareholders are concerned and it is **not detrimental** to the minority shareholders.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Settlement that is to be tabled at the Company's forthcoming EGM.

The remainder of this page is left blank intentionally.

**ASIA EQUITY RESEARCH SDN BHD**

Registration No.: 201401027762 (1103848-M)

(License Number: eCMSL/A0330/2015)

Licensed to provide advisory services in corporate finance and investment advice

Registered Office:-

46-3 Jalan PJU 8/5B.

Damansara Perdana,

47820 Petaling Jaya

Email: contact@aer.financeWebsite: www.aer.finance**28 November 2023****To: The non-interested shareholders**

Dear Sir/Madam,

TOYO VENTURES HOLDINGS BERHAD**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED SETTLEMENT THAT INVOLVES THE INTEREST OF THE INTERESTED SHAREHOLDERS****1. Background of the Proposed Settlement**

This IAL is prepared for inclusion in Part B of this Circular. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the “**Definitions**” section of this Circular and the Executive Summary of the IAL, except where the context herein requires otherwise or where otherwise defined herein.

On 8 December 2021, KAF IB had, on behalf of the Board, announced that TVHB proposed to undertake the Aborted Proposal via the settlement agreement dated 8 December 2021.

On 22 February 2022 and 23 February 2022, KAF IB had, on behalf of the Board, announced that the Company and the Parties had mutually terminated the settlement agreement dated 8 December 2021 via termination letters dated 22 February 2022.

Settlement agreement

On 27 December 2022, KAF IB had, on behalf of the Board, announced that TVHB proposed to undertake the Proposed Settlement. Each ICULS is converted into one (1) new TVHB Share without payment of any cash consideration on any market day during the duration of the five (5)-year or mandatorily converted on the maturity date. The Remaining Debts after the Proposed Settlement is RM 1,154,481.

The Creditors agree that should the Outstanding Debts be less than RM 355,154,481 on the settlement date, the Settlement Sum and the number of ICULS to be issued may be reduced in proportion to the reduction of the Outstanding Debts, at the sole discretion of TVHB.

Tabulated below is a summary table that depicts the amount owing by the Company to each Creditor, amount to be settled via ICULS and number of ICULS to be issued to each Creditor and the Remaining Debts after the Proposed Settlement for each Creditor.

	A	B		A-B
Creditors	Outstanding Debts, RM	Settlement Sum, RM	No. of ICULS to be issued	Remaining Debts, RM
ELLI	325,154,481	324,000,000	270,000,000	1,154,481
BASB	26,000,000	26,000,000	21,667,000	-
NLS	4,000,000	4,000,000	3,333,000	-
Total	355,154,481	354,000,000	295,000,000	1,154,481

Supplemental Settlement Agreement

On 23 June 2023, TVHB had entered into a supplemental Settlement Agreement to vary certain terms of the Settlement Agreement including, amongst others:-

- (i) the Conditional Period (as defined in Appendix I, Part A of this Circular) for the fulfilment of the conditions precedent to the Settlement Agreement to be extended from six (6) months to twelve (12) months from the date of the Settlement Agreement or such later date as TVHB and the Creditors may mutually agree in writing; and
- (ii) the transferability of the ICULS where the ICULS are fully transferable to persons falling within any of the categories of persons specified in Part I of Schedule 6 of the Capital Markets and Services Act 2007 and where the consideration is not less than two hundred and fifty thousand ringgit (RM250,000) or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise through KAF IB as placement agent.

Second supplemental Settlement Agreement

On 9 October 2023, KAF IB had, on behalf of the Board, announced that TVHB had entered into a second supplemental Settlement Agreement to vary certain terms of the Settlement Agreement including, amongst others, as follows:-

- (i) ELLI irrevocably authorises the Trustee to hold the Trust ICULS on trust for and on behalf of ELLI commencing on the Issue Date (as defined in Appendix I, Part A of this Circular) and ELLI agrees that the Trust ICULS are not convertible and not transferable save and except in accordance with the terms of the Settlement Agreement and the Trust Deed;
- (ii) the ICULS holders shall have the right at any time during the conversion period to convert such amount of ICULS held into new Shares based on the conversion mode provided that the conversion of such number of ICULS will not result in a Breach of the Spread at the time of conversion as confirmed by the Company in writing;
- (iii) the ICULS are fully transferable to the Permitted Transferees, through KAF IB as placement agent provided always that the ICULS holders shall notify the Company of such proposed transfer of the ICULS at least ten (10) days prior to the date of the proposed transfer and the Company has confirmed in writing that the conversion of such number of ICULS transferred will not result in a Breach of the Spread;
- (iv) inclusion of the conversion rights of the Trust ICULS as follows:-
 - (a) the Trust ICULS are not convertible throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be converted while there remain any ICULS (which are not Trust ICULS) which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, at any time during the conversion period, in the event that ELLI wishes to convert any of the Trust ICULS into new Shares, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the conversion upon obtaining written confirmation from the Company that the conversion of such Trust ICULS will not result in a Breach of the Spread at the time of conversion.

- (b) if, at any time during the tenure, it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on the maturity date, ELLI irrevocably authorises the Company to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure there is no Breach of the Spread on the maturity date.

For the avoidance of doubt, in the event that the conversion of all the remaining ICULS will not result in a Breach of the Spread, all Trust ICULS remaining on the maturity date shall be compulsorily converted to Shares; and

(v) inclusion of the transferability of the Trust ICULS as follows:-

- (a) the Trust ICULS are not transferable throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be sold and/or transferred to the Creditors and/or its Related Party while there remain any ICULS (which are not Trust ICULS) held by the Creditors and/or its Related Party and which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, in the event that ELLI wishes to transfer any of the Trust ICULS, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the transfer to any Permitted Transferee upon obtaining written confirmation from the Company that the conversion of such Trust ICULS to be transferred will not result in a Breach of the Spread at the time of conversion.

The Interested Shareholders are deemed interested in the Proposed Settlement by virtue of their shareholdings in TVHB. Accordingly, they shall abstain from voting and undertake to ensure that persons connected with them will abstain from voting in respect of their respective direct and / or indirect shareholdings in TVHB on the resolution pertaining to the Proposed Settlement to be tabled at the EGM.

The Proposed Settlement is a related party transaction pursuant to Rule 10.08(2) of the Listing Requirement, in view of the interest of the Interested Shareholders as set out in Section 9.0 of Part A of this Circular.

The Board had appointed AER on 22 April 2021, as the Independent Adviser to advise the non-interested shareholders of the Company in relation to the Proposed Settlement, that involves the interest of the Interested Shareholders of TVHB, to provide the non-interested shareholders with:

- (i) comments as to:-
- (a) whether the Proposed Settlement, that involves the Interested Shareholders, are fair and reasonable as far as the non-interested shareholders are concerned; and
- (b) whether the Proposed Settlement is detrimental to the interest of the minority shareholders; and

such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

- (ii) advise minority shareholders on whether they should vote in favour of the Proposed Settlement; and
- (iii) take all reasonable steps to satisfy ourselves that it has a reasonable basis to make the comments and advise in (i) and (ii) above.

The purpose of this IAL is to provide the non-interested shareholders with an independent evaluation of the Proposed Settlement and our opinion and recommendation thereon subject to the scope and limitations specified herein. You should nonetheless rely on your own evaluation of the merits and demerits of the Proposed Settlement before deciding on the course of action to be taken.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS FOR THE PURPOSE OF VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SETTLEMENT AT THE FORTHCOMING EGM OF THE COMPANY AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSES WHATSOEVER.

YOU ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES THEREIN AND TO CONSIDER CAREFULLY OUR EVALUATION AND RECOMMENDATION BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SETTLEMENT, TO BE TABLED AT THE FORTHCOMING EGM.

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

2 CREDENTIALS, EXPERIENCE AND EXPERTISE OF AER

AER is licensed to provide two regulated activities by the SC namely advisory services in corporate finance and investment advice.

The past credentials, professional experiences, and expertise of AER where AER had been appointed as an Independent Adviser include, amongst others, the following transactions:

- (a) proposed acquisition by Pacific Trustees Berhad acting as the trustee for and on behalf of KIP Real Estate Investment Trust of KIP Mall or a purchase consideration of RM 80,000,000 to be satisfied by cash where the independent advice letter was issued and dated 5 September 2023.
- (b) proposed business venture between Brilliant Forward Sdn Bhd, a wholly owned subsidiary of Land & General Berhad (“L&G”) and a director of L&G, to develop a parcel of leasehold land where the independent advice letter was issued and dated 10 August 2023.
- (c) proposed acquisition by Matang Berhad of two semi-detached factory and warehouse, with a one and half storey office building for a purchase consideration of RM 33,000,000 to be satisfied by cash and newly issued shares of Matang, to seek the approval from the non-interested shareholders of Matang, where the independent advice letter was issued and dated 15 May 2023.
- (d) proposed debt settlement by Euro Holdings Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the non-interested shareholders of Euro Holdings Bhd where the independent advice letter was issued and dated 13 April 2023.
- (e) proposed debt settlement by Nexgram Holdings Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the non-interested shareholders of Nexgram Holdings Bhd where the independent advice letter was issued and dated 7 March 2023.
- (f) proposed debt settlement by Asdion Bhd with creditors that involves the interest of interested directors in the proposed debt settlement, to seek the approval from the non-interested shareholders of Asdion Bhd where the independent advice letter was issued and dated 20 December 2022.
- (g) proposed variation to seek the approval from the non-interested shareholders of Pertama Digital Berhad’s by removing a condition as set out in Clause 6A.1.3 of the disposal and supplemental share sale agreements for the company to procure an application to seek a waiver pursuant to

paragraph 8.03A of the Listing Requirements where the independent advice letter was issued and dated 26 July 2022.

- (h) proposed acquisition by Gets Global Berhad of 38% equity interest in One Glove Venture Sdn Bhd from BT Capital Sdn Bhd for a purchase consideration of RM 89,356,233 to be satisfied entirely via the issuance 102,708,314 Irredeemable Convertible Preference Shares ("ICPS") in Gets Global Berhad at an issue price of RM 0.87 per ICPS of in a single transaction where the independent advice letter was issued and dated 22 June 2022.
- (i) proposed disposal by Sinmah Capital Berhad of the entire equity interest in SM Broilers Sdn Bhd to F.C.H Holdings Sdn Bhd for a disposal consideration of RM 2,900,000 to be satisfied entirely via cash in a single transaction where the independent advice letter was issued and dated 13 June 2022.
- (j) proposed disposal by LYC Medicare Sdn Bhd, a wholly owned subsidiary of LYC Healthcare Berhad of a 25% entire equity interest in LYC Medicare (Singapore) Pte Ltd to Kenanga Investors Berhad for a disposal consideration of SGD 12,918,466 to be satisfied entirely via cash in a single transaction where the independent advice letter was issued and dated 1 June 2022.
- (k) proposed disposal by PCCS Group Berhad for the entire equity interest in Mega Label (Malaysia) Sdn Bhd for a disposal consideration of RM 8,500,000 to be satisfied entirely via cash in a single transaction where the independent advice letter was issued and dated 10 February 2022.

Premised on the above, AER is capable and competent and has the relevant experience in carrying out its role and responsibilities as an Independent Adviser to advise the non-interested directors of the Company and non-interested shareholders in relation to the Proposed Settlement.

3 DECLARATION OF CONFLICT OF INTEREST

We confirm that there is no existing or potential conflict of interest situation for us to carry out our role as the Independent Adviser in connection with the Proposed Settlement.

4 SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED SETTLEMENT BETWEEN TVHB AND THE CREDITORS

AER was not involved in the formulation and structuring of the Proposed Settlement and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Settlement. In the past two (2) years prior from the date of this IAL, there is no professional relationships between TVHB and AER. AER's scope as the Independent Adviser is limited to expressing an opinion on the fairness and reasonableness of the Proposed Settlement that involves the interest of the interested shareholders of TVHB and whether the transaction is to the detriment of the non-interested shareholders, based on the following sources of information and documents:

- (a) information contained in Part A of the Circular, and the appendices enclosed therein;
- (b) other relevant information, documents, confirmations, and representations provided to us by the Board and management of TVHB;
- (c) discussions and consultations with the management of TVHB;
- (d) a copy of the Settlement Agreement;
- (e) other publicly available information that we consider relevant for our evaluation.

We have made all reasonable enquiries, performed reasonableness checks, and corroborated relevant information with independent sources, where possible. We are also guided by the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. In addition, the Board and the management of TVHB had undertaken to exercise due care to ensure that all information, data, documents, and representations provided to us to facilitate our evaluation are accurate, valid, complete, reasonable, and free from any material omission in all material respects. Accordingly, AER shall not

assume any responsibility or liability whatsoever to any party for any inaccuracies, misstatements or omission of facts and information provided or represented by the Board and the management of TVHB.

The directors of TVHB have collectively and individually accepted full responsibility for the accuracy, validity and completeness of the information, documents, data and statements provided to us and as contained herein in relation to the Proposed Settlement (save and except for opinion expressed by AER which do not contain factual information provided by the Company and information procured or developed by AER independently of the Company) and confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information in relation to the Proposed Settlement with the Creditors, that are necessary for our evaluation have been completely and accurately disclosed to us and there is no omission of any material fact, the omission of which would render any such information provided to us false, incomplete, misleading and/or inaccurate.

We are satisfied with the information provided by the Board and the management of TVHB and are not aware of any facts or matters not disclosed which may render any such information untrue, inaccurate, or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. After making all reasonable enquiries and to the best of our knowledge and belief, the information we used is reasonable, accurate, complete, and free from material omission.

The non-interested shareholders should note that the views expressed by AER herein are, amongst others, based on the current economic, market, industry, regulatory, monetary, social-political, and other conditions prevailing up to the LPD. Accordingly, our evaluation and opinion in this IAL do not consider information, events and conditions arising or may occur after the LPD. Our advice should be considered in the context of the entirety of this IAL.

In rendering our advice, we had taken note of pertinent issues which we believe are necessary and of importance to an assessment of the implications of the Proposed Settlement that are of general concern to the non-interested shareholders.

As such:

- (a) our evaluation and recommendation contained herein are based on the assessment of the fairness and reasonableness of the Proposed Settlement. Comments or points of consideration which may be commercially oriented such as the rationale, financial effects, potential benefits, and prospects of the Proposed Settlement are included for our overall evaluation as we deem necessary for disclosure purposes to enable the non-interested shareholders to consider and form their views in a more holistic manner thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Settlement.
- (b) our views and advice as contained in this IAL only cater to the non-interested shareholders at large and not to any non-interested shareholder individually or any specific group of non-interested shareholders. Hence, in carrying out our evaluation, we have not given due consideration to the specific investment objectives, risk profiles, financials and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders.
- (c) we advise that any individual non-interested shareholder or any group of non-interested shareholders who are in doubt as to the action to be taken or require advice in relation to the Proposed Settlement in the context of their individual investment objectives, risk profiles, financials and tax situations or needs, to consult their respective stockbrokers, bankers, solicitors, accountants, or other professional advisers immediately.

5 DETAILS OF THE PROPOSED SETTLEMENT WHICH INVOLVE THE INTEREST OF THE INTERESTED SHAREHOLDERS OF TVHB

The summary of the Proposed Settlement, extracted from Part A of this Circular, is intended to summarise the key points under the various captions and for further details, readers are advised to refer the corresponding relevant sections in Part A of this Circular.

5.1 Details of the Proposed Settlement

On 27 December 2022, TVHB had entered into the Settlement Agreement with the Creditors to settle the respective amount owing as at 22 December 2022 in the sum of RM 324,000,000, RM 26,000,000 and RM 4,000,000 to ELLI, BASB and NLS respectively via the issuance of 270,000,000, 21,667,000 and 3,333,000 ICULS to ELLI, BASB and NLS respectively, at the Issue Price, with a tenure of five (5)-year and zero coupon.

The Remaining Debts is RM 1,154,481.

Source: As extracted from Section 2.1, Part A of the Circular

On 8 November 2023, KAF IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 8 November 2023 resolved to approve the listing of and quotation for the new TVHB Shares to be issued upon the conversion of the ICULS on the Main Market of Bursa Securities.

Source: As extracted from Section 1.7, Part A of the Circular

Further details of the conditions imposed by Bursa Securities as well as the status of compliance in respect thereof are set out in Section 6.0, Part A of this Circular.

5.2 Salient terms of the ICULS

Each ICULS is convertible into one (1) new TVHB Share without payment of any cash consideration on any market day during the duration of the five (5)-year or mandatorily converted on the maturity date provided that the conversion of such number of ICULS will not result in the Breach of the Spread at the time of conversion as confirmed by the Company in writing.

Source: As extracted from Appendix II, Part A of the Circular

5.3 Public shareholdings spread of the Company in the event that all Creditors convert their ICULS (save for the Trust ICULS), for illustrative purpose only

Pursuant to Paragraph 8.02(1) of the Listing Requirements, at least 25% of TVHB's total listed Shares (excluding treasury shares) are required to be held by public shareholders. Assuming that:-

- (i) all the Creditors convert all their ICULS (save for all the Trust ICULS) into new TVHB Shares; and*
- (ii) the Trustee, in accordance with the terms of the Settlement Agreement:-*
 - (a) sells all the Trust ICULS to Permitted Transferee (and assuming such sold Trust ICULS are being converted into new TVHB Shares); and/or*
 - (b) converts all the Trust ICULS into new TVHB Shares and sells such number of Shares,*

the public shareholding spread of TVHB is expected to decrease from 42.63% to approximately 30.32% (computed based on the shareholding information as at the LPD), which is in compliance with the requisite threshold of at least 25% of its total listed Shares to be held by public shareholders.

Source: As extracted from Section 2.11, Part A of the Circular.

AER's evaluation on the reasonableness on the ICULS and Trust ICULS conversion procedures as set out in the second supplemental Settlement Agreement in addressing the compliance with public shareholdings spread of a company

We noted that on 9 October 2023, TVHB had entered into a second supplemental Settlement Agreement to vary certain terms of the Settlement Agreement which regulates the dealing with the ICULS future convertibility and transfers, with the objective to ensure that Breach of the Spread would not occur as a result of the following conditions :-

Condition 1:- the conversion of any such number of ICULS can only be carried out after obtaining a confirmation in writing from the Company and this requirement allows the Company to perform the necessary computation to ensure that any such number of conversion as requested by the ICULS holders would not result in a Breach of the Spread at the time of conversion.

Condition 2:- the transfer of ICULS to any Permitted Transferee by the Creditors can only be carried out after obtaining confirmation in writing from the Company and this requirement allows the Company to perform the necessary computation to ensure that any such number of conversion for the ICULS transferred, would not result in a Breach of the Spread at the time of conversion.

Condition 3:- Trust ICULS are not convertible while there remain any ICULS (which are not Trust ICULS) which have not been converted or sold and/or transferred at the relevant point in time. This means that Trust ICULS could only be converted after all ICULS held by the Creditors are converted.

This requirement allows the Company to avoid the situation of a Breach of the Spread and also to limit the sudden increase of TVHB Shares to be held by ELLI arising from the conversion of Trust ICULS, when there is still remaining non-Trust ICULS which are yet to be converted or sold to Permitted Transferee.

Condition 4:- at any time during the tenure of the ICULS, if it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on maturity date, the Company is irrevocably authorised by ELLI to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure that there is no Breach of the Spread on the maturity date.

Creditors	No. of ICULS to be issued	ICULS ^{Note 1} (save for the Trust ICULS)	Trust ICULS ^{Note 2}
ELLI	270,000,000	195,000,000	75,000,000
BASB	21,667,000	21,667,000	-
NLS	3,333,000	3,333,000	-
Total	295,000,000	220,000,000	75,000,000

Note 1 – Condition 1 and Condition 2 applies to the ICULS that are not held under Trust ICULS.

Note 2 – Condition 3 and Condition 4 applies to Trust ICULS.

Upon our review of the conditions imposed, we noted that the provisions that regulates the dealing with the ICULS future convertibility and transfers are reasonable control measures to avoid situations of Breach of the Spread which is to comply with Paragraph 8.02(1) of the Listing Requirements, that at least 25% of listed TVHB Shares (excluding treasury shares) are required to be held by public shareholders.

We noted from Section 5.5 Part A of the Circular that the aggregate shareholding of the Creditors were approximately 16.87% and 57.52% ⁽¹⁾ as at LPD and upon full conversion of ICULS to ordinary Shares, respectively.

(1) prepared based on the assumption as set out in Sections 2.11 (i) and (ii), Part A of this Circular.

We viewed the dealing with the Trust ICULS given to the Trustee as opposed to ELLI as an adequate and reasonable measure to manage the Breach of the Spread and indirectly avoid concentration of Shares to the Creditors.

Hence, we conclude that the terms of the Settlement Agreement that regulates the conversion of ICULS and Trust ICULS as adequate and reasonable measures to manage the compliance with the public shareholdings and spread of a company and hence we concluded that the terms are **reasonable** and **not detrimental** to the non-interested shareholders.

5.4 Nature of Outstanding Debts

As at 22 December 2022 (a day prior to LTD), the Group had incurred a total initial development costs of RM445,658,644 in relation to the Project ("**Initial Development Costs**"), with the breakdown as follows:-

Descriptions	RM'000
Project consultancy fees ⁽¹⁾	407,271
Legal fees ⁽²⁾	22,492
Finance cost ⁽³⁾	8,574
Operations costs in Vietnam office ⁽⁴⁾	3,943
Other costs in relation to the Project ⁽⁵⁾	2,203
Advance payment for leasing of the land where the Project is located (" Land Lease ")	813
Payment to MOIT	363
Total	445,659

For the nature the expenses incurred under note (1), (2), (3), (4) and (5), kindly refer to Section 2.3.2 Part A of this Circular.

For clarity, out of the total Outstanding Debts,:-

- (i) RM 283,044,481 had been utilised to finance the Initial Development Costs. Such debts have been recorded as other payables under non-current liabilities with the corresponding entry being reflected as power plant development project account under non-current assets in the audited consolidated financial statements of TVHB as at 30 September 2022, whilst
- (ii) the remaining RM 72,110,000 had been earmarked for payment to the People's Committee of Hau Giang Province to settle all the outstanding cost for the Land Lease and such payment has yet to be made as at the LPD. Such debts have been recorded as other payables under non-current liabilities with the corresponding entry being captured as cash and bank balances under current assets in the unaudited consolidated financial statements of TVHB as at 31 December 2022. The Board anticipates the settlement of such payment by the 1st quarter of 2024.

The Board, after taking into consideration various methods of raising funds for the Project at the material time, was of the opinion that the advances provided by the Creditors were the most appropriate option to raise the required funds as the said advances:-

- (i) were provided by the Creditors without any interest or fixed schedule of repayment as opposed to bank borrowings, thereby enabling the Group to have better control and flexibility over its cash flows;
- (ii) were not collateralised as opposed to bank borrowings, which would generally require collaterals from the borrower; and
- (iii) were provided on a timely manner which had enable the Group to fund the initial development costs incidental to the Project accordingly.

Source: As extracted from Section 2.3.2 Part A of the Circular

AER's Commentary

We noted that as at 22 December 2022, the breakdown of the Outstanding Debts could be summarised as follows:-

Item number	Purpose	Amount, RM	% of the Outstanding Debts
1	Project's consultancy and legal fees	283,044,481	79.7%
2	Land Lease cost	72,110,000	20.3%
	Total	355,154,481	

The Outstanding Debts were incurred by the Group to fund the Initial Development Cost. RM 283,044,481 were advanced by the Creditors to the Group to fund the cost related to the project's consultancy and legal items. RM 72,111,000 had been earmarked for payment to the People's Committee of Hau Giang Province to settle all the outstanding cost for the Land Lease and such payment has yet to be made as at the LPD.

We noted that Outstanding Debts owing to the Creditors which have been gradually accrued since 2012, were provided by the Creditors without any interest or fixed schedule of repayment and were provided on a timely manner which had enable the Group to fund the Initial Development Costs incidental to the Project.

Considering that the advances by the Creditors were made for the Project, were provided without interest and unsecured, and were included in the Company's audited financial statements, we conclude that the Proposed Settlement of the Outstanding Debts is **reasonable** and **not detrimental** to the non-interested shareholders.

5.5 ICULS key features and other matters related to the issuance of ICULS

Item number	Feature	Details
1	Issuer	TVHB
2	Initial ICULS holders	Creditors
3	Issue price per ICULS	RM 1.20
4	Issue size	RM 354,000,000 nominal value or 295,000,000 ICULS to be issued pursuant to the Proposed Settlement
5	Conversion mode	one (1) ICULS for one (1) new TVHB Share
6	Tenure	Five (5) years from and inclusive of the date of issuance of the ICULS
7	Coupon Rate/ Payment	Zero coupon
8	Ranking of ICULS before conversion	<i>"at all-time rank equally, without discrimination, preference or priority among themselves and rank at least equally with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of the Company from time to time, except for those which are preferred by law"</i>

Item number	Feature	Details
9	Ranking of the new TVHB Shares	<i>“The new TVHB Shares to be issued upon the conversion of the ICULS shall, upon issue and allotment, rank equally in all respects with the then existing TVHB Shares, save and except that such new TVHB Shares to be issued arising from the conversion of the ICULS shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement of which is prior to the date of allotment of such new TVHB Shares to be issued arising from the conversion of the ICULS”.</i>
10	Listing status of ICULS	The ICULS are not listed. However, the new TVHB Shares to be issued upon the conversion of the ICULS will be listed on Main Market of Bursa Securities.
11	Pre-emptive rights to ICULS and new TVHB Shares	To facilitate the issuance of the ICULS and the new TVHB Shares from the exercise of conversion rights of the ICULS, the Company will seek for the shareholders’ approval for a waiver of pre-emptive rights at the forthcoming EGM which is a procedural requirement to comply with Section 85(1) of the Act and Clause 16(d) of the Constitution.
12	Implication on the Rules	The Proposed Settlement is not expected to trigger any mandatory general offer obligations under the Rules by the Creditors and PAC immediately upon the completion of the Proposed Settlement. Should the Creditors and PAC convert their holdings of ICULS into new TVHB Shares during the tenure of the ICULS such that their shareholdings in TVHB exceed 33%, whether individually or collectively, they will be required to extend a mandatory take-over offer for all the remaining TVHB Shares and convertible securities not already owned by them pursuant to the Rules. For the avoidance of doubt, it is not the intention of the Creditors and PAC to undertake a mandatory take-over offer. In such an event, the Creditors and PAC will make an application to the SC to seek an exemption under the Rules from the obligation to undertake a mandatory take-over offer prior to the conversion of such portion of their holdings of ICULS that will trigger such obligation under the Rules. The Creditors and PAC will at all times observe and ensure compliance with the provisions of the Rules

Source: As extracted from Sections 2.4 to 2.8 and Appendix II, Part A of this Circular.

5.6 Summary of salient terms of the Settlement Agreement as extracted from Appendix I of this Circular

The Settlement Agreement shall be conditional upon the following conditions precedent being fulfilled within six (6) months from the date of Settlement Agreement or such later date the Creditors mutually agree in writing:-

- (i) *the approval of the board of directors of the Creditors (for corporate Creditors) for the execution of the Settlement Agreement by the Creditors as well as the execution by the Creditors of any other document in connection with the Proposed Settlement contemplated under the Settlement Agreement;*
- (ii) *the approval of the shareholders of TVHB for the Proposed Settlement on the terms and conditions set out in the Settlement Agreement at an EGM to be convened;*
- (iii) *the approval of the Board for the execution of the Settlement Agreement by TVHB and the performance of its obligations therein as well as the execution by TVHB of any other agreement or document in connection with the Proposed Settlement contemplated under the Settlement Agreement;*
- (iv) *the receipt of proof of debts in such form as may be acceptable to the auditors of TVHB evidencing the Outstanding Debts owing by TVHB to each of the Creditors as at 22 December 2022 and/or as at the latest practicable date prior to the Settlement Date; and*
- (v) *the receipt by TVHB of all such regulatory or other approvals, consents, authorisation, permits or waiver (if any) required for the Proposed Settlement including but not limited to:-*
 - (a) *Bursa Securities:-*
 - (aa) *the approval for the clearance of the draft circular to the shareholders of TVHB in relation to the Proposed Settlement;*
 - (bb) *the approval for the listing of and quotation for the TVHB Shares to be issued on the Main Market of Bursa Securities pursuant to the conversion of the ICULS; and/or*
 - (b) *approval from any other relevant authority or party, if required.*

Source: As extracted from Section 3 of Appendix I, Part A of this Circular.

AER's Commentary

We noted that the Proposed Settlement requires the receipt of proof of debts in such form as may be acceptable to the auditors of TVHB evidencing the Outstanding Debts owing by TVHB to each of the Creditors as at 22 December 2022 and/or as at the latest practicable date prior to the Settlement Date which serves to ensure that all the Settlement Sum is true and fair and hence we conclude that it is **reasonable** and **not detrimental** to the non-interested shareholders

5.7 Effects of the Proposed Settlement on the Outstanding Debts if the Proposed Settlement is approved

The Creditors unequivocally confirm and agree to accept the ICULS as full and final settlement of the Settlement Sum in accordance with the terms and conditions of the Settlement Agreement

Source: As extracted from Section 1.2, Appendix I, Part A of this Circular.

If the Proposed Settlement is approved by shareholders of TVHB, the amount owing by the Company to the Creditors of RM 354,000,000 shall be full and final settlement of the Settlement Sum upon completion of the issuance of 295,000,000 ICULS.

5.8 Effects on the shareholdings of ELLI, BASB AND NLS if the Proposed Settlement is approved

The effect of the shareholdings of ELLI, BASB and NLS solely for illustrative purpose only, assuming the conversion of all ICULS to new TVHB Shares are as illustrated below:-

Name of Creditors	As at LPD		Assuming full conversion of ICULS ⁽¹⁾	
	Direct holdings	% ⁽²⁾	Direct holdings	% ⁽³⁾
	No. of Shares		No. of Shares	
ELLI	9,728,525	7.85	204,728,525 ⁽⁴⁾	48.88
BASB	10,125,000	8.17	31,792,000 ⁽⁵⁾	7.59
NLS	1,055,555	0.85	4,388,555 ⁽⁶⁾	1.05

- (1) Based on the assumptions as set out in Sections 2.11 (i) and (ii), Part A of this Circular that all the Creditors convert all their ICULS (save for all the Trust ICULS) into new TVHB Shares and the Trustee, either (a) sells all the Trust ICULS to Permitted Transferee (and assuming such sold Trust ICULS are converted into new TVHB Shares); and / or (b) converts all the Trust ICULS into new TVHB Shares and sells such number of Shares.
- (2) the total number of Shares as at LPD is 123,864,702.
- (3) the total number of Shares assuming the full conversion of all ICULS is 418,864,702.
- (4) existing holdings of Shares and upon the full conversion of 195,000,000 ICULS to 195,000,000 new TVHB Shares.
- (5) existing holdings of Shares and upon the full conversion of 21,667,000 ICULS to 21,667,000 new TVHB Shares.
- (6) existing holdings of Shares and upon the full conversion of 3,333,000 ICULS to 3,333,000 new TVHB Shares.

5.9 Ordinary Resolution to be tabled for approval

The Ordinary Resolution as tabled in the notice of the Company's EGM to obtain your approval with regards to the Proposed Settlement with the issuance and allotment of 295,000,000 ICULS at RM 1.20 per ICULS.

6 EVALUATION OF THE PROPOSED SETTLEMENT

In evaluating the Proposed Settlement, in addition to areas covered in Section 5, we have also taken into consideration the following factors in forming our opinion:

Factors	Section reference in IAL
Rationale for the Proposed Settlement	6.1
Salient terms of the Settlement Agreement	6.2
The Issue Price of the ICULS	6.3
The conversion mode of each ICULS	6.4
The other terms of the New ICULS - Coupon - Voting rights - Listing status	6.5
Effects of the Proposed Settlement on ELLI's, BASB's and NLS's direct shareholdings	6.6
Effects of the Proposed Settlement - on NA and gearing - on earnings and EPS	6.7
Risk Factor	6.8

6.1 Rationale for the Proposed Settlement

As extracted from Part A, Section 3 of this Circular	AER's commentary
<p><i>The Proposed Settlement aims to address the long outstanding debts owing to the Creditors which have been gradually accrued since 2012. After due consideration of the various funding option available to the Company, the Board is of the opinion that the issuance of ICULS is the most appropriate avenue for the Proposed Settlement in view of the following:-</i></p> <p><i>(i) the issuance of ICULS enables the Company to substantially settle the long outstanding debts owing to the Creditors without incurring any interest costs as opposed to refinance through interest bearing borrowings;</i></p> <p><i>(ii) the issuance of ICULS will not have an immediate dilutive effect on the EPS as opposed to the issuance of new TVHB Shares;</i></p> <p><i>(iii) the issuance of new TVHB Shares upon the conversion of ICULS will enable TVHB to increase and strengthen its eventual capital base; and</i></p> <p><i>(iv) the issuance of ICULS pursuant to the Proposed Settlement provides greater certainty, in terms of implementation, in addressing the Settlement Sum as opposed to settling the same through other equity funding options, such as rights issue or private placement, which will be subject to the eventual acceptance/agreement by the Company's shareholders and/or potential investors to be identified/secured.</i></p> <p><i>In addition, the Board has also considered the following aspects in relation to the Proposed Settlement:-</i></p> <p><i>(a) Impact of the Proposed Settlement and value creation to the Group and its shareholders</i></p> <p><i>For the purpose of illustration only, based on the latest audited consolidated financial statements of TVHB for the FYE 30 September 2022, the Group will be able to reduce its total liabilities of approximately RM361.31 million by RM354.00 million to approximately RM7.31 million upon the completion of the Proposed Settlement, which will in effect enhance the Group's NA position and at the same time, reduce its gearing ratio. Further, the Proposed Settlement would enable the Group to preserve its cash flow for the working capital requirement for its existing businesses and/or the Project.</i></p> <p><i>Nonetheless, upon the issuance of new TVHB Shares pursuant to the conversion of ICULS, the</i></p>	<p><u>Reduction in liabilities and hence gearing ratio</u></p> <p>We noted the total liabilities of the Company as at 30 September 2022 was RM 361.31 million. Upon completion of the Proposed Settlement, the total liabilities of the Company shall be reduced by RM 354.00 million and hence on a proforma basis, the total liabilities of the Company shall be reduced to RM 7.31 million. The Proposed Settlement has the effect of increasing the NA and reducing the gearing ratio of the Company.</p> <p>We also noted that out of the total liabilities of the Company as at 30 September 2022 of RM 361.31 million, the proportion of current and non-current liabilities were RM 27.67 million and RM 333.64 million respectively. It is noted that 92.3% of the owing to the Creditors are non-current. The Proposed Settlement shall enable the Company to settle long outstanding liabilities owing to the Creditors.</p> <p><u>Advantages of the Proposed Settlement by ICULS</u></p> <p>We noted that the Board is of the opinion that the manner of the Proposed Settlement by the issuance of ICULS has a number of advantages as listed below:-</p> <p>(i) The ICULS do not carry any coupon as opposed to settlement by debt funding which requires payment of interest.</p> <p>(ii) Certainty of implementation as compared to raising cash funds through equity funding options such as rights issue or private placement.</p> <p>We considered other means for the Group to settle the outstanding debts such as using internal cash and bank balances and external borrowings from financial institutions.</p> <p>1. Cash, bank balance and short-term fixed deposits with licensed bank As at 30 September 2022 (audited), the total cash and bank balance of the Group and short-term fixed deposits with licensed bank were RM 18.19 million and RM 0.90 million respectively. We concluded that the amount is insufficient and considering that the Project would require significant capital expenditure, this is not a suitable option.</p> <p>2. External borrowings from financial institutions</p>

As extracted from Part A, Section 3 of this Circular	AER's commentary
<p><i>existing shareholders' shareholdings will be diluted. It may also dilute the Group's EPS if the earning of the Group does not increase in tandem with the increase in the number of TVHB Shares.</i></p> <p><i>(b) Adequacy of the Proposed Settlement in addressing the Group's financial concern</i></p> <p><i>As highlighted in Section 3.0 (i) to (iii) above, the Proposed Settlement is the most appropriate avenue at this juncture, as it aids the Group to settle the long outstanding Settlement Sum, which will in turn improve the Group's overall gearing position without incurring any cash outflows. In the future, in the event if the Group requires additional fund for its business operation and/or the Project, the Group may consider bank borrowings and/or equity/debt fund raising exercises.</i></p>	<p>We noted that for FYE 30 September 2022 (audited) and FYE 30 September 2021 (audited), the Company had reported an annual LAT of RM 0.84 million and RM 9.71 million respectively. This situation may present difficulties for the Company to borrow from financial institutions. Successfully obtaining a loan to repay creditors for past debts without an identifiable future stream of net cash flow dedicated for servicing the principal and interest loan repayment, is remote if not impossible, based on normal commercial lending guidelines.</p> <p>However, the issuance of ICULS has a dilutive effect on the shareholders' shareholdings and future EPS.</p> <p>Although the conversion of ICULS into ordinary Shares has a potential dilutive effect on the EPS, we concur with the Board that the dilutive effect shall be gradual over time rather than immediate.</p> <p>The issuance of ICULS shall result in a dilutive effect on the future EPS as a result of additional number of Shares being issued upon the conversion of the ICULS into ordinary Shares.</p> <p>However, the dilutive effect of the EPS will not be immediate as opposed to the issuance of new TVHB Shares. We also noted that the terms of the ICULS do not carry any coupon which translate to a savings in interest expense as compared to an alternative scenario with the assumption that the ICULS charges an annual coupon rate during its tenure.</p> <p>Based on the above evaluation, having considered the present state of the Company, the available funding options to repay the outstanding debts, the favourable terms of the ICULS without annual coupon during its tenure, we concluded that the issuance of ICULS, though dilutive, is reasonable and not detrimental to the non-interested shareholders.</p>

6.2 Salient terms of the Settlement Agreement

The salient terms of the Settlement Agreement are as presented under **Appendix I, Part A** of this Circular. Our comments on the salient terms are as follows:

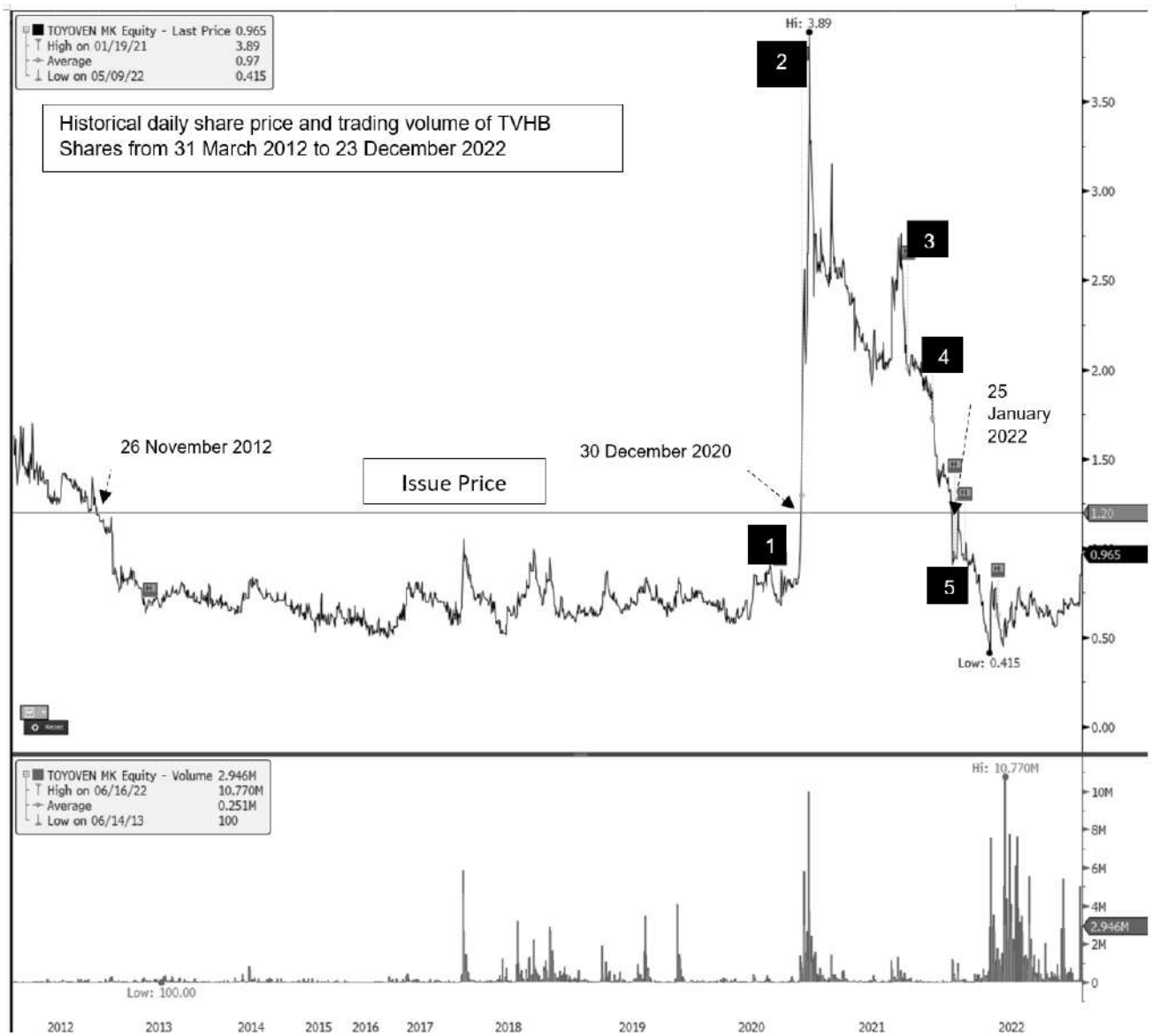
As extracted from Section 1.3, Appendix I, Part A of this Circular	AER's commentary
<p><i>The Creditors unequivocally confirm and agree to accept the ICULS as full and final settlement of the Settlement Sum in accordance with the terms and conditions of the Settlement Agreement.</i></p>	<p>The Proposed Settlement represents a full and final settlement of the Settlement Sum that discharges the Company from any obligations, claims and damages or liabilities, on the Settlement Sum, once settled.</p> <p>We also reviewed the salient terms of the Settlement Agreement and concluded that the salient terms of the Settlement Agreement are normal commercial terms and are reasonable and not detrimental to the Company.</p>

6.3 The Issue Price of the ICULS

As extracted from Section 2.4, Part A , of this Circular	AER's commentary
<p>Issue Price of the ICULS</p> <p><i>The Issue Price of RM1.20 per ICULS and the conversion mode of one (1) ICULS for one (1) new TVHB Share, were determined and fixed by the Board, after taking into consideration, among others, the following:-</i></p> <p><i>(i) the Issue Price represents a premium of RM0.05 or 4.35% to the latest audited consolidated NA per Share as at 30 September 2021 of RM1.15 and a premium of RM0.01 or 0.84% to the latest unaudited consolidated NA per Share as at 30 September 2022 of RM1.19, being the latest available audited and unaudited financial statements as at the LTD; and</i></p> <p><i>(ii) the Issue Price represents a premium of RM0.3474 or 40.75% to the five (5)-day VWAP of TVHB Shares up to and including LTD of RM0.8526.</i></p> <p><i>In addition, the Board has taken into consideration that the Outstanding Debts were extended by the Creditors gradually since 2012 and hence, a longer period of assessment on the market prices of TVHB Shares is warranted. Premised on the chart illustrated below, the Issue Price is generally higher than the historical market prices of the TVHB Shares traded since 2012 up to the LTD and represents a premium of RM0.490 or 69.01% to the median market price of RM0.710 per TVHB Share over the same period.</i></p>	<p>(i) Comparison between Issue Price of each ICULS and its five (5)-day VWAMP up to LTD</p> <p>The Issue Price is a <u>premium</u> of RM 0.3474 (or approximately 40.75%) to the 5-day VWAMP of TVHB Shares up to and including the LTD.</p> <p>(ii) Comparison between Issue Price of each ICULS and the average trade price between 31 March 2012 to 23 December 2022</p> <p>The Issue Price is a <u>premium</u> of RM 0.2270 (or approximately 23.33%) to the average traded price of RM 0.973 between 31 March 2012 to LTD.</p> <p>(iii) Comparison between Issue Price of each ICULS and its NA per Share</p> <p>The Issue Price of RM 1.20 for each ICULS is a <u>premium</u> of RM 0.05 (or approximately 4.35%) of the latest audited consolidated NA per Share as at 30 September 2021 of RM 1.15 per Share.</p> <p>The Issue Price of RM 1.20 for each ICULS <u>equals</u> to the latest audited consolidated NA per Share as at 30 September 2022 of RM 1.20 per Share.</p>

As extracted from Section 2.4, Part A , of this Circular	AER's commentary
	<p>(iv) Comparison between Issue Price of each ICULS and the fair value of each ICULS</p> <p>An ICULS is an instrument that has two component features. It has the feature of a straight bond and a call option, a valuation that could be performed separately and then aggregated.</p> <p>ICULS = Straight bond + Call option on an underlying stock.</p> <p>a) Fair value of the straight bond component Based on the feature of the TVHB's ICULS, the straight bond has nil value as it is not redeemable and does not carry any annual coupon.</p> <p>b) Call option on an underlying stock The value of the ICULS is derived from the call option feature. For any options that are "deep in the money" as in the present case, whereby the conversion of ICULS to TVHB Share do not require any exercise price, the fair value of ICULS is solely attributable to the fair value of TVHB Share.</p> <p>As the audited NA of TVHB as at 30 September 2022 is RM 1.20 per Share, based on information available as at LTD, and using the NA approach, the fair value of ICULS is RM 1.20 per Share based on the NA of TVHB which equals to the Issue Price with no discount or premium. This means that the Issue Price is at its fair price.</p> <p>For all the above reasons, we concluded that the Issue Price is fair and reasonable and not detrimental to the non-interested shareholders.</p>

- (i) Analysis of the historical share price performance by comparing between Issue Price and the historical share price movement and its daily trading volume between 31 March 2012 to LTD



Source: Bloomberg L.P.

The remainder of this page is left blank intentionally.

Item number	Date of announcement	Description of event	AER's Commentary
1	23 October 2020	Announcement that 107,000,002 ordinary Shares of TVHB and 53,499,995 TVHB Warrants will be admitted to the official list of Bursa Securities in place of TIGB's ordinary shares and TIGB's warrants which will be delisted with effect from Monday, 26 October 2020.	Post announcement, we do not note of any observable trend in trading behaviour.
2	29 December 2020	Announcement that TIGB and BOT Company, had executed a build, operate and transfer contract with MOIT for the development of a 2 x 1,060 MW, thermal power plant project in Vietnam with a 25-year concession period known as Song Hau 2 Thermal Power Plant Project and payments under the power purchase agreement is guaranteed by the Vietnamese government.	<p>Post announcement, we noted that that daily volume was building up from the period of 30 December 2020 (with a market closing price of RM 1.30 per Share) to 19 January 2021 (with the market closing price of RM 3.89 per Share).</p> <p>The average daily trading volume was <u>high</u> at 9.33% as compared to TVHB's entire ordinary shares in issue, on 19 January 2021, when the TVHB's Share was at its highest before declining.</p> <p>The increase in share price may be partly due to the <u>positive reaction</u> by the market participants.</p>
3	30 September 2021	TVHB made its fourth quarterly announcement for the period from 1 April 2021 to 30 June 2021 with a reported loss after tax of RM 2.239 million for the quarter.	<p>Post announcement, it was noted that the average daily trading volume was low.</p> <p>The decline in share price may be partly due to the <u>negative reaction</u> by the market participants.</p>
4	30 November 2021	TVHB reported its fifth quarterly announcement for the period from 1 July 2021 to 30 September 2021 with a loss after tax of RM 13.145 million for the quarter.	<p>Post announcement, it was noted that the average daily trading volume was low.</p> <p>The decline in share price may be partly due to the <u>negative reaction</u> by the market participants.</p>
5	31 January 2022	TVHB announced that it cancelled its proposed dividend of RM 0.01 per share that was proposed on 30 November 2021 subject to shareholders' approval.	<p>Post announcement, it was noted that the average daily trading volume was low.</p> <p>The decline in share price may be partly due to the <u>negative reaction</u> by the market participants.</p>

Source: Bloomberg LP and TVHB's announcement

We noted from **Section 2.3.2, part A** of this Circular that the Outstanding Debts covered a period since FYE 31 March 2012. Hence, we have reviewed the historical daily share price of TVHB from 31 March 2012 to LTD ("**Period**") and noted that during the Period, the range was between RM 0.415 per Share (last traded price on 9 May 2022) to RM 3.89 per Share (last traded price on 19 January 2021), with an average of RM 0.973 per Share.

From the study of the historical share prices and the major announcements by the Company near the period between 19 January 2021 to 9 May 2022 to identify the possible causes of the share price volatility, we noted that the share price of TVHB was on the uptrend following an announcement made on 29 December 2020 (last traded price was RM 1.00 per Share) to 19 January 2021 (last traded price was RM 3.89 per Share), possibly due to the positive market reaction by market participants on the announcement of the execution of the build, operate and transfer contract between TIGB, BOT Company and MOIT, first announced on 29 December 2020. The subsequent announcements on 30 September 2021 and 30 November 2021 on the quarterly financial results may cause negative reaction by market participants causing a market correction to the share prices.

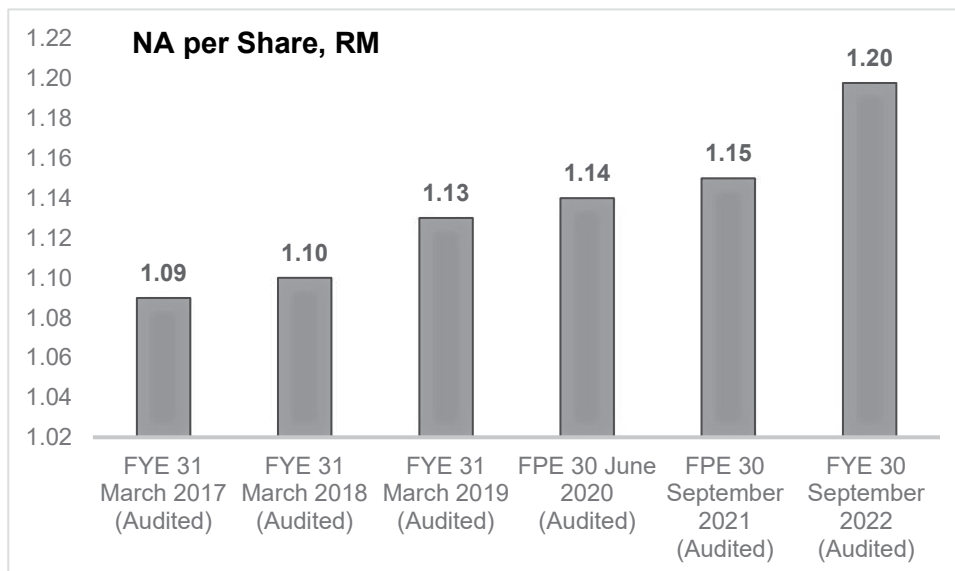
We noted that for most of the Period, the share prices of TVHB is below the Issue Price except for periods between 31 March 2012 to 26 November 2012 and 30 December 2020 to 25 January 2022, both dates inclusive.

The Issue Price is a premium of RM 0.2270 (or approximately 23.33%) to the average traded price of RM 0.973 between 31 March 2012 to LTD.

We conclude that the Issue Price is **reasonable** and **not detrimental** to the non-interested shareholders of the Company.

- (ii) Analysis of the Issue Price as compared to its historical audited net asset per share from FYE 31 March 2017 to FYE 30 September 2022.

Audited NA per Share of TVHB from FYE / FPE 31 March 2017 until 30 September 2022



Source: Annual reports and quarterly announcements

AER's Commentary

Issue Price is a premium of RM 0.05 when compared with its audited NA as at FPE 30 September 2021.

Issue Price approximates (equals) with its audited NA as at FYE 30 September 2022.

As the Issue Price equal to the audited NA as at FYE 30 September 2022 with no discount or premium, we concluded that the Issue Price is **fair, reasonable** and **not detrimental** to the non-interested shareholders of the Company.

(iii) Analysis of the historical share price performance by comparison between Issue Price and its historical VWAMP at varying interval in days, measured up to and including LTD.

Issue Price, RM	VWAMP interval in days measured up to and including LTD.	TVHB's Share price at different interval days of VWAMP measurement	(Discount) / Premium on the VWAMP, in RM	(Discount) / Premium on the VWAMP
A		B	A – B	(A-B)/B
1.20	5 days -VWAMP	0.8526	0.3474	40.75%
1.20	30 days -VWAMP	0.7758	0.4242	54.68%
1.20	60 days - VWAMP	0.7226	0.4774	66.07%
1.20	90 days - VWAMP	0.7119	0.4881	68.56%
1.20	180 days - VWAMP	0.6749	0.5251	77.80%
1.20	360 days - VWAMP	0.2099	0.4337	56.60%

Source: Bloomberg L.P.

AER's Commentary

We noted that the Issue Price represents a premium of 40.75%, 54.68%, 66.07%, 68.56%, 77.80% and 56.60% over 5 days VWAMP, 30 days VWAMP, 60 days VWAMP, 90 days VWAMP, 180 days VWAMP and 360 days VWAMP respectively up to and including LTD.

We conclude that the Issue Price is **fair, reasonable** and **not detrimental** to the non-interested shareholders of the Company.

6.4 The conversion mode of each ICULS

As extracted from Appendix II of this Circular	AER's commentary
<p><i>Conversion Mode: The ICULS are convertible into new TVHB Shares by surrendering one (1) ICULS for one (1) new TVHB Share without payment of any cash consideration</i></p>	<p>One (1) ICULS is converted into one (1) new TVHB Share by surrendering one (1) ICULS for one (1) new TVHB Share without payment of any cash consideration.</p> <p>As explained under Section 6.3 of this IAL, the feature of the conversion mode has the effect of equating the fair value of each ICULS as the fair value of each TVHB Share, as each ICULS is similar to an option with no exercise price, also known as "deep in the money call option".</p> <p>As we have concluded that the Issue Price of each ICULS is equates to the fair price of TVHB Share, we conclude that the Issue Price and conversion mode of each ICULS is fair and reasonable.</p>

6.5 The other terms of the ICULS such as annual coupon rate, voting rights and listing status

As extracted from Appendix II, part A of this Circular	AER's commentary
<p><i>Coupon Rate/Payment:</i> <i>Zero coupon</i></p> <p><i>Rights of ICULS holders:</i> <i>The ICULS holders are not entitled to any voting rights and shall not have any participating rights in any distribution and/or offer of securities in the Company until and unless such ICULS holders convert their ICULS into new TVHB Shares</i></p> <p><i>Listing:</i> <i>The ICULS will not be listed, quoted or traded on Bursa Securities. However, an application for approval of Bursa Securities will be made for the listing of and quotation for the new TVHB Shares to be issued arising from the conversion of the ICULS on the Main Market of Bursa Securities</i></p>	<p>Zero Coupon The ICULS do not carry any contractual coupon entitlements. We conclude that this is reasonable and not detrimental to you, as it conserves the Company's future cash resources within the Company.</p> <p>No voting rights The ICULS holders are not entitled to any voting rights and shall not have any participating rights in any distribution and / or offer of securities.</p> <p>We conclude that this is reasonable and not detrimental to you, as ICULS holders are treated as "debt providers" prior to converting the ICULS to TVHB Shares.</p> <p>Listing status The ICULS are not listed, quoted or traded on Bursa Securities.</p> <p>Similar to any financial instruments which are not listed, the value of an unlisted ICULS is lower than its fair value due to illiquidity. This matter has no direct impact on you as shareholders. We conclude that this is reasonable and not detrimental to you.</p>

6.6 Effects of the Proposed Settlement on ELLI's, BASB's and NLS's direct shareholdings

Reference	Area of evaluation	AER's Commentary
Section 6.6(a)	Effects of the Proposed Settlement on ELLI's shareholdings (Section 5.5, Part A)	The Proposed Settlement between TVHB and ELLI has the effect of increasing the direct shareholding of ELLI from 7.85% as at LPD to 48.88% assuming full conversion of all the ICULS's entitlement save for Trust ICULS.

Reference	Area of evaluation	AER's Commentary
Section 6.6(b)	Effects of the Proposed Settlement on BASB's shareholdings (Section 5.5, Part A)	The Proposed Settlement between TVHB and BASB has the effect of decreasing the direct shareholding of BASB from 8.17% as at LPD to 7.59% assuming full conversion of ICULS's entitlement.

Reference	Area of evaluation	AER's Commentary
Section 6.6(c)	Effects of the Proposed Settlement on NLS's shareholdings (Section 5.5, Part A)	The Proposed Settlement between TVHB and NLS has the effect of increasing the direct shareholding of NLS from 0.85% as at LPD to 1.05% assuming full conversion of ICULS's entitlement.

AER's evaluation on the fairness and reasonableness of the dilution impact to existing shareholders upon conversion of the ICULS

The Proposed Settlement has the effect of increasing the direct shareholding of ELLI and NLS, and a dilutive effect on the other existing shareholders as at LPD as per the proforma computation as set out in Section 5.5, Part A of this Circular.

To evaluate the fairness and reasonableness of the dilutive effect on other existing shareholders shareholdings, we evaluated other funding options that are available to TVHB to repay the Settlement Sum such as new borrowings and new equity funding options and assess each of their advantages and disadvantages.

On assumption that such other funding options could be successfully implemented, the advantages and disadvantages of the Proposed Settlement in comparison with other funding options to evaluate the fairness and reasonableness of the dilutive effect on the existing shareholdings is as tabulated below: -

Types of financial instruments	Existing method of Proposed Settlement	Other funding options	
	ICULS	Borrowings	Other equity funding options such as rights issue or placement
Advantages	<p>The fair value of 295,000,000 ICULS at the Issue Price equals to the Settlement Sum. The Proposed Settlement shall constitute a full and final settlement of the Settlement Sum.</p> <p>The ICULS do not carry any annual coupons which means that there is no coupon payment during the tenure when the ICULS has not yet been converted to TVHB Shares.</p>	No dilution on the existing shareholder's shareholding	No requirement of repayment for the amount raised.
Disadvantages	<p>Results in the dilution to the existing shareholders' shareholdings gradually over time.</p> <p>From Section 5.5 Part A of the Circular the aggregate shareholding of other existing shareholders' shareholding was approximately 52.59% and 34.25% as at LPD and upon full conversion of ICULS to TVHB Shares, respectively.</p>	Requires setting aside of future cash flow to repay the principal sum borrowed and interest.	Results in immediate dilution to the existing shareholders' shareholdings.

We noted from the above table that other funding options such as rights issue or share placement, shall result in dilution to existing shareholders' shareholdings, that do not participate in the subscription exercise.

Based on the above evaluation, having considered the present state of the Company and the available funding options to repay the Settlement Sum, the favourable terms of the ICULS without annual coupon during its tenure and that no interest cost was imputed by the Creditors for the Settlement Sum in the Proposed Settlement, we concluded as a whole, the issuance of ICULS, though dilutive, is **fair** and **reasonable** and **not detrimental** to the non-interested shareholders.

6.7 Financial Effects of the Proposed Settlement

Section 6.7	Effects of the Proposed Settlement on NA per Share and gearing (Section 5.4, Part A)	<p>Effects on NA per Share The NA per Share of TVHB as at 30 September 2022 was <u>RM 1.20 per Share</u>.</p> <p>On a proforma basis, upon completion of the Proposed Settlement, the NA per Share of TVHB shall increase to <u>RM 4.05 per Share</u> as the ICULS has not been converted into Shares.</p> <p>On a proforma basis, upon completion of the Proposed Settlement and after full conversion of the ICULS, the NA per Share revert to <u>RM 1.20 per Share</u> as all the ICULS has been fully converted to Shares.</p> <p>Effects on gearing The Proposed Settlement has the effects on reducing the gearing of the Company due to the increase in share capital base over time as a result of the conversion of ICULS to new TVHB Shares.</p>
Section 6.7	Effects of the Proposed Settlement on Earnings and EPS (Section 5.3, Part A)	<p>Effects on Earnings The Proposed Settlement will result in a dilution of the EPS of TVHB arising from the increase in the number of TVHB Shares in issue upon the conversion of the ICULS.</p> <p>Conversely, it shall result in savings in interest cost as compared to an alternative scenario if the Company borrow to repay the Settlement Sum owing to Creditors.</p> <p>Effects on EPS The Proposed Settlement is expected to reduce the EPS as a result of the increase in the number of TVHB Shares in the Company upon the conversion of the ICULS.</p> <p>We conclude that the effects of the potential savings in interest cost (if the Ourstanding Debts is paid by borrowings) and the dilutive effect (as a result of increasing the number of Shares arising from the future conversion of the ICULS) which has the potential compensatory effect of increasing and reducing the future EPS respectively. As the dilutive effect is gradual over time, we conclude that the Proposed Settlement is reasonable and not detrimental to the interest of the non-interested shareholders.</p>

6.8 Risk factors

As extracted from Section 4, Part A , of this Circular	AER's commentary
<p><i>The Proposed Settlement is conditional upon fulfilment of the conditions precedent to the Settlement Agreement. In the event that the conditions precedent are not fulfilled within the stipulated time period, the completion of the Proposed Settlement may be affected. In this regard, the Board shall take reasonable steps to ensure that there is no delay in fulfilling all the conditions precedent to the Settlement Agreement by the parties concerned and should there be any delay beyond the agreed time period, the Board shall negotiate with the relevant parties to the Settlement Agreement to mutually extend the said period prior to its expiry.</i></p>	<p>The risk factor associated with the fulfilment of the Condition Precedent within six (6) months from the date of the Settlement Agreement or such later date as the Parties may mutually agree in writing.</p> <p>We also noted the Board shall take reasonable steps to ensure that there is no delay and if such delay occurs the Company has mitigation plans to negotiate with the parties to extend the Conditional Period.</p> <p>We conclude that the risk factor and mitigation plans by the Company are reasonable and not detrimental to the non-interested shareholders.</p>

6.9 Overall

	Areas of evaluation	AER's Commentary
Section 6.9	Sections 5.3, 5.4, 5.6 and 6.1 to 6.8	Taken as a whole, we are of the view that the overall financial effect of the Proposed Settlement with the Creditors are fair and reasonable and not detrimental to the interests of the non-interested shareholders as any effects are one-off in nature.

The remainder of this page is left blank intentionally.

7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders, should consider all the merits and demerits of the Proposed Settlement, based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

In our evaluation of the Proposed Settlement and in arriving at our opinion, we have taken into consideration various factors as follows:

- (a) the rationale for the Proposed Settlement by the Board and the Company, are reasonable and not detrimental to the non-interested shareholders.
- (b) the salient terms of the Settlement Agreement are reasonable, and not detrimental to the non-interested shareholders.
- (c) the Issue Price is fair, reasonable and not detrimental to the non-interested shareholders.
- (d) the effects and risk factors of the Proposed Settlement taken as a whole, are not detrimental to the interests of the non-interested shareholders.

After having considered all the various factors included in our evaluation for the Proposed Settlement that is based on the information made available to us, we are of the opinion that the Proposed Settlement is **fair** and **reasonable** insofar as to the non-interested shareholders are concerned and it is **not to the detriment** of the non-interested shareholders, taking into consideration that the Proposed Settlement are undertaken by the Company to reduce the burden of payment obligation by the Company while at the same time, undertaking steps to improve the Company's financial position.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Settlement which is to be tabled at the Company's forthcoming EGM.

Yours faithfully,
For and on behalf of
ASIA EQUITY RESEARCH SDN. BHD.

ONG TEE CHIN, CFA, FRM, CAIA
Director

KHAIRIL ANUAR BIN MOHD NOR
Director

SALIENT TERMS OF THE SETTLEMENT AGREEMENT

- A. The salient terms of the Settlement Agreement are as follows:-
1. Acknowledgement and Debt Settlement
 - 1.1 TVHB and the Creditors (each a “**Party**”, collectively “**Parties**”) unequivocally acknowledge, admit, confirm and agree that as at 22 December 2022, TVHB is indebted to the Creditors in the sum of the Outstanding Debts.
 - 1.2 Each of the Creditors unequivocally acknowledges, agrees and confirms that no payment has been received from TVHB in settlement of all or part of the Outstanding Debts since 22 December 2022 up to the date of the Settlement Agreement and further undertakes that it will not receive any payment from TVHB in settlement of all or part of the Outstanding Debts from the date of the Settlement Agreement up to the Settlement Date (as defined below).
 - 1.3 The Creditors unequivocally confirm and agree to accept the ICULS as full and final settlement of the Settlement Sum in accordance with the terms and conditions of the Settlement Agreement.
 2. Settlement
 - 2.1 The Parties agree that the ICULS shall be satisfied as full and final settlement of the Settlement Sum on or before the expiry of three (3) months from the Unconditional Date (as defined below) (“**Settlement Date**”) in the following manner and subject to the following terms:-
 - (i) the Parties are agreeable that the Settlement Sum shall be satisfied entirely by way of issuance of the ICULS to the Creditors;
 - (ii) the ICULS shall be issued to the Creditors on the Issue Date (as defined below);
 - (iii) TVHB will or cause and procure the issuance of the ICULS to the Creditors on a date to be mutually agreed upon between the Parties provided that such date shall be no later than the Settlement Date (“**Issue Date**”); and
 - (iv) the ICULS will be issued in registerable form and constituted by the Trust Deed which shall contain the salient terms of the ICULS as set out in Appendix II, Part A of this Circular.
 3. Conditions Precedent
 - 3.1 The obligations of TVHB under Paragraph 2.1 above are conditional upon the following conditions precedent (“**Conditions Precedent**”) being fulfilled within six (6) months from the date of the Settlement Agreement or such later date as the Parties may mutually agree in writing (“**Conditional Period**”):
 - (i) the approval of the board of directors of the Creditors (for corporate Creditors) for the execution of the Settlement Agreement by the Creditors as well as the execution by the Creditors of any other document in connection with the Proposed Settlement contemplated under the Settlement Agreement;
 - (ii) the approval of the shareholders of TVHB for the Proposed Settlement on the terms and conditions set out in the Settlement Agreement at an EGM to be convened;
 - (iii) the approval of the Board for the execution of the Settlement Agreement by TVHB and the performance of its obligations therein as well as the execution by TVHB of any other agreement or document in connection with the Proposed Settlement contemplated under the Settlement Agreement;
 - (iv) the receipt of proof of debts in such form as may be acceptable to the auditors of TVHB evidencing the Outstanding Debts owing by TVHB to each of the Creditors as at 22 December 2022 and/or as at the latest practicable date prior to the Settlement Date; and

SALIENT TERMS OF THE SETTLEMENT AGREEMENT (CONT'D)

- (v) the receipt by TVHB of all such regulatory or other approvals, consents, authorisation, permits or waiver (if any) required for the Proposed Settlement including but not limited to:-
 - (a) Bursa Securities:-
 - (aa) the approval for the clearance of the draft circular to the shareholders of TVHB in relation to the Proposed Settlement;
 - (bb) the approval for the listing of and quotation for the TVHB Shares to be issued on the Main Market of Bursa Securities pursuant to the conversion of the ICULS; and/or
 - (b) approval from any other relevant authority or party, if required.
- 3.2 The Settlement Agreement shall be deemed to be unconditional on the date the last of the Conditions Precedent is fulfilled or waived, being a date no later than the Conditional Period (“**Unconditional Date**”).
- 3.3 In the event any of the conditions as stated in Paragraphs 2 or 3 is not fulfilled or waived in writing by the Creditors at their absolute discretion on or before the expiry of the Conditional Period (in the case of Paragraph 3) or the Settlement Date (in the case of Paragraph 2), the Settlement Agreement shall be terminated and such termination of which shall not affect or derogate in any way the Creditors’ entitlement to all and any rights, claims and reliefs against TVHB to recover the Outstanding Debts.
- 3.4 Upon fulfilment of Paragraph 2 to the satisfaction of the Creditors, the Settlement Sum shall be discharged against such portion of the Outstanding Debts with the Remaining Debts (being the difference between the Outstanding Debts and the Settlement Sum), if any, to be settled by TVHB Group in its ordinary course of business which shall not be governed by the Settlement Agreement.
- 3.5 The Creditors agree not to exercise their rights to enforce against TVHB in connection with the Outstanding Debts at any time during the date of the Settlement Agreement until the Settlement Date, among others, to demand for payment in respect of the Outstanding Debts or to commence any legal actions or proceedings against TVHB.
- 4. Warranties and Representations
- 4.1 The Parties represent and warrant to each other as follows:-
 - (i) it has the power or capacity to execute, deliver and perform the terms of the Settlement Agreement and all documents required to be delivered under the Settlement Agreement and in pursuant to the Proposed Settlement;
 - (ii) the passing of the resolutions of the respective party for the execution of the Settlement Agreement have been validly authorised by appropriate corporate action and the Settlement Agreement constitutes legal, valid, binding and unconditional obligations of the Parties in accordance with its terms;
 - (iii) the execution, delivery and performance of each of the Party’s obligations under the Settlement Agreement do not and will not violate or contravene the provisions of:-
 - (a) its Memorandum and Articles of Association or Constitution, whichever is applicable; and
 - (b) any law, or regulation, or any order, or decree of any governmental authority, agency or court to which it is subject.
 - (iv) it is not insolvent and there are no bankruptcy or winding-up petition or proceedings threatened or pending against any of the Parties.

SALIENT TERMS OF THE SETTLEMENT AGREEMENT (CONT'D)

5. Default

- 5.1 If any party(ies) (“**Defaulting Party**”) commits any breach of its obligations under the Settlement Agreement (including any warranties) and if such breach is remediable, fails to remedy such breach within fourteen (14) days from the service of any written notice by the other party(ies) complaining of such breach (“**Event of Default**”), then and in any such event, the remaining party(ies) (“**Non-Defaulting Party**”) shall, without prejudice to any other rights and remedies as it may have, be entitled to give notice to the Defaulting Party to terminate the Settlement Agreement and the Defaulting Party shall indemnify the Non-Defaulting Party for all damages, costs, charges and expenses (including all legal costs) incurred by the Non-Defaulting Party in connection with the negotiation and preparation, breach or non-compliance with the Settlement Agreement and termination or rescission of the Settlement Agreement and all matters which are connected therewith.

6. Confidentiality

- 6.1 Each Party must treat as strictly confidential and undertakes to keep all information in connection with the Settlement Agreement, the terms and conditions of the Settlement Agreement and all information which may be received or obtained during the course of the Settlement Agreement or as a result of entering into or performing the Settlement Agreement which relates to the provisions or subject matter of the Settlement Agreement to the affairs of any other party to the Settlement Agreement or the negotiations relating to the Settlement Agreement (“**Confidential Information**”) absolutely secret and confidential at all times.

- 6.2 A Party may only disclose the Confidential Information if and to the extent:-

- (i) it is required to do so by law or any securities exchange or regulatory or governmental body to which it is subject wherever situated;
- (ii) it is necessary to disclose the information to its professional advisers, auditors and bankers provided that it must ensure that such persons to whom such Confidential Information is disclosed are at all times subject to and shall maintain this obligation of confidentiality; or
- (iii) the information has come into the public domain through no fault of that party.

7. Governing Law and Jurisdiction

The Settlement Agreement is governed by and is to be construed in accordance with the laws of Malaysia. The Parties agree to submit to the exclusive jurisdiction of the courts of Malaysia in all matters arising out of or in connection with the Settlement Agreement.

- B. The salient terms of the supplemental Settlement Agreement are as follows:-

1. The provisions of the Settlement Agreement shall be varied in the manner set out below:-

- (i) the Conditional Period for the fulfilment of the Conditions Precedent to be extended from six (6) months to twelve (12) months from the date of the Settlement Agreement or such later date as the Parties may mutually agree in writing; and
- (ii) the transferability of the ICULS to be varied where the ICULS are fully transferable to persons falling within any of the categories of persons specified in Part I of Schedule 6 of the Capital Markets and Services Act 2007 and where the consideration is not less than two hundred and fifty thousand ringgit (RM250,000) or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise through KAF IB as placement agent.

SALIENT TERMS OF THE SETTLEMENT AGREEMENT (CONT'D)

C. The salient terms of the second supplemental Settlement Agreement are as follows:-

1. The provisions of the Settlement Agreement shall be varied in the manner set out below:-

- (i) an additional clause to state that ELLI irrevocably authorises the Trustee to hold the Trust ICULS on trust for and on behalf of ELLI commencing on the Issue Date and ELLI agrees that the Trust ICULS are not convertible and not transferable save and except in accordance with the terms of the Settlement Agreement and the Trust Deed;
- (ii) item (xiii) of Appendix II, Part A of this Circular be amended such that the ICULS holders shall have the right at any time during the conversion period to convert such amount of ICULS held into new Shares based on the conversion mode provided that the conversion of such number of ICULS will not result in a Breach of the Spread at the time of conversion as confirmed by the Company in writing;
- (iii) item (xxiii) of Appendix II, Part A of this Circular be amended such that the ICULS are fully transferable to Permitted Transferees, through KAF IB as placement agent provided always that the ICULS holders shall notify the Company of such proposed transfer of the ICULS at least ten (10) days prior to the date of the proposed transfer and the Company has confirmed in writing that the conversion of such number of ICULS transferred will not result in a Breach of the Spread;
- (iv) inclusion of the conversion rights of the Trust ICULS under item (xiii) of Appendix II, Part A of this Circular as follows:-
 - (a) the Trust ICULS are not convertible throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be converted while there remain any ICULS (which are not Trust ICULS) which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, at any time during the conversion period, in the event that ELLI wishes to convert any of the Trust ICULS into new Shares, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the conversion upon obtaining written confirmation from the Company that the conversion of such Trust ICULS will not result in a Breach of the Spread at the time of conversion.

- (b) if, at any time during the tenure, it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on the maturity date, ELLI irrevocably authorises the Company to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure there is no Breach of the Spread on the maturity date.

For the avoidance of doubt, in the event that the conversion of all the remaining ICULS will not result in a Breach of the Spread, all Trust ICULS remaining on the maturity date shall be compulsorily converted to Shares; and

SALIENT TERMS OF THE SETTLEMENT AGREEMENT (CONT'D)

(v) inclusion of the transferability of the Trust ICULS under item (xxiii) of Appendix II, Part A of this Circular as follows:-

(a) The Trust ICULS are not transferable throughout the tenure except in accordance with the terms of the Trust Deed. No Trust ICULS can be sold and/or transferred to the Creditors and/or its related party while there remain any ICULS (which are not Trust ICULS) held by the Creditors and/or its related party and which have not been converted or sold and/or transferred at the relevant point in time.

Subject to the above, in the event that ELLI wishes to transfer any of the Trust ICULS, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the transfer to any Permitted Transferee upon obtaining written confirmation from the Company that the conversion of such Trust ICULS to be transferred will not result in a Breach of the Spread at the time of conversion.

[The rest of this page has been intentionally left blank]

SALIENT TERMS OF THE ICULS

The salient terms of ICULS are set out as follow:-

- (i) Issuer : TVHB
- (ii) Initial ICULS holders : The Creditors, namely ELLI, BASB and NLS
- (iii) Issue Size : RM354,000,000 nominal value or 295,000,000 ICULS to be issued pursuant to the Proposed Settlement
- (iv) Issue Price : Each ICULS shall be issued at 100.0% of its nominal value of RM1.20
- (v) Form and Denomination : The ICULS will be issued in registrable form and in denomination of RM1.20 each and multiples thereof, and constituted by the Trust Deed
- (vi) Mode of issuance : The ICULS will be:-
 - (a) issued and/or tendered on the Fully Automated System for Issuing/Tendering (FAST); and
 - (b) issued on scripless basis, deposited and settled in the Real Time Electronic Transfer of Funds and Securities (RENTAS) system which is operated by Payments Network Malaysia Sdn Bhd (PayNet)
- (vii) Issue Date : A market day to be mutually agreed between the Company and Creditors and shall be no later than the Settlement Date
- (viii) Tenure : Five (5) years from and inclusive of the date of issuance of the ICULS
- (ix) Maturity Date : The date immediately preceding the fifth (5th) anniversary date of first issue of the ICULS, and if such date is not a market day, then on the immediate preceding market day
- (x) Basis of Allotment : RM1.20 nominal value of ICULS for every RM1.20 of debts owing to the Creditors
- (xi) Coupon Rate/ Payment : Zero coupon
- (xii) Conversion Mode : The ICULS are convertible into new TVHB Shares by surrendering one (1) ICULS for one (1) new TVHB Share without payment of any cash consideration
- (xiii) Conversion Rights : **ICULS**
 - (a) Subject to item (xiii)(b) below, each holder of ICULS shall have the right at any time during the conversion period to convert such amount of ICULS held into new TVHB Shares based on the conversion mode provided that the conversion of such number of ICULS will not result in a Breach of the Spread at the time of conversion as confirmed by the Company in writing

Subject to item (xiii)(c) below, any remaining ICULS not converted at the end of the conversion period shall be compulsorily converted into new TVHB Shares on the maturity date

Any fractional new TVHB Shares arising from the conversion of the ICULS will be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interests of the Company

SALIENT TERMS OF THE ICULS (CONT'D)

Trust ICULS

- (b) The Trust ICULS are not convertible throughout the tenure of the ICULS except in accordance with the terms of the Trust Deed. No Trust ICULS can be converted while there remain any ICULS (which are not Trust ICULS) which have not been converted or sold and/or transferred at the relevant point in time

Subject to the above, at any time during the conversion period, in the event that ELLI wishes to convert any of the Trust ICULS into new Shares, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the conversion upon obtaining written confirmation from the Company that the conversion of such Trust ICULS will not result in a Breach of the Spread at the time of conversion

- (c) If, at any time during the tenure of the ICULS, it appears that there will be a Breach of the Spread, or within six (6) months prior to the compulsory conversion of the ICULS, it appears that there will be a Breach of the Spread upon the compulsory conversion of all the remaining ICULS on the maturity date, the Company is irrevocably authorised by ELLI to provide written instruction to the Trustee to, at the option of the Trustee, (i) immediately sell such number of the Trust ICULS as may be required to any Permitted Transferee; and/or (ii) immediately convert such number of the Trust ICULS to Shares and sell such number of Shares as may be required, to ensure there is no Breach of the Spread on the maturity date. Upon the sale of such Trust ICULS and/or Shares, the Trustee shall immediately notify ELLI and the Company in writing of the sale and shall remit the payments received in respect of the sale to ELLI within ten (10) Market Days and/or in such manner as may be agreed with ELLI

For the avoidance of doubt, in the event that the conversion of all the remaining ICULS will not result in a Breach of the Spread, all Trust ICULS remaining on the maturity date shall be compulsorily converted to TVHB Shares

- (xiv) Adjustments in the nominal value : Necessary adjustments to the nominal value shall be made in the event of any alteration in the Company's share capital on or before the maturity date, whether by way of rights issue, bonus issue, consolidation of shares, subdivision of shares or capital distribution whether on a reduction of capital howsoever being effected, in accordance with the provisions of the Trust Deed
- (xv) Conversion Period : The ICULS shall be convertible into new TVHB Shares on any market day from and including the date of the issue of the ICULS up to and including the maturity date
- (xvi) Status of ICULS : The ICULS shall constitute direct, unconditional, unsubordinated and unsecured obligations of TVHB and subject to the provisions contained in the Trust Deed, must at all times rank equally, without discrimination, preference or priority between themselves and must rank at least equally with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of TVHB except for those which are preferred by law

SALIENT TERMS OF THE ICULS (CONT'D)

- (xvii) Ranking of new TVHB Shares to be issued pursuant to the conversion of ICULS : The new TVHB Shares to be issued pursuant to the conversion of ICULS shall, upon issue and allotment, rank equally in all respects with the then existing TVHB Shares, save and except that such new TVHB Shares to be issued arising from the conversion of the ICULS shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement date of which is prior to the date of allotment of such new TVHB Shares to be issued arising from the conversion of the ICULS
- (xviii) Rights of ICULS holders : The ICULS holders are not entitled to any voting rights and shall not have any participating rights in any distribution and/or offer of securities in the Company until and unless such ICULS holders convert their ICULS into new TVHB Shares
- (xix) Amendment to the ICULS holders' rights : Save as otherwise provided in the Trust Deed and consented to in writing by the Company, approval of the ICULS holders by way of special resolution is required to sanction any modification, variation or arrangement requested by TVHB in respect of the rights of the ICULS holders
- (xx) Rating : Not applicable
- (xxi) Listing : The ICULS will not be listed, quoted or traded on Bursa Securities. However, an application for approval of Bursa Securities will be made for the listing of and quotation for the new TVHB Shares to be issued arising from the conversion of the ICULS on the Main Market of Bursa Securities
- (xxii) Rights of the ICULS holders on liquidation : In the event of the ICULS becoming payable upon the occurrence of an event of default, the amount which is immediately due and payable by TVHB to the holders of the ICULS or which the holders of the ICULS may prove for in the liquidation shall be the nominal value of the outstanding ICULS
- (xxiii) Transferability : **ICULS**

The ICULS may only be offered, sold, transferred or delivered to Permitted Transferee, through KAF IB as the placement agent provided always that the holders of the ICULS shall notify the Company of such proposed transfer of the ICULS at least ten (10) days prior to the date of the proposed transfer and the Company has confirmed in writing that the conversion of such number of ICULS transferred will not result in a Breach of the Spread

Trust ICULS

The Trust ICULS are not transferable throughout the tenure of the ICULS except in accordance with the terms of the Trust Deed. No Trust ICULS can be sold and/or transferred to the Creditors and/or its Related Party while there remain any ICULS (which are not Trust ICULS) held by the Creditors and/or its Related Party and which have not been converted or sold and/or transferred at the relevant point in time

Subject to the above, in the event that ELLI wishes to transfer any of the Trust ICULS, ELLI shall first consult the Company and the Trustee, and the Trustee shall only carry out the transfer to any Permitted Transferee upon obtaining written confirmation from the Company that the conversion of such Trust ICULS to be transferred will not result in a Breach of the Spread at the time of conversion

SALIENT TERMS OF THE ICULS (CONT'D)

- (xxiv) Events of default : The trustee may and, if so directed by a special resolution, shall (subject to its rights to be indemnified to its satisfaction under the Trust Deed) declare (by giving a written notice to the Company and KAF IB) that the outstanding ICULS is immediately due and repayable, and the ICULS then outstanding shall become immediately due and repayable at their nominal amounts of RM1.20 each together with accrued interest up to and including the date of repayment, if any of the following events occur:-
- (a) if the Company fails to issue and allot new Shares following the exercise of the conversion rights by a ICULS holder;
 - (b) if a distress, execution or seizure before a judgment is levied or enforced on or against a substantial part of the assets of the Group and is not paid out, withdrawn or discharged within thirty (30) days (or such longer period as the trustee may consider appropriate in relation to the jurisdiction concerned), except if such distress, execution or seizure is disputed in good faith under or pursuant to proceedings duly instituted by the Company;
 - (c) if a petition to wind up the Company is presented against the Company, except if such petition is disputed in good faith under or pursuant to proceedings duly instituted by the Company;
 - (d) if an incumbrancer takes possession or a trustee, administrator or receiver is appointed in respect of all or any substantial part of the assets of the Group;
 - (e) if an effective resolution is passed by the Company or an order of a court of competent jurisdiction is made for the winding-up of the Company, except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which are agreed to in writing by the trustee;
 - (f) if the Company is the subject of a scheme of compromise or arrangement under Section 366 of the Act and/or any other corporate rescue mechanism under the Act, and for purposes of this clause, the Company shall be deemed the subject of such a scheme of compromise or arrangement if:-
 - (aa) an application is made under Section 366 of the Act to convene a meeting of creditors or class of creditors or of members or class of members;
 - (bb) an application is made for a restraining order under Section 368 of the Act; or
 - (cc) an application is made under Section 366 of the Act for approval by the court of a compromise or arrangement,

whether or not the court or meeting (as the case may be) approves such application or matter but the Company shall not be deemed to be the subject of a scheme of compromise or arrangement if it is a scheme for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which are agreed to in writing by the trustee;
 - (g) if a special administrator of the Company is appointed;

SALIENT TERMS OF THE ICULS (CONT'D)

- (h) if it is or will become unlawful for the Company to perform or comply with all of its obligations under the Trust Deed;
- (i) if the Company is for the purposes of Section 465 of the Act deemed to be unable to pay its debts;
- (j) any consent, authorisation, licence or approval of, registration with or declaration to governmental or public bodies or authorities or courts in Malaysia (if any) required by the Company to authorise or required by the Company in connection with the execution, issue, sale, delivery, validity, enforceability or admissibility in evidence of the Trust Deed or the ICULS or the performance by the Company of its obligations under the Trust Deed or the ICULS (as the case may be) is revoked, withheld or modified to such degree as would be materially prejudicial to the interests of the ICULS holders or is not granted or is revoked or terminated or expired and is not renewed or otherwise ceases to be in full force and effect;
- (k) all or any substantial part of the undertaking or assets of the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body in Malaysia, but only if the relevant governmental body does not make or does not propose to make an offer of compensation which would be sufficient to repay amounts due on all outstanding ICULS. For the purpose of this clause, the word 'substantial' means a value exceeding 75% of the value of the net tangible assets of the Group as disclosed in the latest audited accounts of the Group; or
- (l) the Company disposes of a whole or a substantial part of its principal assets, or threatens to cease or ceases to carry on the whole or a substantial part of its business otherwise than for purposes of:-
 - (aa) a consolidation, amalgamation, merger or reconstruction; or
 - (bb) the disposal or divestment of the Company's equity interest in Toyo Ink Sdn Bhd ("**TISB**") or any of the subsidiaries of TISB to facilitate the implementation of the power plant project of TISB and its subsidiaries, under which the rights of the ICULS holders are not impaired and the continuing entity effectively assumes the entire obligations of the Company;

but the ICULS shall not become immediately due and repayable if any of the events referred to in these clauses occur unless and until the trustee has served a written notice on the Company requiring the Company to remedy such event of default (if capable of being remedied) and the Company fails to comply with such notice within thirty (30) days from the date of such notice.

For clarity, in the event of the ICULS becoming payable upon the occurrence of an event of default, the amount which is immediately due and payable by the Company to the ICULS holders or which the ICULS holders may prove for in the liquidation of the Company shall be the nominal value of the outstanding ICULS. Save as aforementioned, the ICULS shall not be liable to be redeemed in cash but only by conversion into new Shares in accordance with the provisions of the Trust Deed.

- (xxv) Governing laws and jurisdiction : Laws of Malaysia and the exclusive jurisdiction of the Courts of Malaysia

FINANCIAL INFORMATION OF TVHB GROUP

For information purpose, on 26 October 2020, TVHB completed a share exchange proposal as part of its internal reorganisation proposal by way of Members' Scheme of Arrangement under Section 366 of the Act ("**Internal Reorganisation**"), where upon completion of the Internal Reorganisation, TVHB assumes the listing status of TIGB and TIGB became a wholly owned subsidiary of the Company.

Hence, the audited consolidated financial information for the 15-month FPE 30 June 2020 is under TIGB whilst the audited consolidated financial information for the 15-month FPE 30 September 2021 and FYE 30 September 2022 are under TVHB as follows:-

	<-----Audited-----> (Restated)			<-----Unaudited----->	
	15-month FPE 30 June 2020 RM'000	15-month FPE 30 September 2021 RM'000	FYE 30 September 2022 RM'000	9-month FPE 30 June 2022 RM'000	9-month FPE 30 June 2023 RM'000
Revenue	98,862	99,639	101,170	79,890	65,139
Gross profit	20,925	20,903	17,705	12,094	15,061
Profit/(Loss) before taxation	6,468	(8,493)	(136)	1,366	2,790
Taxation	(914)	(1,217)	(708)	(1,174)	(1,051)
PAT/(LAT)	5,554	(9,710)	(844)	192	1,739
Shareholders' equity / NA	122,503	136,599	140,994	142,956	142,956
No. of Shares ('000)	*	117,703	117,703	117,703	117,703
NA per Share	61,252	1.16	1.20	1.21	1.21
EPS / (Loss per Share)	2,777	(0.08)	(0.01)	^	0.01
Current ratio (times)	1.31	7.33	6.14	6.14	9.69
Total borrowings	3,649	2,800	8,470	8,470	7,338
Gearing ratio (times)	0.03	0.02	0.06	0.06	0.05

Notes:-

* Represents two (2) TVHB Shares.

^ Negligible.

Commentary on the financial performance**15-month FPE 30 June 2020**

On 28 February 2020, TIGB changed its FYE from 31 March to 30 June. Pursuant thereto, TIGB's financial information presented for the latest FYE is 15-month FPE 30 June 2020. For 15-month period, TIGB group's revenue increased by RM7.74 million to RM98.86 million (FYE 31 March 2019: RM91.12 million) due mainly to the following:-

- (i) revenue from the electrical discharge machining engineering, consumables and computer numerical control machining division increased by RM0.37 million to RM50.83 million (FYE 31 March 2019: RM50.46 million); and
- (ii) revenue from the ink division and trading division involved in the automotive refinish paints and consumable and equipment for graphic art industry increased by RM7.37 million to RM48.03 million (FYE 31 March 2019: RM40.66 million).

In line with the improvement in revenue, PAT increased by RM0.93 million to RM5.55 million (FYE 31 March 2019: RM4.62 million).

FINANCIAL INFORMATION OF TVHB GROUP (CONT'D)

15-month FPE 30 September 2021 (Restated)

The Internal Reorganisation did not result in any change in economic substance of the Group. Accordingly, the consolidated financial statements of the Company are a continuation of TIGB and its subsidiaries. In addition, the Group changed its FYE from 30 June to 30 September. Pursuant thereto, the Group's financial information presented for the latest FYE is 15-month FPE 30 September 2021. For 15-month period, the Group's revenue increased slightly by RM0.78 million to RM99.64 million (15-month FPE 30 June 2020: RM98.86 million) due mainly to the net effect of the following:-

- (i)
- (ii) revenue from the electrical discharge machining engineering, consumables and computer numerical control machining division decreased by RM0.61 million to RM50.22 million (15-month FPE 30 June 2020: RM50.83 million); and
- (iii) revenue from the the ink division and trading division involved in the automotive refinish paints and consumable and equipment for graphic art industry increased by RM1.39 million to RM49.42 million (15-month FPE 30 June 2020: RM48.03 million).

Nonetheless, the Group incurred an LAT of RM9.71 million (15-month FPE 30 June 2020: PAT of RM5.55 million) mainly due to the loss making power generation division as the associated costs related to the Project amounting to RM10.12 million were being expensed off and it has yet to commence the business operation.

For clarity, TVHB's external auditors had issued a qualified audit opinion on the Group's consolidated financial statements for the 15-month FPE 30 September 2021 and their basis of opinion are as follows:-

- (a) the uncertainty of the Project undertaken by TIGB due to inadequate of audit evidence to determine the continuity of the Project in view it was still at preliminary development stage;
- (b) the audited financial statements of the BOT Company were not available for consolidation purposes; and
- (c) certain payments to the Vietnamese consultant in relation to the Project were not supported with adequate documents due to restriction to access the original source documents kept by a third party.

FYE 30 September 2022

For the FYE 30 September 2022, the Group's revenue increased by RM1.53 million to RM101.17 million (15-month FPE 30 September 2021: RM99.64 million) due mainly to the net effect of the following:-

- (i) revenue from the electrical discharge machining engineering, consumables and computer numerical control machining division increased by RM5.58 million to RM55.80 million (15-month FPE 30 September 2021: RM50.22 million) as a result of higher demand in electrical discharge machining cut wires; and
- (ii) revenue from the ink division and trading division involved in the automotive refinish paints and consumable and equipment for graphic art industry decreased by RM4.05 million to RM45.37 million (15-month FPE 30 September 2021: RM49.42 million).

The Group's LAT reduced by RM13.07 million to RM0.84 million (15-month FPE 30 September 2021: LAT of RM13.91 million) during the financial year in view of the gain on disposal of subsidiaries amounting to RM2.80 million and the loss of power generation division narrowed to RM6.80 million due to the capitalisation of certain expenditures in relation to the Project amounting to RM3.00 million.

FINANCIAL INFORMATION OF TVHB GROUP (CONT'D)

9-month FPE 30 June 2023

For the 9-month FPE 30 June 2023, the Group's revenue decreased by RM14.75 million to RM65.14 million (9-month FPE 30 June 2022: RM79.89 million) due mainly to the following:-

- (i) revenue from the electrical discharge machining wire manufacturing division and consumables division decreased by RM10.63 million to RM19.59 million (9-month FPE 30 June 2022: RM30.22 million) as a result of weakening market in semiconductor industry; and
- (ii) revenue from the ink division and trading division involved in the automotive refinish paints and ink manufacturing for product packaging decreased by RM9.69 million to RM25.33 million (9-month FPE 30 June 2022: RM35.02 million).

The Group's PAT increased by RM1.55 million to RM1.74 million (9-month FPE 30 June 2022: RM0.19 million) mainly due to the higher gross margin and favourable foreign currency exchange.

[The rest of this page has been intentionally left blank]

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Parts A and B of this Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in Parts A and B of this Circular and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in Parts A and B of this Circular misleading.

2. CONSENT

KAF IB, as the adviser to TVHB in relation to the Proposed Settlement, has given and has not subsequently withdrawn its written consent to the inclusion in Parts A and B of this Circular of its name and all references thereto, where relevant, in the form and context in which they appear.

AER, as the Independent Adviser in relation to the Proposed Settlement, has given and has not subsequently withdrawn its written consent to the inclusion in Parts A and B of this Circular and IAL of its name and all references thereto, where relevant, in the form and context in which they appear.

3. DECLARATION

KAF IB confirms that it is not aware of any conflict of interest that exist or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposed Settlement.

AER confirms that it is not aware of any conflict of interest that exist or likely to exist that affect or may affect its ability to act independently and objectively as the independent adviser in connection with the Proposed Settlement.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any other material commitments and contingent liabilities incurred or known to be incurred by the TVHB Group which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of the TVHB Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, TVHB Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the TVHB Group.

- (i) On 28 April 2023, the solicitors of TIGB were served with the Writ of Summons and Statement of Claim dated 20 April 2023 filed at the High Court of Malaya at Kuala Lumpur ("**Kuala Lumpur High Court**") (WA-22NCvC-202-04/2023) ("**Suit**"). The Suit was commenced by K.S. Lee Energy LLP ("**KSLE**") through its solicitors in relation to a Project Success Fee Agreement dated 28 January 2018 between TIGB and KSLE ("**PSF Agreement**") in relation to the Project. KSLE's claim against TIGB is for the sum of:-
 - (a) USD10,363,516.00 for the "Equity Success Fee" and "Debt Success Fee" ("**Success Fee Claim**"); or
 - (b) in the alternative, USD8,839,947.60 for professional fees and loss of business opportunity ("**Alternative Claim**"); or

FURTHER INFORMATION (CONT'D)

- (c) in the further alternative, damages on a quantum meruit basis and/or pursuant to Section 71 of the Contracts Act 1950 to be assessed.

Under the PSF Agreement, KSLE was to be remunerated through, *inter alia*, a Project Success Fee (“PSF”). The PSF was calculated based on debt financing and contributions towards the Project which were meant to be received by the initial investors, which did not materialise. The PSF forms the subject matter of the Suit, which TIGB disputes. The PSF Agreement was officially terminated on 22 July 2022 vide letter issued by TIGB by email and registered post.

Pursuant to an application by TIGB for the summary disposal of the Suit, the Kuala Lumpur High Court had, on 4 October 2023, answered all the preliminary issues proposed by TIGB in favour of TIGB and found the action commenced by KSLE to be an abuse of court process, and ordered that the action commenced by KSLE be dismissed with costs. The Kuala Lumpur High Court also ordered KSLE to pay TIGB a total sum of RM60,000.00, comprising the followings:

- (aa) RM30,000.00 costs for the action; and
 (bb) RM30,000.00 costs for TIGB’s application,

(“**High Court Order**”).

In view of the High Court Order, all the trial dates previously fixed by the Kuala Lumpur High Court are vacated.

On 2 November 2023, KSLE filed an appeal to the Court of Appeal against the High Court Order (Court of Appeal Civil Appeal No. W-02(IM)(NCvC)-1820-11/2023) (“**Appeal**”) and the Appeal is fixed for case management on 31 January 2024.

The Board is advised by its solicitors that the merits of KSLE’s Success Fee Claim and Alternative Claim are very weak as (i) the preconditions to the “Equity Success Fee” and “Debt Success Fee” were not satisfied whereby no contributions or compensations were provided by the initial investors; and (ii) there is no contractual basis for KSLE to claim the Alternative Claim. The Board is further advised by its solicitors that there is a good prospect of success in TIGB defending the High Court Order.

The Board is of the opinion that the Suit will not have any impact to the Project as KSLE has been fully paid and compensated via fixed fees for all advisory works performed under the PSF Agreement and in respect of the “Milestone Payments” and “Advisory Fee” under the Advisory and Services Agreement dated 28 January 2018 (“**Advisory Agreement**”) between KSLE and TIGB and legally compensated for termination of its services under the Advisory Agreement with the judgment sum of USD168,000.00 fully paid to KSLE on 21 February 2023 pursuant to the Kuala Lumpur Sessions Court Suit WA-52NCVC-347-08/2022.

- (ii) TIGB has received a letter of demand dated 5 May 2023 from Phu My Vinh Consulting Investment & Trading Service Company Limited (“**PMV**”) demanding from TIGB the sum of USD10,000,000.00 pursuant to a Consulting and Services Agreement dated 6 January 2020 in relation to the Project.

TIGB’s solicitors have issued a response to the said demand letter on 12 May 2023 and as at the LPD, no proceedings have been commenced by PMV against TIGB. The Board is of the opinion that the demand will not have any impact to the Project as PMV is not entitled to the demanded sum of USD10,000,000.00 as PMV had not successfully arranged any capital for the Project.

FURTHER INFORMATION (CONT'D)

- (iii) On 29 August 2023, the solicitors of TIGB were served with a Writ of Summons and Statement of Claim dated 23 August 2023 filed at the High Court of Malaya at Kuala Lumpur (WA-22NCvC-470-08/2023) (“**Suit 2**”). Suit 2 was commenced by PMV in relation to an agreement dated 28 September 2015 between TIGB and PMV (“**PMV Agreement**”) for PMV’s provision of consultancy services pertaining to the Project. PMV’s claim is monetary in nature for the sum of USD7,657,150.42 for alleged outstanding balance of consulting fees payable under the PMV Agreement, which TIGB disputes.

TIGB had entered its appearance on 29 August 2023 and on 23 October 2023, TIGB filed a striking out application to strike out Suit 2 and an application for security for costs. Both applications are fixed for hearing on 24 January 2024. The solicitors are cautiously optimistic that the striking out application will be allowed and that in the alternative, the High Court ought to allow security for costs if the striking out application is dismissed. The Board is of the opinion that Suit 2 will not have any impact to the Project as TIGB has paid all sum as agreed under the PMV Agreement and no amount is owing to PMV.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of TVHB at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur during ordinary business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) the Constitution;
- (ii) the latest audited consolidated financial statements of TVHB Group for 15-month FPE 30 September 2021 and FYE 30 September 2022;
- (iii) the latest unaudited consolidated financial statements of TVHB Group for 9-month FPE 30 June 2023;
- (iv) the letters of consent and conflict of interests referred to in Section 2 and Section 3 respectively of Appendix IV, Part A of this Circular;
- (v) the cause papers in respect of the material litigation referred to in Section 5 of Appendix IV, Part A of this Circular;
- (vi) the Settlement Agreement; and
- (vii) the draft Trust Deed constituting the ICULS.

[The rest of this page has been intentionally left blank]

PART C

**LETTER TO THE SHAREHOLDERS IN RELATION TO THE
PROPOSED ESS AND PROPOSED ALLOCATIONS**

DEFINITIONS

In Part C of this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Act”	: Companies Act 2016
“Announcement”	: The announcement in relation to the Proposed ESS dated 7 September 2023
“Awards”	: Collectively, the ESOS Award and Share Grant, and “ Award ” shall mean any of them, as the case may be
“BASB”	: Bukit Asa Sdn Bhd (198401013304 / 125864-U)
“Board”	: Board of Directors of TVHB
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (198701006854 / 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“By-Laws”	: By-laws governing the Proposed ESS
“CDS”	: Central Depository System
“CDS Account”	: An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
“Circular”	: This circular dated 28 November 2023 to the shareholders of TVHB in relation to the Proposed Settlement, Proposed ESS and Proposed Allocations
“Constitution”	: Constitution of the Company
“Creditors”	: The creditors pursuant to the Proposed Settlement, namely NLS, ELLI and BASB
“Director”	: A natural person who holds a directorship in an executive or a non-executive capacity within the Group (excluding dormant subsidiaries), within the meaning of Section 2(1) of the Act, which for the avoidance of doubt excludes an alternate director
“Effective Date”	: The implementation date of the Proposed ESS, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements in relation to the Proposed ESS
“EGM”	: Extraordinary general meeting
“ELESB”	: Eng Lian Enterprise Sdn Bhd (197101000166 / 10531-H)
“Eligible Person”	: Eligible Director and Employee who fulfils the eligibility criteria for participation in the Proposed ESS as stipulated in the By-Laws
“ELLI”	: Eng Lian (L) Inc. (LL06589)
“Employee”	: Any person who is confirmed in writing as a full-time employee and is on the payroll of any company within the Group (excluding dormant subsidiaries), excluding those employees who are on a fixed-term contract
“EPS”	: Earnings per Share
“ESOS Award”	: An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the Proposed ESOS in the manner provided in the By-Laws

DEFINITIONS (CONT'D)

“ESOS Grantee”	: An Eligible Person who has accepted an ESOS Award in the manner provided in the By-Laws
“ESOS Options”	: The right of an ESOS Grantee to subscribe for new Share(s) at the Option Price pursuant to an ESOS Award in the manner provided in the By-Laws
“ESS Committee”	: A committee appointed and duly authorised by the Board to administer the Proposed ESS in accordance with the By-Laws
“FPE”	: Financial period ended
“FYE”	: Financial year ended
“Grantee”	: An ESOS Grantee and/or Share Grant Grantee, as the case may be
“ICULS”	: Five (5)-year, zero coupon irredeemable convertible unsecured loan stocks to be issued by the Company pursuant to the Proposed Settlement
“Interested Directors”	: All the Directors of TVHB who will participate in the Proposed ESS and are therefore deemed interested in the Proposed ESS
“KAF IB”	: KAF Investment Bank Berhad (197401003530 / 20657-W)
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 8 November 2023, being the latest practicable date prior to the printing of this Circular
“Maximum Allowable Allotment”	: The maximum aggregate number of new Shares in respect of the Award that can be offered and allotted to an Eligible Person in accordance with the provisions of the By-Laws
“Maximum Scenario”	: Assuming that all of the 295,000,000 ICULS to be issued pursuant to the Proposed Settlement will be converted into new 295,000,000 TVHB Shares prior to the implementation of the Proposed ESS
“Minimum Scenario”	: Assuming that none of the 295,000,000 ICULS to be issued pursuant to the Proposed Settlement will be converted into new TVHB Shares prior to the implementation of the Proposed ESS
“MFRS”	: Malaysian Financial Reporting Standard 2 on share-based payment
“NA”	: Net assets
“NLS”	: Ng Lu Siong @ Ng Soon Huat
“Option Price”	: The pre-determined subscription price at which an ESOS Grantee shall be entitled to subscribe for each new Share upon the exercise of an ESOS Option, as initially determined and as may be adjusted in accordance with the By-Laws
“Permitted Transferee”	: A person falling within any of the categories of persons specified in Part I of Schedule 6 of the Capital Markets and Services Act 2007 and where the consideration is not less than two hundred and fifty thousand ringgit (RM250,000) or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise
“Proposed Allocations”	: Proposed allocations of ESOS Options and/or awards of TVHB Shares to the Directors of TVHB under the Proposed ESS

DEFINITIONS (CONT'D)

“Proposed ESOS”	: Proposed issuance of ESOS Options to the Eligible Persons to subscribe for new TVHB Shares at the Option Price pursuant to the Proposed ESS
“Proposed ESS”	: Proposed establishment of the Scheme of up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the Scheme to the Eligible Persons (excluding dormant subsidiaries), which comprising of the Proposed Share Grant and Proposed ESOS
“Proposed Settlement”	: Proposed settlement of RM354,000,000 out of the total outstanding debts as at 22 December 2022 of RM355,154,481 owing to the Creditors through the issuance of RM354,000,000 nominal value of ICULS at 100% of its nominal value
“Proposed Share Grant”	: Proposed establishment of a share grant scheme which would enable TVHB to award Shares to the Directors and/or Senior Management Personnel who are Eligible Persons without any payment of cash consideration pursuant to the Proposed ESS
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Scheme”	: Employees’ share scheme
“Senior Management Personnel”	: An Employee as may be determined by the ESS Committee from time to time to be senior management
“Settlement Sum”	: The total settlement amount of RM354,000,000 to the Creditors pursuant to the Proposed Settlement
“Share Grants”	: The grant of Shares made in writing by the ESS Committee from time to time to the Directors and/or Senior Management Personnel who are Eligible Persons to participate in the Proposed Share Grant in the manner provided in the By-Laws
“Share Grant Grantee”	: An Eligible Person who has accepted a Share Grant in the manner as provided in the By-Laws
“Share Grant Price”	: The reference price which is used to determine the number of Shares to be granted under the Share Grants
“TIGB”	: Toyo Ink Group Berhad (200201022858 / 590521-D), a wholly-owned subsidiary of TVHB
“Trustee”	: MTrustee Berhad (198701004362 / 163032-V), being the trustee appointed by the Company, to act for the benefits of the ICULS holders in accordance with the provisions of the trust deed
“TVHB” or “Company”	: Toyo Ventures Holdings Berhad (202001001322 / 1357641-P)
“TVHB Group” or “Group”	: TVHB and its subsidiaries, collectively
“TVHB Shares” or “Shares”	: Ordinary shares in TVHB
“VWAMP”	: Volume weighted average market price

Words denoting the singular number only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended or re-enacted.

EXECUTIVE SUMMARY

This Executive Summary highlights only the key information of Part C of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular before making a decision on the Proposed ESS and Proposed Allocations.

<u>Key information</u>	<u>Description</u>	<u>Reference to Part C, of the Circular</u>
Summary of the Proposed ESS	<p>The Proposed ESS involves the establishment of the Scheme, in which the aggregate number of Shares to be issued pursuant to both the Proposed Share Grant and Proposed ESS will be up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the Scheme to the Eligible Persons.</p> <p>The Proposed ESS comprises the Proposed Share Grant and Proposed ESOS. The Proposed Share Grant is intended to award Shares to the Directors and/or Senior Management Personnel whilst the Proposed ESOS is intended to allow TVHB to award ESOS Options to the Directors and Employees, subject to them fulfilling certain vesting conditions as determined by the ESS Committee as stipulated in Section 2.3.2, Part C of this Circular.</p> <p>The Proposed ESS will be administered by the ESS Committee and shall be governed by the By-Laws. The ESS Committee will have the absolute discretion in administering the Proposed ESS as it may deem fit in accordance with the provisions set out in the By-Laws. The decision as to whether or not to stagger the allocation of the Awards over the duration of the Proposed ESS, shall be determined by the ESS Committee at a later date.</p>	Section 2.0
Rationale of the Proposed ESS	<p>The Proposed ESS is intended to provide an opportunity for the Eligible Persons to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.</p> <p>The Proposed ESS serves to:-</p> <ol style="list-style-type: none">(i) motivate, retain and reward the Eligible Persons, who play a vital role in the operations and continued growth of the Group's performance, by providing them with the opportunity to participate in the equity of TVHB and thereby, relate directly to the performance of the Group;(ii) provide a continuing incentive to the Eligible Persons without adversely affecting the cash flow of the Group whilst at the same time contributing positively to its continuing growth through the intended stimulation of greater commitment, productivity and efforts on the part of the Eligible Persons towards the Group; and(iii) reward the contributions of the Directors (including non-executive Directors), whose services are vital to the continuous growth of the Group, and who are responsible for the overall strategic plans, business conduct and control of the Group's activities.	Section 3.0

<u>Key information</u>	<u>Description</u>	<u>Reference to Part C, of the Circular</u>
	<p>The concurrent implementation of the Proposed ESOS and Proposed Share Grant (which comprised in the Proposed ESS) provides a more comprehensive and inclusive approach to ensure that the Eligible Persons are effectively motivated and rewarded. It also provides the flexibility to the Board with discretion to offer ESOS Award and/or Share Grant based on the prevailing business dynamics and market conditions.</p> <p>For the avoidance of doubt, the proportion/quantum of Shares to be awarded/allocated for the Proposed ESOS and Proposed Share Grant respectively under the Proposed ESS has not been determined at this juncture.</p>	
Approvals required	<p>: The Proposed ESS is subject to the following approvals being obtained from:-</p> <ul style="list-style-type: none">(ii) Bursa Securities for the listing of and quotation for such number of new TVHB Shares, representing, up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities, the approval of which has been obtained on 4 October 2023 and is subject to the conditions as detailed in Section 6.0(i), Part C of this Circular;(iii) the shareholders of TVHB at the EGM to be convened for the Proposed ESS as well as the waiver of their statutory pre-emptive rights pursuant to Section 85(1) of the Act and clause 16(d) of the Constitution to be first offered the new TVHB Shares to be issued pursuant to the Proposed ESS; and(iv) any other relevant authorities and/or parties, if required.	Section 6.0
Interest of Directors, major shareholders, chief executive and/or persons connected with them	<p>: All of the Directors of TVHB will participate in the Proposed ESS and are therefore deemed interested to the extent of their respective Proposed Allocations as well as allocations to persons connected with them under the Proposed ESS. Accordingly, the Interested Directors have deliberated and voted on the Proposed ESS as a whole at the relevant Board meetings. Nevertheless, the Interested Directors have and will continue to abstain from all Board deliberations in relation to the respective Proposed Allocations as well as allocations to persons connected with them under the Proposed ESS.</p> <p>The Interested Directors will also undertake to ensure that they and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in TVHB, if any, on the relevant resolutions pertaining to the respective Proposed Allocations to themselves at the EGM to be convened.</p>	Section 7.0

EXECUTIVE SUMMARY (CONT'D)

<u>Key information</u>	<u>Description</u>	<u>Reference to Part C, of the Circular</u>
	Save as disclosed in Section 7.0, Part C of this Circular, none of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed ESS.	
Directors' statement/ recommendation	<p>: The Board (save for the Interested Directors to the extent of the respective Proposed Allocations and/or the persons connected with them, if any), after considering all aspects of the Proposed ESS, including but not limited to the rationale and financial effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company and accordingly, on the basis above, the Board recommends you to vote in favour of the resolution to be tabled at the forthcoming EGM in relation to the Proposed ESS.</p> <p>In respect of the Proposed Allocations, all the Interested Directors who are eligible to participate in the Proposed ESS have abstained and will continue to abstain from expressing an opinion and making any recommendation in relation to the respective Proposed Allocations to themselves and persons connected with them.</p>	Section 8.0

[The rest of this page has been intentionally left blank]



TOYO VENTURES HOLDINGS BERHAD
(Registration No.: 202001001322 / 1357641-P)
(Incorporated in Malaysia)

Registered Office:
Lot 4.100, Tingkat 4
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

28 November 2023

BOARD OF DIRECTORS

Tuan Hj. Ir. Yusoff Bin Daud (Non-Independent Non-Executive Chairman)
Chew Cheong Loong (Group Managing Director)
Tham Kut Cheong (Executive Director)
Chan Kee Eng (Independent Non-Executive Director)
Low Mei Kheng (Independent Non-Executive Director)
Tan Poh Lee (Independent Non-Executive Director)
Lim Kee Min (Non-Independent Non-Executive Director)
Lim Guan Lee (Non-Independent Non-Executive Alternate Director to Lim Kee Min)

To: The Shareholders of TVHB

Dear Sir/Madam,

(I) PROPOSED ESS
(II) PROPOSED ALLOCATIONS

1.0 INTRODUCTION

- 1.1 On 7 September 2023, KAF IB had, on behalf of the Board, announced that the Company proposed to undertake the Proposed ESS.
- 1.2 On 4 October 2023 2023, KAF IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 4 October 2023, resolved to approve the listing of and quotation for such number of new TVHB Shares, representing up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities. Further details of the conditions imposed by Bursa Securities as well as the status of compliance in respect thereof are set out in Section 6.0(i), Part C of this Circular.
- 1.3 On 16 November 2023, Bursa Securities had, vide its letter dated 16 November 2023, granted an extension of time of up to 29 November 2023 for TVHB to issue Part C of this Circular to the shareholders.

THE PURPOSE OF PART C OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF TVHB WITH THE DETAILS OF THE PROPOSED ESS AND PROPOSED ALLOCATIONS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESS AND PROPOSED ALLOCATIONS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

SHAREHOLDERS OF TVHB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART C OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED ESS AND PROPOSED ALLOCATIONS TO BE TABLED AT THE FORTHCOMING EGM.

2.0 DETAILS OF THE PROPOSED ESS

The Proposed ESS involves the establishment of the Scheme, in which the aggregate number of Shares to be issued pursuant to both the Proposed Share Grant and Proposed ESS will be up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the Scheme to the Eligible Persons.

The Proposed ESS comprises the Proposed Share Grant and Proposed ESOS. The Proposed Share Grant is intended to award Shares to the Directors and/or Senior Management Personnel whilst the Proposed ESOS is intended to allow TVHB to award ESOS Options to the Directors and Employees, subject to them fulfilling certain vesting conditions as determined by the ESS Committee as stipulated in Section 2.3.2, Part C of this Circular.

The Proposed ESS will be administered by the ESS Committee and shall be governed by the By-Laws. The ESS Committee will have the absolute discretion in administering the Proposed ESS as it may deem fit in accordance with the provisions set out in the By-Laws. The decision as to whether or not to stagger the allocation of the Awards over the duration of the Proposed ESS, shall be determined by the ESS Committee at a later date.

2.1 Details of the Proposed Share Grant

Under the Proposed Share Grant, the ESS Committee may, within the tenure of the Proposed ESS and at its discretion, grant a Share Grant to the Eligible Persons, subject to the terms and conditions of the By-Laws.

The Eligible Person is not required to pay for acceptance of the Share Grant and the subsequent vesting of the TVHB Shares comprised in the Share Grant. Once the Share Grants are accepted by the Eligible Persons, the Share Grants may be vested in tranches to the Eligible Persons over the tenure of the Proposed ESS, subject to the fulfilment of the vesting conditions as determined by the ESS Committee as stipulated in Section 2.3.2, Part C of this Circular.

Subject to any adjustments that may be made in accordance with the By-Laws, the Share Grant Price shall be determined by the ESS Committee at its sole discretion based on the five (5)-day VWAMP of TVHB Shares immediately prior to the award date of the Share Grants.

2.2 Details of the Proposed ESOS

Under the Proposed ESOS, the ESS Committee may, within the tenure of the Proposed ESS and at its discretion, grant an ESOS Option to the Eligible Persons at the award date to be allocated for TVHB Shares at an Option Price subject to the terms and conditions of the By-Laws.

Upon acceptance of the ESOS Options by the Eligible Persons, the ESOS Options will be vested in tranches to the Eligible Persons over the tenure of the Proposed ESS, subject to the fulfilment of the vesting conditions as determined by the ESS Committee as stipulated in Section 2.3.2, Part C of this Circular. The ESOS Options when vested and exercised under the Proposed ESOS will be satisfied by the allotment and issuance of new TVHB Shares.

Subject to any adjustments that may be made in accordance with the By-Laws, the Option Price of the Shares shall be determined by the ESS Committee at its sole discretion based on the five (5)-day VWAMP of TVHB Shares immediately prior to the date of offer, with a discount of not more than ten percent (10%) thereon, if deemed appropriate.

2.3 Salient terms of the Proposed ESS

The salient terms of the Proposed ESS are set out below:-

2.3.1 Maximum number of TVHB Shares available under the Proposed ESS

The maximum number of new TVHB Shares to be issued under the Scheme shall not in aggregate exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any one time during the duration of the Proposed ESS as stipulated in Section 2.3.4, Part C of this Circular (“**Maximum Shares**”).

2.3.2 Basis of allotment and Maximum Allowable Allotment

Subject to any adjustments which may be made under the By-Laws, the maximum aggregate number of new TVHB Shares that may be allocated to the Eligible Persons under the Proposed ESS shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Persons, subject to the following:-

- (i) the total number of new TVHB Shares to be issued under the Proposed ESS shall not exceed the Maximum Shares stipulated in Section 2.3.1, Part C of this Circular;
- (ii) the Directors and Senior Management Personnel do not participate in the deliberation or discussion in respect of their own allocation;
- (iii) not more than ten percent (10%) of the total number of new TVHB Shares to be issued under the Proposed ESS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares); and
- (iv) not more than eighty percent (80%) of the total number of new TVHB Shares to be issued under the Proposed ESS shall be allocated, in aggregate, to the Directors and Senior Management Personnel who are Eligible Persons. This is intended to recognise the contribution of Directors and Senior Management Personnel whose services are valued and instrumental to the Group’s ongoing operations and growth,

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

The ESS Committee shall have the discretion, among others, in determining:-

- (a) the Maximum Allowable Allotment in relation to each class or grade of the Eligible Persons and the aggregate Maximum Allowable Allotment under the Proposed ESS from time to time, and the decision of the ESS Committee shall be final and binding;
- (b) whether the granting of the Awards to the Eligible Persons will be based on staggered granting over the duration of the Proposed ESS or in one (1) single grant or separate and independent from each other, including the Maximum Allowable Allotment for each financial year in the event the offer is staggered over the duration of the Proposed ESS;
- (c) whether the Awards are subject to any performance targets or vesting period, the determination of which will be carried out at a later date after the establishment of the Proposed ESS and pursuant to the By-Laws; and/or

- (d) the vesting conditions specified in respect of an Award. The Shares or such part thereof as may be specified in respect of an Award will only vest with the Grantee on the relevant vesting date if the vesting conditions are fully and duly satisfied, including the following:-
- (i) the said Grantee has not been adjudicated a bankrupt;
 - (ii) the said Grantee remains an Employee or a Director and has not given notice of resignation, received a notice of termination, or otherwise ceased or had his/her employment terminated;
 - (iii) the performance targets, if any, are fully and duly satisfied; and
 - (iv) any other conditions as may be determined by the ESS Committee.

The ESS Committee shall have full discretion to determine whether any vesting conditions have been fully and duly satisfied and such determination by the ESS Committee shall be final and binding.

The Company shall ensure that the allocation of TVHB Shares pursuant to the Scheme is verified by its Audit and Risk Management Committee at the end of each financial year as being in compliance with the criteria as set out in the By-Laws.

2.3.3 Eligibility

Subject to the discretion of the ESS Committee, any Eligible Persons who meets the following criteria as at the date of the Awards shall be eligible to participate in the Proposed ESS:-

- (i) in respect of a Director:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt;
 - (c) has been appointed as a Director of a company within the TVHB Group (excluding dormant subsidiaries) for such period as may be determined by the ESS Committee prior to and up to the date of Awards;
 - (d) fulfilled any other eligibility criteria and falls within such category as may be set by the ESS Committee from time to time at its discretion; and
 - (e) should have his/her entitlement under the Proposed ESS approved by the shareholders of TVHB in a general meeting.
- (ii) in respect of an Employee:-
 - (a) is at least eighteen (18) years of age;
 - (b) is not an undischarged bankrupt;
 - (c) is confirmed in writing as a full-time employee and has been in the employment of the TVHB Group (excluding dormant subsidiaries) for such period as may be determined by the ESS Committee prior to and up to the date of Awards; and
 - (d) fulfilled any other eligibility criteria and falls within such category as may be set by the ESS Committee from time to time at its discretion.

In the event that any Eligible Person is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of the Awards.

The selection of any Eligible Person for participation in the Proposed ESS shall be at the discretion of the ESS Committee, the decision of which shall be final and binding.

2.3.4 Duration of the Proposed ESS

The Proposed ESS shall be in force for a duration of five (5) years commencing from the Effective Date. The Proposed ESS may be extended for a further period of up to five (5) years at the discretion of the Board upon the recommendation of the ESS Committee, subject to a maximum aggregate of ten (10) years from the Effective Date (“**Duration of the Proposed ESS**”).

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

- (i) the effective date of termination of the Proposed ESS (“**Termination Date**”);
- (ii) the number of ESOS Options exercised under the Proposed ESOS and the Shares vested under the Proposed Share Grant; and
- (iii) the reasons for termination of the Proposed ESS.

In the event of termination as stipulated above, the following provisions shall apply:-

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

For the avoidance of doubt, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of the Grantees who have unexercised ESOS Options and/or unvested Share Grant are not required to effect a termination of the Proposed ESS unless otherwise required by the Listing Requirements and/or other applicable laws.

2.3.5 Rights attaching to Shares and Awards and ranking of the Shares

All the new TVHB Shares to be allotted and issued pursuant to the Proposed ESS shall, upon allotment and issue, rank equally in all respects with the then existing issued TVHB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the existing shareholders of TVHB, unless the allotment and issuance of such new TVHB Shares are made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

In respect of the transfer of existing TVHB Shares (including treasury shares) to the Share Grant Grantees, if any, pursuant to the vesting of the Shares comprised in a Share Grant, such TVHB Shares shall rank equally in all respects with the then existing Shares. However, the Share Grant Grantee shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the Share Grant Grantees on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

For the avoidance of doubt, the Company has no treasury shares as at the LPD.

The Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unexercised ESOS Options and/or unvested Share Grants.

2.3.6 Retention period

Subject to the Listing Requirements and/or any other applicable laws, the new TVHB Shares to be allotted and issued and/or existing Shares to be transferred to the Grantees, if any, pursuant to the Proposed ESS will not be subjected to any retention period unless otherwise as stated in the Awards as determined by the ESS Committee at its discretion. However, the grantees are encouraged to hold the Shares as a long-term investment rather than to realise for immediate gains from disposal.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a non-executive Director must not sell, transfer or assign the TVHB Shares obtained through the exercise of the ESOS Options offered to him/her within one (1) year from the date of the Awards.

2.3.7 Amendments and/or modification to the Proposed ESS

Subject to the By-Laws, compliance with the Listing Requirements and the approvals of any other relevant authorities (if required), the ESS Committee may at any time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend, modify and/or delete all or any part of the By-Laws upon such recommendation. The Company shall submit the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the Listing Requirements.

Subject to the By-Laws, the approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws save and except if such additions, amendments and/or modifications and/or deletions would:-

- (i) prejudice any rights which would have accrued to any grantee without the prior consent or sanction of that grantee;
- (ii) increase the number of Shares available under the Proposed ESS beyond the Maximum Shares imposed by Section 2.3.1, Part C of this Circular;
- (iii) prejudice any rights of the shareholders of the Company; or
- (iv) alter to the advantage of the Eligible Persons, any matter which is required to be contained in the By-Laws by virtue of the Listing Requirements, without the prior approval of the shareholders of the Company in a general meeting.

2.3.8 Alteration of share capital and adjustments

In the event of any alteration in the capital structure of the Company during the Duration of the Proposed ESS, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of shares or reduction or any other variation of capital or otherwise howsoever, the ESS Committee may, in its discretion, determine whether:-

- (i) in respect of the Proposed ESOS, the Option Price and/or the number of unexercised ESOS Options; and
- (ii) in respect of the Proposed Share Grant, the Share Grant Price and the number of Shares comprised in the unvested Share Grants,

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

2.4 Listing and quotation for the new TVHB Shares to be issued pursuant to the Proposed ESS

Bursa Securities had, vide its letter dated 4 October 2023, approved the listing of and quotation for such number of new TVHB Shares, representing fifteen percent (15%) of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities, subject to the terms and conditions as set out in Section 6.0(i), Part C of this Circular.

2.5 Utilisation of proceeds

The actual amount of proceeds to be raised from the Proposed ESOS cannot be determined at this juncture and will depend on, amongst others, the number of ESOS Options granted and exercised at the relevant point in time and the Option Price.

However, the proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of the Group which include, amongst others, payment for trade and other payables, payment for staff salaries and other operating expenses such as utilities, logistics and packaging materials, as and when the proceeds are received during the tenure of the Proposed ESS, as the Board may deem fit. The allocation of proceeds to be utilised for each component of working capital are subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

TVHB will not receive any proceeds pursuant to the Proposed Share Grant as the Eligible Persons will not be required any payment for the Shares to be issued and/or transferred to them.

The estimated expenses for the Proposed ESS are approximately RM170,000 which will be funded from the internally generated funds of TVHB.

2.6 Fund raising exercise undertaken by the Company in the past twelve (12) months

Save for the Proposed Settlement as disclosed in Part A of this Circular, the Company has not undertaken any equity fund raising exercise in the past twelve (12) months up to the date of Announcement. For avoidance of doubt, none of the ICULS have been issued pursuant to the Proposed Settlement as at the LPD.

2.7 Pre-emptive rights to the new TVHB Shares to be issued pursuant to the Proposed ESS

Section 85(1) of the Act and clause 16(d) of the Constitution are extracted as follows:-

Section 85(1) of the Act

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

Clause 16(d) of the Constitution

“Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the number of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

In short, pursuant to Section 85(1) of the Act and clause 16(d) of the Constitution, the shareholders have the statutory pre-emptive rights to be first offered of any new Shares to be issued by the Company which rank equally with the existing Shares. Thus, in order for the Board to issue the new TVHB Shares pursuant to the Proposed ESS free of pre-emptive rights, such pre-emptive rights must be waived. As such, the Company will seek for the shareholders’ approval for a waiver of such pre-emptive rights at the forthcoming EGM. The resolution in relation to the Proposed ESS if passed, will waive the shareholders’ statutory pre-emptive rights to be first offered the new TVHB Shares to be issued pursuant to the Proposed ESS, which will result in a dilution of the existing shareholders’ shareholdings in the Company.

3.0 RATIONALE FOR THE PROPOSED ESS

The Proposed ESS is intended to provide an opportunity for the Eligible Persons to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.

The Proposed ESS serves to:-

- (i) motivate, retain and reward the Eligible Persons, who play a vital role in the operations and continued growth of the Group’s performance, by providing them with the opportunity to participate in the equity of TVHB and thereby, relate directly to the performance of the Group;
- (ii) provide a continuing incentive to the Eligible Persons without adversely affecting the cash flow of the Group whilst at the same time contributing positively to its continuing growth through the intended stimulation of greater commitment, productivity and efforts on the part of the Eligible Persons towards the Group; and
- (iii) reward the contributions of the Directors (including non-executive Directors), whose services are vital to the continuous growth of the Group, and who are responsible for the overall strategic plans, business conduct and control of the Group’s activities.

The concurrent implementation of the Proposed ESOS and Proposed Share Grant (which comprised in the Proposed ESS) provides a more comprehensive and inclusive approach to ensure that the Eligible Persons are effectively motivated and rewarded. It also provides the flexibility to the Board with discretion to offer ESOS Award and/or Share Grant based on the prevailing business dynamics and market conditions.

For the avoidance of doubt, the proportion/quantum of Shares to be awarded/allocated for the Proposed ESOS and Proposed Share Grant respectively under the Proposed ESS has not been determined at this juncture.

4.0 EFFECTS OF THE PROPOSED ESS

4.1 Convertible securities

As at the LPD, the Company does not have any convertible securities. For avoidance of doubt, none of the ICULS have been issued for the Proposed Settlement as the Proposed Settlement has yet to be implemented as at the LPD.

Notwithstanding the above, the potential impact of the issuance of new TVHB Shares upon conversion of ICULS pursuant to the Proposed Settlement have also included herein, solely for illustration purposes.

4.2 Issued share capital

The Proposed ESS will not have any immediate effect on the issued share capital of TVHB. However, the issued share capital of TVHB will increase if and when the granted ESOS Options are exercised and/or vesting of the Share Grants during its tenure, whereby any such increase will depend on the number of ESOS Options exercised and/or vesting of the Share Grants as well as the number of new TVHB Shares issued pursuant thereto. However, should the Awards be satisfied via acquisition of existing Shares from the open market of Bursa Securities and/or transfer of the Company's treasury shares (if any), there will be no effect on the issued share capital of the Company.

For illustrative purposes, assuming that the number of Awards have been fully satisfied through the issuance of new Shares (i.e., based on the 15% limit of the Company's issued ordinary share capital as at the LPD, is fully granted, vested and such Awards are fully satisfied through the issuance of new Shares), the pro forma effects of the Proposed ESS on the issued share capital of the Company are set out below:-

	Minimum Scenario		Maximum Scenario	
	No of Shares	RM	No of Shares	RM
Issued share capital as at the LPD	123,864,702	140,848,512	123,864,702	140,848,512
To be issued pursuant to the full conversion of ICULS	-	-	295,000,000	⁽¹⁾ 351,400,000
	123,864,702	140,848,512	418,864,702	492,248,512
To be issued pursuant to the Proposed ESS	⁽²⁾ 18,579,705	⁽³⁾ 23,038,834	⁽²⁾ 62,829,705	⁽³⁾ 77,908,834
Enlarged issued share capital	142,444,407	163,887,346	481,694,407	570,157,346

Notes:-

- (1) Pursuant to the Proposed Settlement as disclosed in Section 5.2, Part A of this Circular, RM354.00 million will be capitalised as equity pertaining to the issuance of 295.00 million ICULS, whilst the estimated expenses of RM2.60 million will be deducted against equity.*
- (2) Computed based on 15.0% of the total number of issued Shares. For avoidance of doubt, the Company has no treasury shares as at the LPD and the maximum number of Shares which may be made available pursuant to the Proposed ESS shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares, if any) at any point of time during the tenure of the Proposed ESS.*
- (3) For illustrative purposes, calculated based on the illustrative Option Price of RM1.24, which represents a discount of approximately 9.56% to the five (5)-day VWAMP of the Shares up to and including the LPD of RM1.3710 per Share.*

4.3 NA and gearing

Save for the potential impact of the MFRS 2 as described below in Section 4.4, Part C of this Circular, the Proposed ESS is not expected to have any immediate effect on the NA, NA per Share and gearing of the Group until such time when the ESOS Options and the TVHB Shares comprised in the Share Grant are vested, respectively.

For illustration purpose only, the effects will depend on the following:-

- (i) in respect of the Proposed ESOS, the number of new TVHB Shares to be issued pursuant to the exercise of ESOS Options and the Option Price; and/or
- (ii) in respect of the Proposed Share Grant, the number of TVHB Shares to be issued and/or transferred pursuant to the vesting of TVHB Shares comprised in the Share Grant.

Upon exercise of the ESOS Options and/or vesting of the TVHB Shares comprised in the Share Grant, the NA per Share is expected to:-

- (a) increase if the Option Price and/or the fair value of the Share Grant is higher than the NA per Share at such point of exercise and/or vesting; and
- (b) decrease if the Option Price and/or the fair value of the Share Grant is lower than the NA per Share at such point of exercise and/or vesting.

4.4 Earnings and EPS

The Proposed ESS is not expected to have any immediate material effect on the consolidated earnings and EPS of the Group until such time when the ESOS Options and the TVHB Shares comprised in the Share Grant are vested, respectively. However, the Proposed ESS will result in a dilution of the EPS of TVHB depending on the number of TVHB Shares comprised in the Awards, number of ESOS Options granted and exercised, the Option Price under the Proposed ESOS and various factors that affect the fair value of the Awards.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting or vesting of the Awards based on, amongst others, the share price volatility, risk-free interest rate, share price/ fair value of the share and/ or pricing model.

The fair value of the Awards will be recognised as an expense in the profit or loss account of the Group over the vesting period of the Awards. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration in administering the Proposed ESS.

[The rest of this page has been intentionally left blank]

Maximum Scenario	Existing as at LPD						After full conversion of ICULS						(II) (1) After (I) and assuming the maximum TVHB Shares having been granted and vested under the Proposed ESS					
	Direct			Indirect			Direct			Indirect			Direct			Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Pembinaan Maju Wangi Sdn. Bhd.	12,158,740	9.82	-	-	12,158,740	2.90	-	-	12,158,740	2.52	-	-	-	-	-	-		
Lim Guan Lee	11,425,204	9.22	-	-	11,425,204	2.73	-	-	11,425,204	2.37	-	-	-	-	-	-		
BASB	10,125,000	8.17	-	-	⁽⁹⁾ 31,792,000	7.59	-	-	31,792,000	6.60	-	-	-	-	-	-		
ELLI	9,728,525	7.85	-	-	⁽⁹⁾ 204,728,525	48.88	-	-	204,728,525	42.50	-	-	-	-	-	-		
Tham Weng Seng	7,469,132	6.03	-	-	7,469,132	1.78	-	-	7,469,132	1.55	-	-	-	-	-	-		
Ng Tze Woei	7,229,843	5.84	-	-	7,229,843	1.73	-	-	7,229,843	1.50	-	-	-	-	-	-		
Ng Ling Li	250,000	0.20	⁽²⁾ 19,853,525	16.03	250,000	0.06	⁽²⁾ 236,520,525	56.47	250,000	0.05	⁽²⁾ 236,520,525	49.10	-	-	-	-		
Lam Peng Kee	185,500	0.15	⁽³⁾ 12,158,740	9.82	185,500	0.04	⁽³⁾ 12,158,740	2.90	185,500	0.04	⁽³⁾ 12,158,740	2.52	-	-	-	-		
Yvonne Po Leng Lam	150,000	0.12	⁽²⁾ 19,853,525	16.03	150,000	0.04	⁽²⁾ 236,520,525	56.47	150,000	0.03	⁽²⁾ 236,520,525	49.10	-	-	-	-		
ELESB	-	-	⁽⁴⁾ 19,853,525	16.03	-	-	⁽⁴⁾ 236,520,525	56.47	-	-	⁽⁴⁾ 236,520,525	49.10	-	-	-	-		
Lu Pat Sdn. Bhd.	-	-	⁽⁵⁾ 19,853,525	16.03	-	-	⁽⁵⁾ 236,520,525	56.47	-	-	⁽⁵⁾ 236,520,525	49.10	-	-	-	-		
The Nehsons Trust Company Berhad	-	-	⁽⁶⁾ 19,853,525	16.03	-	-	⁽⁶⁾ 236,520,525	56.47	-	-	⁽⁶⁾ 236,520,525	49.10	-	-	-	-		
Ng Tee Chuan	-	-	⁽²⁾ 19,853,525	16.03	-	-	⁽²⁾ 236,520,525	56.47	-	-	⁽²⁾ 236,520,525	49.10	-	-	-	-		
Geraldine Marie Tse Chian Ng	-	-	⁽²⁾ 19,853,525	16.03	-	-	⁽²⁾ 236,520,525	56.47	-	-	⁽²⁾ 236,520,525	49.10	-	-	-	-		
Ng Earm Chin	-	-	⁽⁷⁾ 12,344,240	9.97	-	-	⁽⁷⁾ 12,344,240	2.95	-	-	⁽⁷⁾ 12,344,240	2.56	-	-	-	-		
Fong Siew Ching	-	-	⁽⁸⁾ 15,734,330	12.70	-	-	⁽⁸⁾ 15,734,330	3.76	-	-	⁽⁸⁾ 15,734,330	3.27	-	-	-	-		
Tham Kut Cheong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other existing shareholders	65,142,758	52.59	-	-	143,475,758	34.25	-	-	206,305,463	42.83	-	-	-	-	-	-		

Notes:-

- (1) Assuming no provision has been made for the allocation of Awards to the substantial shareholders who are also the Directors as the Board has yet to decide on the quantum of Awards to be allocated to the Directors.
- (2) Deemed interested by virtue of his/her interests in The Nehsons Trust Company Berhad pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his interest in Pembinaan Maju Wangi Sdn. Bhd. pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in ELLI and BASB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its interest in ELESB pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of its interest in ELESB and Lu Pat Sdn. Bhd. pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of her interest in Pembinaan Maju Wangi Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of her spouse, Lam Peng Kee's interest in TVHB.
- (8) Deemed interested by virtue of the shareholdings of his children, namely Tham Yin Ming, Tham Yik Seng and Tham Weng Seng in TVHB.
- (9) Assuming all the 295,000,000 ICULS pursuant to the Proposed Settlement are fully converted in the manner as set out in Sections 2.11 (i) and (ii), Part A of this Circular, which is summarised below:-
 - 220,000,000 ICULS are fully converted by all the Creditors into new TVHB Shares; and
 - 75,000,000 ICULS are fully converted by the Trustee and/or the Permitted Transferee into new TVHB Shares.

5.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of TVHB Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

	Highest (RM)	Lowest (RM)
<u>2022</u>		
November	0.735	0.620
December	1.270	0.670
<u>2023</u>		
January	1.170	0.925
February	1.670	1.040
March	1.650	1.200
April	1.500	1.250
May	1.420	1.200
June	1.350	1.200
July	1.380	1.160
August	1.450	1.240
September	1.490	1.220
October	1.570	1.330
Last transacted market price as at the 6 September 2023, being the last full trading day immediately before the Announcement		1.230
Last transacted market price as at the LPD		1.380

(Source: Bloomberg)

6.0 APPROVALS REQUIRED

The Proposed ESS is subject to the following approvals being obtained from:-

- (i) Bursa Securities for the listing of and quotation for such number of new TVHB Shares, representing, up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities, the approval of which has been obtained on 4 October 2023 and is subject to the following:-

Conditions	Status of Compliance
TVHB and KAF IB must fully comply with relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed ESS	To be complied
TVHB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation, together with the following:-	To be complied
(i) a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed ESS and Proposed Allocations; and	To be complied
(ii) letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements with a copy of the final By-Laws	To be complied

Conditions	Status of Compliance
TVHB is required to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the Proposed ESS, as at the end of each quarter together with a detailed computation of the listing fees payable	To be complied

- (ii) the shareholders of TVHB at the EGM to be convened for the Proposed ESS as well as the waiver of their statutory pre-emptive rights pursuant to Section 85(1) of the Act and clause 16(d) of the Constitution to be first offered the new TVHB Shares to be issued pursuant to the Proposed ESS; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed ESS is not conditional upon any other proposals undertaken or to be undertaken by the Company.

The Proposed Allocations are conditional upon the Proposed ESS and will only be implemented upon the implementation of the Proposed ESS. Further, the Proposed Allocations are not inter-conditional upon each other.

7.0 INTEREST OF THE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

All of the Directors of TVHB will participate in the Proposed ESS and are therefore deemed interested to the extent of their respective Proposed Allocations as well as allocations to persons connected with them under the Proposed ESS. Accordingly, the Interested Directors have deliberated and voted on the Proposed ESS as a whole at the relevant Board meetings. Nevertheless, the Interested Directors have and will continue to abstain from all Board deliberations in relation to the respective Proposed Allocations to themselves as well as allocations to persons connected with them under the Proposed ESS.

The Interested Directors will also undertake to ensure that they and persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in TVHB, if any, on the relevant resolutions pertaining to the respective Proposed Allocations to themselves at the EGM to be convened.

As at the LPD, the direct and indirect shareholdings of the Interested Directors are as follows:-

<u>Interested Directors</u>	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tuan Hj. Ir. Yusoff Bin Daud	280,864	0.23	-	-
Chew Cheong Loong	1,200,000	0.97	⁽¹⁾ 1,380,000	1.11
Tham Kut Cheong	-	-	⁽²⁾ 15,734,330	12.70
Lim Guan Lee	11,425,204	9.22	-	-
Low Mei Kheng	-	-	-	-
Chan Kee Eng	1,000	*	-	-
Tan Poh Lee	-	-	-	-

Notes :-

- (1) Deemed interested through the shareholdings of his spouse, Foo Fong Lee's interest in TVHB.
- (2) Deemed interested by virtue of the shareholdings of his children, namely Tham Yin Ming, Tham Yik Seng and Tham Weng Seng in TVHB.
- * Negligible

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

8.0 DIRECTORS' STATEMENT / RECOMMENDATION

The Board (save for the Interested Directors to the extent of the respective Proposed Allocations to themselves and/or the persons connected with them, if any), after considering all aspects of the Proposed ESS, including but not limited to the rationale and financial effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company and accordingly, on the basis above, the Board recommends you to vote in favour of the resolution to be tabled at the forthcoming EGM in relation to the Proposed ESS.

In respect of the Proposed Allocations, all the Interested Directors who are eligible to participate in the Proposed ESS have abstained and will continue to abstain from expressing an opinion and making any recommendation in relation to the respective Proposed Allocations to themselves and persons connected with them.

9.0 OUTSTANDING CORPORATE EXERCISES

Save for the Proposed Settlement, Proposed ESS and Proposed Allocations, there are no other intended corporate exercises/scheme which have been announced but yet to be completed by the Group prior to the printing of this Circular.

Please refer to Parts A and B of this Circular for further details of the Proposed Settlement.

10.0 ESTIMATED TIME FRAME FOR COMPLETION

Subject to the approval as set out in Section 6.0, Part C of this Circular and barring any unforeseen circumstances, the Proposed ESS is expected to be implemented by the 4th quarter of 2023.

11.0 EGM

The EGM, the notice of which is enclosed in this Circular, will be held on a virtual basis through live streaming and Remote Participation and Voting Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd on Wednesday, 13 December 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the relevant resolutions pertaining to the Proposed ESS and Proposed Allocations.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed therein as soon as possible so as to arrive at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Shareholders are advised to refer to the Administrative Guide for Shareholders on the registration and voting process for the EGM.

12.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendices, Part C of this Circular for further information.

Yours faithfully,
For and on behalf of the Board
TOYO VENTURES HOLDINGS BERHAD

TUAN HJ. IR. YUSOFF BIN DAUD
Non-Independent Non-Executive Chairman

DRAFT BY-LAWS OF THE PROPOSED ESS*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad***TOYO VENTURES HOLDINGS BERHAD****("Company" or "TVHB")****BY-LAWS OF THE TVHB GROUP EMPLOYEES' SHARE SCHEME****1. DEFINITIONS**

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

"Act"	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
"Adviser"	:	A person as described in paragraph 1.01 of the Listing Requirements
"Awards"	:	Means the ESOS Award and Share Grant, and "Award" shall mean any one of them in the context of these By-Laws, as the case may be
"Award Date"	:	The date of the letter or e-mail of which the ESOS Award and/or Share Grant, as the case may be, is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
"Board"	:	The Board of Directors of the Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"By-Laws"	:	These rules, terms and conditions of the Scheme, as may be amended from time to time in accordance with By-Law 24
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
"Company" or "TVHB"	:	Toyo Ventures Holdings Berhad (Registration No.: 202001001322 (1357641-P))
"Constitution"	:	The constitution of the Company
"Date of Acceptance"	:	The date on which the ESS Committee shall receive the written notice accepting an ESOS Award from an Eligible Person
"Date of Expiry"	:	The last day of the Duration of the Scheme
"Director"	:	A natural person who holds a directorship in an executive or a non-executive capacity within the Group, within the meaning of Section 2(1) of the Act, which for the avoidance of doubt excludes an alternate director

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

“Disciplinary Proceedings”	:	Proceedings instituted by any company in the Group against any Grantee or Eligible Person for any alleged misbehaviour, misconduct and/or any other acts of such Grantee or Eligible Person deemed to be unacceptable by the said company whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or Eligible Person
“Duration of the Scheme”	:	The duration of the Scheme as defined in By-Law 21.1
“Effective Date”	:	The implementation date of the Scheme as provided in By-Law 21.1
“Eligible Person(s)”	:	Eligible Director(s) or Employee(s) who fulfils the eligibility criteria for participation in the Scheme as stipulated in By-Law 6
“Employee”	:	Any person who is confirmed in writing as a full-time employee and is on the payroll of any company within the Group (excluding dormant subsidiaries), excluding those employees who are on a fixed-term contract
“Entitlement Date”	:	The date as at the close of business on which the shareholders' name must appear in the Company's record of depositors in order to be entitled to any dividends, rights, allotments and/or other distributions
“ESOS”	:	The employees' share option scheme for the benefit of the Eligible Persons to subscribe for new Shares at the Option Price according to the terms of these By-Laws
“ESOS Award”	:	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 32
“ESOS Grantee”	:	An Eligible Person who has accepted an ESOS Award in the manner provided in By-Law 33
“ESOS Offer Letter”	:	Has the meaning given to it in By-Law 32.4
“ESOS Option(s)” or “Option(s)”	:	The right of an ESOS Grantee to subscribe for new Share(s) at the Option Price pursuant to an ESOS Award in the manner provided in By-Law 35
“ESOS Vesting Date(s)”	:	The date or dates on which all or some of the ESOS Option(s) is/are vested pursuant to an ESOS Award as stipulated by the ESS Committee in accordance with By-Law 32.4
“ESS Committee”	:	A committee appointed and duly authorised by the Board to administer the Scheme in accordance with By-Law 4.1
“Grantee”	:	An ESOS Grantee and/or Share Grant Grantee, as the case may be
“Group” or “TVHB Group”	:	Collectively, the Company and its subsidiary company(ies) as defined in Section 4 of the Act (save for any subsidiaries which are dormant). Subject to the foregoing, the expression “subsidiary company(ies)” shall for the purposes hereof include subsidiaries which are existing as at the Effective Date and such subsidiaries which the ESS Committee may, from time to time, determine at its discretion and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but excludes subsidiaries which have been divested in the manner provided in By-Law 19

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

<i>Private & Confidential</i>	<i>By-Laws of the Employees' Share Scheme Toyo Ventures Holdings Berhad</i>
"Interested Parties"	: Has the meaning given to it in By-Law 6.3
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, as amended from time to time
"Market Day"	: A day on which Bursa Securities is open for trading of securities
"Maximum Allowable Allotment"	: The maximum aggregate number of new Shares in respect of the Award that can be offered and allotted to an Eligible Person in accordance with the provisions of By-Law 7
"Maximum Shares"	: Has the meaning given to it in By-Law 5.1
"Offer Period"	: A period of thirty (30) days from the Award Date or such other period as may be determined by the ESS Committee at its sole and absolute discretion during which an ESOS Award is valid as stipulated in By-Law 32.3
"Option Period"	: The period commencing from the ESOS Vesting Date and expiring on a date on which the ESOS Options terminate, expire or lapse and/or otherwise cease to be of any force and effect in accordance with these By-Laws and as set out in the ESOS Award
"Option Price"	: The pre-determined subscription price at which an ESOS Grantee shall be entitled to subscribe for each new Share upon the exercise of an ESOS Option, as initially determined in accordance with the provisions of By-Law 36 and as may be adjusted pursuant thereto in accordance with By-Law 17
"Performance Period"	: Means the period in which the Performance Targets, as stipulated by the ESS Committee and communicated to the Eligible Person, are required to be achieved
"Performance Targets"	: The performance targets which may be determined and prescribed by the ESS Committee and approved by the Board, which are to be achieved by the Grantee and/or Group (and/or business units within the Group as determined by the ESS Committee), during such period as specified in the Award
"persons connected"	: Shall have the meaning given in paragraph 1.01 of the Listing Requirements
"RM" and "sen"	: Ringgit Malaysia and sen respectively
"Rules of Bursa Depository"	: The rules of Bursa Depository, as issued pursuant to SICDA
"Scheme"	: The employees' share scheme comprising of the Share Grant Scheme and ESOS and shall be known as "Toyo Ventures Holdings Berhad Employees' Share Scheme" to be set up under and governed by these By-Laws
"Senior Management Personnel"	: An Employee as may be determined by the ESS Committee from time to time to be senior management
"Share Grant Scheme"	: The share grant scheme which would enable the Company to award Share Grant to the Directors and/or Senior Management Personnel who are Eligible Persons without any payment of cash consideration and according to the terms of these By-Laws

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- "Share Grant" : A grant of Shares made in writing by the ESS Committee from time to time to the Directors and/or Senior Management Personnel who are Eligible Persons to participate in the Share Grant Scheme in the manner provided in By-Law 37
- "Share Grant Grantee" : An Eligible Person who has accepted a Share Grant in the manner as provided in By-Law 38
- "Share Grant Letter" : Has the meaning given to it in By-Law 37.3
- "Share Grant Price" : The reference price which is used to determine the number of Shares to be granted under the Share Grant
- "Share Grant Vesting Date(s)" : The date or dates as may be determined by the ESS Committee on which all or some of the Shares awarded under a Share Grant to an Eligible Person is/are vested in accordance with By-Law 39
- "Share(s)" or "TVHB Share(s)" : Ordinary share(s) in the Company
- "SICDA" : Securities Industry (Central Depositories) Act 1991, as amended from time to time
- "Vesting Conditions" : The conditions determined by the ESS Committee and stipulated in the Award which must be fulfilled for the ESOS Options under the ESOS Award or the Shares under the Share Grant to be vested in an ESOS Grantee or Share Grant Grantee as provided in By-Laws 33.4 and 7.7 respectively
- "Vesting Date" : The Share Grant Vesting Date and/or the ESOS Vesting Date as the context requires and "Vest" and "Vested" shall be construed accordingly
- 1.2 Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and the Listing Requirements, policies and/or guidelines of Bursa Securities (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with reasonable commercial practice of persons to whom such requirements, policies, regulations and/or guidelines are addressed by Bursa Securities).
- 1.3 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESOS Award or Share Grant (as may be applicable) made, offered and/or accepted within the Duration of the Scheme, and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 1.4 In these By-Laws, unless the context requires otherwise, words denoting the singular number shall include the plural number and words denoting one gender shall include the other gender.
- 1.5 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry, then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 1.7 Any liberty or power of discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (i) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; and
 - (ii) by the ESS Committee may be exercised in the ESS Committee's sole and absolute discretion and the ESS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESS Committee.
- 1.8 In the event of any change in the name of the Company from its present name, all references to "Toyo Ventures Holdings Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

[the remaining of this page is intentionally left blank]

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad***PART A: GENERAL PROVISIONS****2. THE SCHEME**

- 2.1 The Scheme shall be known as the "Toyo Ventures Holdings Berhad Employees' Share Scheme" and shall comprise of the ESOS and Share Grant Scheme, the objective of which is intended to:
- (a) motivate, retain and reward the Eligible Persons, who play a vital role in the operations and continued growth of the Group's performance, by providing them with the opportunity to participate in the equity of the Company and thereby, relate directly to the performance of the Group;
 - (b) provide a continuing incentive to the Eligible Persons without adversely affecting the cash flow of the Group whilst at the same time contributing positively to its continuing growth through the intended stimulation of greater commitment, productivity and efforts on the part of the Eligible Persons towards the Group; and
 - (c) reward the contributions of the Directors (including non-executive Directors), whose services are vital to the continuous growth of the Group, and who are responsible for the overall strategic plans, business conduct and control of the Group's activities.

3. APPLICATION OF PART A: GENERAL PROVISIONS

- 3.1 Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESOS and the Share Grant Scheme.

4. ADMINISTRATION

- 4.1 The Scheme shall be administered by the ESS Committee consisting of such number of Directors and/or Senior Management Personnel of the Group as shall be appointed by the Board from time to time. The Board shall have the power to determine all matters pertaining to the ESS Committee, including, without limitation, setting the terms of reference for the ESS Committee, determining its composition, duties, powers and limitations. The Board is also entitled at any time and from time to time to rescind the appointment of any member of the ESS Committee and appoint replacement members to the ESS Committee, to change the terms of appointment of the members of the ESS Committee and to determine and change the terms of reference for the ESS Committee.
- 4.2 The ESS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it, subject only to these By-Laws as may be amended from time to time. The ESS Committee may meet together for the despatch of business, to adjourn or otherwise regulate its meetings as it thinks fit.
- 4.3 In implementing the Scheme, the ESS Committee may, at its discretion, decide that any vesting of Shares comprised in a Share Grant shall be satisfied through:
- (i) the allotment and issuance of new Shares;
 - (ii) the acquisition and transfer of existing Shares;
 - (iii) any other methods as may be permitted by the Act; or
 - (iv) a combination of any of the above.

In considering the mode of satisfaction as referred to in (i) to (iv) above, the ESS Committee will take into consideration, among others, factors such as the prevailing market price of the

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

Shares, funding considerations, dilutive effects of any such issuance on the Company's share capital base, and cash requirements of the Group.

- 4.4 Without limiting the generality of By-Laws 4.1 and 4.2, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in the Award subject to By-Laws 32.5 and 37.5, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme. Any decisions of the ESS Committee which are made in accordance with these By-Laws shall be final, binding and conclusive.

5. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 5.1 The maximum number of new Shares to be issued under the Scheme shall not in aggregate exceed fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares) at any one time during the Duration of the Scheme as provided in By-Law 21.1 ("**Maximum Shares**").
- 5.2 Notwithstanding the provision of By-Law 5.1 above and any other provision herein contained, in the event the Maximum Shares exceed the aforesaid fifteen percent (15%) as a result of the Company purchasing its own Shares in accordance with the provisions of Section 127 of the Act or undertaking any other corporate proposal and thereby reducing its issued share capital, then such Award granted prior to the reduction of the issued share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme as if that reduction had not occurred. However, in such a situation, the ESS Committee shall not make any further Award unless the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares).
- 5.3 For the avoidance of doubt, any Award that is not accepted by any Eligible Persons pursuant to these By-Laws will be added back to the number of Shares available to be awarded under the Scheme.

6. ELIGIBILITY

- 6.1 Subject to the discretion of the ESS Committee, any Eligible Persons who meets the following criteria as at the Award Date shall be eligible to participate in the Scheme:
- (a) in respect of a Director:-
- (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt;
 - (iii) has been appointed as a Director of a company within the Group (excluding dormant subsidiaries) for such period as may be determined by the ESS Committee prior to and up to the Award Date;
 - (iv) fulfilled any other eligibility criteria and falls within such category as may be set by the ESS Committee from time to time at its discretion; and
 - (v) should have his/her entitlement under the Scheme approved by the shareholders of the Company in a general meeting.
- (b) in respect of an Employee:-
- (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (iii) is confirmed in writing as a full-time employee and has been in the employment of the Group (excluding dormant subsidiaries) for such period as may be determined by the ESS Committee prior to and up to the date of Awards; and
- (iv) fulfilled any other eligibility criteria and falls within such category as may be set by the ESS Committee from time to time at its discretion.

The selection of any Eligible Person for participation in the Scheme shall be at the discretion of the ESS Committee, the decision of which shall be final and binding.

- 6.2 Notwithstanding the above, the ESS Committee may from to time at its absolute discretion determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in By-Law 6.1 for the purpose of selecting an Eligible Person to be offered the Award, and the decision of the ESS Committee shall be final and binding.
- 6.3 Where a specific allocation of Options and/or Shares Grants is proposed to be made pursuant to an Award to the chief executive officer, Director or major shareholder of the Company ("**Interested Parties**"), or a person connected with any of the Interested Parties, such specific allocation to the said person must be approved by the shareholders of the Company in a general meeting provided always that the Interested Parties and/or persons connected with him/her shall not have voted on the resolution approving the said allocation of Shares and/or Options to be made thereunder and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulation.
- 6.4 In the event that any Eligible Persons is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocations of the Awards.
- 6.5 For the avoidance of doubt, the Directors and Employees of a dormant company within the Group shall not be eligible to participate in the Scheme.
- 6.6 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Award unless an Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the Award in accordance with By-Laws 32 and/or 37 hereof.

7. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

- 7.1 Subject to any adjustments which may be made under the By-Laws, the maximum aggregate number of new Shares that may be allocated to the Eligible Persons under the Scheme shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Persons, subject to the following:-
 - (a) the total number of new Shares to be issued under the Scheme shall not exceed the Maximum Shares stipulated in By-Law 5.1;
 - (b) the Directors and Senior Management Personnel do not participate in the deliberation or discussion in respect of their own allocation;
 - (c) not more than ten percent (10%) of the total number of new Shares to be issued under the Scheme would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares of the Company (excluding treasury shares); and

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (d) not more than eighty percent (80%) of the total number of new Shares to be issued under the Scheme shall be allocated, in aggregate, to the Directors and Senior Management Personnel who are Eligible Persons. This is intended to recognise the contribution of the Directors and Senior Management Personnel whose services are valued and instrumental to the Group's ongoing operations and growth,

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

- 7.2 At the time the Award is offered, the ESS Committee shall set out the basis of allocation of the Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 32.4 and/or By-Law 37.3 (as the case may be).
- 7.3 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such promoted Eligible Person shall be the Maximum Allowable Allotment corresponding to the new category of employee which he/she then is a party, subject always to the availability of Award and the Maximum Shares under By-Law 5.1.
- 7.4 Any Eligible Person who holds more than one (1) position within the Group (including a Director who sits on the board(s) of directors of any one or more subsidiaries within the Group), and is therefore an Eligible Person in more than one designation in the Group, shall be entitled to the Maximum Allowable Allotment of only one (1) selected designation. The ESS Committee shall be entitled at its sole and absolute discretion to determine the applicable designation of such Eligible Person for the purposes of determining the Maximum Allowable Allotment.
- 7.5 The ESS Committee may make more than one (1) Award to an Eligible Person provided that the aggregate number of Options and/or Shares awarded to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person, subject always to By-Law 7.1.
- 7.6 The Company shall ensure that the allocation of Shares pursuant to the Scheme is verified by its Audit and Risk Management Committee at the end of each financial year as being in compliance with the criteria as set out in these By-Laws.
- 7.7 The ESS Committee shall have the discretion in determining, amongst others, the following:
- (a) the Maximum Allowable Allotment in relation to each class or grade of the Eligible Persons and the aggregate Maximum Allowable Allotment for an Eligible Person under the Scheme from time to time, and the decision of the ESS Committee shall be final and binding;
- (b) whether the granting of the Awards to the Eligible Persons will be based on staggered granting over the Duration of the Scheme or in one (1) single grant or separate and independent from each other, including the Maximum Allowable Allotment for each financial year in the event the offer is staggered over the Duration of the Scheme;
- (c) whether the Awards are subject to any Performance Targets or vesting period, the determination of which will be carried out at a later date after the establishment of the Scheme and pursuant to By-Law 8; and/or
- (d) the Vesting Conditions specified in respect of an Award. The Shares or such part thereof as may be specified in respect of an Award will only vest with the Grantee on the relevant Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (i) the said Grantee has not been adjudicated a bankrupt;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (ii) the said Grantee remains an Employee or a Director and has not given notice of resignation, received a notice of termination, or otherwise ceased or had his/her employment terminated;
- (iii) the Performance Targets, if any, are fully and duly satisfied; and
- (iv) any other conditions as may be determined by the ESS Committee.

The ESS Committee shall have full discretion to determine whether any Vesting Conditions have been fully and duly satisfied and such determination by the ESS Committee shall be final and binding.

8. PERFORMANCE TARGETS

- 8.1 The vesting of any Award may be subject to the fulfilment by the Group and/or the Eligible Person (as the case may be) of Performance Targets within the Performance Period and/or such other conditions, as may be determined by the ESS Committee.
- 8.2 The determination as to whether the Performance Targets have been fulfilled shall be made by the ESS Committee at the expiry of the Performance Period and such determination by the ESS Committee shall be final and binding.
- 8.3 Where the ESS Committee has determined that the Performance Targets and/or such other conditions imposed, if any, have been fully and duly satisfied pursuant to By-Law 8.2, the ESS Committee shall notify the Eligible Person of the number of Award vested or which will be vested in him/her.
- 8.4 If the Performance Targets and/or other conditions imposed (if any) are not fulfilled, the ESS Committee may, in its sole and absolute discretion, determine the number of Award which will be vested.

9. DISCIPLINARY PROCEEDINGS

- 9.1 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to have vested any unvested Award or to exercise any unexercised ESOS Options pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to have vested any unvested Award and/or to exercise any unexercised ESOS Options having regard to the nature of the charges made or brought against such Grantee, provided always that:
 - (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the right of such Grantee to their Share Grants and/or to exercise his/her ESOS Option;
 - (ii) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee and/or all unvested Award shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (iii) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have any unvested Award vested in him/her and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (iv) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options and/or Share Grant of such Grantee shall immediately lapse on the Date of Expiry without notice,

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

10. NON-TRANSFERABILITY

- 10.1 An Award is personal to the Grantee and subject to the provisions of By-Laws 10.2, 10.3 and 13.2, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 10.2 An Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any attempt to transfer, assign, dispose or encumber any Award shall result in the automatic cancellation of the Award rendering the Award void.
- 10.3 Notwithstanding this By-Law 10, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to vest or exercise all unvested or unexercised Award granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further Award under this Scheme.

11. RIGHTS ATTACHING TO SHARES AND AWARDS AND RANKING OF SHARES

- 11.1 All the new Shares to be allotted and issued pursuant to the Scheme shall, upon allotment and issue, rank equally in all respects with the then existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the existing shareholders of the Company, unless the allotment and issuance of such new Shares are made on or prior to the Entitlement Date of such dividends, rights, allotments and/or other distributions.
- 11.2 In respect of the transfer of existing Shares (including treasury shares) to the Share Grant Grantees, if any, pursuant to the vesting of the Shares comprised in a Share Grant, such Shares shall rank equally in all respects with the then existing Shares. However, the Share Grant Grantee shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the Share Grant Grantees on or prior to the Entitlement Date of such dividends, rights, allotments and/or other distributions.
- 11.3 The Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unexercised ESOS Options and/or unvested Share Grants.

12. RETENTION PERIOD

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 12.1 Subject to the Listing Requirements and/or any other applicable laws, the new Shares to be allotted and issued and/or existing Shares to be transferred to the Grantees, if any, pursuant to the Scheme will not be subjected to any retention period unless otherwise as stated in the Awards as determined by the ESS Committee at its discretion. However, the Grantees are encouraged to hold the Shares as a long-term investment rather than to realise for immediate gains from disposal.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a non-executive Director must not sell, transfer or assign the Shares obtained through the exercise of the ESOS Options offered to him/her within one (1) year from the date of the Awards.

13. TERMINATION OF THE AWARD

- 13.1 Prior to the full vesting of any Award and/or the allotment or satisfaction by any other means of an Award in the manner as provided for under By-Law 4.3, such Award that remains unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group in the following circumstances:
- (i) termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
 - (ii) bankruptcy of the Grantee, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
 - (iii) upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the Award, in which event the Award shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group on the date such event occurs; or
 - (iv) winding up or liquidation of the Company, in which event the Award shall be automatically terminated and/or cease to be valid on the following date:
 - (a) in the case of a voluntary winding up, the date on which the resolution of the winding up of the Company is passed; or
 - (b) in the case of an involuntary winding up, the date on which a court order is made for the winding up of the Company; or
 - (v) termination of the Scheme pursuant to By-Law 21.4, in which event the Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date (as defined below) pursuant to By-Law 21.4, or
 - (vi) death of the Grantee, in which event the Award shall be automatically terminated and cease or deemed to be valid without any claim against the Group on the date of death of the Grantee,
- whichever shall be applicable.

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

Upon the termination of the Award pursuant to By-Laws 13.1(i), (ii), (iii), (iv) or (v) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any Award or right to exercise his/or her ESOS Option(s) or his/her Award ceasing to be valid.

- 13.2 Notwithstanding By-Law 13.1(i) above, the ESS Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or as the case may be, for all or any part of any unvested Award to vest in accordance with the provisions of these By-Laws, and at the times or period at or within which such Award may vest (provided that no Award shall vest after the respective ESOS Vesting Date(s) or Share Grant Vesting Date(s) has passed) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (a) ill-health, injury, physical or mental disability; or
 - (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (c) redundancy or retrenchment pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by a company within the Group; or
 - (c) any other circumstances which are acceptable to the ESS Committee in its sole and absolute discretion.

14. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

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

15. THE SCHEME IS NOT A TERM OF EMPLOYMENT

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

16. TAXES

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

17. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 17.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of shares or reduction or any other variation of capital or otherwise howsoever, the ESS Committee may, in its discretion, determine whether:
- (i) in respect of the ESOS, the Option Price and/or the number of unexercised ESOS Options; and
 - (ii) in respect of the Share Grant Scheme, the Share Grant Price and the number of Shares comprised in the unvested Share Grants,
- shall be adjusted, and if so, the manner in which such adjustments should be made.
- 17.2 The provisions of this By-Law 17 shall not apply where the alteration in the capital structure of the Company arises from any of the following:
- (i) an issue of Shares pursuant to the exercise of ESOS Options and/or vesting of Shares pursuant to the Award under the Scheme; or
 - (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (iii) an issue of securities via a private placement; or
 - (iv) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
 - (v) a restricted issue of securities; or
 - (vi) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
 - (vii) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to the Section 127 of the Act.
- 17.3 Save as expressly provided for herein, the external auditor or the Adviser selected by the Board (acting as experts and not as arbitrators) shall confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of such external auditor or Adviser shall be final, binding and conclusive.
- 17.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to the Act, By-Law 17.1 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 17.1 is applicable, but By-Law 17.1 shall not be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 17.1 is not applicable as described in By-Law 17.2.
- 17.5 Any adjustment pursuant to By-Law 17.1 shall be made according to the following terms:
- (i) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (ii) in the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation, subdivision or reduction becomes effective (being the date when the Shares are traded on Bursa Securities) or such other period as may be prescribed by Bursa Securities.

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 17.6 Upon any adjustment required to be made pursuant to this By-Law 17, the Company shall notify the Grantee (or his or her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:
- (i) in respect of the ESOS, the Option Price or the number of ESOS Options which are the subject of the adjusted ESOS Award; and
 - (ii) in respect of the Share Grant Scheme, the Share Grant Price and the number of Shares comprised in the unvested Share Grants which are the subject of the adjusted Share Grant.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

- 17.7 In respect of the ESOS Options or the Share Grants, any adjustment pursuant to this By-Law 17 shall be made in accordance with the following formulae below (as applicable), pursuant to By-Law 17.6:

(a) **Consolidation or subdivision**

If and whenever a Share, by reason of any consolidation or subdivision or conversion of the Shares occurs, the Option Price and/or Share Grant Price shall be adjusted and the additional number of Shares comprised in the ESOS Options and/or Share Grant shall be calculated in accordance with the following formula:

$$\begin{array}{r} \text{New Option Price} \\ \text{and/or Share} \\ \text{Grant Price} \end{array} = S \times \frac{\text{Total number of issued Shares (excluding treasury shares) immediately preceding such consolidation or subdivision}}{\text{Total number of issued Shares (excluding treasury shares) immediately after such consolidation or subdivision}}$$

$$\begin{array}{r} \text{Additional number} \\ \text{of Shares} \end{array} = T \times \frac{\text{Total number of issued Shares (excluding treasury shares) immediately after such consolidation or subdivision}}{\text{Total number of issued Shares (excluding treasury shares) immediately preceding such consolidation or subdivision}}$$

Where:

S = Existing Option Price and/or Share Grant Price; and

T = Existing number of Shares comprised in the ESOS Options and/or Share Grant

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

(b) **Capitalisation of profits/reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{\quad}$$

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

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

and the additional number of Shares relating to the ESOS Options and/or Share Grants shall calculated as follows:

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

Where:

- A = The aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;
- B = The aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature); and
- T = T as in By-Law 17.7(a) above.

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

- (c) If and whenever the Company shall make:
 - (i) 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 new 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 new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

and in respect of the case referred to in By-Law 17.7(c)(ii) hereof, the additional number of Shares relating to the ESOS Options and/or Share Grants shall be calculated as follows:

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

Where:

- C = The Current Market Price (as defined in By-Law 17.7(g) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- D = (aa) In the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 17.7(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 17.7(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (bb) In the case of any other transaction falling within By-Law 17.2(c) hereof, the fair market value as determined by an auditor and/or Adviser of the Company of that portion of the Capital Distribution attributable to one (1) Share; and
- D* = The value of the rights attributable to one (1) Share (as defined below).

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

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

Where:

- C = C as in By-Law 17.7(c) above;
- E = The subscription price for one (1) new Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and
- F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or subscribe for security convertible into one (1) additional Share or rights to acquire or subscribe for additional Shares.

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

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

Where:

- C = C as in By-Law 17.7(c) above;
- E* = The subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and
- F* = The number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 17.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (not falling under By-Law 17.7(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad

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

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

(d) **Capitalisation of profits/reserves and rights issue of Shares/convertible securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 17.7(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer of invitation, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 17.7(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the additional number of Shares relating to the ESOS Options and/or Share Grants shall be calculated as follows:

$$\begin{array}{l} \text{Additional} \\ \text{number of} \\ \text{Shares} \\ \text{comprised} \\ \text{in ESOS} \\ \text{Options /} \\ \text{Share} \\ \text{Grant} \end{array} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

$$\begin{array}{l} \text{Additional} \\ \text{number of} \\ \text{Shares to} \\ \text{be vested} \end{array} = T \times \left(\frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right) - T$$

Where:

- B = B as in By-Law 17.7 (b) above;
- C = C as in By-Law 17.7 (c) above;
- G = The aggregate number of issued and fully paid-up Shares on the Entitlement Date;
- H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- H* = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation, as the case may be;
- I* = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and
- T = T as in By-Law 17.7(a) above.

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

(e) **Rights issue of the Shares and rights issue of convertible securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 17.7(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for ordinary shares as provided in By-Law 17.7(c)(iii) above, the Option Price and/or Share Grant 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 additional number of Shares relating to the ESOS Options and/or Share Grants shall be calculated as follows:

- (1) in respect of the ESOS Options:

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

- (2) in respect of the Share Grants:

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

Where:

- C = C as in By-Law 17.7(c) above;
- G = G as in By-Law 17.7(d) above;
- H = H as in By-Law 17.7(d) above;
- H* = H* as in By-Law 17.7(d) above;
- I = I as in By-Law 17.7(d) above;
- I* = I* as in By-Law 17.7(d) above;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- J = The aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;
- K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and
- T = T as in By-Law 17.7(a) above.

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

(f) **Capitalisation of profits/reserve, rights issue of shares and rights issue of convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 17.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 17.7(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 17.7(c)(iii) above, and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price and/or Share Grant 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 additional number of Shares relating to the ESOS Options and/or Share Grants shall be calculated as follows:

(1) in respect of the ESOS Options:

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

(2) in respect of the Share Grants:

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

Where:

- B = B as in By-Law 17.7(b) above.
- C = C as in By-Law 17.7(c) above;
- G = G as in By-Law 17.7(d) above;
- H = H as in By-Law 17.7(d) above;
- H* = H* as in By-Law 17.7(d) above;
- I = I as in By-Law 17.7(d) above;
- I* = I* as in By-Law 17.7(d) above;
- J = J as in By-Law 17.7(e) above;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

K = K as in By-Law 17.7(e) above; and

T = T as in By-Law 17.7(a) above.

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

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 17.7(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price and/ or Share Grant Price shall be adjusted by multiplying it by the following fraction:-

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

Where:

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

For the purpose of By-Law 17.7(g), the “**Total Effective Consideration**” shall be determined by the Board with the concurrence of an auditor and/or Adviser of the Company and shall be:

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

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 17.7(g), the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

For the purpose of By-Law 17.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the weighted average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

- 17.8 If an event occurs that is not set out in By-Law 17.7 or if application of any of the formula to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve the desired result of preventing the dilution or enlargement of the Eligible Person's rights, the ESS Committee may agree to an adjustment subject to the provision of By-Law 17.7 provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESS Committee.
- 17.9 Notwithstanding the provisions referred to in this By-Law, the ESS Committee may exercise its discretion to determine whether any adjustments to the Option Price and/or Share Grant Price, the number of Options and/or new Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or Share Grant Price and/or the number of Options and/or new Shares notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 17.10 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 17, the number of Shares comprised in an ESOS Award or Share Grant shall automatically be rounded down to the nearest whole number.
- 17.11 Upon any adjustment being made pursuant to this By-Law, the ESS Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of Shares thereafter to be issued on the exercise of the ESOS Options and/or to be vested under the Share Grants.

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

- 18.1 In the event of:
- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror);

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (b) the Offeror becoming entitled or bound to exercise the rights of compulsory acquisition of Shares under the provisions of the Capital Markets and Services Act 2007 or other relevant laws applicable at the material time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement of the Company under Section 366 of the Act or its reconstruction and amalgamation with any other company or companies under Section 370 of the Act,

the ESS Committee may at its discretion to the extent permitted by law allow the exercise of any ESOS Options and/or the vesting of any Share Grants (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (1) the ESOS Vesting Date or Share Grant Vesting Date (whichever applicable) is not due or has not occurred; and/or
- (2) the other terms and conditions set out in the Award have not been fulfilled or satisfied.

19. DIVESTMENT FROM THE GROUP

19.1 If a Grantee who was in the employment of a corporation in the Group which was subsequently divested, then such Grantee:

- (i) shall:
 - (a) not be entitled to continue to exercise all such unexercised vested ESOS Options held by him/her; and
 - (b) cease to be capable of being vested with any unvested ESOS Options or unvested Share Grants granted to him/her under the Scheme,

from the date of completion of such divestment; and
- (b) shall not be eligible to participate for further Award under the Scheme as from the date of completion of such divestment.

19.2 For the purposes of By-Law 19.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above fifty percent (50%) to fifty percent (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESS Committee at its absolute discretion.

20. WINDING UP

20.1 In the event that a resolution is passed or a court order is made for the winding up of the Company, all outstanding Awards shall be automatically terminated and be of no further force and effect in accordance with By-Law 13 above. Subject to By-Law 13 above, in the event a petition is presented in court for the winding up or liquidation of the Company, all rights to exercise and/or vest the Award shall automatically be suspended from the date of presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the Award shall accordingly be unsuspended.

21. DURATION OF THE SCHEME

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 21.1 The Scheme is conditional upon:
- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (ii) approval from Bursa Securities for the listing of and quotation for such number of Shares representing up to fifteen percent (15%) of the issued share capital of the Company on the Main Market of Bursa Securities;
 - (iii) approval of the shareholders of the Company for the Scheme being obtained;
 - (iv) receipt of the approval(s) of any other relevant authorities (where applicable); and
 - (v) fulfilment or waiver (as the case may be) of all applicable conditions attached to the above approvals (if any).
- The Scheme shall be in force for a duration of five (5) years commencing from the effective date of implementation of the Scheme, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements in relation to the Scheme ("**Effective Date**"). The Scheme may be extended for a further period of five (5) years at the discretion of the Board upon the recommendation of the ESS Committee, subject to a maximum aggregate of ten (10) years from the Effective Date ("**Duration of the Scheme**").
- 21.2 The Award can only be made during the Duration of the Scheme and before 5.00 p.m. on the Date of Expiry.
- 21.3 On the expiry of the Scheme, any Award which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void.
- 21.4 Subject to the compliance with the Listing Requirements and other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the ESS Committee, at any time during the Duration of the Scheme and before the Date of Expiry, terminate the Scheme in accordance with the terms of these By-Laws provided that an announcement is released to Bursa Securities on the following:
- (a) the effective date of termination of the Scheme ("**Termination Date**");
 - (b) the number of ESOS Options exercised under the ESOS and the Shares vested under the Share Grant Scheme; and
 - (c) the reasons for termination of the Scheme.
- 21.5 In the event of termination as stipulated in By-Law 21.4, the following provisions shall apply:
- (a) no further Award shall be made by the ESS Committee from the Termination Date;
 - (b) all Awards which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date; and
 - (c) all Awards which have yet to be vested or exercised (as the case may be and whether fully or partially granted under the Scheme) shall automatically be deemed cancelled and be null and void on the Termination Date.
- 21.6 For the avoidance of doubt, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of the Grantees who have unexercised ESOS Options and/or unvested Share Grants are not required to effect a termination of the Scheme pursuant to By-Law 21.4 unless otherwise required by the Listing Requirements and/or other applicable laws.

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad***22. SUBSEQUENT EMPLOYEES' SHARE SCHEMES**

- 22.1 The Company may, in addition to the Scheme, implement more than one (1) employees' share scheme provided that the aggregate number of Shares available under all the employee share schemes implemented by the Company is not more than the maximum limit prescribed in any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

23. COMPENSATION AND DISCLAIMER OF LIABILITY

- 23.1 The Scheme shall afford the Grantee no additional right to compensation or damages in the event of the cessation of his employment or appointment for any reason whatsoever.
- 23.2 Participation in this Scheme by an Eligible Person is a matter entirely separate from his terms and conditions of employment and participation in this Scheme shall in no respects whatever affect in any way a Grantee's terms and conditions of employment. In particular (but without limiting the generality of the foregoing words) any Grantee who leaves employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, dismissal without just cause or excuse, or other breach of contract or by way of compensation for loss of office or otherwise howsoever.
- 23.3 Notwithstanding anything to the contrary and subject to the Act, the Board, the ESS Committee and/or the Company including any companies in the Group 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 new Shares or in applying for or procuring the listing of the new Shares on Bursa Securities in accordance with these By-Laws for any reason whatsoever.

24. AMENDMENTS AND/OR MODIFICATION TO THE SCHEME

- 24.1 Subject to By-Law 24.2, compliance with the Listing Requirements and the approvals of any other relevant authorities (if required), the ESS Committee may at any time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend, modify and/or delete all or any part of the By-Laws upon such recommendation. The Company shall submit the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the Listing Requirements.
- 24.2 Subject to By-Law 24.1, the approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws save and except if such additions, amendments and/or modifications and/or deletions would:-
- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (b) increase the number of Shares available under the Scheme beyond the Maximum Shares imposed by By-Law 5.1; or

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (c) prejudice any rights of the shareholders of the Company; or
- (d) alter to the advantage of the Eligible Persons, any matter which is required to be contained in the By-Laws by virtue of the Listing Requirements, without the prior approval of the shareholders of the Company in a general meeting.

25. DISPUTES

- 25.1 Any dispute or difference of any nature arising hereunder shall be referred to the decision of the ESS Committee. The said decision shall be final and binding on the parties unless the Eligible Person or Grantee, as the case may be, shall dispute the same by notice to the ESS Committee within fourteen (14) days of the receipt of the decision of the ESS Committee, in which case, such dispute or difference shall be referred to the decision of an approved company auditor as defined under Section 263 of the Act (acting as expert and not as arbitrator), whose decision shall be binding in all respects and whose costs shall be borne by the party against whom the decision is given on appeal.

26. COSTS AND EXPENSES

- 26.1 All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the Award, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the Scheme and the holding or subsequent dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty).

27. LISTING AND QUOTATION OF NEW SHARES

- 27.1 An application will be made to Bursa Securities for the listing of and quotation for the new Shares to be allotted and issued pursuant to the Scheme on the Main Market of Bursa Securities.

28. CONSTITUTION

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

29. NOTICE

- 29.1 Any notice which under the Scheme is required to be given to or served upon the ESS Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee and the ESS Committee shall be given or served in writing and either delivered by hand or sent to the registered office of the Company by facsimile or ordinary letter or to the ESS Committee or the Company by electronic mail. Proof of posting shall not be evidence of receipt of the letter.
- 29.2 Any notice under the Scheme 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 electronic mail, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person or Grantee at his/her place of employment, to his/her electronic mail address, at his/her last facsimile transmission number known to the Company,

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

or to his/her last-known address. Any notice served by hand, by facsimile, by electronic mail or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and acknowledged, (if by facsimile transmission) is transmitted with a confirm log print-out for the transmission indicating the date, time and transmission of all pages, (if by electronic mail) the dispatch of the electronic mail, (if any post) three (3) days after postage.

- 29.3 Any notice served by a party after the Company's official working hours shall be deemed to have been served on the next working day.

30. SEVERABILITY

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

31. GOVERNING LAW

- 31.1 The Scheme, the By-Laws, and all Awards made and granted and actions taken under the Scheme shall be governed by and construed in accordance with the Malaysian law.

[the remaining of this page is intentionally left blank]

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad***PART B: ESOS****32. ESOS AWARD**

- 32.1 The ESS Committee may at its discretion at any time and from time to time as it shall deem fit during the Duration of the Scheme make an ESOS Award in writing for acceptance in accordance with By-Law 33 below to an Eligible Person based on the criteria for allotment as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 32.2 The actual number of ESOS Options which may be offered to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Laws 17. The number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment of such Eligible Person and shall be in multiples of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESS Committee.
- 32.3 An ESOS Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole and absolute discretion ("**Offer Period**").
- 32.4 The ESS Committee shall state the following particulars in the letter of offer of an ESOS Award ("**ESOS Offer Letter**"):
- (i) the number of ESOS Options that are subject of the ESOS Award;
 - (ii) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the vesting and exercise of the ESOS Options;
 - (iii) the date of the ESOS Award;
 - (iv) the Option Period;
 - (v) the Option Price;
 - (vi) the Offer Period as mentioned in By-Law 32.3;
 - (vii) the Vesting Conditions;
 - (viii) the ESOS Vesting Date(s);
 - (ix) the basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, achievement of Performance Targets (if any), Maximum Allowable Allotment, minimum period for which an Option must be held before it can be exercised (if any), and such other information that the ESS Committee may in its sole and absolute discretion deem fit; and
 - (x) any other information deemed necessary by the ESS Committee.
- 32.5 Without prejudice to By-Law 4, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 32.4 above, the following provisions shall apply:
- (i) As soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental letter of offer, stating the correct particulars referred to in By-Law 32.4 above;

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- (ii) In the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of offer shall remain as the Option Price as per the original letter of offer; and
 - (iii) In the event that the error relates to the Option Price, the Option Price stated in the supplemental letter of offer shall be the Option Price applicable as at the date of the original letter of offer, save and except with respect to any ESOS Option which has already been exercised as at the date of issue of the supplemental letter of offer.
- 32.6 When an ESOS Award is made pursuant to these By-Laws, the ESS Committee shall ensure that the Company makes an announcement of the following to the Bursa Securities on the date of the ESOS Award:
- (i) the date of ESOS Award;
 - (ii) the Option Price;
 - (iii) the number of Options or Shares offered;
 - (iv) the market price of its Shares on the date of the ESOS Award;
 - (v) the number of Options or Shares to each Director, if any; and
 - (vi) the vesting period of the Options or Shares offered, if any.

33. ACCEPTANCE OF ESOS AWARD

- 33.1 An ESOS Award shall be accepted by the Eligible Person within the Offer Period by way of a written notice of acceptance addressed to the ESS Committee accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the ESOS Options (regardless of the number of Shares comprised therein). The date of receipt by the ESS Committee of such written notice shall constitute the Date of Acceptance.
- 33.2 The ESS Committee shall within thirty (30) days of the Date of Acceptance issue to the ESOS Grantee an option certificate in such form as may be determined by the ESS Committee.
- 33.3 If the ESOS Award is not accepted in the manner set out in By-Law 33.1 above, such ESOS Award shall upon the expiry of the Offer Period automatically lapse and be null and void and of no further effect. The new Shares comprised in such Options may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons or for future ESOS Award.
- 33.4 The Options or such part thereof as may be satisfied in the ESOS Award will only vest with the ESOS Grantee on the ESOS Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, including the following:
- (i) the said ESOS Grantee has not been adjudicated a bankrupt;
 - (ii) the said ESOS Grantee remains an Employee or a Director and has not given notice of resignation, or received a notice of termination, or has otherwise ceased or had his/her employment terminated; and
 - (iii) any other conditions as may be determined by the ESS Committee.
- 33.5 The ESS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to, among others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESS Committee may determine to be relevant, such as changes in

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

- 33.6 The Company shall keep and maintain a register of ESOS Grantees at its expense and shall enter in that register the names and addresses of the ESOS Grantees and such information as may be prescribed by the ESS Committee.

34. CANCELLATION OF ESOS AWARD

- 34.1 The ESS Committee may cancel any ESOS Award awarded under this Scheme or any Options that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESS Committee may, at its discretion, authorise the granting of new ESOS Award (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Award) in such manner, at such Option Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Award not been awarded.

35. EXERCISE OF ESOS OPTIONS

- 35.1 Each Option shall be exercisable into one (1) new Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 35.2 Subject to By-Laws 13, 18, 19, 20 and 21, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him or her (subject to By-Law 35.4 during the Duration of the Scheme) as provided in these By-Laws whilst he/she is in the employment with the Group or during his/her tenure as a Director and within the Option Period.
- 35.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. Notwithstanding anything herein to the contrary, in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 17 which results in the number of Shares comprised in an Option not being in multiples of one hundred (100) Shares, then the requirement that an Option shall be exercised in multiples of one hundred (100) Shares shall not be applicable for the ESOS Grantee's final exercise of the Option.
- 35.4 An ESOS Grantee shall exercise his/her ESOS Options vested in him/her in such form and manner as the ESS Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the ESOS Offer Letter. The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the ESS Committee from time to time. Any ESOS Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 35.5 Subject to By-Law 35.4, an ESOS Grantee shall exercise his/her ESOS Options by issuing the Notice of Exercise, stating the number of ESOS Options to be exercised and number of Shares to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the ESS Committee for the full amount of the Option Price in relation to the number of Shares in respect of which the Notice of Exercise is given PROVIDED THAT the number of new Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 35.2 and 35.3 above. The ESS Committee may pursuant to By-Law 24 hereof, at any time and from time to time, before or after the ESOS Award is awarded, limit the exercise of the ESOS Option to a maximum number of new Shares and/or such percentage of total new Shares comprised in the ESOS Award during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.

- 35.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee, despatch the notice of allotment to the ESOS Grantee stating the number of Shares so credited and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).
- 35.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Award.
- 35.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESS Committee. The ESS Committee shall inform the ESOS Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the ESOS Grantee shall be deemed not to have exercised his/her Option.
- 35.9 Every ESOS Award shall be subjected to the condition that no new Shares shall be issued pursuant to the ESOS Award if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

36. OPTION PRICE

- 36.1 Subject to any adjustments that may be made in accordance with By-Law 17, the Option Price shall be determined by the ESS Committee at its sole discretion based on the five (5)-day volume weighted average market price ("VWAMP") of the Shares immediately prior to the ESOS Award Date, with a discount of not more than ten percent (10%) thereon, if deemed appropriate and as may be permitted by Bursa Securities and/or any other relevant authorities from time to time.
- 36.2 The Option Price as determined by the ESS Committee shall be binding and conclusive on the ESOS Grantees.
- 36.3 The Option Price shall be stipulated in each option certificate.

[the remaining of this page is intentionally left blank]

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad***PART C: SHARE GRANT SCHEME****37. SHARE GRANT**

- 37.1 During the Duration of the Scheme, the ESS Committee may at its discretion at any time and from time to time as it shall deem fit make a Share Grant in writing for acceptance in accordance with By-Law 38 below to an Eligible Person based on the criteria for allotment as set out in By-Law 6 and otherwise in accordance with the terms of this Scheme.
- 37.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Laws 17. The number of Shares so awarded shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allotment of such Eligible Person and shall be in multiples of one hundred (100) Shares. The ESS Committee may stipulate any terms and conditions it deems appropriate in a Share Grant and the terms and conditions of each may differ. Nothing herein shall require any Share Grant offered to be the same as Share Grants previously or subsequently offered whether to the same or a different Eligible Person.
- 37.3 The ESS Committee will in its letter of offer for a Share Grant to an Eligible Person ("**Share Grant Letter**") state, amongst others:
- (i) the number of Shares that are subject of the Share Grant;
 - (ii) the date of the Share Grant;
 - (iii) the Vesting Conditions;
 - (iv) the Share Grant Vesting Date(s);
 - (v) the Validity Period as mentioned in By-Law 37.4;
 - (vi) the Share Grant Price;
 - (vii) the basis of the allocation of the Share Grant(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, achievement of Performance Targets (if any), Maximum Allowable Allotment and such other information that the ESS Committee may in its sole and absolute discretion deem fit; and
 - (viii) any other information deemed necessary by the ESS Committee.
- 37.4 The Share Grant shall be valid for acceptance for a period of thirty (30) days from the Award Date or such period as the ESS Committee at its sole and absolute discretion determines on a case-to-case basis ("**Validity Period**").
- 37.5 Without prejudice to By-Law 4, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 37.3 above in the Share Grant Letter, the Company shall, as soon as possible but in any event no later than one (1) month after discovery of the error, issue a supplemental Share Grant Letter, stating the correct particulars referred to in By-Law 37.3.
- 37.6 Subject to any adjustments that may be made in accordance with By-Law 17, the Share Grant Price shall be determined by the ESS Committee at its sole discretion based on the five (5)-day VWAMP of the Shares immediately prior to the Share Grant Award Date.
- 38. ACCEPTANCE OF SHARE GRANT**
- 38.1 A Share Grant shall be accepted by the Eligible Person within the Validity Period by way of a written notice of acceptance to the Company.

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

*Private & Confidential**By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

- 38.2 If the Share Grant is not accepted in the manner set out in By-Law 38.1 above, the Share Grant shall upon the expiry of the Validity Period automatically lapse and be null and void and of no further effect. The Shares comprised in such Share Grant may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 38.3 The Eligible Persons are not required to pay for the acceptance of the Share Grant and the subsequent vesting of the Shares they are entitled to receive upon vesting of the Shares pursuant to the Share Grant.
- 38.4 In the event that the ESS Committee shall determine, if applicable, that the Performance Targets or Performance Period are not fully and duly satisfied, the ESS Committee may, at its discretion, adjust the number of Shares (if any) which may vest in the Share Grant Grantee on the Share Grant Vesting Date(s) and/or take into account the shortfall in such manner as the ESS Committee may in its discretion otherwise deem fit.

39. AWARD OF SHARES

- 39.1 The ESS Committee may, by giving notice in writing to Share Grant Grantee, vary or waive any of the conditions or include additional conditions, as will be used to determine the number of Shares awarded or vested to such Share Grant Grantee on the Share Grant Vesting Date.
- 39.2 The determination whether the Share Grant Grantee has achieved the stipulated conditions shall be determined by the ESS Committee at its absolute discretion.
- 39.3 Upon making the determination pursuant to By-Laws 39.2, the ESS Committee shall vest the Shares under the Share Grant to the Share Grant Grantee subject to the Maximum Allowable Allotment and By-Law 7.
- 39.4 As soon as practicable after a determination is made pursuant to By-Laws 39.2 and 39.3 to vest the Shares under the Share Grant, the ESS Committee shall notify each Share Grant Grantee the:
- (a) number of Shares vested in him/her;
 - (b) retention period for those Shares (if any);
 - (c) dates on which the Shares awarded shall vest (where applicable); and
 - (d) any other conditions of the vesting of the Shares.
- 39.5 No Share Grant Grantee shall have any right to or interest in the Shares comprised in a Share Grant until and unless the Shares are vested in him/her on and with effect from the Share Grant Vesting Date.
- 39.6 The ESS Committee may, in its sole and absolute discretion, decide that the vesting of the Shares under the Share Grant, be satisfied by the allotment and issuance of Shares.
- 39.7 The Company shall within eight (8) Market Days after the Share Grant Vesting Date, or such other period as may be prescribed or allowed by Bursa Securities, and subject to the Constitution, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the Share Grant Grantee, despatch the notice of allotment and/or notice of transfer to the Share Grant Grantee stating the number of Shares so credited and apply to Bursa Securities for the quotation for any new Shares arising from the vesting of a Share Grant. The said Shares will be credited directly into the CDS Account of the respective Share Grant Grantee. No physical share certificates will

DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

Private & Confidential

*By-Laws of the Employees' Share Scheme
Toyo Ventures Holdings Berhad*

be issued and/or delivered to the Share Grant Grantee or his authorised nominee (as the case may be).

[the remaining of this page is intentionally left blank]

FURTHER INFORMATION

1.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

2.0 CONSENT

KAF IB, as the adviser to TVHB in relation to the Proposed ESS, has given and has not subsequently withdrawn its written consent to the inclusion in Part C of this Circular of its name and all references thereto, where relevant, in the form and context in which they appear.

3.0 CONFLICT OF INTEREST

KAF IB has confirmed that there is no conflict of interest that exists or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposed ESS.

4.0 MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, there are no any other material commitments and contingent liabilities incurred or known to be incurred by the TVHB Group which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of the TVHB Group.

5.0 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, TVHB Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the TVHB Group.

- (i) On 28 April 2023, the solicitors of TIGB were served with the Writ of Summons and Statement of Claim dated 20 April 2023 filed at the High Court of Malaya at Kuala Lumpur ("**Kuala Lumpur High Court**") (WA-22NCvC-202-04/2023) ("**Suit**"). The Suit was commenced by K.S. Lee Energy LLP ("**KSLE**") through its solicitors in relation to a Project Success Fee Agreement dated 28 January 2018 between TIGB and KSLE ("**PSF Agreement**") in relation to the Song Hau II Coal-Fired Power Plant Project at Hau Giang Province, Vietnam ("**Project**"). KSLE's claim against TIGB is for the sum of:-
- (a) USD10,363,516.00 for the "Equity Success Fee" and "Debt Success Fee" ("**Success Fee Claim**"); or
 - (b) in the alternative, USD8,839,947.60 for professional fees and loss of business opportunity ("**Alternative Claim**"); or
 - (c) in the further alternative, damages on a quantum meruit basis and/or pursuant to Section 71 of the Contracts Act 1950 to be assessed.

Under the PSF Agreement, KSLE was to be remunerated through, *inter alia*, a Project Success Fee ("**PSF**"). The PSF was calculated based on debt financing and contributions towards the Project which were meant to be received by the initial investors, which did not materialise. The PSF forms the subject matter of the Suit, which TIGB disputes. The PSF Agreement was officially terminated on 22 July 2022 vide letter issued by TIGB by email and registered post.

FURTHER INFORMATION (CONT'D)

Pursuant to an application by TIGB for the summary disposal of the Suit, the Kuala Lumpur High Court had, on 4 October 2023, answered all the preliminary issues proposed by TIGB in favour of TIGB and found the action commenced by KSLE to be an abuse of court process, and ordered that the action commenced by KSLE be dismissed with costs. The Kuala Lumpur High Court also ordered KSLE to pay TIGB a total sum of RM60,000.00, comprising the followings:

- (aa) RM30,000.00 costs for the action; and
- (bb) RM30,000.00 costs for TIGB's application,

(“**High Court Order**”).

In view of the High Court Order, all the trial dates previously fixed by the Kuala Lumpur High Court are vacated.

On 2 November 2023, KSLE filed an appeal to the Court of Appeal against the High Court Order (Court of Appeal Civil Appeal No. W-02(IM)(NCvC)-1820-11/2023) (“**Appeal**”) and the Appeal is fixed for case management on 31 January 2024.

The Board is advised by its solicitors that the merits of KSLE's Success Fee Claim and Alternative Claim are very weak as (i) the preconditions to the “Equity Success Fee” and “Debt Success Fee” were not satisfied whereby no contributions or compensations were provided by the initial investors; and (ii) there is no contractual basis for KSLE to claim the Alternative Claim. The Board is further advised by its solicitors that there is a good prospect of success in TIGB defending the High Court Order.

The Board is of the opinion that the Suit will not have any impact to the Project as KSLE has been fully paid and compensated via fixed fees for all advisory works performed under the PSF Agreement and in respect of the “Milestone Payments” and “Advisory Fee” under the Advisory and Services Agreement dated 28 January 2018 (“**Advisory Agreement**”) between KSLE and TIGB and legally compensated for termination of its services under the Advisory Agreement with the judgment sum of USD168,000.00 fully paid to KSLE on 21 February 2023 pursuant to the Kuala Lumpur Sessions Court Suit WA-52NCVC-347-08/2022.

- (ii) TIGB has received a letter of demand dated 5 May 2023 from Phu My Vinh Consulting Investment & Trading Service Company Limited (“**PMV**”) demanding from TIGB the sum of USD10,000,000.00 pursuant to a Consulting and Services Agreement dated 6 January 2020 in relation to the Project.

TIGB's solicitors have issued a response to the said demand letter on 12 May 2023 and as at the LPD, no proceedings have been commenced by PMV against TIGB. The Board is of the opinion that the demand will not have any impact to the Project as PMV is not entitled to the demanded sum of USD10,000,000.00 as PMV had not successfully arranged any capital for the Project.

- (iii) On 29 August 2023, the solicitors of TIGB were served with a Writ of Summons and Statement of Claim dated 23 August 2023 filed at the High Court of Malaya at Kuala Lumpur (WA-22NCvC-470-08/2023) (“**Suit 2**”). Suit 2 was commenced by PMV in relation to an agreement dated 28 September 2015 between TIGB and PMV (“**PMV Agreement**”) for PMV's provision of consultancy services pertaining to the Project. PMV's claim is monetary in nature for the sum of USD7,657,150.42 for alleged outstanding balance of consulting fees payable under the PMV Agreement, which TIGB disputes.

TIGB had entered its appearance on 29 August 2023 and on 23 October 2023, TIGB filed a striking out application to strike out Suit 2 and an application for security for costs. Both applications are fixed for hearing on 24 January 2024. The solicitors are cautiously optimistic that the striking out application will be allowed and that in the alternative, the High Court ought to allow security for costs if the striking out application is dismissed. The Board is of the opinion that Suit 2 will not have any impact to the Project as TIGB has paid all sum as agreed under the PMV Agreement and no amount is owing to PMV.

FURTHER INFORMATION (CONT'D)

6.0 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of TVHB at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) the Constitution;
- (ii) the latest audited consolidated financial statements of TVHB Group for 15-month FPE 30 September 2021 and FYE 30 September 2022;
- (iii) the latest unaudited consolidated financial statements of TVHB Group for 9-month FPE 30 June 2023;
- (iv) the letter of consent and conflict of interest referred to in Section 2 and Section 3 respectively of Appendix II, Part C of this Circular;
- (v) the relevant cause papers in relation to the material litigation referred to in Section 5 of Appendix II, Part C of this Circular; and
- (vi) the draft By-Laws.

[The rest of this page has been intentionally left blank]



TOYO VENTURES HOLDINGS BERHAD

(Registration No.: 202001001322 / 1357641-P)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Toyo Ventures Holdings Berhad (“**TVHB**” or “**Company**”) will be held on a virtual basis through live streaming and Remote Participation and Voting Facilities (“**RPV**”) from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd on Wednesday, 13 December 2023 at 10:30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED SETTLEMENT OF RM354,000,000 OUT OF THE TOTAL OUTSTANDING DEBTS AS AT 22 DECEMBER 2022 OF RM355,154,481 OWING TO NG LU SIONG @ NG SOON HUAT, ENG LIAN (L) INC. AND BUKIT ASA SDN BHD (COLLECTIVELY REFERRED TO AS THE “CREDITORS”) THROUGH THE ISSUANCE OF RM354,000,000 NOMINAL VALUE OF FIVE (5)-YEAR, ZERO COUPON IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) IN TVHB AT 100% OF ITS NOMINAL VALUE (“PROPOSED SETTLEMENT”)

“**THAT** subject to the approvals of the relevant authorities/parties, where relevant/required, being obtained for the Proposed Settlement and the fulfilment of the conditions precedent set out in the settlement agreement dated 27 December 2022 entered into between the Company and the Creditors (“**Settlement Agreement**”), approval be and is hereby given to TVHB, subject to the terms and conditions as set out in the Settlement Agreement, for the following:-

- (a) to issue and allot 295,000,000 ICULS at RM1.20 per ICULS with an aggregate value of RM354,000,000 to the Creditors;
- (b) to issue and allot 295,000,000 new ordinary shares in TVHB (“**TVHB Shares**” or “**Shares**”) pursuant to the conversion of the ICULS as well as further new TVHB Shares arising from the conversion of additional ICULS to be issued as a consequence of the adjustments under the provisions of the Trust Deed (as defined below). Such new TVHB Shares to be issued upon the conversion of the ICULS shall, upon issue and allotment, rank equally in all respects with the then existing TVHB Shares, save and except that such new TVHB Shares to be issued arising from the conversion of the ICULS shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement date of which is prior to the date of allotment of such new TVHB Shares to be issued arising from the conversion of the ICULS; and
- (c) to enter into and execute the trust deed to be executed by the Company and the trustee appointed by TVHB constituting the ICULS (“**Trust Deed**”) and to do all acts, deed and things as the board of directors of TVHB (“**Board**”) may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed;

THAT pursuant to Section 85(1) of the Companies Act 2016 and clause 16(d) of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company on the ICULS to be offered under the Proposed Settlement and the new TVHB Shares to be issued upon the conversion of the ICULS, which rank equally with the existing issued TVHB Shares;

AND THAT the Board be and is hereby authorised to act for and on behalf of the Company and to take all such steps and do all such acts, matters and things (including entering into all such deeds, agreements, arrangements, transactions, undertakings, transfers and indemnities) as it deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Settlement with full power to give all or any notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Settlement and to assent to any conditions, modifications, variations and/or amendments relating to the Proposed Settlement as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit and to do all such things as it may consider necessary, desirable, appropriate or expedient in the best interests of the Company.”

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE SCHEME (“SCHEME”) OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF TVHB SHARES (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF TVHB AND ITS SUBSIDIARIES (“TVHB GROUP” OR “GROUP”) (EXCLUDING DORMANT SUBSIDIARIES) (“PROPOSED ESS”)

“**THAT** subject to the approvals of all relevant authorities and/or parties, where relevant/required, being obtained for the Proposed ESS, approval be and is hereby given to the Board to:-

- (i) establish, implement and administer the Proposed ESS which comprised of a proposed share grant (“**Proposed Share Grant**”) and proposed issuance of employees’ share option (“**Proposed ESOS**”) during the duration of the Scheme to the eligible directors and employees of TVHB Group (excluding dormant subsidiaries) who fulfil the eligibility criteria for participation in the Proposed ESS as set out in the by-laws governing the Proposed ESS (“**By-Laws**”) (“**Eligible Persons**”), a draft of which is set out in Appendix I, Part C of the circular to the shareholders of the Company dated 28 November 2023 (“**Circular**”);
- (ii) to approve and adopt the By-Laws and to give effect to the Proposed ESS with full power to assent to any conditions, variations, modifications and/or amendments by a resolution of the Board upon recommendation of a committee to be appointed and duly authorised by the Board (“**ESS Committee**”) from time to time as it shall in its discretion deem fit subject to the By-Laws and compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and any other approvals as may be required by the relevant regulatory authorities;
- (iii) allot and issue such number of TVHB Shares to the Eligible Persons from time to time as may be required upon the vesting of any award of TVHB Shares to the Eligible Persons at no payment by the Eligible Persons (“**Share Grants**”) and/or exercise of the share options awarded to the Eligible Persons (“**ESOS Options**”) to subscribe for new TVHB Shares at the pre-determined subscription price, PROVIDED THAT the total number of new TVHB Shares, which may be made available under the Proposed ESS, shall not in aggregate exceed fifteen (15%) of the total number of issued Shares (excluding treasury shares) at any point in time during the duration of the Proposed ESS subject always to the following:-
 - (a) the directors and senior management personnel of TVHB Group do not participate in the deliberation or discussion in respect of their own allocation of the Share Grants and/or ESOS Options;
 - (b) not more than ten percent (10%) of the total number of new TVHB Shares to be issued under the Proposed ESS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares); and
 - (c) not more than eighty percent (80%) of the total number of TVHB Shares to be issued under the Proposed ESS shall be allocated, in aggregate, to directors and senior management personnel of the Group (excluding dormant subsidiaries) who are Eligible Persons;

- (iv) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new TVHB Shares which may from time to time be allotted and issued pursuant to the Proposed ESS. Such new TVHB Shares will, upon allotment and issuance, rank equally in all respects with the then existing issued TVHB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the existing shareholders of TVHB, unless the allotment and issuance of such new TVHB Shares are made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions;
- (v) extend the duration of the Proposed ESS for a maximum period of an additional five (5) years (the duration of the Proposed ESS would then be for a total period of ten (10) years from the effective date of the Proposed ESS), if the Board deems fit;
- (vi) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESS and the terms of the By-Laws; and
- (v) to appoint and authorise the ESS Committee by which the Proposed ESS will be administered in accordance with the By-Laws by the said ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of directors and/or senior management personnel of the Group to be identified from time to time.

THAT the directors of the Company be and are hereby authorised to give effect to the Proposed ESS with full power to add, modify and/or amend to and/or delete of all or any part of the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to addition, modification, amendment and/or deletion and to assent to any condition, variation, addition, modification, amendment and/or deletion as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities.

AND THAT pursuant to Section 85(1) of the Companies Act 2016 and clause 16(d) of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be first offered the new TVHB Shares to be issued pursuant to the Proposed ESS, which rank equally with the existing issued TVHB Shares, to be issued pursuant to the Proposed ESS.”

ORDINARY RESOLUTIONS 3 TO 9

PROPOSED ALLOCATIONS OF ESOS OPTIONS AND/OR AWARDS OF TVHB SHARES TO THE DIRECTORS OF TVHB UNDER THE PROPOSED ESS

“**THAT**, subject to the passing of Ordinary Resolution 2 above and for so long as this approval remains in force, approval be and is hereby given to the ESS committee to be appointed by the Board to administer the Proposed ESS, at any time, and from time to time, to offer and grant to the following directors of the Company, ESOS Options and/or awards of TVHB Shares under the Proposed ESS:-

- | | | |
|-------|------------------------------|-----------------------|
| (i) | Tuan Hj. Ir. Yusoff Bin Daud | Ordinary Resolution 3 |
| (ii) | Chew Cheong Loong | Ordinary Resolution 4 |
| (iii) | Tham Kut Cheong | Ordinary Resolution 5 |
| (iv) | Chan Kee Eng | Ordinary Resolution 6 |
| (v) | Low Mei Kheng | Ordinary Resolution 7 |
| (vi) | Tan Poh Lee | Ordinary Resolution 8 |
| (vii) | Lim Kee Min | Ordinary Resolution 9 |

PROVIDED THAT:-

- (a) he/she must not participate in the deliberation or discussion of his/her own allocation to be issued under the Proposed ESS;

- (b) not more than ten percent (10%) of the total number of new TVHB Shares to be issued under the Proposed ESS would be allocated to any one director of the Company who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares); and
- (c) not more than eighty percent (80%) of the total number of TVHB Shares to be issued under the Proposed ESS shall be allocated, in aggregate, to directors and senior management personnel of the Group (excluding dormant subsidiaries) who are Eligible Persons.

AND THAT subject always to such terms and conditions of the Proposed ESS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

BY ORDER OF THE BOARD

ANDREA HUONG JIA MEI (SSM PC NO. 202008003125) (MIA 36347)

Company Secretary
Kuala Lumpur

28 November 2023

Notes:-

1. *The EGM will be conducted on a virtual basis through live streaming and Remote Participation and Voting (“RPV”) Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV Facilities.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.*
3. *Where a member is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
4. *In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.*
5. *The instrument appointing a proxy must be deposited at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 December 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.*

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

Toyo Ventures Holdings Berhad – Extraordinary General Meeting

Date	:	13 December 2023
Time	:	10:30 a.m.
Meeting Venue	:	https://web.vote2u.my
Domain Registration Numbers with MYNIC	:	D6A471702

The Extraordinary General Meeting (“EGM” or “Meeting”) of Toyo Ventures Holdings Berhad (“TVHB” or “Company”) will be held on a virtual basis through live streaming and Remote Participation and Voting Facilities (“RPV”).

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 5 December 2023 and holders of proxy for those shareholders to participate in the virtual EGM and vote remotely at this EGM. In line with the Malaysian Code on Corporate Governance, this virtual EGM will facilitate greater shareholders’ participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the EGM without being physically present at the venue. For shareholders who are unable to participate in this virtual EGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. (“AGMO”) via its **Vote2U Online** website at <https://web.vote2u.my>

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarised below:

BEFORE EGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	<p>The registration will open from the day of notice</p> <ol style="list-style-type: none">Access website at https://web.vote2u.myClick “Sign Up” to sign up as a user.Read the ‘Privacy Policy’ and ‘Terms & Conditions’ and indicate your acceptance of the ‘Privacy Policy’ and ‘Terms & Conditions’ on a small box <input type="checkbox"/>. Then click “Next”.*Fill-in your details (note: create your own password). Then click “Continue”.Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian).Click “Submit” to complete the registrationYour registration will be verified and an email notification will be sent to you. Please check your email. <p><u>Note:</u> If you have registered as a user with Vote2U Online previously, you are not required to register again.</p> <p>*Check your email address is keyed in correctly. *Remember the password you have keyed-in.</p>

B: REGISTER PROXY**Individual Shareholder / Corporate Shareholder / Nominees Company**

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	<p>a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information:</p> <ul style="list-style-type: none"> o MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy o *Email address of the Proxy <p>b. Submit/Deposit the hardcopy Form of Proxy to share registrar office of TVHB at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.</p> <p><u>Note:</u> After verification, an email notification (containing a temporary password) will be sent to the Proxy. The Proxy could use the temporary password to log in to Vote2U Online portal.</p> <p>*Please ensure the email address of Proxy is written down correctly.</p>

Shareholders who appoint proxy(ies) to participate in the virtual EGM must ensure that the hardcopy Form of Proxy or e-proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON EGM DAY**A: WATCH LIVE STREAMING****Individual Shareholders & Proxies**

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	<p>The Vote2U online portal will open for log in starting from 9.30am, Wednesday, 13 December 2023, one (1) hour before the commencement of the EGM.</p> <ul style="list-style-type: none"> a. Login with your email and password b. Select the General Meeting event - "TVHB EGM". c. Check your details. d. Click "Watch Live" button to view the live streaming.

B: ASK QUESTION**Individual Shareholders & Proxies**

	Description	Procedures
i.	Ask Question during EGM (real-time)	<p>Questions submitted online using <u>typed text</u> will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question.</p> <ul style="list-style-type: none"> a. Click "Ask Question" button to post question(s). b. Type in your question and click "Submit".

	Description	Procedures
		The Chairman / Board of Directors will endeavor to respond to questions submitted by remote shareholders and proxies during the EGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	<p>Once the Chairman announces the opening of remote voting:</p> <ol style="list-style-type: none"> a. Click “Confirm Details & Start Voting”. b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click “Next” to continue voting for all resolutions. c. To change your vote, click “Back” and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click “Confirm” to submit your vote. <p><i>[Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]</i></p>

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this EGM.

Enquiry

- a. For enquiries relating to the EGM, please contact our **Investor Relation** during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Email: toyo_ir@toyventures.com.my

- b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone Number: 03-7664 8520 / 03-7664 8521

Email: vote2u@agmostudio.com



TOYO VENTURES HOLDINGS BERHAD

(Registration No.: 202001001322 / 1357641-P)

(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account	
Contact No.	

I/We, _____ NRIC No./Passport No./Company No. _____
of _____

being a member/members of Toyo Ventures Holdings Berhad hereby appoint _____
NRIC No./Passport No. _____ of _____

*and/or failing him/her _____ NRIC No./Passport No. _____ of _____

or failing him/her, *the Chairman of the Meeting as *my/our proxy to vote for *me/us and on my/our behalf at the Extraordinary General Meeting (“EGM” or “Meeting”) of Toyo Ventures Holdings Berhad will be held on a virtual basis through live streaming and Remote Participation and Voting (“RPV”) Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd on Wednesday, 13 December 2023 at 10:30 a.m., or any adjournment thereof.

Please indicate with (X) on how you want to cast your vote.

RESOLUTION	FOR	AGAINST
Ordinary Resolution 1 – Proposed Settlement		
Ordinary Resolution 2 – Proposed ESS		
Ordinary Resolution 3 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Tuan Hj. Ir. Yusoff Bin Daud		
Ordinary Resolution 4 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Chew Cheong Loong		
Ordinary Resolution 5 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Tham Kut Cheong		
Ordinary Resolution 6 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Chan Kee Eng		
Ordinary Resolution 7 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Low Mei Kheng		
Ordinary Resolution 8 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Tan Poh Lee		
Ordinary Resolution 9 – Proposed allocation of ESOS Options and/or award of TVHB Shares to Lim Kee Min		

Dated this _____ day of _____ 2023

.....
Signature(s)/Common Seal of Shareholder(s)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy _____ %

Second named proxy _____ %

_____ 100 %

If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

* Delete whichever is not applicable.



Notes:-

1. *The EGM will be conducted on a virtual basis through live streaming and Remote Participation and Voting (“RPV”) RPV Facilities from the online meeting platform at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV Facilities.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.*
3. *Where a member is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
4. *In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of some officer of the corporation, duly authorised on that behalf.*
5. *The instrument appointing a proxy must be deposited at Insurban Corporate Services Sdn. Bhd., 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 December 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and vote on his behalf.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
TOYO VENTURES HOLDINGS BERHAD
Insurban Corporate Services Sdn. Bhd.
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

1st fold here

